

AKTIVE

funding<sup>HO</sup>

# RAISING FUNDS RESOURCE

.....  
Sponsorship ~ Philanthropy ~ Funding

# Contents

<b>1.0</b>	<b>Situational Analysis and Funding Goals</b>	<b>4</b>
<b>2.0</b>	<b>Compelling case</b>	<b>4</b>
2.1	What is a compelling case for funding?	4
2.2	Why is it important to have a compelling case for funding?	4
2.3	How to create a compelling case for funding	4
2.4	Compelling case for funding	5
2.5	Developing your compelling case for funding – Key messages to remember	5
<b>3.0</b>	<b>Creating your funding plan</b>	<b>5</b>
3.1	Create your funding plan	6
<b>4.0</b>	<b>Sponsorship</b>	<b>7</b>
4.1	Key principles for success	7
4.2	Finding the right business	8
4.3	Sponsorship approaches and co-designing activations	10
4.4	Develop your sponsorship offering	11
4.5	Building a compelling proposal	12
4.6	Make ‘the ask’	13
4.7	Formalise the sponsorship	13
4.8	Onboarding session	13
4.9	Activate the sponsorship	13
4.10	Looking after your sponsors	14
<b>5.0</b>	<b>Philanthropy</b>	<b>14</b>
5.1	Key principles for success	14
5.2	Approaching donors and making ‘the ask’ is very similar to approaching corporates	17
5.3	Make sure you look after and retain your donors	17
5.4	Private trusts and foundations	18
5.5	Where to find Private Trusts and Foundations	18
<b>6.0</b>	<b>New Zealand Lottery Grants Board Funding (NZLGB)</b>	<b>19</b>
6.1	Key principles for success	19
6.2	Tips for the Lottery Grants Board application process	20
<b>7.0</b>	<b>Council funding</b>	<b>21</b>
7.1	Types of council funding	21
7.2	Contestable grant funds	21
7.3	Presenting to council	22
<b>8.0</b>	<b>Trust funding</b>	<b>23</b>
8.1	Ten tips to help you secure funding from a trust	23
8.2	Gaming trusts	26
<b>9.0</b>	<b>Community trusts</b>	<b>27</b>
9.1	How community trusts work	27

# Overview

This fundraising toolkit has been created specifically for the sport and recreation sector in Auckland.

Since the COVID-19 pandemic, the fundraising landscape in New Zealand has changed and it is important that organisations adapt in order to be successful in fundraising so our communities can thrive. Diversification and sponsor retention are key for any organisation to become financially sustainable.

This toolkit will walk you through five key funding streams in New Zealand, give you useful links to sport and recreation specific funds in Auckland, as well as downloadable templates that you can tailor to your organisation to help you build your very own fundraising plan. The modules focus on how to create your compelling case for investment, developing your funding plan and in-depth information on the implementation of five diverse funding streams.

Once you have developed a strong and clear 'compelling case' for investment you will be in a better position to identify a diverse range of funders to support your organisation. Your funding plan is the roadmap you create for your fundraising journey. This plan outlines key milestones and actions you need to address before you apply for funding. It will save you time and increase your chances of getting more funding.

The five funding streams detailed here are: sponsorship; philanthropy; NZ Lottery Grants Board; Auckland Council; and gaming and community trust funding.

## 1.0 Situational Analysis and Funding Goals

Like any good plan it's really important to know where you are now and where you want to be. A fundraising plan is no different. The situational analysis below is a good starting point and it's where you should identify your funding goals.



**DOWNLOAD TEMPLATE**

*Situational analysis and funding goals*

## 2.0 Compelling case

Developing a strong compelling case is one of the most important things you need to do prior to any funding application or approach. When a funder is receiving multiple applications a day, a clear, concise and compelling case will be the difference between your application blending in or standing out.

### 2.1 What is a compelling case for funding?

- It's really important because it's the 'WHY' a funder should support you.
- Once completed, it gives clarity on your values, objectives and purpose.
- It will help you see if there is any alignment with funders and their own goals for the community and if there's no alignment, you're going to find it difficult, if not impossible, to secure funding.

### 2.2 Why is it important to have a compelling case for funding?

- A critical component of successful fundraising is being able to effectively position your sport or recreation organisation or project alongside a funder's priorities or requirements.
- Developing a compelling case for funding can also help you identify a wider range of funders who may be interested in supporting your sport or recreation organisation.
- It will increase the success of any application or approach as you will be able to demonstrate how you align with one another.

Most funders will have their own set of objectives that need to be met when allocating funding, so it is important that you know what these are and have some mutual alignment.

So, what type of things should you be saying?

- **Emphasise** the unique and vital nature of your organisation and why a funder should care about your cause.
- **Share** your vision by describing what success looks like and the difference your sport or recreation organisation can make in the community.
- **Articulate** why your organisation exists and what difference you're making in your community. Focus on the community needs that you seek to address. Funders are focused on impact investment so being clear on the outcomes you deliver in your community is important. Think about the health and social outcomes that sport and recreation contribute towards for example active and connected communities.
- **While staying true to your own values and beliefs, align** your organisation/project to a funder's priorities if you can. Demonstrate how your project/organisation can help the funder achieve their objectives.
- **Demonstrate** that you have a good level of community support.
- **Show** that your organisation has structure, is well-managed, well-governed and can achieve the desired outcomes.
- **State** what difference a funder's support would make.
- **Explain** what the outcomes would be for you, your community and also the funder.

### 2.3 How to create a compelling case for funding

Use the situational analysis that you completed before you got started and combine that information with some funding questions in the template below.



**DOWNLOAD EXAMPLE**

*Compelling case exploration example*



**DOWNLOAD TEMPLATE**

*Compelling case exploration template*

Then distil that information from both documents into a compelling case pyramid to create your own specific case for funding.

Your Compelling Case for Funding Pyramid will also help you identify a wider range of funders who may be interested in supporting you based on shared values and objectives.



**TIP ~ TEAMWORK** We recommend getting together with a couple of key people in your organisation to workshop the respective questions with one of you taking ownership to record the information, consolidating it and reporting back to your team to ensure you're all in agreement. If there's something you don't agree with, now is the perfect time to iron these kinks out so you're all on the same page.

## REMEMBER • Focus on the why

- Funders fund for outcomes.
- The items they fund are merely the mechanism to achieve those outcomes.
- Focus on the outcomes, not the items.

## 2.4 Compelling case for funding

Once you've completed your pyramid it's time to put this information together with your situational analysis and get started on your compelling case for funding document.

This is your document to use as the basis for all funding approaches from here on in.



### DOWNLOAD EXAMPLE

*Compelling case for funding example*



### DOWNLOAD TEMPLATE

*Compelling case for funding template*

**Remember** • This is your compelling case as it relates to your sport or recreation organisation so make sure it looks, feels and represents your brand. Add images, change language and own it!

## 2.5 Developing your compelling case for funding – Key messages to remember

- It is the WHY of your organisation and WHY a funder should support you.
- It allows you to be clear on your values, objectives and purpose.
- It will help you identify a wider spectrum of funders who may align with your purpose.
- It will help inspire those funders to support your WHY and see what impact their contribution will have, through you and in the community.
- Keep it fresh and tailor it to suit the funder.

## 3.0 Creating your funding plan

It is really important to tailor your funding pitch to specific funding streams and opportunities.

Before starting your funding plan you will need to do the following two steps.

### 1. Define your funding goals

Being clear on what you need the funding for, when you need it and how much you need is key to funding success. This will help direct your focus and prioritise fundraising activity.

When you've defined your goals, you can also be more transparent with funders about where funding would be directed and the impact it will have.

### 2. Explore funding options that are the best match for you

Once you've decided on your funding goals, you'll then work through the various funding options (trusts, sponsorship, philanthropy, community fundraising, Government, and council funding).

We know times have changed in the funding environment. Now more than ever you need to be strategic about who you go to for funding. Funding opportunities are still available (albeit in some cases at a different scale) but the 'ask' and 'who' to approach is likely to be different. This requires planning and diversification.

### In New Zealand there are five key funding streams:

**Trust funding:** This is broken down into community trusts, private trusts and gaming trusts. Trusts are like

audience representations because they represent specific parts of the community.

**Council and central government funding:** Support from these sources gives credibility and provides leverage for other funders to support you, particularly community and private trusts.

**Philanthropy:** By this, we mean donor programmes which provide an avenue larger for one-off contributions or regular giving schemes. The focus is people in your community who are passionate about what you do and have shared values. You need to connect with them individually.

**Sponsorship / commercial partnerships:** Sponsorship takes many forms including corporate social responsibility, in-kind support and true commercial partnerships when businesses want to connect with you and your audience. Small and medium local businesses can also be a highly successful source of funding. The value of a strong sponsorship relationship can often include financial contributions, as well as connection with expertise and network opportunities.

**Community fundraising and engagement:** It may be the smallest financial contributor to your revenue plan, but it's the most important because without community buy-in other funders may not come on board.

### 3.1 Create your funding plan

Being organised is absolutely essential.

The next step is to create your plan which sets targets and timeframes. This resource will be your roadmap to funding success showing the 'where, when and who' for your funding applications.

It should also outline what key milestones and actions you need to address before you apply and who is responsible for these within your organisation.

This plan will ultimately save you time and increase your chances of getting more funding, more often.



## FOUR IMPORTANT PRO TIPS BEFORE WE DIVE INTO THIS MODULE

- 1. Don't put all your eggs in one basket.** *There are a lot of funding opportunities out there, but often organisations miss out on funding by not keeping their eyes open to opportunities. That's why in this module we will provide coaching and resources to help you diversify your fundraising activities by broadening your approach.*
- 2. Get organised.** *Being organised is half the battle. Fundraising can take a lot of work and requires a proactive and coordinated approach to get the funds in the bank when you need them. Planning and timing are critical to give yourself and funder enough time to prepare and process the application. Regularly revisiting your funding plan will be necessary so that you and your organisation can easily track where you are at with your fundraising goals and stay on top of multiple application dates and upcoming funding requirements.*
- 3. Keep the foot down and the energy up.** *Fundraising needs to remain high on the agenda and everyone in the team should play a part. Having a plan enables you to identify areas where others in your organisation could assist with fundraising. You need a plan to have defined roles, responsibilities, timeframes and most importantly – action!*
- 4. Treat funding as a partnership.** *It is not just a financial transaction. Look after and retain relationships.*

We recommend you review your funding plan regularly – at least quarterly. This will give you the best chance of achieving your fundraising targets.

Your fundraising plan is also valuable for a potential funder. It will show them you are well organised, well managed and committed to delivering.



**DOWNLOAD TEMPLATE**

*Funding implementation plan*

## 4.0 Sponsorship

In the current (COVID-19 affected) economic environment there is a greater emphasis on businesses supporting local initiatives, and communities supporting local businesses. This creates an opportunity to build meaningful relationships with your local business community but the competition for local sponsorship dollars will be fierce. Standing out will mean taking the time to look for promising opportunities and being strategic about who you approach.

While it can be a time-consuming process to establish sponsorship relationships, the rewards can be immense and lasting. It's worth it.

So where should you start? Let's first look at some key principles that will increase your chances of identifying, securing and retaining the right type of sponsors for your organisation.

Sponsorship is an art not a science and one size will not fit all but we believe with these tools under your belt your chances of success will be much greater.

### 4.1 Key principles for success

#### Play the long game

The most successful sponsorships are those built on a genuine partnership.

Your commercial partnerships should be viewed as a long-term investment that are the product of a strong relationship. You will need to be purposeful, proactive and consistent when it comes to managing your relationship with your sponsors.

The worst thing you can do is to treat a sponsorship as only a financial transaction.

#### Be strategic.

Don't focus only on well-known businesses that already give a lot. Alignment will ultimately be the deciding factor on whether a business will support you.

#### Find like-minded businesses

As with any business relationship, choosing the right partner is essential.

Businesses are more likely to support you where there is a shared philosophy. Aligning with businesses that have complementary values, objectives or interests is key.

Do your research. Before approaching a business, understand their objectives, vision, and values. It's also important to understand the drivers for a business to engage in sponsorship. Drivers often relate to:

- Supporting the community.
- Increasing their brand awareness through promotion and visibility.
- Engaging new audiences.
- A particular area of interest to the Board, CEO or management.

#### Cash, in-kind, intangible benefits – it's all part of the mix

Cash sponsorship should be your primary focus.

That said, there's always a place for 'in-kind' sponsorship. This may include goods or services that can help make significant cost savings such as supplies, freight, free or preferential pricing on professional services like insurance, accounting or legal fees. Also useful are goods or services which you can offer to your members or community.

It is also important to consider intangible benefits of having a sponsor associated with your organisation. These can be just as valuable as cash. For example, your sponsor could become your champion or ambassador, provide networking opportunities, marketing support and contribute their expertise. These relationships might open doors, build credibility and bring better profile to your organisation – priceless!

#### Quality not quantity

Signing up a select few corporate partners is the best place to start.

Multiple smaller sponsors can take a lot of time and resources to look after, so the 'more is better' model is usually not the most effective.

Be mindful of what you can manage. You don't want to drop the ball and risk losing a relationship that has taken great time and care to establish.

Use your networks to identify potential sponsors and open doors.

Using the networks that people in your organisation have in the business community is an important part of the process to identify potential sponsors.

Although the people who have the connections won't necessarily be approaching the businesses and

making 'the ask', they can help with opening doors to the right decision makers and add credibility. A connection alone has no guarantees, but having an introduction certainly helps. Involving your Board in opening doors is a great way to involve others in your organisation in fundraising.

### **Always deliver**

Managing relationships with your sponsors takes time. You'll need to be focused on delivering to milestones and benefits, particularly in the context of other commitments and competing priorities you will have.

Be clear about what you have agreed to deliver and deliver it well. Never over promise and under deliver.

### **Activation is key**

The ultimate outcome is a sponsor that drives sponsorship activity themselves. Encourage them to do this and if appropriate suggest potential activation initiatives to make it as easy as possible.

Low activation at the sponsor's end is a common occurrence. It's a missed opportunity for both you and the sponsor to get more value from the relationship.

Everyone wins when a business promotes their sponsorship of your organisation. The ultimate is an engaged sponsor who becomes your ambassador.

### **Saying thank you goes along way**

While this may seem basic, surprisingly it is quite common for sponsors to go unthanked.

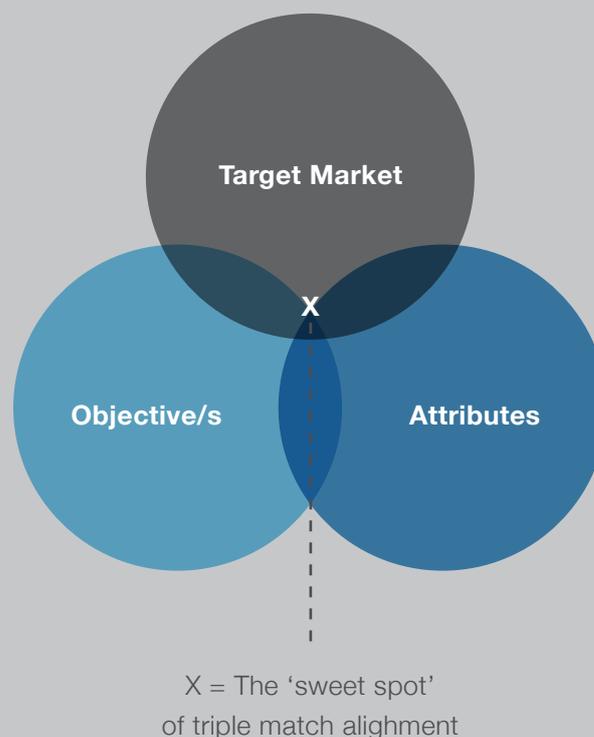
## **4.2 Finding the right business**

Partners can come from a wide range of sectors, but the most successful partnership is when two organisations join together around a common or shared values or goals.

We suggest that you identify and assess potential partners through a workshop process. Companies will be more likely to support (and continue to support) you where there is a shared purpose, complementary values, objectives or interests. The more aligned a potential sponsor is with your community/audience, values, or objectives the more likely a partnership which maximises mutual benefit, will be secured and retained. This is often referred to as the triple match alignment.

## **Triple Match Alignment**

Aligning an organisation's and sponsor's audience, objectives, and attributes to maximise benefit.



### **Target Market Match**

It is important to identify how your target market can help a potential sponsor connect with their target market/audience.

### **Objective/s Match**

A strong and mutually beneficial partnership will be underpinned by shared objectives. It is important to be clear about these.

### **Attributes Match**

The most effective partnerships are formed when the sponsor shares a similar philosophy and/or underpinning values and attributes.

Remember just because a business tends to support their community, it doesn't necessarily mean they will sponsor you. There needs to be alignment.

This is where the work you have done with your Compelling Case for Funding Pyramid comes in handy as you will be clear on your values, purpose and objectives.

Once you have defined your key audience segments, then brainstorm the different types of products and services these people would use in their everyday lives and the types of brands they would be interested in purchasing. Also think about key sectors/products which will likely seek to target your audience.

Here consider your values, interests and what your audience or target market cares about. Then consider their motivations, and what the business cares about and wants to achieve.



#### EXAMPLE

##### **New Zealand Football and Persil**

*A simple example is when New Zealand Football had Persil as their Small Whites partner, as Persil 'solved' the grass stains the young footballer bought home; the messaging being that it's ok to get dirty because Persil has your back. This is a very good example where as a company Persil was keen to be aligned to football and they saw themselves helping solve a problem of dirty football gear. It's also an example of thinking laterally about partnerships. Take the time to think of companies that might be able to solve problems or have a link to your organisation.*

#### **Aligning objectives**

It is extremely rare to find a sponsor who will align 100% with your organisation's objectives. However, if a sponsor's own objectives are diametrically opposed to your objectives or values, then the sponsorship is unlikely to succeed. You will know if a sponsor is fundamentally not aligned to your objectives.

#### **Create a target list**

When thinking about brands and companies to approach create an initial long list of potential partners.

Some guidelines to consider when creating this long list:

- Current audience alignment: does the brand currently

align with your audience in other words, does the potential corporate offer goods and services that your audience might be interested in?

- Potential audience alignment: does the brand want to target your audience (or vice versa, they have an audience base which you want to target).
- Share values: does the brand share your attributes or values, or want to share your values or attributes?
- Solve a challenge: does the brand have the ability to solve a challenge for your organisation?

In going through this exercise, we suggest you then short list targeted brands which you will then take forward for research.

Of note, we recommend that you identify one company per sector category (for example, private equity, legal, insurance, real estate etc.)



#### **DOWNLOAD TEMPLATE**

*Potential sponsor list*

#### **Do your research**

Once you've identified businesses, it's time to really do your homework prior to making an approach to ensure there is alignment and do some initial thinking around what may appeal to them.

Your online research can entail looking at business' social media pages (Facebook, Instagram, Twitter etc.), and website. Also search for the company's involvement in prior sponsorships or community outreach initiatives. Some companies have corporate social responsibility policies so this can be useful **intelligence**. This also ensures that any approach can be presented in their own style and 'language'.

Look at the tone of their messaging, the people in the imagery.

Try to find out:

- What are they looking to support?
- What are their objectives and values?
- What are their priorities at the moment?
- What is going on in their sector currently?
- What sponsorships have they been involved in previously?
- What level of marketing activity the business does?

When it comes to looking at prior sponsorship or community outreach, see if you can find out what the motivations were for supporting that cause or organisation.

You should make sure you are talking to the decision maker. Use your networks to find out who the decision makers and influencers are.

Also, consider the timing. Look at what else is happening within the business. Think about how COVID-19 restrictions may have impacted them. Making some subtle enquiries through your community networks can enable you to present a new opportunity at a time when the partner is most receptive.

### 4.3 Sponsorship approaches and co-designing activations

A successful sponsorship programme will require a relationship building phase with potential sponsors, which will take time.

So how do you do it? Here is the best way to engage a business.



#### **TIP ~ WHO DO YOU KNOW?**

*Use your networks as much as you can to assist with a referral or introduction rather than cold calling. A warm lead can make all the difference.*

Approaches should be relationship-based. Don't come in too hot – never send an email asking for sponsorship as the first point of contact. The relationship needs to be cultivated first.

Approaches to potential sponsors should involve face to face contact initially. We don't recommend that a proposal with pre-determined benefits is presented in the first instance. Assuming to know what a sponsor is seeking to achieve or what matters most to them is a common shortfall.

As a general rule, a proposal should only be presented once you understand a prospect's needs and priorities.

That said, your first point of contact may be over an email or a phone call. You don't need to necessarily meet face-to-face as the first point of contact. It's possible the business may want some additional information from you before committing to a meeting in

person. Be prepared to succinctly explain the intention of the meeting – to broadly discuss an opportunity you would like to run by them.

Once you've got a foot in the door, the purpose of the initial meeting is to build trust and a common connection. The key is listening to people, their stories, their connections and what is important to them. This meeting is not about making a pitch or proceeding with the ask.



#### **TIP ~ THIS IS A LITTLE BIT LIKE AN INTERVIEW**

*It's your opportunity to show interest in the business and if you don't know the answer to a question then let them know that you'll find out and come back – try to remain calm and take it in your stride.*

Eighty percent of the conversation should be based around them – spend your time listening more than talking. Use the meeting to build your understanding of the potential sponsor's priorities and what benefits you can offer to add value to their business. Find out about their past sponsorship experiences and plans for their business. Demonstrate that you have their interests at heart and that you want to understand them. You are much more likely to leave with valuable information to help you make a much more targeted approach that reflects their goals, interests and priorities. This is a key foundation for building a meaningful partnership.

Towards the end of the initial meeting mention that you would like to come back to them to discuss a potential partnership and ask if they would be happy with that.

Here are some questions to ask a sponsor prospect:

- What are your priorities and plans for the coming year?
- How do you normally engage in sponsorship?
- What do your clients really value?
- What are the most important elements and types of benefits in a sponsorship package?
- What does a successful partnership look like for you? What has and hasn't worked with previous partnerships?
- Are there any new products you are launching in the coming year?
- What does a perfect partnership look like for you?

## Co-designing activations

A partnership will be far more likely to be secured where benefits are co-designed with a potential sponsor.

The best way to determine high-value benefits is to get a potential sponsor in the room early in the negotiation process to workshop ideas. Through workshoping activation opportunities with a sponsor prospect, you will be able to determine the high value assets and activation ideas which are of most interest to a sponsor. This process would reflect a genuine desire to develop a meaningful partnership.

### 4.4 Develop your sponsorship offering

**Step one:** identify the benefits you can offer.

**Step two:** work out your sponsorship offering and the value of them – the financial contribution you expect for the benefits you can offer.

**Step three:** tailor your proposal for a potential sponsor.

#### Step one: List the benefits

Some ideas to start with are as follows:

- Brand exposure and recognition.
- Hospitality events, tickets and money can't buy experiences.
- Employee benefits such as access to events or memberships.
- Customer benefits.
- Exclusive or priority access to an event, area or experience for sponsors and / or a specific group of customers.
- Meetings or introduction to key personnel and VIPs.
- Custom-design of an activity that meets the sponsor's specific needs and community needs.
- Opportunity to involve sponsor's employees and family in a project or event.

We have listed some example benefits that you could offer. You will know what best applies for your sport or recreation organisation – these are intended as thought starters.

## Promotion and advertising examples

- Signage.
- Naming rights or partnership.
- Branding opportunities (merchandise, uniforms, vehicles and stationery).
- Promotional advertising/content: social media, website, customer and staff communications, advertising, newsletters and collateral, media releases.
- Speaking rights at events as a keynote speaker, opening or closing an event.

## Usage / access examples

- Any kind of opportunity to build connections and networks across your customers/audience/community.
- Hospitality and hosting meeting/introduction to key personnel/VIPs.
- Exclusive or priority access to an event, area or experience for themselves and or a specific group of customers.
- Event tickets.
- Complimentary use of facilities.
- Participation in programmes or experiences for staff/clients/customers.
- Discounts for their clients, customers or staff.
- Networking events.
- Opportunities to help with community projects.
- Invitations to special community events.
- Annual sponsors dinner or event.
- Custom-designing an activity that meets the sponsor's specific needs and the needs of the community.
- Opportunity to involve the sponsor's employees and family in the project.
- Custom-design of a new programme, award or other activity that meets the sponsor's specific needs and a community need.

The point is to be creative and innovative with the benefits you can offer. Consider what benefits their networks, clients and staff could get from your organisation. What are their customers or staff interested in? You should be thinking beyond logo placement.

The 'family of sponsors' concept works well when sponsors get increased value through networking with your other sponsors. You can provide opportunities for sponsor businesses to network, access innovative

professional development, socialise with fellow commercial partners, and your other stakeholders.

So as you onboard more sponsors, your offering will expand. You can create a family of sponsors who can benefit from being associated with your organisation.



### DOWNLOAD TEMPLATE

*Tiers and benefits*

### Step two: What is the value?

Now that you've considered what you can offer and what could be appealing to a business, it is important to consider what value you want to see in return.

This is a fine balance. While you will want to maximise the funds received and associated benefits, over-pricing will be unlikely to achieve the desired result.

Unfortunately, estimating the right value for a sponsorship is not an exact science, and there is no standardised valuation system. Sponsorship values are largely determined by the region and market the facility, activity or organisation sits within; in other words, a sponsorship is worth what your market is prepared to pay.

However, it is important to have a sound methodology for valuation so that potential corporates are satisfied that they are paying a fair price. We suggest you consider:

- Similar local organisations' existing sponsorships.
- Similar facilities or events at both a regional and national level.
- Tangible benefits to the sponsor such as naming rights and complimentary use of the facility.
- Intangible benefits to the sponsor, e.g. brand exposure, corporate responsibility and brand leveraging opportunities.
- The facility's construction costs or the cost to run the activity.
- Your operating costs.
- Reach of the audience – how many people will a sponsor have the opportunity to interact with?

If the business relationship is new, we recommend you start with smaller annual contributions and aim to build their support over time and secure multi-year commitments.

A good exercise can be to test values around sponsorship with other organisations who are active in the sponsorship space in your community.

### Step three: Tailor your offering for a potential sponsor

Once you have worked out what the sponsorship tiers are (benefits you can offer and the corresponding values), you are then ready to tailor a proposal based on what you know about what drives them, what they are aiming to achieve, and what their values are.

An important next step is to do some research so you can make sure you are approaching the right businesses and aren't wasting your time or the potential sponsor's.

### 4.5 Building a compelling proposal

Here are some considerations for developing a proposal.

- Refer back to your Sponsorship Tiers and Benefits Template. Think about the proposed sponsorship value; the level of standard benefits as well as special additions. Always allow room for sponsors to add in what is important for them.
- Remember to check in with a potential partner around the benefits they may want – don't assume you know. Find out if and how you can make them look good or solve a problem for them such as growing staff engagement or providing development opportunities.
- Be considered and clear about what you can offer and ensure you can deliver.
- Authenticity is important so deliver specific benefits that reflect the ethos and practices of the potential sponsor's business and tailor your proposal
- Frame a proposal in a way that shows you can contribute to your partner's success.

Here is an example of what to cover off in your compelling proposal. This will give you some idea of the types of topics to cover and how much information to provide.



### DOWNLOAD EXAMPLE

*Compelling proposal*

#### 4.6 Make 'the ask'

Asking for money can be hard, and no-one likes to be turned down. Here are some tips to help with that process:

- Seek a face-to-face meeting with the key decision maker.
- Make the most of the opportunity.
- Keep to the point and don't waffle. Before the meeting, get clear about what you want to say, – what outcome you are seeking to achieve and what the funder's role could be in achieving that.
- Ensure you are in the right headspace. It is important to have a mindset that is not solely based around asking for money – it's about giving them the opportunity to be part of something special and to add value back into their community.
- Tailor your pitch as much as you can.
- Be passionate, emotive and always succinct.
- Use supporting analysis, facts, figures or survey results that can back up the impact and reach your organisation has in the community.
- Start by acknowledging any existing relationships the sponsor may have. For example, "We really admire your partnership with xxx".
- Where appropriate use the sponsor's language – it demonstrates that you know how they work and that you 'get' them.
- Make sure you have a partnership approach; don't let the meeting be all about your organisation
- Listen as much as you talk – this is a great learning opportunity.
- Leave them with a copy of your proposal and state that you will be back in touch within a certain timeframe to check in. At this point they will usually give you an indication of whether that is enough time.
- Always follow up when you say **you** will – this builds credibility and trust.

#### 4.7 Formalise the sponsorship

You might need to go back and forth a couple of times to mutually agree on what you will deliver the sponsor and what you will receive in return. Once this has been agreed it is important to formalise the agreement. It doesn't need to be complicated but should include things such as:

- Dates – Contract start and finish.
- Detail of dollar value in exchange for sponsorship value.

- Termination clauses.
- Specifics of what will be delivered and when, including annual/post event reports.
- Benefits and activations that have been agreed.
- Terms of operation and terms of renewal.

Once you've both signed the agreement then you can get cracking on bringing the sponsorship to life.

#### 4.8 Onboarding session

Onboarding session to induct the sponsor into your organisation.

This is a really important step in the process, and it should result in a satisfied and happy sponsor who is happy with their decision to support your programme/event/project.

The key to getting this right is to welcome them into your family of sponsors with open arms. It's equally important though, to listen to how they want to be involved with your organisation. Some businesses want regular updates and invites to community days while others might just want an update on progress once a year and quite a hands-off approach. It's important to set these expectations early on, let them know what you're capable of delivering on a regular basis and how/when they're likely to hear from you and vice versa.

#### 4.9 Activate the sponsorship

Once you have a signed agreement you really need to be sure the sponsorship is activated to create maximum mutual benefit. By this we mean that you deliver on what you say **you** will and encourage the business to activate at their end. This dual activation process will provide mutual intangible benefits, which is imperative in a successful, long-term partnership.

The ultimate value is realised in a sponsorship when the sponsor effectively becomes an ambassador for the organisation. You may need to prompt your sponsor and assist them with this. It's worth talking to your sponsor about how they can activate and leverage the partnership at their end.

Some ideas for activation are as follows:

- Consider how they can bring their networks (client, suppliers, partners etc.) to you – can you get them along to your events for example?

- Suggest where the sponsor could utilise your branding or collateral across their own communications and marketing channels.
- Ask that they make an announcement about the partnership to their network.

By not doing this, you can miss out on valuable additional benefits from having the sponsor's business associated with your organisation.

#### 4.10 Looking after your sponsors

It's so important to be really purposeful about looking after the relationship you have with a sponsor. Unfortunately, this is an area which is often overlooked.

Securing your sponsor takes significant time. To lose them because you haven't taken care of them is an expensive and time-consuming error seen time and time again.

Looking after your sponsors shouldn't be difficult if the right sponsors are on board. It shouldn't require a lot of time or money; it is more about making them feel like their contribution has mattered, that they are part of a network and are helping to create something special.

This often comes down to effective communication. Focus on consistency, personalisation and doing a little bit often. It's about understanding the sponsor, their needs and planning your communication around that.

The more your sponsor communication sets expectations and builds anticipation, the more likely supporters will stay with you for the long journey.

Have a quick check-in to make sure they are happy with how the sponsorship is going – every six months by rule of thumb. This helps you iron out any issues before they become big problems.

Keep the relationship active – don't leave your next email or phone call until you come back to ask for another year of sponsorship.

The easiest way to look after a sponsor is to find out what they want out of the partnership. Ask what will work for them and how regularly they would like to hear from you. With some businesses, it may be best to maintain regular contact. For others, they may only want to hear from you at certain points.

Reporting back on what's been delivered, what's occurred, and any results is an effective way to demonstrate you value their support.

## 5.0 Philanthropy

Philanthropic contributions from individuals, families, trusts, foundations or businesses can provide an important source of funding for both one-off projects and programmes or 'business as usual' activities.

To successfully develop this line of giving, it's important to target the right people. Be strategic about aligning to a person's or a private trust's priorities and recognising and looking after your donors well.



### TIP ~ NEW ZEALAND TAX SYSTEM ENCOURAGES CHARITABLE GIVING

*The New Zealand tax system encourages charitable giving by offering tax benefits for both individual and corporate gifts.*

*If you are a registered charitable entity, donations made to your organisation will be eligible for a 33.33% tax refund on the donation.*

*Please see [ird.govt.nz](http://ird.govt.nz) >>*

### 5.1 Key principles for success

#### The cycles of giving and the importance of stewardship

Philanthropy is about building and nurturing a long-term relationship. Philanthropy is not about the one gift at a point in time – it's about a longer term, lifecycle of involvement.

When we talk about stewardship we are talking about how to look after and nurture your donors. You grow your relationships by making sure your donors feel valued and have great experiences with your organisation. The intention here is that as your relationship with each donor grows, you'll steward them to a higher level of giving.

Often the most effective approach is to focus on stewarding smaller donors into larger donors, depending on where each sits in the cycle of giving. This allows people to be part of your project or cause whatever their capacity to give.

For effective stewardship, you need to keep donors engaged, whatever their stage of the donor cycle. They must always feel like their donation has mattered,

that they are part of a special family and that they are helping to create something meaningful.

While you may provide more recognition to a donor who has given \$10,000 vs. a donor who has given \$500, you need to ensure every contribution is recognised and appreciated.

The key is listening to people; their stories, their connections and what's important to them and their families. Using this information will help you to understand how to recognise and look after a donor once they come on board to support you.

Failing to look after a relationship is one of the most common reasons people lose donors. If you don't acknowledge and thank your donors appropriately then it seems their generosity is not being acknowledged, nor the fact that by funding you, they most likely did not fund someone else.

### **Focus on the right people**

You need to make sure you are approaching like-minded people and trusts that may have an interest in supporting your aims and activities.

Some people are called upon constantly by groups to support their cause. Just because a person tends to support their community, doesn't necessarily mean they will support you. It's more personal than that.

Many individuals and foundations need to be increasingly strategic about what they fund as demand for their support grows.

There needs to be an alignment. This means you need to understand what a person's drivers are for giving in the community. When you take time to understand what makes them tick and how your organisation aligns with them, it makes for a much more productive conversation.

Often it can be difficult to know where to start, which takes us to our next point.

### **Your database will be invaluable**

Before starting to cultivate or approach anybody, it's worth putting time and effort into establishing or refining your donor database.

Setting it up will provide you with a roadmap of who to approach and so this will be your greatest asset.

A degree of consistency across your donors is good practice.

Much like the sponsorship framework, it is always worthwhile having a donor framework with tiers of giving and corresponding initiatives to genuinely recognise your donors across various levels of giving.

It's important to be consistent in your recognition of donors. Naturally, each relationship will be unique, but you want to make sure the experience your donor enjoys reflects the contribution they have made.

A framework will:

- Help ensure a donor is always recognised appropriately for their contribution.
- Help you clearly differentiate the level of recognition you give and the amount of communication you have with them.
- Allow you to identify initiatives that will appeal to and encourage an existing donor to incrementally increase their level of giving in future, creating an 'aspirational affect'.
- Help to breakdown down your fundraising target into achievable chunks.
- Provide simplicity that will help with managing and maintaining relationships with your donors.
- Help you focus your efforts in the right places. For example, having too many donors at a very low level is not always effective as it is hard to manage and is time intensive.

### **Be aware of timing**

For significant donors, it takes a long time to develop a genuine partnership or relationship. So, you will need to be realistic about the time it will take.

It's critical to get your timing right when you approach a donor or make a request. Take time to find out what is happening in their world. Where is that person at? What is going on in their life that will take their focus, such as family or work?

### **Discretion can be important**

Individuals will need to be approached in a discrete and private manner. The key to whether they make a contribution will be their level of trust and faith in your organisation, as well as in those who are making the approach. You must consider who will be approaching each philanthropist while being mindful of individual circumstances and priorities.

## Be transparent

A principle of ethical fundraising is being transparent about why the money is needed and how it will be used.

Before a donor comes onboard, be clear about how their contribution will help achieve your vision or objective. Be upfront about the total amount to be raised and any individual asks.

## Inspire and connect

Asking potential donors for money is all about inspiring a person to contribute. Frame the conversation from the perspective that you are giving them an opportunity to be part of something special. You are!

Share your compelling case passionately and concisely. Consider how it aligns with the individual to build your pitch. Focus on the outcomes you are seeking, and articulate the purpose, values and benefits of your organisation.

## Cultivate champions

Cultivate champions who are influencers in your community to support you and encourage others in your community to support you. There's nothing like an endorsement from an influential person in your community to incentivise others to make a contribution.

## Governance has a role to play in philanthropy

The most successful organisations have a team approach to fundraising. These are organisations that have a strong culture of encouraging philanthropy, where everyone is playing a role in helping fundraising thrive.

If your organisation has a board of trustees or committee members, they have an important role to play when it comes to philanthropy.

The focus for board/committee members should be to help identify and open doors to potential philanthropists. Management is responsible for 'the ask' and for securing the deal.

Board/committee members should also help look after donors and ensure a genuine relationship with your organisation is built and maintained.

## Define your fundraising target and tiers of giving

The place to start is by determining your donation tiers.

Donor tiers will enable you to break down your donor fundraising target into achievable targets for each donor group.

Your tiers will help you to appeal to a wide spectrum of the community – from those who are willing and able to commit large sums, through to people who would like to make a smaller contribution.

The tiers will also help you to work out how to look after each group of donors and encourage incremental giving and increase contributions levels.

We recommend you keep it simple and aim for around 4-6 tiers.

An effective approach is to enable donors to make their contributions over a number of years. This can facilitate a longer-term relationship but also means the donor can spread the cost over a longer period. You will be best placed to know what levels of giving are appropriate in your community but here is an example.



**DOWNLOAD EXAMPLE**

*Donor tiers*

## Determine how you will look after your donors

Once you've determined your donor targets and the corresponding giving tiers, the next step is to consider how you will acknowledge a donor's contribution in a meaningful way and how you will look after each donor in your various donor categories.

As mentioned earlier, donor stewardship is about helping donors to feel valued and that they are making a difference. So it's important to think strategically about how each of your activities will do that.

Think about what your sport or recreation organisation can do that will make your donors:

- Feel appreciated and thanked for their contribution (thank you letters, personal thank you calls etc).
- Feel and be recognised in a way that they wish for their support (announcements in a newsletter or annual report etc).
- Understand how their contribution is making a difference (demonstrating impact through impact reporting, updates in person etc).
- Feel engaged and involved in your progress (invite on a tour of the projects, donors are consulted about how the funds are used etc).
- Feel they are part of a special network or community.
- Feel that you know them and understand what makes them tick.

Often this will need to be personalised to each donor and will ultimately depend upon the acknowledgement and recognition your organisation is able to offer.

Some general areas you could consider as thought starters are:

- Naming recognition in a building or online
- Hospitality and hosting
- Personalised communication and project updates
- Open days on site
- Meeting or introductions to key personnel and VIPs
- Annual supporters' dinner
- Socialising or networking opportunities
- Invitations to special events such as thank you events
- Opportunities to help with community events or initiatives.

Naturally, the higher the contribution, the more tailored and personalised your donor recognition and care should be.



#### **TIP ~ THE DISTINCTION BETWEEN STEWARDSHIP AND BENEFITS**

*A careful distinction is that a donor cannot be seen to gain benefits from donating to your organisation, if they wish to claim tax credits on their contribution. A donation needs to be given with the expectation that nothing would be received in return. It's very different from sponsorship which is much more of a commercial relationship.*

Consider what resources your organisation has available to sustain your donor programme

When designing or revising a donor programme, you need to be mindful about whether your organisation has the processes and resources to deliver and sustain your donor programme. Resources include both people and budget.



#### **DOWNLOAD TEMPLATE**

*Philanthropy Donor Programme Framework*

## **5.2 Approaching donors and making 'the ask' is very similar to approaching corporates.**

The following example questions can be useful:

***"Would you consider a gift of X?", as opposed to a general 'will you support our cause?'***

A question like, "Would you consider a gift of \_\_\_\_?" accomplishes two things. First, it takes the pressure off the asker. This feels like something that anyone can naturally say. Second, this phrase encourages askers to use a specific dollar amount.

"Will you support our cause?" is not an effective way to ask for money. One person's idea of 'support' may be \$250 when you'd rated them as a \$2,000 prospect.

Do the prospective donor the courtesy of plainly telling them what number you're thinking about.

A non-confrontational question like "Would you consider a gift of \$5,000?" accomplishes just that.

Another good option is:

***"Honestly, I have no idea how much to ask you for, but here are our donor categories for your consideration."***

Despite our best research, and calculated guessing, there are times we really don't know how much to ask someone for. It's hard to know where people sit... so let them know!

Another consideration is that if you don't give them a number they may come in really low. Your donor tiers can help to guide this conversation. You may ask, "Where do you see yourself sitting?" Allow people to determine where they would sit.

Honesty is disarming. Most people respond well to requests for help and that's what you're doing. It will help you know how much to ask for. If you're in the ballpark they'll tell you. And if you're too high, they'll tell you too.

## **5.3 Make sure you look after and retain your donors**

### **Have a plan**

One of the biggest mistakes is assuming your job is done after the fundraising transaction is complete. You need to keep the relationship alive and donors engaged. Don't leave your next email or phone call until you come back to ask for another year's donation.

We are all busy people, so it pays to actually create a

plan and schedule activities throughout the year to make sure you don't accidentally overlook this important step.

A challenge we often face is that we are time poor. It can be a challenge to carve out time for your donor programme, but it's essential. A question we often hear is "Should I send a thank you to donors who give under \$100? I'm so busy!" Well, it's your call and decisions like this often depend upon the size and nature of your organisation, but here are a few things to consider.

Firstly, you don't know who is sending that \$100. Maybe that \$100 was the last \$100 that they had, but they were so moved by your work they felt that your beneficiaries needed it more than they did. If you knew this, would you still think that they haven't earned the right to be thanked? What if that donor had the potential to be a major donor, but was testing out how you treat your donors? This does happen!

For larger donations, a personalised thank you letter/ email and phone call is considered best practice. This is an important part of your stewarding process. An acknowledgement needs to be personal and meaningful. While it is time consuming, ultimately it is time well spent.

Once you have your donor framework in place, this will not be a 'set and forget'. No relationship is static. You will need to continue to tailor the way you thank and look after a donor as they move through the different cycles of giving to ensure donors continue to receive value. A donor's priorities or needs may change, so it's important that you are responsive. You should be upfront with yourself as to whether your donors are continuing to value their association with your organisation, and how you can keep them with you. This is why the regular donor reflection process is even more vital.

## 5.4 Private trusts and foundations

### How they work

Many private trusts have been set up with funds from philanthropists who want to see their investments create continued community benefit. Private trusts are different from philanthropy as they are governed by a trust and not a single person.

Private trusts are often administered by legal and accountancy firms and you will hear of them by word of mouth. Using your networks and the networks of others in your organisation is vital as they're less likely

to be found online.

Unlike gaming trusts, philanthropic trusts will not usually tag their funding to a particular item. Instead, they 'fund for outcomes.' How the funding is used to achieve the outcome is left to you. That said, a high degree of transparency on how the funding is applied is advisable.

### Applications and approaches; What you need to know. What you need to do:

- It's important to develop a relationship with key personnel overseeing a trust who will hopefully go on to champion your cause at board level.
- Private trusts tend to fund projects and organisations where there are high levels of trust and respect, so a relationship-based approach is important.
- Tapping into networks to open doors is key. Call on your organisation's ambassadors to help with a letter of support or introduction to a private trust.
- You'll need a deeper relationship than with say, a gaming trust. An effective option is to invite the trust personnel to your organisation so they can see what you're doing.
- If a private trust has indicated interest, it is critical to understand what they are seeking from the funding relationship; what would success look like for them?
- Generally, there is no set application form. Often the application is by letter. Again, your compelling case can provide a framework for the letter.
- It is important that you remain in touch with fund managers and keep a close eye on new information in the philanthropic sector to identify new opportunities and to adjust expectations when required.
- When you secure funds keep communicating in line with the trust's preferences and requirements, including how they want to be communicated with and how often.

## 5.5 Where to find Private Trusts and Foundations

### LINKS

[generosity.org.nz](http://generosity.org.nz) >>

[perpetualguardian.co.nz/philanthropy/grants-and-scholarships](http://perpetualguardian.co.nz/philanthropy/grants-and-scholarships) >>

[publictrust.co.nz/grants/how-do-i-find-one](http://publictrust.co.nz/grants/how-do-i-find-one) >>

## 6.0 New Zealand Lottery Grants Board Funding (NZLGB)

### LINKS

[Community Facilities Fund >>](#)

[Significant Projects Fund >>](#)

### 6.1 Key principles for success

#### There needs to be a strategic fit

We've talked a lot about alignment and this is also a fundamental principle when it comes to NZLGB funding.

Successful funding will depend on clearly identifying how you align with the objectives the fund is trying to achieve.

#### Be prepared to measure your impact

NZLGB will want to be able to see and measure the impact of their investment in the community.

So, you will need to be clear on your impact in the community. Also be prepared to measure this and demonstrate what difference the funding would make.

#### Demonstrate competency

Think of ways to demonstrate your organisation's competence and ability to deliver.

Spell out factors that prove your organisation is well-managed and prudent in financial decision making.

Show that you have the right people and processes to deliver on your commitments, and that you will use the funds effectively and with integrity.

#### You need the community to be with you

NZLGB will be more likely to support you if they see that your community values your organisation and its mission. So, community support is vital to encouraging and validating support from NZLGB.

In an application, a good way to show this is through letters of support from key stakeholders or influencers in your community.

When thinking about who to approach for endorsement, think about the key stakeholders in your community – either highly influential people or decision makers in your community. Examples may be your council staff (Chief Executive), a Mayor or MP, Iwi leaders, local businesses, people who are

highly impacted by, or benefit from, your work such as community groups, user groups or volunteers.

#### Māori

Māori, especially mana whenua, are Treaty partners with Central Government (the Crown). This brings some important responsibilities for Central Government. Government funders will likely want to know how you've engaged with mana whenua and tangata whenua in developing your plans and aligning them with Māori priorities. Integration of, and alignment with a Māori world view can also significantly enhance the quality of a case for investment. Consider how the underlying Māori values map closely to a range of wellbeing outcomes. For example, kaitiakitanga – the environmental, spiritual and cultural guardianship role of iwi.

#### It's a partnership

As an applicant you will need to show that you have been proactive in seeking funding from other avenues for at least 33% of the total project costs. These may include your own organisation, businesses, iwi, local council, philanthropists, and trusts.

#### Collaborate where you can

NZLGB is increasingly keen to see creative and collaborative approaches to solving community issues. For example, external funding for an integrated facility that has multiple uses is more efficient and sustainable than for standalone facilities.

Where you can, look for opportunities to collaborate in new ways. This is especially valuable if working with other groups and sectors can increase efficiencies while benefiting the Auckland community. Some successful examples include sharing administration services, facilities, and other resources. A collaborative approach will definitely be looked at favourably.

#### Always be accountable and act with integrity

When you are successful in an application, be transparent, systematic and process-driven to ensure you meet your obligations.

Reporting and auditing processes will be in place, so only spend funds for their approved purpose. Provide accountability reporting to back this up. Don't take liberties – if in doubt always contact the fund advisor.

Be upfront if your situation has changed. For example, if your project cannot proceed for any reason, talk to your grant advisor. While this is not an easy thing to do, operating with integrity is always the best course of action. Keep up the communication and be transparent.

## 6.2 Tips for the Lottery Grants Board application process

### Communicate with a Fund Administrator

Here are some possible questions to ask the grant advisor.

- What is the level of funding available for the year?
- What is the highest grant that would be considered in this funding round?
- When is the best time for you to apply?
- What level of supporting information is needed for an application?

### Be organised

NZLGB has a fixed closing date and time, and late applications will not be accepted. This is why having your funding plan is so important. It's vital to make sure you track when your applications are due and what actions you need to take to meet the deadline.

### Provide relevant, precise and succinct information

When writing your application, your primary objective should be to provide the fund assessors with the right information they need to say yes to you!

NZLGB applications take a considerable amount of time to pull together and require a lot of detail, but remember that it's about quality, not quantity. Include only relevant information.

### Present a strong case for why you should receive funding

In your application, you'll need to be strategic about showing why your organisation should receive funding. We understand this process can seem daunting, so we'll step through the topics you should highlight.

Below is a list where you can start building out your strategic case. Add bullet points for each topic. Working through information in these key areas will help you identify what other information you need to get together for your application.

You can then start incorporating these points into your actual application.

### 1. Provide a succinct overview about the fundamentals of your organisation

- Your organisation's purpose.
- The role you play in your community – what outcomes and benefits you deliver (refer to wellbeing framework above).
- What you are seeking to achieve (your objective) and how you'll do this.
- If applicable, how you are working with others to improve community outcomes.

### 2. Show how your organisation or proposal is a strategic fit

- That your proposal meets the fund's priorities.
- That you can contribute to achieving the fund's objectives.
- That you meet the key criteria.

### 3. Present a case for change – why your proposal is necessary and why you need funding

- There is an urgent need in your community.
- That your organisation has the capability to meet this need.
- What a difference additional funding would make.
- How will your proposal support or help to achieve other strategies, programmes and plans that are a priority in the Auckland region?
- That your community and key stakeholders support your proposal.

### 4. Show the viability of your proposal

- Your proposal is well considered and a range of options have been assessed.
- Your preferred option is the best solution and reflects value for money.
- How you intend to fund your proposal, where else you will seek funding from and that you have a clear, structured and actionable plan for acquiring the necessary funding? (This is where your funding plan is absolute gold).
- That the proposal is affordable and how you will fund it on an ongoing basis (if applicable).
- The risks and how will you manage these.

## 5. Show your ability to deliver and achieve what you say you will

- You have the right people and processes to see the project through (project management, management, governance).
- You have experience with implementing these types of activities.
- You have the skills to deal with the funding effectively and with integrity.
- You can show how the effectiveness of the proposal will be monitored and evaluated.
- You will report back on what you have delivered and the results that you have achieved.

## 7.0 Council funding

Auckland Council has a wide range of grants and funding options available for sport and recreation organisations, particularly those that help meet local needs, and make a difference to the community's wellbeing.

Auckland Council can often become key funding partners for sport and recreation organisations.

As well as potential funding, Council may be able to provide valuable in-kind support. This can include access to professional development resources, expert advice, marketing and communications and access to networks. This support can add significant value to your organisation (with increased capability) and help you realise cost reductions.

An added bonus is that when you secure financial support from a council this demonstrates strong support for your organisation. Endorsement and investment from your council is powerful in influencing other funders to come on board (for example, business sponsorship, community trusts or NZLGB).

Even with a first-class application that meets all the fund criteria, the success of your application depends on the priority of the respective grant compared with other funding channels, and the grant money available for allocation.

So, you need to be cautious about too much reliance on council funding. This is where diversification is so important. While council could become a key funding partner for your organisation, don't put all your eggs

in one basket. Make sure you have a range of funders across all streams to ensure your funding is sustainable.

### 7.1 Types of council funding

Auckland Council has contestable grants available annually and you can apply for funding through the Long-term Plan and Annual Plan process and through Local Board Community Grants.

Below is an overview of the various funding avenues that can be available.

#### Funding provided through a Long-Term Plan and Annual Plan process

The majority of council funding is distributed through the Annual Plan (yearly) or the Long-term Plan (three yearly) process. The majority of Local Boards have funding available through community grants which are decided a few times a year. In the Auckland Council context larger projects are more likely funded through the **Council itself**, while smaller funding opportunities are provided by Local Boards.

It pays to get clued up on the process to make submissions to the Long-term Plan or Annual Plan and Local Board Community Grants. It is important that you follow the correct process to ensure your application is included for consideration. This may include attending relevant council meetings and speaking to your submission.

Councils look at their Long-term Plans for the next 10 years on a three-yearly cycle so you need to be aware of council review timeframes. You will be able to find out information about your council's process on their website.

### 7.2 Contestable grant funds

#### LINKS

*Regional grants >>*

*Local Board Grants >>*

*Multi Board Grants >>*

#### Build relationships

It's important that your sport or recreation organisation has a positive relationship with Council. You should endeavour to have a relationship with both within council organisation (Council Staff) and at a political

level with elected officials (Mayor, Councillors and Local Board Members).

Ensure Council knows about your organisation, what it does, what you are seeking to achieve and what impact you have on the community. Your primary relationship will generally be with your Local Board.

Think about your networks and how they can help broker this relationship – does someone on your board or committee know any key people that can make an introduction for you?

### **Present a strong case**

You will need to demonstrate a need in the community, outline the benefits and link your project to Council's priorities and desired outcomes. Local Board priorities and outcomes are set out in their three-year Local Board Plans. You should also align your project with regional strategies.

You should approach the Council with an attitude that solves their problems and acknowledge Council's strategic focus areas. How can you help the Council achieve an objective? How can you make it a win-win scenario for both parties? Put yourself in their shoes. They want to see great things for their communities – your organisation may be one of the avenues that can help do this.

How does your organisation link to the ***Auckland Sport and Recreation Strategic Action Plan 2014-2024 >>?***

Or the relevant Local Board Plan ***Local Board Plans >>?***

You also need to demonstrate the positive impact you are having in the community.

Lastly, it is important to use the Council's language in applications because it shows them that you are aligned. So be aware of the use of language in your application. Check the ***Auckland Council's website >>***, social media, media releases strategies and Local Board Plans for the key words they use.

When developing your case for investment in your application, refer to your compelling case pyramid, as well as the regional strategic priorities and wellbeing templates you completed earlier in this module.

### **Advocacy is important**

Advocacy at the political level of council is an important part of succeeding with funding and should be done for

any significant funding application.

It will often be critical for your organisation to directly engage and develop relationships at a political level (Mayor, Councillors, Local Board Members) and at a management level, as well as with key supporters who have a profile and influence in the community and public sector.

Personally invite your Mayor, Ward Councillor, Local Board Chair or members to events run by your organisation such as prizegivings.

### **Councils will want to see skin in the game**

Council funding is often subject to certain conditions being met, such as other external funds being secured. Council will rarely fully fund a project.

### **Show you have community with you**

If you are applying through a Long-term Plan, financial support for your organisation will need to go through a public consultation process.

Funders will be more likely to support you if they see that your community values your organisation and its mission. So, community support is vital to encouraging and validating support from council.

### **Work in partnership**

Think about how you will work in partnership with council and other organisations in your community that provide complementary services to meet your community's needs. Take a coordinated approach wherever you can. This may include shared facilities or operational resources, and agreed access to each other's facilities free of charge, or at favourable rates.

### **Regularly engage with the Fund Administrator**

Keep in touch to flag your upcoming application and obtain as much information as possible that will aid in preparation of a successful application.

## **7.3 Presenting to council**

### **About council meetings**

You will usually only have only 10 minutes to present your proposal to the Governing Body (Councillors) or your Local Board, allowing time for questions afterwards. This is called a deputation and must be arranged in well advance of the meeting.

Presenting groups usually bring along two or three people to talk about the project. This includes a governance representative and/or Chief Executive, and then volunteers or staff who can answer more detailed information on the project planning, costs, etc. Sometimes they bring partner organisations if it's relevant to the project.

### Presentation content

At the presentation it would be good to provide the following.

- An overview of your proposal.
- An overview of community need and community benefit from your proposal.
- Strategic alignment with all relevant Council plans and strategies
- An explanation of process to date and information to show sound planning. Provide background on the process you have followed in coming to this point – and how the community has been engaged in getting your proposal to this point and how they will be involved going forward.
- A description of how funding will make a difference.
- An indication of costs for your proposal and where funding might be sought.

### Presentation preparation

Elected Members should have some of the documents you provided with your application in their meeting pre-reading documents. Find out from the Democracy Advisor (Local Boards) or Governance Advisor (Governing Body) when you need to present the pre-reading material. Sometimes this can be two weeks before the meeting, so it pays to be prepared. Be aware the meeting agendas can be very large so concise and precise wording is important.

If you would like to use PowerPoint, send a copy of any presentation materials before the meeting and check the technology set up.

Let council staff know the names of the presenters, their role in the project and any special requirements.

## 8.0 Trust funding

There are two main categories; gaming trusts and community trusts.

We'll provide further information on each because, while they're all trust funds, they have different requirements and aspirations.

First, let's start with some general principles when applying for funding from a trust.

- Impact investing is increasingly a focus for trusts, so community benefit is an underlying criterion for most trust funding. Make sure you show the value the funding will provide to the community at a variety of levels.
- Community trusts are increasingly looking to support organisations that are willing to partner to achieve these outcomes.
- Trusts often represent specific sectors or areas of need within a community and are therefore looking to support community projects within their area of interest.
- Trusts may have a regional focus and only make grants to charitable or community organisations operating within a specific regional area, while others cover all of New Zealand.
- All trusts have different rationales for giving and different funding criteria.



### TIP ~ TRUST FUNDING HAS ALWAYS BEEN FIERCELY COMPETITIVE.

*In any given funding round there is usually far more people looking for funds than there are funds available. That's why it's very important that trust funding is only a part of your funding strategy and not the central funding pillar.*

### 8.1 Ten tips to help you secure funding from a trust

The most successful applicants are those that have a targeted and coordinated approach.

So let's look at how you can go about doing this:

#### 1. Be strategic. Do your research. Establish a relationship

Treating fundraising as a numbers game and spamming trusts is not a good idea. While yes, you should

understand their guidelines and check out their website – that’s just the starting point – not the end point.

Successful fundraising is based on building strong relationships with key personnel within gaming and community trusts. Get to know the trusts you want to approach. Start with due diligence.

Find out:

- Who they are.
- What they do.
- What their priorities are.
- What they fund and who they have funded previously.
- How the trust operates.
- What makes them tick – what is their mandate, what are they seeking to achieve.

Consider who can you talk to, to learn more about their priorities and what they are looking for? Also whether you can use your own or your organisation’s networks to get an introduction to key personnel within a trust.

When you do get your foot in the door, make sure you listen more than you talk. Ask questions about what they care about and what they might need from you. Show that you have their interests at heart and that you want to understand them – you’ll be much more likely to leave with valuable information to help you make a much more targeted approach.

## **2. Communicate**

Try to engage with personnel at a trust both during and outside of the application process. This will help you really understand what the trust is all about, bring attention to your funding application and gain valuable information that will give your application the best chance of success.

Before you apply, phone or meet with the trust’s administrator or manager to highlight an upcoming application. The trust may indicate whether there are funds available for the amount you’re requesting, and the best time to apply.

Even if an application is unsuccessful you should follow up. Ask for feedback on where it can be improved to increase the likelihood of securing funding next time.

## **3. Alignment. Alignment. Alignment.**

As we’ve said often, ALIGNMENT is key. And that doesn’t mean how the trust might work to align with you, it’s about the work you need to do to align with the trust.

Trusts usually have their own objectives and accountability built in to measure those objectives. Think like a funder for a minute and ask how you can help them achieve their goals. Then, think about how your organisation can align with the trust’s priorities.

Make a real effort to understand your funder’s guidelines and show how you intend to meet them in your application. A generic application won’t get successful results, and worse you probably won’t be welcomed back. After all, no one likes to have their time wasted. That includes grants officers who may not look too fondly on reading yet another application where the writer has made no effort to understand what they are looking to support. You’ll see much better fundraising results by putting in a bit more effort to ensure that you are giving grantors what they need from you.

Always include a well-structured cover letter with your application. With your compelling case for investment you’re in a good position to do this.

## **4. Diversity and cover all bases**

To increase your chances of fundraising success you need to diversify by approaching a broad range of trusts and other funding sources.

In an application always include where else you are going for funding as trusts are not usually interested in being the sole funding source of an applicant.

## **5. It’s all about the community**

Trusts are run by people who want to know that they’re making a difference. They want to be both moved and excited by what you can do to address a need in the community.

So when it comes to funding, community benefit is an underlying requirement. You need to be able to demonstrate the value that the funding will provide to the community at a variety of levels.

You will need to show two things:

1. The need for your work and that it’s urgent.
2. That your project meets this need effectively.

**TIP!**

*Your compelling case needs to be clearly articulated – both in conversations with the trust and in the application itself.*

**6. Be precise and be organised**

Double check you've included all the required information and supporting documentation in the application.

Make sure you are aware of all timing. Some trusts meet monthly while others may only meet every 3-6 months. Have your own timing plan sorted as well so that it is in sync.

You may need to apply a few times for various reasons, so ensure you apply with plenty of time before you need the funding.

Plan applications in batches and schedule them across the year – the best way to get over the post-rejection blues is to have another application already under consideration if the rejection comes.

A key part of being organised is keeping track of where you are in the grant process. Refer to your funding implementation plan template which can be used to show your whole organisation exactly where you are at with every grant application, and ensure you don't lose 'institutional knowledge' if key staff move on.

It's important to consider that most trusts rarely fund retrospective costs. What this means is that you cannot have completed a project before a funder approves your funding. This is another reason why regularly communicating with the trust is so important.

**7. Show you're not alone**

Many trusts require at least two letters of support with a funding application. More than two is even better.

Consider who your stakeholders are, and how they can demonstrate their support for your organisation.

Ideally these letters of support would be from people with influence like a high-profile supporter in the community. Other personnel to consider approaching for support could be user groups, business/community leaders, Iwi, council, your Mayor and MP.

The messages need to be powerful, emotive, inspirational and urgent. They should emphasise the unique nature of your organisation or project.

**8. Be accountable**

Funders like to fund organisations that they know are effective. While they will hopefully be moved by your stories, they also need to feel convinced that your methodology is sound and that you can be trusted with their money.

Spell out factors to prove that your organisation is well managed. Show that you have the right people and processes in place to deliver on what you say you will and that you will use the funds effectively and with integrity.

Once the money has been spent, produce an accountability report. Report back on the deliverables that have come about from the trust's funding. This is a good time to go over and above. Highlight the human factor and how it's impacted at either an individual or group level.

If the funding is tagged towards a certain something, always use it for that purpose. If there is any doubt call the Trust Advisor to discuss.

**9. Saying thank you goes along way**

Surprisingly, it is quite common for a trust not to receive a thank you for their grant.

Not only does this mean that a funder's generosity is not being recognised appropriately, it also demonstrates a lack of appreciation of the fact that by funding you, they most likely did not fund someone else. For a funder who may have felt a struggle to support you over another very worthy project, a perceived lack of appreciation is not a great outcome.

A short letter of thanks is not only warranted, it may also help your funding applications in the future. By thanking them, you have a valuable opportunity to engage them further and bring them closer to the organisation. Given that it is far more expensive and time consuming to find a new funder than it is to keep an existing one, this is an opportunity not to be missed.

While slip-ups can happen, it is absolutely your responsibility to ensure that you have systems and procedures in place, so all funders are thanked for their support, promptly and well.

**10. If at first you don't succeed...**

Don't lose heart with a rejection. Often an application is declined simply because the timing of its arrival

exceeds the amount of funds available in a particular funding round.

Assuming you have checked that your organisation would be eligible for funds – being persistent is key so keep applying.

When it comes to community and gaming trusts, be forward thinking and persistent to stay on their radar. Grants Officers should be relatively easy to approach as they are employed to distribute funds.



**TIP!**

*Anytime you reapply just check if you need to submit some updated information such as resolutions or updated quotes.*

With those ten tips under your belt, let's now look a little more deeply at each of the charitable trust categories.

## 8.2 Gaming trusts

### How gaming trusts work

Gaming trusts distribute a portion of the income they receive from pokie machines. They tend to distribute the funding locally to ensure the money goes back into the community in which it was generated. That means the fewer machines a gaming trust has in an area, the less funding there is available.

There are usually several gaming trusts in any region and a number of national gaming trusts. Some national gaming trusts have thresholds for giving to various sectors (e.g. sports, arts, environmental). Often, they tend to allocate the majority of funding to sports related causes.

Gaming trusts are often the quickest way to access funding. Most are open to applications all year round, can fund a range of requirements, have straightforward application forms, and give a quick turn around on decisions.

Gaming trusts like to give to something tangible and can provide an opportunity to offset a significant amount of operating costs.

The applications to most gaming trusts are similar and require the same supporting information, therefore once one is prepared, it is easy to use for others. Although we should note that the application will need to match the type of expenses that the particular gaming trust funds. Again, this is where doing your research is important.

The amount of money gaming trusts generally have to distribute is trending downwards, while applications have increased. Further, changes to gaming legislation has meant increased compliance and regulatory costs for gaming trusts. As well as that, most local authorities have introduced a 'sinking lid' policy so that if a venue with gaming machines is closed, the machines are not able to be transferred to another venue, consequently reducing the number of machines over time.

This pressure has now been compounded by the recent COVID-19 pandemic.

Whilst gaming trusts will continue to play a role in the funding landscape, it may be at a different scale. It's clear that diversifying funding sources is more important now than ever before.

### Gaming trust applications: What you need to know. What you need to do:

- Applicants must be incorporated and also have Charities Commission registration or an IRD income tax exemption.
- Many of the gaming trusts require the funds to be spent within three months of receiving them. So it's important to be familiar with this process for the timing of an application.
- You need to understand and comply with the legislative requirements of the Gambling Act 2003 in terms of audit and accountability. Accountability is critical for gaming trusts through the Department of Internal Affairs (DIA) regulations. Trusts will generally audit within a year of releasing funds, but some are known to request this as early as three months earlier. Always follow up with an official accountability report well ahead of schedule. Keep invoices, correspondence and reports.
- When the funding is tagged towards a certain service or product, always use it for that purpose. If there is any doubt call the advisor to discuss.
- Gaming trusts don't fund retrospective expenses.
- Multiple applications to each gaming trust may be required. Don't lose heart with a rejection. Seek feedback – if you are unsuccessful, you have a right to ask why. It may be that they were short of funds in that round, and you will have a better chance in the next round. If there is no other reason apart from over-subscription (which is common) then be persistent.

Unless you're advised that you aren't eligible, keep applying!

- Complete the appropriate application forms thoroughly and make sure you provide the correct information – if you don't, you'll be overlooked no matter how eligible your application might be.
- Applications require up to three quotes and will need a budget.
- Be aware of timing. Some trusts have more money at the start of their financial year and prefer you to apply then and others tend to hold back money until the end of the cycle. Ask the trust's grants advisor when the best time to apply is.

### Where to find gaming trusts

The **Department of Internal Affairs website >>** has a list of gaming societies (by region) that invite applications for grants from the public and also some helpful advice on applying for grants.

**[www.dia.govt.nz/diawebsite.nsf/wpg\\_URL/Services-Casino-and-Non-Casino-Gaming-List-of-Society-Websites >>](http://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Services-Casino-and-Non-Casino-Gaming-List-of-Society-Websites)**

## 9.0 Community trusts

### 9.1 How community trusts work

Community trusts are created when a community asset has been sold. The money is then held in perpetuity for the community.

Foundation North is the community trust in Auckland. Foundation North focus its funding in four key areas:

- Increased equity.
- Social inclusion.
- Regenerative environment.
- Community support.

#### There are two funds available;

- Quick response grants (up to \$25,000).  
**[www.foundationnorth.org.nz/funding/fund/quick-response-grant >>](http://www.foundationnorth.org.nz/funding/fund/quick-response-grant)**
- Community grants (more than \$25,000).  
**[www.foundationnorth.org.nz/funding/fund/community-grant >>](http://www.foundationnorth.org.nz/funding/fund/community-grant)**

Generally, community trusts aren't just looking at the commercial return. They are attracted to community initiatives that have a significant impact on the community to justify the investment.

In comparison to gaming trusts, community trusts are much more about partnerships and working together over a longer period and want to be much more involved in projects. Community trusts are increasingly interested in co-designing programmes or projects and delivering events or specific projects for positive community outcomes. Therefore, it is key to involve a community trust in conversations early on in your project.

Community trusts are taking an impact investment approach more often and focusing their funding strategy on particular sectors of the community. It will be increasingly important to align yourself to the trust's purpose and show how you can help solve a problem for them and achieve an objective. You'll need to be prepared to measure the value the funding will provide to the community.

The organisations that don't do so well are those that look at the funding as a handout and play a numbers game. A better strategy is to develop more meaningful long-term relationships.

#### Community trust applications: What you need to know and what you need to do:

- Establishing relationships with key community trusts is extremely valuable. Once you've established a relationship, we recommend you make regular contact to update them on progress.
- As it's all about the long-term relationship. When a partnership is established, the community trusts are a good source of multi-year income which can provide improved financial security.
- A community trust wants to know the funds will be put to the best use possible. So, it's important to be able to show strong governance and management structures, transparency, accountability, and the long-term vision of your organisation.
- It is important to align your application to the trust's funding purpose. You must also convey the community initiatives and outcomes your organisation is achieving or seeking to achieve. Again, this is where your compelling case is a helpful resource.



# AKTIVE

**WE'RE HERE TO HELP ~ For more information or support  
please contact: [enquiries@active.org.nz](mailto:enquiries@active.org.nz)**

**Information in this toolkit is for guidance only  
and does not constitute formal professional advice.  
Where specific issues arise in your club / code, advice  
should be sought from the relevant expert/s as necessary.**

## **Ngā Mihi**