Section 5 — How to get at the funding?

1) Preparing a budget

When working out a budget it is worth taking a careful look at the application forms of the funders you intend applying to. They may have items of expenditure that you have not thought of and may want you to arrange the headings in a particular way. If you do this at the budgeting stage then you will have a simpler job to convert your budget into the format they require, including any ineligible costs.

If you have already run a similar project, or if you have access to the accounts from a project run by someone else, it can be a handy starting point for budgeting. Take care, though, not to include items just because others did. You need to be sure that you can justify every item of expenditure and to be able to prioritise items if money runs short.

Preparing a budget

Four steps in budgeting

1) Calculate expenditure

Possible headings under expenditure in your budget may be:

- Travel costs = what costs are you responsible for?
- Hire costs = how much do you pay for hiring equipment, rooms etc?
- Activity costs = how much will it cost to run the project itself, e.g. a youth exchange?
- Administration costs = what costs do you have as regards staff pay, telephone, etc?
- Food and accommodation – do not forget travel days and all visitors and guests.
- Fees = how much do you need to pay specialists, interpreters etc?
- Personnel and miscellaneous expenses = are there likely to be any extra expenses to be reimbursed to members or staff?
- Sundries = make a reasonable judgement about small cash amounts you may need.
- Exceptional costs = are there any hidden costs?

2) Calculate income

Income consists of guaranteed income, i.e. income which has already been agreed by a funder or funders, and non-guaranteed income, i.e. income which you plan to raise. In general income comes from the three main sources presented in Part One: own resources, revenues, individuals – public sources (local, regional, national, European, international) – independent funders.

Possible headings under income in your budget may be:

- fees (from members, participants)
- income from your own fund-raising events
- public funding, e.g. local government
- European funding, e.g. the YOUTH programme
- corporate gifts
- private donations
- value of gifts in kind

3) Compare income and expenditure

Total income and expenditure should now be compared with each other to establish if there is a surplus or deficit.

It is recommended that you budget for a surplus of about 5% (i.e. income should exceed expenditure by about 5%). This should ensure that any unforeseen expenditure can be met. This surplus is sometimes known as a contingency fund. You should check that your potential funders allow it.

Once the budget shows an adequate surplus, you have to "phase the figures" or produce a cash flow forecast: i.e. analyse when the different items of income and expenditure will arise.

4) Phase the budget (produce a cash flow forecast)

Phasing is the most important aspect of constructing a budget. It involves analysing both income and expenditure month by month (or quarter by quarter, or week by week, depending on the level of detail and the length of your project). This is important because, whilst the total budget for the year may show a surplus, it is quite possible to have sizeable deficits in individual months or at particular moments of your project.

If there is a deficit in a particular month, it may be possible to arrange for funders to pay earlier or to defer expenditure to a later date. If there is a significant surplus in any month then it may be appropriate to invest the money in a higher-interest bank account.

It is important to have the budget for the project approved by those responsible for your organisation's finances. Also make sure that you know what will happen if the project makes a loss: who will pay bills or repay funders if the project does not go ahead as planned?

2) Translating your project into the funder's language

Knowing the funder's language and agenda is crucial to successful applications, as is attention to the detailed information about submitting an application. Any successful fund-raiser will give careful attention to the following points:

1. Once your project idea has been clarified, you can start thinking about who might be interested in supporting it. While drawing up the project plan, you can start collecting information about funding sources interested in the questions your project deals with (or you can ask your fund-raiser to do it).
2. If there seems to be no funder on the scene, do not give up. You can draw up a description of your project on a generally accepted model (for example the one suggested in the T-Kit Project Management, pages 70 and 71). Consider the impact of delays on project implementation (what if the project has to start later than planned?) and continue looking for funding opportunities. Really important projects will get funded sooner or later.

3. If you find relevant funding sources at the planning stage, you might build their requirements into your planning (e.g. partners, timeframe, budget heads) and you can structure the information about the project in the proposed format. “Encoding” will then be much easier.
4. Make sure your information about the funder is up to date. Many funders give money periodically: in between times they may make changes concerning the criteria, rules, formats etc. Do not waste time filling in out-of-date application forms.
5. Read the guidelines first. Even if they seem long-winded, boring, redundant or familiar, you will always find useful and crucial information such as:
   - aims, objectives and priorities of the funder/funding programme
   - application procedures and deadlines
   - eligibility criteria concerning the applicant organisation: what kind of organsations, with or without partners (and what sort of partners)
   - minimum and maximum amounts of funding to be requested
   - minimum level of own contribution.

   You will save time and money by not preparing proposals for funders who by definition are unlikely to support your project.
6. Use the funder’s vocabulary. You can familiarise yourself with it by reading their literature (guidelines, press releases, booklets, annual reports etc). Use their wording rather than synonyms, especially when writing about key matters (objectives, target groups, main activities). Do not assume it will be obvious to them that you are talking about the same things they are interested in: do not expect the funder to “translate” your words, do that job yourself.
7. If the funder specifies a particular format, use it. Do not try to be original by using a different structure – it will not be appreciated. Make sure you answer all the questions and provide all the requested annexes.
8. Be coherent: needs-aim-objectives-methods/activities-resources should logically flow one from another. Give all the information necessary to show the importance of the proposed aim, but do not fill up pages with information which has no relevance to the project. Objectives should be relevant and fit the overall aim. Methods/activities should be adequate and appropriate to achieving the objectives, and your needs in terms of resources should be accurately estimated and justified. If your approach is deliberately unusual or original, make this clear and explain why did you chose it. Innovation is valued only if it is well understood, otherwise it might create confusion.
9. Be specific: say what you intend to do. Avoid vague statements and foggy descriptions. Speechifying may sound impressive but does not always make total sense.
10. Be brief: use the space provided by the application form (if any) and try to use the right/minimum number of words. Get the message across, but be reasonably concise.
11. Be yourself: do not pretend that you have expertise you do not possess. Submit a project that fits your organisation’s profile and explain why your organisation is the right one to carry it out.
12. Be informed: convince your funder that you know what you are talking about, your needs analysis is sound, you have studied your target group and you have identified and understood all the stakeholders (including other organisations active in the same field as you).
13. Make sure you pass the Grandma Test – be clear. Use language that is easy to understand. Avoid being over-technical – funders are often not specialists in your field. Do not use abbreviations or “slang” specific to your organisation without explanation. Ask a person who is not involved in the project (or, even better, someone who is not involved in your organisation – for instance, your Grandma...)

to read the proposal and tell you what they have understood the project to be about. Compare with your original plan and make sure the two versions match up.

14. Be ready: it is never too early to start writing a proposal. Completing an application form is like gas: it takes all the space given. It is important to actually read over the proposal before presenting it. Getting a few nights' sleep after writing the proposal will clear your head and give you the necessary distance to really read what you have written, as opposed to simply assuming that what you wrote was what you meant.

3) Approaching (independent) funders

Many suggestions apply equally to approaching foundations, corporate donors, individual philanthropists and even public funders. Most of the time it is a question of common sense and courtesy. The next section looks in detail at independent funders, though most of what it says applies to the others as well.

In any case obtaining support from the independent funding community has never been easy, and there are no quick or simple routes to getting support. Also, the pressure on funders is far greater than previously. Governments are providing fewer services to the community and it is non-profit organisations that are now providing many of them. Issues such as social inclusion, sustainable development and employment, to name but a few, require immense effort and resources to address. So non-profit organisations are increasingly turning to the independent funding community to assist their work and consequently the number and quality of projects – and their accompanying grant proposals – are increasing.

Consequently, there is a growing market for professional fund-raisers across the sector. However, many youth organisations cannot afford to employ someone of that kind. This section will provide guidance as to the basics of fund-raising for non-profit organisations which are either new to grant-seeking or are looking to expand their current list of contributors. With these basic guidelines, your organisation will have the template for successfully raising funds from independent funders.

The process by which organisations tap into the resources of independent funders is lengthy and takes dedication for good results. It necessitates the combined efforts of your organisation's management and board of trustees or directors to establish the overall strategy underpinning a project or programme for which it wishes to seek support. A carefully planned strategy will recognise that a grant is not a one-off thing. It is part of investment in the organisation's future and is the first step in building a relationship with a funder.

To become a successful grant-seeker – an organisation that has a portfolio of regular donors who believe in its mission and philosophy – takes time. No organisation receives funding for every proposal it submits, though with experience the success rate will improve. Learning from failed proposals is also vital. Funders will often be able to explain why a particular proposal was rejected. If the reason was that it was outside their grant-giving guidelines then the applicant is at fault for poor research. But if a proposal is well researched and presented there will be valuable lessons to be learnt. If you take the time to talk with a funder, they may be able to advise on how to improve the proposal or may even ask you to resubmit it with changes.

Proposals can fail because they are outside the funder's mission, the proposal is poorly prepared and presented or there are simply not enough funds available to support every worthwhile project that year.

With an average of around 90% of proposals failing across the independent funding community, the effort behind a successful proposal is never wasted. Do not be put off by the high failure rate amongst grant applications. With careful research leading to a well-targeted group of potential funders, the success rate is far higher. And those organisations that are successful and establish a strong relationship with their donors can then concentrate on their core mission.

With the help of these tips and guidelines you can tap into this rapidly growing source of support for your organisation.

- **First step: fund-raising begins at home**

By this we mean that successful fund-raising begins within your organisation. The basis for successful fund-raising from foundations, corporate funders and individual philanthropists lies in your organisation's mission, which should be reflected in your proposals. The initial step to take before embarking on any research process to identify funders is to establish, through your senior management and board of trustees or directors, the overall strategy for your organisation. Through this, priorities and potential projects will be identified and it is on this basis that a fund-raising campaign can be mounted.

Identifying an overall strategy is central to ensuring that your organisation receives sufficient funds to enable its important work to continue and develop. Too many organisations get caught up in the daily grind of work and deadlines and lack a clear vision of where they want to be in future. Unless it takes the time to give some thought to this, an organisation cannot develop a coherent strategy for its fund-raising efforts. Although the core mission and philosophy of an organisation will rarely, if ever, change, its programmes and projects will evolve and change over time. So there need to be regular reviews as to your organisation's future direction, and the success and relevance of all current projects should be scrutinised. By this means the goals for your fund-raising strategy can be set coherently, allowing a focused campaign.

In developing the organisational strategy, you should aim to answer the following questions clearly and directly:

- What is the unique purpose of your organisation?
- What audience do you serve, and does this audience receive similar services from any other organisation?
- What important need or needs do you aim to fulfil?
- Does your board of trustees or directors fully support responding to those needs?

Although there are thousands of non-profit organisations active across the whole spectrum of human activities, it is important to be clear within your organisation exactly where your mission lies. Non-profit organisations serving a narrow focus are more easily supported if they can show that the need they are addressing is not being addressed by any other organisation. Even if the mission deals with some more general interest, such as the environment, it is necessary to show that your organisation has programmes and activities that other organisations do not have.

Look at your audience and examine whether you are providing them with services that are not being provided by the state or other organisations. Often this might involve a particular geographical focus or addressing specific needs within the overall range of concerns. Also look at the wider effect of your work and how it might either interact with the work of other organisations or transfer to other geographical areas. If your work has the potential to be replicated successfully elsewhere then that provides it with a unique character with which to approach funders.

Once potential projects have been identified, they must be prioritised so that grant-seeking resources are concentrated on a sensible number. These projects are the ones that your board feels would advance the work of your organisation and fit into its mission and philosophy.

- **Second step: prepare your project proposal**

The second step is to prepare the project proposal. Although at this stage you will not have identified specific funders to approach, you will know the projects for which you wish to seek support. The project proposal can be tailored at a later date to the specific requirements of the funders you finally decide to approach, but the basic proposal will remain the same.

It should be realised at the outset that 9 out of 10 grant applications fail to receive any funding. This is not to say that 9 out of 10 well researched and well written proposals fail. Whilst we cannot guarantee a 100% success rate if you follow our advice, we can assure you that by preparing a professional project proposal, and taking the time to research and identify the 3 or 4 most appropriate funders to approach correctly, you will significantly improve your chances of success.

A professionally prepared proposal is the cornerstone of a successful grant-seeking campaign. The heart and aims of a proposal will emerge naturally from the strategic planning process. From this process several different projects will be identified and individual proposals then prepared.

There are many ways to present a project proposal. However, 10 main components can be identified to make up a complete funding proposal. These are:

- Covering letter/executive summary
- Introduction
- Needs statement
- Goals and activities
- Methodology and timetable
- Evaluation
- Budget summary
- Future funding plans
- Detailed budget
- Appendices

We will now look at them in more detail.

COVERING LETTER/EXECUTIVE SUMMARY

Your project proposal must include an outline of the main features of your proposal. This might be either in the covering letter or as an executive summary at the start of the project proposal. In both cases this will be the funder's introduction to your proposal.

Your president, director or chair of your board of governors must sign the covering letter and address it either to the president of the foundation or to the relevant programme officer at the foundation or corporate funder. This person should have been identified by your research.

Either the letter or the executive summary should highlight the main features of your proposal that are likeliest to be of interest to the funder. You should explain why you selected this particular funder – again a natural result of your research – and give the reasons why you believe they will be interested in your proposal. This will establish a strong link between your organisation and the funder and will encourage them to read on.

Be up front and state the amount and type of support you are requesting. Along with the main features and relevance to their own interests, the funder will also want to know from the start how much support you are seeking.

INTRODUCTION

Never assume the funder knows who you are, or if they do that they are aware of your programmes or previous successes. Provide a short summary of your organisation's mission and history. The introduction can also be used to restate the qualifications of your organisation and staff to deal with the issues covered by the project proposal.

You can also take this opportunity to mention the staff members who would lead the project if it gains funding –provide their curricula vitae in the appendix – and list your board of governors or directors. If any of these are of relevance to your proposal – for example if they are internationally recognised for their work in your area – provide a short curriculum vitae in the appendix.

NEEDS STATEMENT

The needs statement should be a concise but convincing overview of the needs your organisation wants to address with the project. Describe briefly the overall context – this will help the reader get a more complete picture of the problem. When outlining the actual problems or needs, use relevant facts, examples from the community or statistics to underpin your statement. However, make sure the data are accurate.

GOALS AND ACTIVITIES

The needs statement outlines the issues you are concerned with. You then have to explain your goals and the activities you plan for addressing the needs.

Goals are concepts or ideal situations that are not necessarily measurable but are the main aims of your project and organisation. Activities are the specific, tangible and measurable outcomes that should be achieved in a specific time to fulfil your goals.

This will allow the funder to see clearly where the motivation for your project comes from and the unique way in which it seeks to address one problem within a wider series of issues.

METHODOLOGY AND TIMETABLE

Your potential funder needs to know the 'hows' and 'whens' of your project. The methodology is the specific action you will be taking to carry out the activities you have listed. When detailing the methods by which you will implement your project, set a reasonable timetable for putting them into effect. This should include the proposed start and finishing dates.

Your project may include taking on new staff to help implement it. Provide a job description of the person you are looking for and explain your strategy for recruiting them.

You must also allow plenty of time for the funder to make a decision. Always plan well ahead and ensure that the funder has ample time to examine and approve your project. In your research, check their application deadlines and when final decisions are made. Asking for support for a project that is about to start – or has already started – shows a lack of professionalism and reduces your chances of support.

EVALUATION

To increase the funder's confidence in your application, explain the criteria you will use to evaluate the success of your project. Although the actual success of the project is the main yardstick by which a funder will measure your work, an evaluation of the project methodology will show you have carefully planned all stages of the project and are likelier to achieve its goals. On occasion an advisory committee might be set up to monitor and guide the project.

BUDGET SUMMARY

Provide a summary of the total costs of the project and any other funding the project is likely to receive. Note that some funders will accept income such as gifts in kind or other types of non-financial support, such as volunteers, as matching funding, whilst others will not. If there are other sources of income which are relevant, include them here as well.

FUTURE FUNDING PLANS

Grants are for a fixed duration. However, funders will want to know how you plan on maintaining the project once the period of funding is over, should your goals call for it to continue.

Make sure your plans are realistic. Being vague here can undermine the funder's confidence in your organisation, no matter how well you have sold your proposal thus far. You need to tell them the concrete steps you will be taking and what sources of funding you will be exploring.

DETAILED BUDGET

Lay out a detailed and accurate budget that details the project expenses. The standard items are:

- Personnel
- Travel/meeting costs
- Equipment
- Office-running costs
- Publications
- Computerisation

We recommend itemising all costs above ¤100 and breaking each section down into separate items rather than just stating an overall amount. For example, under personnel you should include the various positions for which the project requires staff, complete with their relevant costs. For multi-year requests, allow for higher costs as the project continues and record these in your request and budget.

Foundations and corporate funders have great experience of project costs, so be realistic in your budget breakdown.

APPENDICES

Although it is inadvisable to include information that the funder has not explicitly requested, there are a number of items to include as standard appendices. These can include relevant staff and director/governor curriculum vitae, a brief financial overview, audited accounts of your organisation, and additional documents requested by the funder in their application guidelines.

Coyote's proposal-writing tips

The project proposal is your main contact with the funders you approach and as such needs to be carefully prepared to ensure it gets across both the strengths of your organisation and staff, and the benefits your project will bring. Before starting to prepare your project proposal there are a number of basic rules to keep in mind at all times which will help structure your proposal.

KEEP IT CLEAR AND EASY TO READ

Your project proposal should be set out in an orderly fashion and in clear language. Ensure there are no spelling or grammatical errors in the document as this type of error demonstrates casual preparation. Ensure that you use headings throughout to break up the text into easily digestible sections. No one wants to read 10 pages of solid text. If possible, break up the text with tables, diagrams or charts – although avoid using too many of these. They should be used to underline main points only. When preparing a proposal in a language other than your native one, ensure that it is proof-read by a native speaker before sending it out. Do not make the proposal too long. Most foundations only have a small staff and they need to be able to quickly understand and evaluate your proposal. Clarity and conciseness are the keywords.

AVOID JARGON

Jargon demonstrates that you have a sound knowledge of a specialised subject but that you do not know how to explain the subject to people in other fields. Avoid using jargon as much as possible. If it is necessary to use specialist terms, make sure you provide either a glossary or footnotes. Terms in one language that do not have a simple translation should be used in the original language and explained with footnotes.

BE ENTHUSIASTIC AND POSITIVE

Funders support people, not organisations. Show that your people have a positive attitude to the work that they are doing and that the project you are presenting is going to be a vital part of continuing that work and dealing with a specific need. Make sure your enthusiasm for and belief in your project come through in the proposal.

DO NOT SEND UNNECESSARY DOCUMENTATION

Funders usually say what documents they want to receive from you. Note this might in the first instance be a letter of enquiry, on the basis of which a full proposal may then be requested. Only ever send what the funder asks for in their grant-making guidelines. You may think you are enhancing your application by sending additional material such as videos or annual reports which provide a wider view of your organisation and its activities. However, unless and until these are requested you will only do your image harm and reduce the chances of receiving a grant. When a funder requests additional information to be included with the proposal, such as staff curricula vitae or financial details, place it in a separate appendix for ease of access.

NEVER ASSUME

Yours is one of many applications the funder receives. Do not assume that even with a clear interest in your field of work they know who you are, or the precise scope of the problem you are seeking to address. Provide a synopsis of your organisation and ensure you accurately describe the problem you are targeting.

NEVER BEG

Remember that the funder has a mission, which in some way or another seeks to improve society. You are not begging them for support; you are approaching them as a professional organisation that has the capability to help them achieve their mission.

ALLOW PLENTY OF TIME

Always remember that the grant-seeking process takes a great deal of time from when your application reaches the funder. Make sure you are fully aware of all application deadlines and the turnaround times for approval/rejection of an application. This must be fed into your proposal so the funder is not expected to make a decision the day after receiving your application – which would therefore be rejection and no funding.

- **Third step: how to approach independent funders**

Approaching funders is not simply putting your proposal and covering letter in the mail and waiting to see if the cheque arrives back by return of post. In successful fund-raising, initial contact can sometimes be at top management level, between director and director or board member and board member. From the information you will have gathered when identifying the final select group of potential funders, you should also have obtained the names of the funders' boards of trustees, directors/corporate citizenship investment programme managers and programme officers. Before sending an initial letter of enquiry, you should consult with your own governing board and senior management to discover whether they know any of the people at your prospective funders. If the answer is yes then a personal letter of enquiry can be made to discover if the funder is interested in receiving a full proposal from you.

The following items should be included in your letter of enquiry:

- Aim of the proposed project;
- Action planned to achieve that aim;

- Amount you will be seeking from the funder, stating whether this is all or part of the budget and the type of support you are seeking; if your request is only for part of the budget, state where the remainder of the funding will come from;
- Your organisation's abilities and past achievements in carrying out its mission.

Personal contacts are no guarantee of funding. However, they should ensure that your enquiry is given a fair response as to whether there is any point in sending in a project proposal. If there is no such contact, a letter from your funding officer to the funder's programme office should be sufficient.

If the funder makes a positive response, send in your proposal – and ensure that it has all the documentation the funder lists in their application guidelines.

Once you have submitted your proposal, follow it up with a phone call after a few weeks to ensure that the funder received it. You should also check if the funder requires any additional documents to assist them in processing your application.

Now begins the long wait. However, having followed the correct steps in preparing your proposal, and having done your research, you should be in with a good chance of receiving funding.

Coyote's hint #9

Getting outside help with application

Fund-raising skills are a lot to ask of your team of staff and volunteers, especially when you are dealing with the more complex application procedures used for European or government funding. Specialist fund-raisers can be employed either as new members of your team or on short-term contracts. Some fund-raisers are paid a normal salary, others work on a commission basis linked to how much they raise and others work on a no-win-no-fee basis for each application they submit.

Questions you might want to ask when thinking about employing external fund-raisers include:

- What level of commission or salary are you able to pay?
- Can you use the money raised to pay it?
- If the fund-raiser is on commission, how will you ensure that they continue taking as much interest in your project as in other people's?
- How will you ensure that they work well with your existing team and represent you effectively?

Training is another way of developing your organisation's fund-raising capability. Check out what is provided by umbrella bodies locally, nationally and at European level. As explained elsewhere, some funders are happy to develop your project with you and might even refer you to other funding bodies if they have a vested interest in the project's success.

4) Application forms

Most funders, including public ones and European programmes, have their own application forms. These are designed to allow consistent, equitable evaluation of applications vis-à-vis the objectives of the respective budget line or programme. Being required to use an application form has several advantages.

An application form ensures that the formal requirements and rules are the same for all applicants, which goes some way to guaranteeing equal and transparent treatment. From the funder's point of view, having the same form for all applicants regardless of the language version makes administration easier and ensures fairness. It assists data collection and recording of the key information that the funder needs on the applicant, Application forms

the partners and other parameters. Each application form presents the same budget or grant items, making it easier to decide eligibility under the funding rules. Using the same budget model also facilitates cost comparison of projects of the same type.

Once you have a clear idea about your project, and you have found the budget line, programme or action which supports the type of project you have in mind, you should find out about the application procedure (the form to be used, the funding rules, the submission deadline and whom to submit the application to).

You should always use the latest version of the application form. Even if you have already used the same funding source, check the procedure or at least the form as these can change from time to time. If you have any doubts about which form to use, you should consult the funder's website and download the latest version, or contact the funder for advice. You might put yourself at a disadvantage by using out-of-date forms.

At this stage you should also find out about the format for submitting your application (electronic, fax or paper copy). At least for the time being the original signature of the applicant is still required at European level, as the European Union does not recognise electronic signatures. (This may, however, change and in future applicants may be able to opt to submit their application in electronic format.)

Also check submission deadlines well in advance. Do not leave completing the application form to the last minute – leave yourself enough time to check the information you have provided on the form, and give your partners plenty of time to let you have the information you want from them.

- **Why are they asking for this?**

Some of the detailed questions or information required might seem arbitrary to you as an applicant, but the funding institution also needs to collect statistical information for decision-makers (national authorities, members of the European Parliament, etc) on the types of applicant and their background, the numbers of young people involved and so on. This would be impossible without a pre-designed, identical form for all applicants. Only properly filled-in forms can generate this kind of data on a comparative basis.

Assume that the application will be read by people who do not know you or your partner organisations. They also have no prior knowledge of the project you are planning. You should therefore give precise information and answer all parts of the form. The form leaves space for answers, and if longer answers are necessary you are usually recommended to use additional pages.

The form presents the applicant and the partners, lists the numbers of participants, volunteers, youth workers, etc and gives the "where and when" - the location, dates and length of the project.

The deadline for your application normally refers to a given funding period, so you should always double-check that the dates you envisage for your activity are compatible with the funding period.

Aside from the more statistical part, the other two main parts of almost any application form are the project description (or the contents) and the finances. The project description gives the aim and objectives of the planned project and explains how they will be achieved. It will include either a project plan or a daily programme, which presents the various activities and working methods in detail. If the plan/programme is not included, the application is not complete. You should include a draft programme, even if it is to be further developed during the preparatory phase. A report on the previous year's work cannot be regarded as an application, nor does it suffice as an outline of the programme.

The financial information, depending on the financial rules, takes the form either of grant-request items or a complete budget with costs and income. Regardless of the format, detailed explanations are neded on the items and calculation methods. If these are not given, the grant request/budget is not complete.

- **Finishing touches**

When finalising the application, you should check that the information provided is consistent. For example, check that the work plan or daily programme actually reflects the aims and objectives you have given, and that the numerical information adds up correctly – both numbers of participants, volunteers, etc and grant-request/budget items. If the financial part includes both costs and income, these need to balance.

The application needs to be signed by the legal representative of the applicant organisation. Usually the partners are also requested to sign a preliminary project agreement, in which they state their involvement in the preparation, implementation and evaluation of the project. Any such agreement will be included in the application.

A properly completed application form is sufficient if no other supporting documents are specifically requested. Funders receive hundreds of applications and they do not appreciate an elaborately bound application, plastic covers, etc which will only mean extra work when they make copies for their selection panels. Bearing this in mind you should also consider whether sending CVs of all participants really is a plus for you if you are not asked to provide them. Neither should you overdo it by enclosing extensive information material on your activities. This might even cause confusion in the treatment of your application. A short presentation leaflet would be better, and if you are applying for the first time it might be advisable to include your organisation's statutes.

However, some calls for larger projects might require that you provide annual reports, accounts or proof of your capacity to run bigger projects, etc, and these should then naturally be provided otherwise your application will be considered incomplete and thus ineligible for funding.

Good presentation and a well-prepared request for project funding speak for themselves and will also help in approaching local authorities or other sources for co-funding – important as the European institutions (in principle) never grant any project 100% funding.

- **How to get it to the funder**

It is advisable, though it may not be explicitly requested, to send a covering letter with the application form. The letter should briefly state what you are applying for and allows you to highlight key information.

If more than one copy of the application form is required, ensure that all annexes are copied to accompany each copy of the form.

If you use courier service or recommended mail when sending the application, you will get a receipt confirming the time and place of delivery. Many funders routinely acknowledge receipt of applications and at that stage will give you a registration number or a project reference for your application. You should quote the number or reference – and the title of your project – in all future communication with the funders. This speeds up response and gives a professional impression of your organisation, showing that you understand the funder's problems in handling a large volume of requests.

Your application will not be examined or recommended for funding in isolation. Apart from the assessment of your project as such, its quality will be measured against other applications as well as against your previous record. This means that you may jeopardise the funding of a good project if you have failed to report on a previous project or if you have outstanding matters to sort out with the funder (e.g. outstanding requests for further information or outstanding financial claims).

5) Understand your (independent) funder

In approaching any funders it is vital to show that you understand them, their mission and their priorities. Your research should therefore include obtaining the funder's own documentation.

Independent funders in particular – foundations and corporate funders, for example – publish a wide range of information on their activities. The majority produce an annual report in which they describe their current programme interests and give guidelines for applicants, financial details and grant listings. Consulting these lets you see exactly what the funder is interested in, in their own words and in greater detail than is available in funding directories). Newsletters and magazines published by funders are usually available free, and detail the latest work either by the funder itself through its own programmes or by projects it supports. Taking the time to examine this information will provide you with a deeper picture of the work the funder is particularly interested in.

The material will explain the funder's philosophy and mission. When sending in your project proposal it is important to show you understand these and that your project matches them closely.

When looking to approach corporations, make sure you understand the business they are in and their philosophy and be clear as to how your organisation and its mission and projects will fit in.

In any discussions with your potential funder, pay attention to their needs and also to any suggestions they make about cooperation with you. Be flexible and open to suggestions from funders.

Real-life experience #3

Generation Europe and Levi Strauss & Co.
Student diary

Case study

In 2000, Generation Europe (Hungary) approached Levi Strauss & Co. for financial support with their ongoing project targeting young people. They wanted to expand the Hungarian publication of the Generation Europe Youth Diary, a daily publication aimed at secondary school pupils that provides a wide variety of information about the European Union and the effects of accession and EU enlargement.

Generation Europe (Hungary) is the Hungarian section of Brussels-based Generation Europe. Since 1996 Generation Europe has provided a unique response to the challenge of the European Union public-information deficit by publishing the Generation Europe Youth Diary, a daily European awareness tool aimed at young people in several countries of the European Union. The 1998/99 editions were published in 9 countries of the EU in 10 languages and 600,000 copies

Generation Europe (Hungary) published the Hungarian edition of the student diary for the 2000/2001 school year in 35,000 copies with Levi's support. Hungary, which joins the EU in 2004, was the first non-EU country in which the diary was introduced. The Generation Europe student diary was also supported in Hungary by the Prime Minister's Office, the Ministry of Foreign Affairs and the Ministry of Education. The core material of the diary was produced in Brussels, translated into Hungarian and adjusted to Hungary's specific circumstances. Out of the total 112 pages, approximately fifty per cent was written in Hungary to meet the information needs and requests of secondary-school pupils. The aim of the diary was to provide information about the European Union, its functioning and the Hungarian accession process, and to identify programmes and subjects of concern to young people.

Accession to the EU will mean significant changes in Hungary in terms of economic, environmental, social, political and other issues. Today's secondary students will be the first generation of adults to experience Hungarian membership of the European Union, and so it is crucial that they have a firm understanding of the issues.

For 2001/2002 Generation Europe (Hungary) further developed the Diary, making it even more interesting to a corporate donor such as Levi Strauss & Co. They produced a plastic discount card to go with the Diary which gave cardholders a 10% discount in certain Levi Strauss shops and other stores all over the country.

In addition, they made a page available in the Diary for Levi Strauss to place an advertisement. Levi Strauss decided it would be better for an NGO to use the page. After discussion with Levi Strauss, Generation Europe (Hungary) agreed to this and it was one of Levi Strauss's grantees that used the page free of charge for a drug prevention message.

The Diary reached more than 40,000 secondary school students in Hungary. It disseminated information about the European Union and raised awareness about drug abuse. It benefited Levi Strauss's image, generated custom for Levi Strauss shops and gave one of Levi Strauss's grantees valuable publicity.

Many players are benefiting: students, EU, Generation Europe, the drug prevention NGO and Levi Strauss. As a result Levi Strauss are thinking of continuing its relationship with Generation Europe.

6) Matching funds and co-funding

Most funders like to see other parties involved in covering the costs of a project. That is “added value” from the funder's point of view. It means that the results will exceed the funder's investment, making the project a “good deal”. It also means that the funder is not carrying the risks single-handed. According to funder, the maximum percentage of the project's budget covered will vary, usually, from 50 % to 90 %.

The organisation requesting the funds will then have to mobilise extra resources. These may come from its own resources (financial or other – buildings, equipment, materials, staff-time allotted to the project, volunteers' work). If own resources are insufficient, the organisation will have to look at other sources, of which there is a large range: other funding agencies, partner organisations, revenue generated by the project itself (participation fees, charges for services provided etc). Funds the organisation receives from the same funding agency for a different project can never be treated as matching funds. This rule is very strictly applied in European Union funding programmes, which specifically ask whether the project has already received funds from the European Union.

Real-life experience #4

Youth Action for Peace - Romania had been involved in humanitarian-aid activities in Cojocna, a village with a large Roma population living in conditions of great deprivation. After a while the project coordinator concluded that purely material help on its own did more harm than good, and that long-term results could only be achieved by education and development. In 1995 the project coordinator was accepted for a training course organised by the European Youth Centre of the Council of Europe. By the end of the first phase of the course, the Cojocna Social Centre project had been conceived and the description finalised. As it was a project needing a large amount of money, it took some time before funding opportunities arose.

The right moment came in autumn 1996, with a call for proposals from the European Union PHARE/SESAM programme, which offered grants for social projects for a two-year period (covering 60% of costs the first year and 40% the second year). YAP-Romania and its local partners (the village authorities and the school) were not able to cover the remaining amount from their own resources. A further application for funding was therefore made, to the Co-operative Netherlands Foundations for Central and Eastern Europe. The project was favourably evaluated by the PHARE/SESAM specialists, but evidence had to be provided that matching funds were available. Co-operative Netherlands Foundation wrote to say that the project was of interest and that the application would be considered once the funding from PHARE/SESAM had been awarded. For a while the impasse seemed hopeless. Who would be the first to say yes without having documentary proof of matching funding? Finally CNF agreed to issue a document stating that they were ready to grant the amount requested if the project received funds from the PHARE-SESAM programme. The document was accepted as proof, allowing signature of the funding contracts.

Which is not to say the rest of the project was plain sailing...

Matching funds require a lot of care in planning, spending and reporting. You have to stick closely to the budget lines and financial rules of the different partners, to ensure cash flow for the project without mixing up the funding from the different sources, and to keep expenditure separate so as not to report the same bill to different funders.

Sometimes matching funds can make life easier, though. A cost one funder considers ineligible might be allowed by another.

Another point is that funding periods do not necessarily coincide or overlap. This can have positive as well as negative consequences. On the positive side, you might be able to start your project earlier or run it longer than one of the funders allows. It would be a definite minus if one of the funders were to insist on your also spending any matching funds within its own funding period. In such cases you have to plan carefully so that you can spend enough of the matching funds in the period of overlap. It can mean that in the overlap period you have more money to spend than necessary and outside this period resources are scarce. You may be able to get round this by making late or advance payments – if allowed – or by stocking up on materials.