

Fundraising for core vs project costs

A useful article from <https://nonprofitgrowth.co.uk>

Trust fundraising for core costs is one of the biggest challenges for trust and grants fundraisers out there.

Firstly, there are a lot of trusts out there that are offering core support, though this may have decreased due to Pandemic. During the first two years of their Covid-19 response, many Trusts decreased their restrictions on funding, with many offering no-strings funding and though some have continued to do this, in the past year project and specific sector funding has returned.

When you first start researching Trusts to fund your organisation it is natural to feel that most trusts are focused on issues not relevant to your cause and that fewer and fewer trusts are accepting unsolicited applications. Add that to the fact that you are looking for core costs and it can want to search for a needle in a haystack.

Sadly, there is no silver bullet or short-cut answer, Trust fundraising requires rigour and focus when searching for organisations to apply to.

What Are Core Costs?

Philanthropy Impact describes them as: "The overhead costs of an organisation, as opposed to those specific to a project."

That is a wide definition so the simplest way to understand it is, if it meets the objectives of a funder, it makes no difference to them if it is a core cost you had already budgeted for or if it was already in your budget. Do not underestimate what you can call a core cost.

For example: staffing is a core cost. You have found a trust that funds core costs within education but at the start of the year you did not need a full-time educational co-ordinator. Part way through the year you get funding for a project which involves bringing together participants for a number of schools. Your current part time education co-ordinator cannot take this on unless her hours are increased. Her salary increase is a core cost so you can apply to the identified Trust.

Let us look at the same issue another way. A funder will not fund core costs but will fund project work in the educational field. The same educational co-ordinators increase in hours and salary could be packaged up as part of the project application, as the project cannot go ahead without this role.

Just because a funder is speaking in the language of 'projects' do not assume that your core ask will be automatically excluded from consideration.

There are two main things that the funders really want to know:

- Are you helping the same people that we are interested in helping?
- Can we have clarity on how you are spending our money?

How you then package up and present 'the ask' can often be tailored to what the funder is looking for in terms of core costs or project funding.

Secondly when you are looking for funding opportunities make sure you are not limiting how you describe your work. Sometimes, we limit ourselves when we consider the work that our charities do, which in turn, limits the funding opportunities available.

Think About:

- Indirect beneficiaries
- Indirect benefits (to core beneficiaries)
- Who benefits indirectly (but nonetheless significantly) from what you do?

For example, you work on an adult project helping families out of people into employment by providing access to advice and IT equipment to help them with their job applications. Your project has successfully also raised money to help children's mental health and wellbeing.

You have done this because the adults you work with often have children affected by the situation their parent(s)/guardian are in and understandably need support. Think as widely as possible about the impact of your work.

Another example is, gardening workshops teach people practical skills in how to grow their own fruit and vegetables, but they also deliver huge benefits around physical and mental health and wellbeing, as well as increasing self-esteem, personal capability, and independence.

You can often find external articles and evidence-based research to illustrate your point and can quote these in your proposals.

This kind of thinking may open new funders and funding opportunities for your charity and may make trust fundraising for core costs easier.

It is also useful to note that though you should think laterally to help you increase your pool of funding opportunities, this does not mean you should just shoot off applications to random trusts at the expense of suitability and quality of application.

Hopefully, this has given you some ideas to help you with your applications to Trusts and Foundations.