

Overview: What is Grant Funding anyway?

1. Unlike donations, grants are conditional. The funder can request money back if you haven't spent it as set in the conditions.
2. Not a loan – therefore, you don't have to pay it back.
3. Based on funding frameworks, priorities, and eligibility criteria.
 Funding frameworks: Usually don't change very often. They are the structure in which funders score applications. Frameworks are designed to help funders make informed and fair decisions about their funds.
 Priorities: These are more changeable because different board members or elected members coming into an organisation will have different views that inform these priorities. Priorities can include Projects that bring communities together. Or activities that decrease the social isolation of the elderly. Or capital items that last for several years.
 Important: Just because you successfully sought funding one year doesn't mean you will be again the following year – cause priorities might have changed.
 Eligibility Criteria: Set in stone. Very rigid. Some funders have different eligibility criteria for different funding pots—common exclusions: Individuals, Political or religious groups and activities.
4. For a particular community: Often region-specific, or it could be a community that has faced generations of disadvantage, e.g. living with physical disabilities.
5. To address a specific need or lead to a specific benefit. E.g. the advancement of medical research. The reduction of energy hardship. The improvement of youth wellbeing. **Don't squeeze yourself into these focus areas or criteria: Waste of time!**

Funding Puzzle

Funding is a big puzzle; you will need various grants and income sources to achieve your goals.

Income strategy: Develop an income strategy that doesn't only rely on grants. Diversify your income sources that will allow you to build up unrestricted funds, e.g. via a Friends scheme or other regular giving programme.

Personal Giving: Most of us give money to good causes, perhaps on a small scale, like a donation to an online appeal, or perhaps on a large scale, like supporting the redevelopment of a children's hospital. And it is something that we can do any time – even through making a bequest in our will. Individual giving has historically been the largest single source of community funding.

Sponsorships: Local businesses are often very generous and sponsor charitable work. Usually, this is due to a personal connection with your cause. Other times, the company wants to use a part of its marketing budget via sponsorship to increase its revenue. When approaching a company, consider what is in it for them and make that case confidently.

If you know one Funder... you know one Funder

Overall, philanthropic funding tends to fall into the following categories:

- **Private trusts and foundations:** Larger-scale giving, where wealthy families or individuals establish funds for charitable causes. Examples: Tindall Foundation, JR McKenzie Trust, Todd Foundation. Some grant-making is financed through income earned from an endowment fund; others have a spend-down model. Some family foundations operate nationally, and some regionally.

- **Community Foundations, Donor Advised Funds and Trust companies:**
These organisations provide an infrastructure for managing giving from estates after a donor has passed on or from wealthy individuals who want their funds to be distributed in a particular way. Examples include Perpetual Guardian, Public Trust and the Taranaki Foundation. The Taranaki Foundation is part of a network of 17 Community Foundations: <https://communityfoundations.org.nz>
- **Community Trusts:** For example, TOI Foundation, Foundation North, Rata Foundation, Wellington Community Fund, etc. These trusts were set up when the regional Savings Banks were sold in the 1980s and 1990s. The proceeds of these sales were invested, and the annual income generated was given as grants to communities, with each Community Trust focusing on the region in which its Trust bank operated. Here are twelve community trusts operating across Aotearoa.
- **Energy Trusts:** There are 24 energy trusts in Aotearoa; like community trusts, they operate on a regional level. Some offer rebates, while others have grants. There are none in Taranaki, but PowerCo offers some community grants, and TET also offers grants.
These trusts were established in the 1990s, coinciding with the restructuring of the electricity supply authorities (e.g., local power boards).
- **Gaming Trusts:** e.g., Lion Foundation, NZ Community Trust, and Pub Charity. These are technically statutory trusts; however, their funds come from the proceeds of gaming machines (pokies). Gaming Trusts are required by law to distribute at least 40% of gaming machine proceeds to the community where the money was raised.
- **Government-administered grant schemes:** Some grant-making is administered directly by government agencies. In particular, the Department of Internal Affairs is responsible for a considerable number of funds, including the Lottery Grants, which distributes funds from the sale of lotto tickets. Other government departments also provide grant schemes and funding through contracted services (Ministry for Health, etc).

Deep Dive: Gambling Proceeds

- Section 115A of the Gambling Act 2003 requires gaming societies to return at least 40% of the net proceeds from gambling to the community through grants.
- [Granted.govt.nz](https://www.granted.govt.nz) publishes all grants made, including amounts and charities.
- Grants can only be made where the money was raised.
Example: Stratford has a Pub Charity venue, but New Plymouth doesn't. Therefore, the Pub Charity is not going to fund New Plymouth project. Also, Gaming Societies change. New Plymouth used to have a Kiwi Gaming Trust venue, but that is now a Four Winds venue.
- Signage outside gaming bars tells you which Funder is in your area
- Check [Granted.Govt.NZ](https://www.granted.govt.nz) for information about funding levels and priorities

Funding Nitty-Gritty

- Sign up to the Funder's portal (99% of funders only accept online applications now)
- Check each Funder's requirements – they vary – but usually require financial statements and a certificate from the Charity Commission.
- Write your application in a separate doc – not into the text boxes in case the system crashes!

- Keep the 'authorised purpose' vague enough to allow for flexibility in case you have to make changes to your grant once it is approved. Example: 'Towards Rent' rather than 'Rent Payments of September and October 2024'
- If you are not using your funds according to the 'authorised purpose', you are breaking the law and will be required to repay the grant.
- Provide two quotes for all costs you want covered – e.g. two roofing companies providing quotes to fix the roof on your hall.
- Quotes have to be less than three months old.
- Some gambling societies don't fund salaries, while others accept applications only for existing and filled posts. You must provide signed contracts, job descriptions, and a calculation of your request amount.
- The funding can't benefit an individual.
- Example Resolution:

Example Resolution

This is certified as a true and correct record of the resolution.

1. At a meeting of (name of your Society/ group) on DD/MM/YYYY, the Society resolved to apply to **The Pelorus Trust** for a grant of \$2,000 towards the cost of staff attending professional development / the cost of purchasing training equipment / the cost of educational resources.
2. The Society authorises Person 1 (name and position) and the Person 2 (name and position) to apply on behalf of the Society.

Proposed:

Seconded:

Confirmed as true and correct:

Signature

Name:

Date:

Signature

Name:

Date:

Accountability for Gaming Society grants

- If you are unsuccessful because of '[IF] - insufficient funds', I recommend resubmitting the identical application.
- If you are successful, only spend the money AFTER you receive the grant.
- Keep a strong paper trail of money going in and out, invoices, receipts, etc.
- Some funders will not allow board members to be reimbursed for purchases made with their private credit cards.
- Be prepared to be audited at random
- Always acknowledge the Funder, e.g. on your social media channels or newsletters and during events.
- Submit your accountability report as soon as you have spent the money – even if this is before the report's due date.

General Accountability Tips:

Don't make promises in your application that you can't prove in your accountability. Ensure you have the necessary capacity to implement the evaluation required for reporting back. Remember, evaluation doesn't have to be complicated. Collecting simple data may include the following:

- > The number of queries you receive about your service (over a year; you can then say to your funder that there is an increase in need if you receive more emails and phone calls.
- > The number of attendees (if possible, divide these stats into gender and age groups)
- > The types of questions asked or the level of engagement at events (as this indicates that you organised an event relevant to your community)
- > Feedback from participants (online or paper-based surveys, simple sticky notes for comments, follow-up interviews, etc.)

Focus on: Community funders

- Non-profit, non-governmental organisations (NGOs) with principal funds established by wealthy individuals, groups, or corporations to make grants to charitable organisations.
- The main philanthropic Funder in Taranaki is the TOI Foundation.
- The TOI Foundation has strategic long term grants and various short-term grants. Organisations are allowed to hold up to three grants at one time:
- Less process-focused than gaming societies. Require more evidence of need and context.

Focus on: Government-administered grants

- Government grants are funds allocated to develop or deliver various aspects of infrastructure and services in specific communities. Examples include the Council's Programmes & Services or Events Grant and the Creative Communities Scheme.
- Government tenders are advertised on www.gets.govt.nz
- Lottery funds are managed by the Department of Internal Affairs (DIA). COGS has one annual deadline. Lottery funding has two deadlines per year, as well as regional and national priorities. Lottery funding has decreased by over 40%.

Deep Dive: Case for Support

A case is a standardised document that can be the basis of a fundraising campaign or funding application. This is important because sponsors and grant funders essentially look for the same thing: they want to see logic while also being moved.

Funders look for information to appeal to their head (logic), heart (passion and feelings), as well as hands (realistic action).

Logic can be presented in this way:

Resources (what you have and what you still need to solve the identified problem)

- > Planned activities and timeline (including evidence why you are the right organisation to deliver these activities, e.g. by outlining past examples)
- > Expected results (to show that the problem will be solved)
- > The desired change and intended impact as a result.

Case of Support - The Structure

A short, concise and clear document that explains why someone should support your

organisation or project.

Different funders have different priorities and a case document that is accessible by all (board, staff and volunteers) means you all can make a case for support if the opportunity arises at a BBQ, event, etc.

Overview of the project (activities)

- o What the activities will achieve
- o Who will help
- o Why is it important / Impact
- o The cost of the project
- o The difference the grant or donation will make

What does a good case look like?

You need to draw a compelling picture in the funder's mind.

Funders want to be moved to feel strongly about the problem and reassured that you are the right organisation to solve that problem.

- o Use clear and concise language
- o Identify the need and the urgency
- o Is both emotional and informative
- o Specifies objectives to achieve your vision
- o Facts and numbers show you have a strong plan
- o Tells a story of impact

Example Questions

Having a case for support on file will make it easier to answer the different questions funders ask, such as these by the TOI Foundation.

• Brief overview of the project • How do you know that there is a need for this project? • Outcomes and indicators (how you will show the change was achieved)	• Offer a solution – a positive and concrete vision. • Provide triangulated data: External research, consultation with the target audience, and own internal findings. • Change language, such as: Increased participation in the arts.
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Answer questions fully. For example, if they ask, '*Who are your partner organisations, and what role do they play*' then make sure you list your partners and outline specifically what value they add to this mahi. E.g. offering a venue for free? Referring new clients?

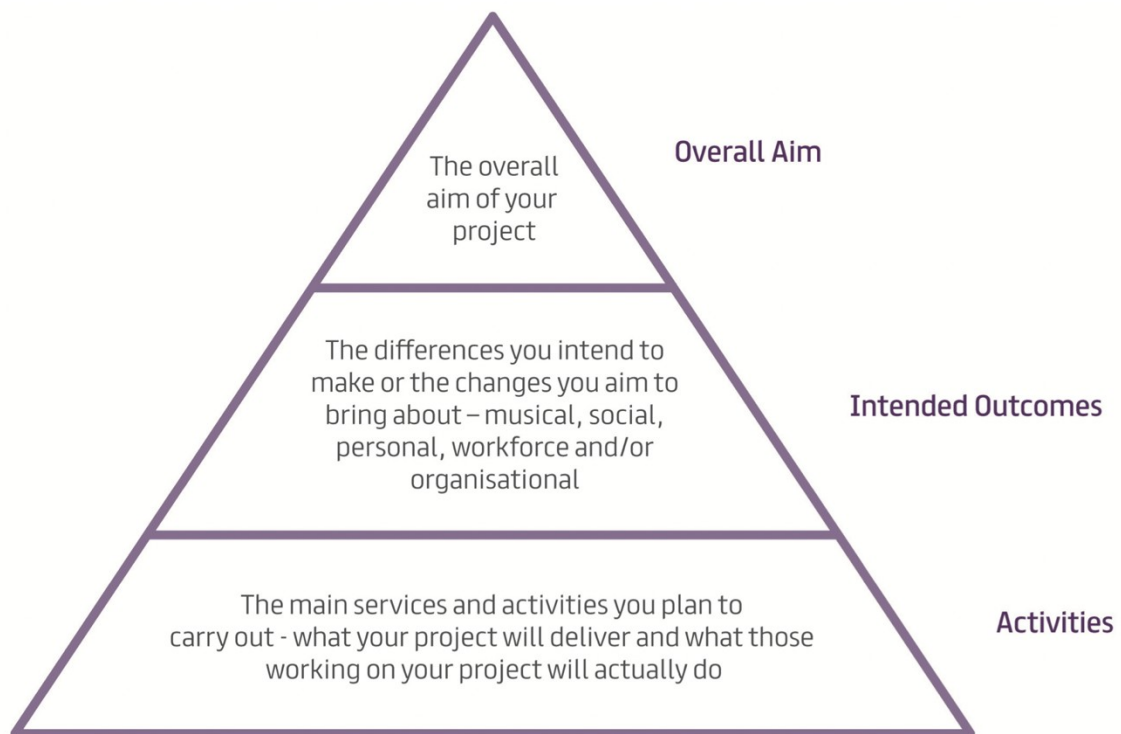
Communication: Speaking the funders' language

OUTCOMES IN A NUTSHELL: Taking an outcomes approach requires you to go through five stages.

1. Define the need for your project. Why should it exist in the first place?

2. Define your intended outcomes. What changes would you like to bring about as a result of your project?
3. Define your activities. What will you do to achieve those outcomes?
4. Define your indicators. How will you know if you have achieved your outcomes?
5. Evaluate. Review your progress, both good and bad. Learn from it and use this learning to inform the next steps.

Outcomes pyramid:



Outcomes Builder:

CHANGE WORDS	CHANGE FOR WHOM	CHANGE IN WHAT
Decrease	Children	Knowledge of...
Improve	Elderly	Specific skills...
Develop	Music students	Personal skills
Empower	General Public	Extrinsic skills (e.g. literacy)
Raise		Intrinsic skills (e.g. confidence, motivation, self-regulation and self-awareness, etc)
Embed		Social skills (individual or community)
Strengthen		Organisational skills
Increase		

Outcomes Triangle Example:**Aim:**

Make Taranaki a great place for autistic children to grow up.

Outcomes:

1. Improve the knowledge about autism amongst early childhood educators.
2. Increase awareness of the needs of autistic children in the general public
3. Empower carers of autistic children to advocate for their children's needs.

Activities:

1. Run a full-day education event for 200 early childhood educators.
2. Offer a free community education evening for the general public.
3. Advertise free community support and services for the autistic community.

Indicators (aka Sources of evidence or How do you know you have achieved this?):

1. Post-event surveys will gather feedback from attendees
2. Whiteboards at the event will gather immediate feelings, thoughts and ideas
3. Attendance figures at the event
4. Attendance figures at our community gatherings after the event

Funding Plan

- Good planning is half the battle in funding!
- Create a spreadsheet or use your existing database / CRM systems to keep track of your existing grants, reporting deadlines, and when you can reapply.
- Technology is changing fast, so learn about it and make best use of it, but check with your organisation's policies around the use of tech, AI or privacy risks.
- Good record-keeping ensures deadlines are not missed.
- Don't store information on a personal hard drive, but in the cloud (e.g. Google Drive)
- Talk to funders to learn about their current priorities and funding levels – build a relationship with the staff of different funders so you can plan realistically for the year ahead.
- Note down all conversations so that knowledge is stored for the organisation and not for the individual.
- Be okay with not applying for funding if it is not worth it – but note down why!
- Link your costs to potential funders – not the other way around.

Funding Template

Create a funding plan template that works for you, but also the wider organisation.

Use technology to assist you: E.g. GEM, Fund Sorter, Salesforce (free not-for-profit version available) or Monday.com.

Funder	Eligible?	Deadline	Purpose	Next steps	Outcome	Reporting	Re-applying
TOI Foundation	Y	28 Aug 2024	Capital	Get two quotes	Improve d access for people with mobility issues	TBC	Once every two years.

Budgets

- o The Community Matters (Lottery) has a good budget template available:
<https://www.communitymatters.govt.nz/budgets>
- o Don't overprice things, but add an explanation if things seem more expensive because it is an expert or specialised product for a valid reason.
- o Don't undersell yourself – the Funder needs to know how much things and activities are worth.
- o In-kind support is a valid budget item. For example, if a venue usually costs \$500 but you are getting it for \$300, then add the \$200 discount as in-kind support.
- o Include confirmed match funding, as well as pending or expected income.

Example:

TOI Programmes And Events Grant Budget					
Imaginary Events Project for performance art events across Taranaki					
Date: 14 March 2023					
Item	Cost (incl GST)	Quote Ref	Amount	Total (incl GST)	Notes
Performance artist	1500	n/a	4	\$ 6,000.00	Funding confirmed by NPDC
Travel and accomodations costs for artist	2500	n/a	1	\$ 2,500.00	Lion Foundation application pending
Venue 1	\$ 1,375.00	SpaceX	2	\$ 2,750.00	Larger venues
Venue 2	\$ 917.13	SpaceZ	2	\$ 1,834.26	Smaller rural venues
Mail outs	\$ 987.00	Fast Track	1	\$ 987.00	
Project manager fee	\$ 33.00	contract	45	\$ 1,485.00	45 hours at \$33 p/h
Sound System	\$ 192.05	Soundscape	4	\$ 768.20	Reduced rate because the event is a charitable cause
Advertisements	\$ 97.29	Midweeker	4	\$ 389.16	We only provided one quote and anticipate it will cost the same amount for 4 ads
Advertisements	\$ 241.50	Daily News	4	\$ 966.00	As above
TOTAL				\$ 17,679.62	
Confirmed funding					
Creative Community Grant (NPDC)	1500		4	\$ 6,000.00	Confirmed / Fee for the performer
Unconfirmed funding					
Lion Foundation Funding				\$ 2,500.00	Pending / Not confirmed.
TOTAL MATCH				\$ 8,500.00	
Request amount to TOI					
				\$ 9,179.62	

What next?

Based on today's session, reflect on what you considered your key learning.

Then write down what action you are going to take as a result:

Review and summary of key learning

Pre-Planning Tips

1. Take the time to research and prepare well. If you know one Funder... you know one Funder. They are all very different.
2. Create a funding plan so you don't have to panic when deadlines creep up.
Create a spreadsheet listing all potential funders and deadlines. Include the following information:
Application deadline / Funder's name / What the funding will cover / Funding amount / Reporting requirement and deadlines / When you are eligible to re-apply
3. Read the Funder's eligibility criteria fully. Being declined because your proposal was ineligible is a waste of time for everyone.
4. Don't be afraid to ask others in your community and/or the funders for help and clarification. Funders are generally people who are passionate about the community and want to help where possible.
5. Know when a funder is not a good match for you or your planned project – it will save you time. Don't pretend to be something you are not. Be yourself!
6. Accept that you might not be successful again with the same Funder. Unlike eligibility criteria, funding priorities can change regularly.

Application Tips

1. Don't reinvent the wheel. Make use of existing resources, such as the budget template provided by Lottery.
2. Budget: Although every Funder is different, I recommend including all costs, including in-kind support your project might receive (including a free venue).
3. Don't make claims you can't back up.
4. Be clear and concise when answering questions. However, ensure you answer all questions fully, as funders are unlikely to be familiar with you and your work.
5. Have a library of previously written funding applications and key messages about your target audience, your organisation and projects, so you don't have to write everything from scratch.
6. Be authentic. Ensure the Funder understands your 'why' and your 'why' now.

Grant-management Tips

1. Check all grant conditions thoroughly when you receive a grant because you don't want to make a mistake, which means you have to return the funds.
2. Ensure the funds are ring-fenced in your accounts and accounted for when used. This will save you time when preparing financial reporting.
3. Be confident talking to funders. Funders want you to spend the allocated money because a successfully funded project makes them look good!
So, when you need to discuss changes in your work with them, confidently offer solutions.
4. If you encounter any issues with your funded work programme, please contact your funder as soon as possible to explore a solution together. Funders don't like surprises.
5. Collecting data for reporting is crucial for many funders because good reporting might influence their decision about future funding.