Other types of fundraising



Individual giving

The public provides the voluntary sector with one of its largest sources of income and individual donor support can be obtained in a variety of ways. People who fundraise need to be clear and targeted when approaching the general public for money. Individual donors have their own motivations, characteristics and preferred methods for offering their support, and these need to be considered when putting together any fundraising campaign.

As with all forms of fundraising, it's important to make sure your fundraising activity complies with the Codes of Fundraising Practice. This is particularly important where you are engaging with donors in public locations.

Individuals can support their nominated charities through a variety of ways:

- a one off donation
- attending events and activities
- planned and regular gifts
- being a 'major donor'
- leaving money to your organisation in their will

Ideally you would want to try to build relationships with your donors so that they move from being potential donors up the ladder to regular giving, major gifts and legacies.

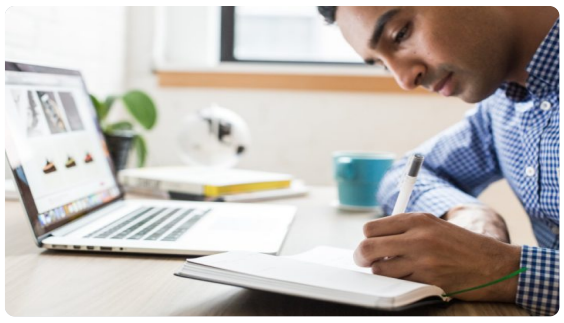
You can encourage individuals to donate to your organisation by organising events, raffles and collections or undertaking campaigns.

We have a number of information sheets to help you with these fundraising methods



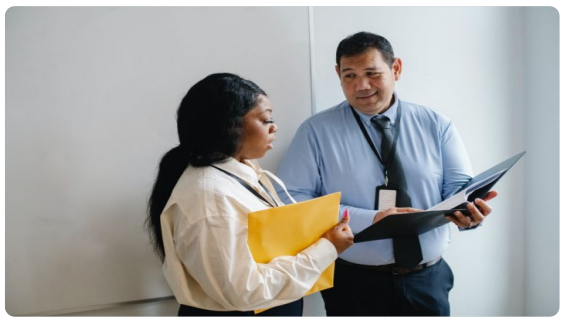
Fundraising Legacies

Provides guidance on how to encourage people to remember your organisation in their Will.



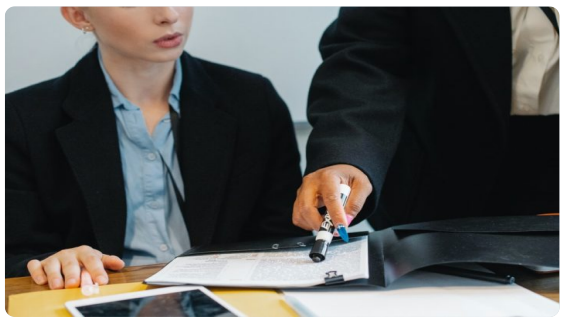
Guide to regular donors

Key points to help you build up your regular donations



Guide to fundraisers

Includes some top tips to support individuals who want to carry out a fundraising challenge



Guide to Crowdfunding Appeals

Explains the essential points relevant to

Crowdfunding appeals



Fundraising events

This guidance gives an overview of things

to think about to run a successful

fundraising event

Corporate giving

Corporate fundraising is when you ask companies or businesses to support you (rather than individuals).

Attracting money from businesses does not mean that you should change what you do or how you do it. You may just have to 'sell' yourselves in a slightly different way.

As with all sorts of fundraising, we recommend that you take time to consider what you hope to achieve using corporate fundraising, and think strategically about how to get those results using the resources available to you.

Businesses may support voluntary organisations for a variety of reasons to do with creating goodwill and building their reputation locally. Businesses may seek out causes that are most relevant to their business, such as a geographical or a product link.

The kind of help companies give

Gifts in kind – companies will often give away some of their services, products, material or old office equipment such as furniture and computers. Some groups get free or subsidised office accommodation, photocopying or printing services from local companies.

Money – there are two main ways to get financial support from businesses:

- **Donations** – the business donates cash to your group as a 'good cause'. The business can get tax relief on these donations but gets nothing else in return for its money.

- **Sponsorship** – this is one of the means to promote a company's brand and reputation to the public, while helping a worthy 'cause'. It differs from a donation in that the company gets – and expects – something in return for its support. This could be something like putting the businesses logo on a t-shirt or programme or promoting them on your website.

Sponsorship can be offered as money or in kind. For example, providing equipment, offering business expertise or seconding employees, are all types of sponsorship in kind.

Businesses can also help voluntary groups by setting up **Payroll Giving schemes**. These schemes allow employees to make donations through payroll. Donations are made before tax, so every £1 donation only costs the employee 80p (60p for higher rate earners).

The Chartered Institute of Fundraising has guidance on how to approach corporate fundraising and the legal points that you must consider. You can find the guidance here.

Other types of support from businesses

Businesses may be able to support your organisation in other ways. Don't forget to think about:

- **Advice and support –** you can sometimes get free specialist advice or services from local firms such as solicitors or accountants
- **Contacts in the business world –** the help of senior business leaders can be very influential in networking with and fundraising from others in the business world
- **Employer supported volunteering –** some businesses will allow staff to help local groups or organise for their staff to volunteer with your group for a fixed amount of time to carry out identified activities

Trading

What is trading?

Trading can take many forms but it generally involves:

- Charging your organisation's beneficiaries and user groups for services or goods that you provide and / or
- Selling goods or services on the open market

Approaches to trading

There are a number of approaches to trading:

Mission-related trading – Selling 'core' related goods or services which are directly related to an organisation's aims and objectives. As well as furthering an organisation's mission, this form of trading can also generate valuable surpluses. For example, if a craft project you run creates quality items such as greetings cards you could sell them, or you might consider delivering your normal training to groups outside of your target beneficiaries for a fee.

Unrelated trading – When it is not possible for an organisation to combine its services with generating income, unrelated trading may be considered; selling goods and services which may have little relation with core aims, but generates profit which can be used to subsidise core work. An example here could include clothing branded with your logo etc.

Cost recovery – An element of mission-related trading which involves charging user groups and beneficiaries to cover the basic cost of a service, not to make a profit but to provide a subsidised service.

Social firms – This model is often a route into trading, arising from the nature of an organisation's activities. Social firms aim to create real jobs and training opportunities for people marginalised from the labour market or seek to deliver high-quality, affordable services beyond those of the state.

Contracts – This involves generating income through the provision of goods or services outlined via a contractual agreement with a purchaser.

Considerations

Income received from trading may be beneficial as it is unrestricted so can be used in a general way to fund the running costs of your organisation.

However there are a number of serious considerations that you would need to look at before you start to develop a trading idea:

Legalities – governing documents must allow for the undertaking of trading activities. As well as legal matters, registered charities must also consider taxation issues and there are additional rules relating to the types of trading that charities can undertake. These are detailed issues which need to be considered in depth. Independent legal advice on these matters should be sought at all times.

Organisational culture – organisations must be ready to consider new approaches to funding and adopting entrepreneurial approaches. A reluctance to do this can often cause problems if proper commitment and investment isn't made, affecting the venture's likelihood of success.

Planning – thorough planning must be conducted to explore all avenues available to an organisation and to determine any potential risks. Effective planning will contribute to success and continued development of trading activity.

Finance – start-up costs are usually unavoidable when undertaking a new activity. It is imperative that all start-up costs are calculated accurately at the outset to avoid any unexpected surprises. You must also ensure that you realise the true cost of any project and that you recover all costs (full cost recovery), or are able to commit reserves or other finances to subsidise the trade until it at least breaks even.

Taxation – although charities benefit from some tax exemptions, trading could result in paying corporation tax or charging for VAT. It will be vital to seek specialist advice.

Training needs – conducting a skills audit and training needs analysis will determine what additional skills may be needed to ensure the success of a new venture.

We would suggest that you get further advice before taking forward your trading ideas.

Advice about funding is available to voluntary organisations through the network of local voluntary councils (CVCs).

A range of support for social businesses is available from Social Business Wales. This includes guidance for people considering starting up a social business or those looking for support in operating or growing a social business.

Advice for the social business sector in Wales is also available from Cwmpas.