

Funding Workshop 3:

Grant Writing for
Beginners

Focus on figures

Overview, aims of the workshop

What we will be covering:

- Check in with participants – your questions
- Types of financial information requested, and what these might look like
- Terminology
- Questions

Your questions about financial information

- Check in with participants – what are your questions about the financial information you need to provide to funders.
- Break in to pairs to discuss and feedback up to 3 questions/ issues

Types of
financial
information
most
commonly
asked for

- Breakdown of income/ expenditure (budget)
- Cash flow
- Accounts
- Business plan

Income/ expenditure

Example of an income expenditure table from ACE Project Grants

Income Summary

Income Heading	% Project Value	Amount (£)
Earned income	0%	£0
Local authority funding	0%	£0
Other public funding	0%	£0
Private income	0%	£0
Income total (cash)	0%	£0
Support in kind	0%	£0
Arts Council England Funding	0%	£0
Income total	100%	£0

Expected / Confirmed Summary

Income Heading	% Project Value	Amount (£)
Expected	0%	£
Confirmed	0%	£
Income total	100%	£

Expenditure Summary

Expenditure Heading	% Project Value	Amount (£)
Artistic and creative or specialist costs	0%	£0
Making your work accessible	0%	£0
Developing your organisation and people	0%	£0
Marketing and developing audiences	0%	£0
Overheads	0%	£0
Assets - buildings, equipment, instruments, and vehicles	0%	£0
Other	0%	£0
Personal access costs	0%	£0
Expenditure total (cash)	0%	£0
Support in kind	0%	£0
Expenditure total	100%	£0

Calculating costs

Quotes

For expenditure items, some funders will ask an additional question about how you calculated the costs. Therefore, you will need to get quotes from more than one supplier for materials, services etc. to demonstrate how you have arrived at your expenditure.

Example detail required for expenditure item in description column

- Governance Consultant (4 days x £500)

Calculating in-kind costs (see below).

Calculating costs

Procurement

- Projects with any goods, works or services worth more than £10,000 (excluding VAT), at least three competitive tenders/quotes.
- For all goods, works and services worth more than £50,000 (excluding VAT), you must provide proof of competitive tendering procedures.
- Heritage Fund provides procurement guidelines as well as a tender template brief <https://www.heritagefund.org.uk/funding/good-practice-guidance/writing-brief-procurement-goods-or-services>

Calculating costs

Fair Pay

- Applies to contracted and freelance contracts
- ACE produces guidelines
https://www.artscouncil.org.uk/sites/default/files/download-file/ACNLPG_Fair_pay_o.pdf
- And they ask for evidence that you have considered fair pay.

You can benchmark against similar projects, looking at sites such as the Leicester Museum Job Desk

Calculating costs

Support in kind

- Most funders will tell you what you can include as support in kind. May also be classed as non-cash contributions (depending on funder)
- A non-cash contribution for example this could include:
 - Equipment
 - Use of a space
 - Volunteer time
 - Services, hire of space provided at a reduced rate – for example if a space is usually hired at £1000 per day and you are charged £800. £200 would be considered as support in kind

Calculating costs

Support in kind (continued)

- Funders such as Heritage Fund ask you to differentiate volunteer time.
- In their guidance This could include administrative work, clearing a site or working as a steward at an event. You should not include costs for the time of people who will take part in your activities (for example, people who attend a workshop or go on a guided tour).
- Their standard rate to calculate the value of your volunteer time is:
 - professional volunteer (for example, accountancy or teaching): £50 per hour
 - skilled volunteer (for example, leading a guided walk): £20 per hour
 - volunteer (for example, clearing a site or acting as a steward at an event): £10 per hour
- Always check the funders guidance on what they will and will not include as it does vary.

Calculating costs

Full cost recovery

- Some funders give option of calculating costs as full cost recovery.
- Full cost recovery means securing funding for all the costs involved in running a project. This means that you can request funding for direct project costs and for a proportionate share of your organisation's overheads.
- The Big Lottery Fund provides useful tools and resources to help you calculate FCR.
- www.biglotteryfund.org.uk/fcr

Cash flow

- Your cash figures should match the figures included in your income/ expenditure.
- Cash flow should be based on the income and expenditure of your project.
- Need to take into account when the grant funding (and other funds if relevant) will be paid.

A cash flow – example cash flow template from the recent MEND (Museum and Estate Development Fund)

A B C D E F G H I J K L M N O P Q R S T U V

1 **MEND (2021-22) - Cash flow forecast**

2 Organisation:
 3 Reference:
 4 Date:

		2022								2023				2024				2025		
	Total Project Cost	Month forecast	Month forecast	Month forecast	Month forecast	Month forecast	Month forecast	Month forecast	Qtr forecast	Qtr forecast	Qtr forecast	Qtr forecast	Qtr forecast	Qtr forecast	Qtr forecast	Qtr forecast	Qtr forecast	Qtr forecast	Qtr forecast	TOTAL
		Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul-Sep 22	Oct-Dec 22	Jan-Mar 23	Apr-Jun 23	Jul-Sep 23	Oct-Dec 23	Jan-Mar 24	Apr-Jun 24	Jul-Sep 24	Oct-Dec 24	Jan-Mar 25	Apr-Jun 25	TOTAL
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Expenditure (payments)																				
Pre-Construction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Furniture, Fittings & Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Specialist Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fees and Charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Client Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contingency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Irrecoverable VAT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Project Income	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul-Sep 22	Oct-Dec 22	Jan-Mar 23	Apr-Jun 23	Jul-Sep 23	Oct-Dec 23	Jan-Mar 24	Apr-Jun 24	Jul-Sep 24	Oct-Dec 24	Jan-Mar 25	Apr-Jun 25	TOTAL
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Income (receipts)																				
Arts Council	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Local authority funding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trusts and foundations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other lottery distributors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Individuals or companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Public appeals and fundraising events	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contribution from own organisation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Donations of land, buildings, equipment or materials	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan finance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Support in-kind	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Accounts

Accounts

- Most recent audited or accountant verified accounts.
- If you are a newly formed organisation and do not have a set of audited accounts, please submit your last three bank statements or a letter from your bank confirming that you have opened an account.
- We do not need your accounts if you are a public organisation (for example, a local authority).

Business plan

Business plan

- **Aim Success Guide Successful Business Planning** "A business plan is a road map showing potential funders, trustees, stakeholders and most of all you, where you are starting from now, where you aim to go and how and when you are going to get there. It will also show them your plan for sustainability and how you will attract and generate the funds you need to pay for what's necessary."

The Heritage Fund Business Plan template:

- <https://www.heritagefund.org.uk/funding/good-practice-guidance/business-plan-template-and-guidance#heading-8>

Business plan

Financial information to include:

- Income and expenditure statement
- A cash flow
- A balance sheet

- Sensitivity analysis – three different examples of income and expenditure – a bad year, a good year and a great year

Terminology

Difference between your cash flow and budget

- **Cash flow** the planned pattern of income and expenditure related to the project
- **Budget** predicted transactions (income and expenditure) for the total cost of the project

The Heritage Fund Business Plan template also has a good glossary of financial terms:

<https://www.heritagefund.org.uk/funding/good-practice-guidance/business-plan-template-and-guidance#heading-8>

Terminology

Your funds your organisation holds can fall into different categories:

- **Restricted funds** are funds set aside and used by a charitable organisation for a particular purpose as a result of giving by an external party. They are restricted to that specified purpose and cannot be used for other expenses.
- **Unrestricted funds** are funds that the organisation may use for any purpose so long as it meets the aims and objectives of the organisation as outlined in their governing document. Organisations may use unrestricted funds towards operating costs for the organisation or costs that may be more difficult to fund through fundraising or donations. Designated funds and general funds are both unrestricted funds.
- **Designated** funds (or designated reserves) are unrestricted funds that the trustees of the organisation have set aside for a particular purpose; these funds can be undesignated or re-designated where deemed appropriate through formal approval by the board.
- **General** funds are unrestricted funds that have not been designated for a particular purpose and can be spent as deemed fit by the board.
- **Endowment** funds are funds which the board are legally required to invest and/or to hold and use for the charity's purposes, and sometimes more specific purposes. Endowments may be expendable or permanent as set out in relevant documents and policies.
- **Free reserves** are the part of a charity's unrestricted funds that are freely available to spend on any of the charity's purposes. Free reserves therefore exclude:
 - tangible fixed assets used to carry out the charity's activities, such as land and buildings;
 - programme-related investments held solely to further the charity's purposes;
 - designated funds;
 - commitments that have not been provided for as a liability in the accounts.

**Any
questions?**

Free Grant Writing Surgeries

1-1 support for writing grant applications
contact your MDO to book a slot

**Grant Writing Toolkit and fundraising
resources on SEMD webpages**

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