
Factsheet:

Approaching trusts and foundations

SCOTTISH
MUSEUMS
COUNCIL



There are over 3,000 grant-making trusts in the UK which in total give over £1 billion for charitable purposes each year¹. Trusts are therefore a very important funding source. Fundraising from trusts is not a quick-fix solution but with a good fundraising strategy and exciting projects, fundraising from trusts can provide long-term financial support for your work.

What is a grant making trust?

Grant making trusts (or foundations) are organisations that have been set up to distribute money for charitable purposes. They will normally have been endowed by their founder(s) with a capital sum which is invested in stocks and shares or property. The money available for grant-making comes from the income on these investments.

The money can only be used for charitable donations regardless of whether it is a private trust or a company trust. As such, you must consider making a request to a trust in a similar way to approaching a bank manager - the money is there to be invested in charities. You are competing with other charities to prove that your project is a better investment than other projects. Never look on it as begging for money.

How do trusts operate?

Each grant-making trust is established under a Trust Deed in which the wishes of the founder(s) are set out. Some trusts have a very specifically defined policy, others have a wide remit. Some may be a vehicle for the giving of an individual; others are set up by companies to administer the funds that they set aside for charitable purposes.

This remit may develop over time. Changes most frequently occur after the death of the founder(s) as the other trustees are then free to influence the giving policies of the trust as they see fit.

All trusts are different, reflecting the interests and convictions of the person or people who donated the initial investment. Some trusts will be prepared to give a one-off donation; others may give recurrent grants for a number of years (usually up to three). Some trusts are concerned with particular geographical areas, some want to tackle national issues. Some prefer giving start-up money, some will not fund capital projects - the variations are endless! It is important to note that the majority of trusts will only fund organisations with charitable status. If you do not have this status, then you may try to make a valid case for being a non-profit organisation but this may not be successful.

¹ *The Directory of Grant Making Trusts, 14th Ed*

Getting started

The main sources of information are the literature produced by the trusts themselves (however only the largest trusts publish reports or guidelines), and a number of published grant directories (some of which are also available in CD-ROM versions) which are listed at the end of this factsheet. These directories do not cover all trusts, especially in Scotland, but they are a good place to start your research.

Use the directories to put together a target list of trusts. Look for trusts which operate in your geographical area, trusts which state in their policy statement that they may be interested in your particular project and lastly trusts which give the size of grant that you require. Try approaching your museums officer to see if the local authority administers any funds bequeathed to your local area. You may also approach local lawyers or accountants known to you or your trustees as local trusts that do not have entries in the directories are often administered locally by these professions.

Researching trusts can be a long and involved process. The more time you devote to research, the more likely you are to identify a source that will support your cause. Remember that, because trusts get approached by many charities seeking funds, you can expect to be turned down by many but the better your research is, the fewer rejections you will receive.

Find out if your organisation has had any previous contact with trusts and, if so, what the outcome was. Building up a good relationship with trusts who make a donation to your museum will encourage them to make repeat donations.

Ask your trustees if they have any good links with trust funding sources. This may be particularly fruitful if one of your trustees is from the legal or accounting professions.

How to approach a trust

Find out as much as you can

If you are applying to one of the larger trusts, telephone them and ask for any literature they may have. If the trust has a secretary / administrator, you can try to ascertain by telephone the likelihood of support for your project.

However, most trusts respond only to letters and written applications.

The application

Present a concise but clearly written document, including:

- an introductory letter
- background details
- your needs
- the project's beneficiaries
- project information
- a budget
- references.

Outline the need for the work to be carried out. If it is unique or innovative, say so. Clearly state the difference it will make and who exactly will benefit. Many funders do not like to be the first to contribute to a project and so, if you have any guaranteed funds, list these and their source. Incorporate a list of other funding bodies that have been approached and are pending and highlight successes. Ask for a specific amount of money and state the date by which the funds are needed. A shopping list of possible donation sizes is often useful, for example:

- £100 could pay for the remedial conservation of the communion token collection
- £300 could pay for new interpretation panels for the permanent paintings collection.

Do not send a lot of peripheral information attached to your application but your most recent set of accounts is vital. If the trust is interested in your project but they feel that they do not have sufficient information, they will ask for it.

Leave plenty of time

Some of the larger trusts have monthly trustees' meetings but smaller trusts may meet very infrequently so apply well before you need the money. You will need between nine months and two years for a fundraising campaign. It is not unreasonable to leave a minimum response time of three months. Many trusts do not even respond if their answer is no - unfortunately there is often too much demand on their time and resources to allow them to respond to every enquiry.

The follow up

If you receive a rejection after having done your research thoroughly, thank the trust for their acknowledgement and try to find out why. This will enable you to decide whether a future approach, with a different project, might be fruitful. Trusts get many more applications than they can fund. If you do not succeed, it does not necessarily mean that your application was unacceptable, there may have been a shortage of funds. Approach them again in a year's time using what you have learnt from their rejection to improve your application.

If you do get offered a grant, thank them for their generosity and keep the trust fully informed as to how the grant was spent and how your organisation is progressing. If you can, and the trust would like accreditation, do credit them in any literature you may have, for example, in your annual report, brochures, and leaflets.

If you find yourself having problems raising the full amount you need for your project, keep the funders informed as to when you expect to be able to spend their money. If it looks as if the project will not take place within a year of securing a donation, ask the trust if you may keep their money and spend it the following year. Remember that the money has been given to you to invest in a particular project. If that project does not happen on time and you do not tell the funders, then you may harm your relationship with the trust and thus destroy your chances of getting future donations from them. If you use the money for another project without asking permission from the funder, then you are behaving fraudulently. A simple letter or call to the trust can sort this out.

Useful publications

The Directory of Grant Making Trusts 2005-2006. 19th ed, London, Directory of Social Change, 2005.

A Guide to the Major Trusts 2005/2006. Vol 1, London, Directory of Social Change, 2005

A Guide to the Major Trusts 2005/2006. Vol 2, London, Directory of Social Change, 2005

Directory of Grants and Funds for Scotland 2004. Edinburgh, SCVO, 2004.

CLAY, A

Trust Fundraising. London, Directory of Social Change, 1999

NORTON, M and EASTWOOD, M

Writing Better Fundraising Applications. 3rd ed. London, Directory of Social Change, 2002

GILCHRIST, K and HORSLEY, M

Fundraising from Grant-Making Trusts and Foundations. London, Directory of Social Change, 2000

This is one of a number of related factsheets written for the SMC's member museums covering aspects of fundraising.

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