

# Fundraising for major church building projects

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**A Joint Wootton George Consulting and Church Growth Trust**

**Briefing Paper**

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## 1. Introduction

Undertaking a major appeal to buy, renovate or build a new church or community facility can seem a daunting task. After all, many churches struggle to cover their running costs, without the additional burden of a capital development to fund. However, if properly planned and run, a major appeal can have a galvanising effect on a church congregation, uniting them behind a shared vision and a common goal, forging new partnerships and growing the church and its impact in the process.

This briefing paper covers the key issues and questions that churches need to consider when planning a major appeal. With so many having already undertaken capital builds in recent decades, there is much shared learning available, so it is not necessary to reinvent the wheel. Today, much advice is available, either in the form of reading or of specialist advisers, so churches should not feel daunted in their endeavours. It is hoped this paper will provide both a useful guide and an encouragement to those considering an appeal.

## 2. Vision

Before considering any major building project or fundraising for it, you as a church need to be clear what your vision is and what God has specifically called you to do. All assets and resources of the church, including your building, should fit with the vision and the vision should be the both the driving force and the touch stone for any decisions. The vision needs to be clearly understood by the church leadership and communicated with the whole church. Having the commitment of the whole church is vital as there will be often a great cost to them. Successful projects are very much dependent on the church getting fully behind the fundraising and their initial commitment is crucial. Any building project will come out of your God-given vision and be part of your growth as a church. In this way the building project (and fundraising) will not be a finance challenge, but a walk of faith.

## 3. The Fundraising Process

As with any serious undertaking, there are some important matters to take into account when seeking to raise significant funds. The first relates to the planning of your appeal. Far from being an afterthought when drawings are ready and planning permission has been sought, churches need to start thinking about funding as soon as they have a rough idea of how much money they will need. After all, the best laid plans are of no use if the money is not available to fund them.

It should be understood right from the start that a major church building appeal is a serious undertaking that will require a lot of planning, hard work, prayer and team effort. The recommended route is to follow the classic capital appeal approach:

- Funding feasibility study;
- Development of the appeal strategy;
- Its implementation.

### 3.1 Funding Feasibility Study

The aim of the feasibility study is to reduce the risk of failure and to inform the church leadership, before it is committed to a large appeal, how likely it is that the required funds will be raised. The study investigates the key issues that will influence an appeal's success or failure. It looks internally at the level of support, at the sense of unity and vision, at the capacity of the church to run a big appeal and at the strength or otherwise of the case for support (see section 4 below). It looks externally at sources of funding, at how the church is seen by others and at the potential partners and influencers who may be harnessed in support of the appeal. Crucially, the feasibility study also looks for sources of a lead gift (see section 12 below) and tries to gain a sense of how long an appeal is likely to take. It typically comes to one of three conclusions:

- A successful appeal is possible, or
- A successful appeal may be possible once certain issues have been addressed, or sometimes
- An appeal is unlikely to succeed and that the church should therefore think again.
- The value of the feasibility study is to uncover the main issues that will face the church in raising funds, before a public commitment is made. It aims to avoid the church wasting time, money and energy on a failed appeal.

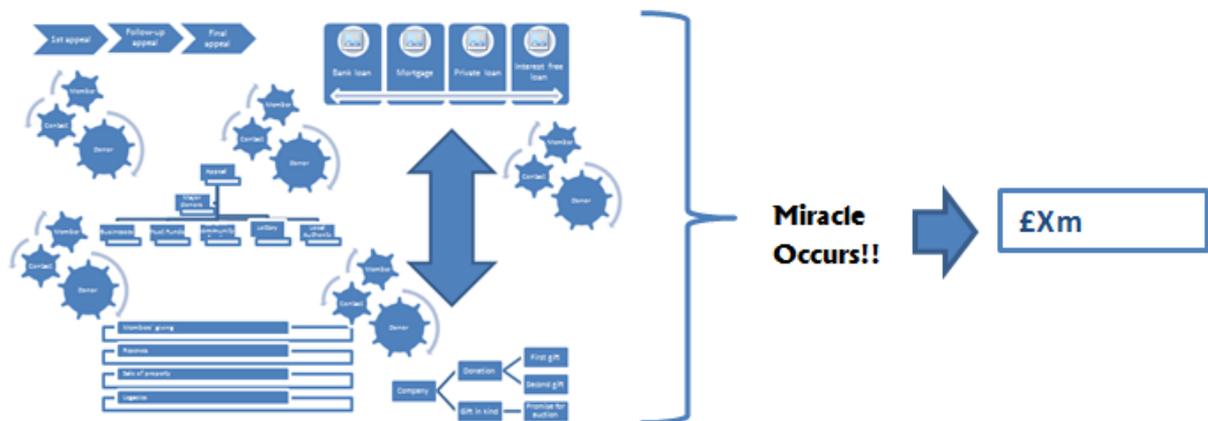


Diagram 1: The fundraising miracle – how realistic is your planning?

### 3.2 Appeal Strategy

Assuming the feasibility study points to a likely success, the next stage is the preparation of the appeal strategy, which pulls together all the practicalities and sets out how the funds will be raised, by whom, over which timescales and at what cost, including a gift table of the projected donations required. The agreed strategy identifies who is responsible for what and specifies how the fundraising effort will be managed and monitored. It is the road map to success and should not be omitted.

### **3.3 Implementation**

The final stage of a major appeal is its implementation - in other words actually raising the money. This normally takes place in two stages, sometimes known as the private and the public phases. In the private phase, the church is conducting internal fundraising and also approaching the best external prospects, quietly seeking to put in place donations and pledges for at least half of the total. Once the half-way mark is reached – and there is growing confidence that the final target will be met - the appeal can move to the public phase. This often starts with a public launch, followed by a series of fundraising events, while other activities continue to mop up the remaining funds. The full detail of what takes place will be part of the planning stage and will be set out in the action plan of the fundraising strategy.

By following this logical and planned approach, major appeals have a better chance of succeeding and of avoiding the common pitfalls.

### **3.4 Business Plan**

Underpinning this process is the business plan, which looks ahead to when the new building is complete and describes how it will be used and what the ongoing finances will look like. Funders will often want to know if a business plan has been prepared, as will any lenders if the church will be seeking a loan facility as part of the funding package. A sound business plan demonstrates that the church has done its homework, has thought through the key issues and is confident that, once complete, it will be able to operate the new building on a sound financial basis. A solid business plan also reassures donors, who may worry that a new building could stand idle for much of the time, by demonstrating the anticipated level of future use.

As part of the business plan it is vital that realistic and accurate budgets are used. Some churches have been given indicative costs for building projects, but have overlooked professional fees, VAT and fit out costs.

## **4. The Case for Support**

Alongside effective planning, a key to a successful appeal is developing a strong case for support. This is the compelling argument as to why anyone should support your appeal. After all, no one has to give to it and there are many competing causes out there; so you need to think through what makes your project so important that anyone should support it.

It will be worth spending some time thinking about why your appeal is worthy of support, what are the needs you are addressing, what benefits you will create, what difference you will make to people's lives and what is so special about the project that people will want to part with their hard earned cash. The aim is to create an inspiring vision of the future, supported by the facts, that makes people want to give, not just out of a sense of duty, but because they believe in the cause and have confidence that it will achieve its goals.

In preparing the case for support, it is worth pulling together the facts about your project and, in a small group of perhaps half a dozen people, brainstorming the core elements you

will include. Then appoint one person who writes well to sum it all up in a short document, which you can draw on when you write or speak about the appeal. The case for support is not meant to be used “as is”, but rather to inform your appeal communications, whether in a brochure, on your website, in publicity or in approaches to external funders. The aim, as well as inspiring people, is to ensure consistent and effective messaging that makes the strongest argument every time. Time spent in getting this right will not be wasted.

One vital consideration in developing the case for support is to identify and highlight the external benefits that the project will create; in other words, the impact it will have on the community outside the church itself. Although some mission-based funders will support direct mission work or a larger building to accommodate a growing church, it must be understood that few external funders will support an appeal that will only benefit the church and its members; so time spent establishing the community impact will be well spent. In particular, churches must think about which groups in the community have needs that they can help to meet, as well as how they will do this. For example, there may be significant numbers of isolated older people locally who would value a weekly activity, such as a lunch club. By talking to other local organisations, including other charities, the local authority and GP surgeries, churches can gain a picture of local needs and develop opportunities to serve. Increasingly this is how many churches already reach out into their local communities. The key thing is to build this thinking into your project planning and feed it through into the case for support. However care needs to be taken not to dilute your vision as a church or to compromise on your objects as a Christian charity. Any community-based activities will need to be in line with your vision.

Once you have drafted your case for support, test it out by asking others not involved in the project to read it and comment on it. Does it make sense? Does it convey what you are trying to say effectively? Would the reader support the project? By testing and refining your case for support, you will ensure that when you approach donors and funders, you are making the strongest case you can, which will maximise your chances of success.

## **5. Fundraising Capacity**

An important question for every church considering a major appeal is how they will find the people with the time and skills to carry out the many tasks involved. There will inevitably be a plethora of jobs to do, ranging from researching potential donors and funders to planning and running events.

Most churches can muster some volunteer input for much of this work. Although it is important for the church leaders to show leadership and lead from the front, they should be wary of taking on too much. So part of the appeal planning will be identifying the many tasks involved and finding out who in the congregation is able and willing to take them on.

Where there is a shortage of skills and/or capacity, it may be possible to buy in some external help; although this will not mean that the church itself can sit back and delegate all of the work to a paid outsider. There will still be roles for members to take on, including being willing to make approaches to seek donations, especially where they have personal contacts. Having some professional help, however, will bring in valuable skills and expertise which may be lacking and not least help the church to avoid common pitfalls.

## 6. Leadership

Major appeals do not happen by themselves. They require effort and, not least, leadership. So think carefully about who is the right person to take a lead and steer the church through the process of raising the funds it needs. While it is important for the church leaders to be fully behind any church appeal, it is often appropriate for another member to take on the leadership of the appeal, not least because a lot of time and energy will be required. So think carefully about who will make the best candidate. Who has leadership qualities and experience? Have you got anyone who is used to running large projects, to managing and motivating teams, to making things happen on time and to budget? Often this will be someone with a business background, but not exclusively. In a secular context, appeals are often led by outsiders brought in to help raise the funds. In a church context, however, it is very likely to be a member of the church. Whoever it is, they must be someone who commands respect and has the authority and personal energy to drive the appeal. They must be fully signed up to the church's vision and able to inspire others to support the appeal. Do not rush this decision. It is more important to get it right.

## 7. Budget

It costs money to raise money, so you will need to budget for fundraising, just as you do for other aspects of the project. There will be costs involved in designing and printing appeal materials, producing displays, running events, conducting funder research and - for a large appeal - buying consultancy advice and paying staff time. The scale of the budget will depend on the amount you need to raise and how you will raise it, but for a major appeal where professional support is involved a budget of 5 – 10% of the total is not unusual. Smaller appeals, conducted by the church alone, will cost less, but some investment will still be needed and will repay itself many times over.

## 8. Sources of Funds

Every successful appeal will draw on a range of sources of funds and, as no two appeals are the same, there is no single "right" way to raise the money. The most common sources of funds include:

- Members' giving
- Reserves
- Legacies
- Sale of property
- Trusts and foundations
- Major donors
- The National Lottery
- Statutory grants (e.g. Local Authority grants)
- Landfill Community Funds
- Community fundraising
- Loans
- Company giving and gifts in kind

Each of these sources will be more or less significant for each appeal, depending on the specific local circumstances. For example, if a church is seeking to raise money for work on a listed building, the Heritage Lottery funds may well be involved. For many other churches however this will not apply.

### **8.1 Members' Giving**

While some churches hope that the funds they need can be raised externally, it is important for the membership to make an early contribution, for several reasons. Firstly, it binds them to the vision and unites them in their endeavour. Giving to the appeal gives them a sense of ownership of the project and increases commitment. It also demonstrates to external funders that the church is "putting its money where its mouth is" and not just expecting someone else to fund its project. This is especially important if much of the benefit of the project will be internal.

Care needs to be taken when asking members to contribute towards a specific project as to whether their giving is restricted to this project or one part of the project or whether their giving can be used for general church use. The former will be Restricted Funds in the church accounts. It is important to make it clear to members the basis of their giving, to keep good records so you can go back to the members and to ensure that any Restricted Funds are not used for general church activities. Sometimes appeals "fail" because the church raises too much for one specific project or part of a project and it then does not have the flexibility to use these funds for other matters.

### **8.2 Reserves**

A contribution from reserves, where available, performs a similar function to members' giving. Not all churches have significant reserves, but where they do, external funders will expect to see a contribution before the church asks others to support.

### **8.3 Legacies**

Legacies, or gifts in people's wills, are another very valuable source of income for many churches. However, the long-term nature of legacy fundraising means that you do not know when a legacy will be received and therefore you cannot plan for legacy income during the life of your appeal. However, it is good practice to encourage your members to remember the church in their wills anyway, which over time can become a significant income stream. Sometimes, legacies can arrive with perfect timing, just when they are needed and can usually be used for whatever purposes they are required. So churches should make regular, if gentle, requests for legacies, so that over time they will benefit from this valuable income source. Legacies are also a good way of paying off any loans, so should not be overlooked.

### **8.4 Sale of Property**

Some churches are in the fortunate position of being able to sell or swop land or buildings (such as a manse or redundant hall), to part-fund the project. The value of

this should always be included in the appeal total, thus taking the appeal further towards its ultimate target and demonstrating the commitment of the church towards its goal.

## **8.5 Trusts and Foundations**

Trusts and foundations are often a key funding source for church appeals, although there is frequently a temptation to think of them as a panacea, which they are not. While there are almost 10,000 such funders in the UK, most of them are quite specific in what they will support and where, and even many of the Christian-based ones will not fund appeals for church fabric. So beware of the temptation to rely too heavily on these funders. Resources to identify these are mentioned in the Prospect Research section below and in the Further Resources & Information section at the end.

## **8.6 Major Donors**

Wealthy people in your community or with some connection to your church or to the project can be very generous. Be aware that they may receive many funding requests so you need to be confident that yours will appeal to them. Work out why they might support your project before approaching them and ideally do so through a personal contact who already knows them.

## **8.7 National Lottery**

For some churches, the National Lottery is an acceptable option, while others take the view that they should not touch money derived from gambling. For those that do apply (e.g. to the Heritage Lottery Fund or to the Big Lottery Fund), a lot of work is involved and it can be a challenging task for the uninitiated. All Lottery distributors expect to see a lot of detail and planning, as well as evidence of local need derived from consultations. So a bid is not for the faint hearted, but can be a source of a lead gift if successful. Success rates have declined in recent years as more groups apply, but professional help is also available, at a price, to increase your chances of success.

## **8.8 Statutory Grants**

Statutory grants have often played a role in capital appeals in the past, although local authorities (which are the most common players here) have reduced what they can give, as their budgets have been squeezed. As with the National Lottery, this is public money so, where it is still available, expect to work hard to make your case and evidence the impact funding will make. This is an area where good local contacts and relationships with elected officials and local authority officers can help, so make the most of any contacts you may have to find out what funds may be available and how to apply. Care should be taken with any ties and limitations placed on your use of the property as a result of any grant (e.g. having to open the building to all faiths).

## **8.9 Landfill Community Funds**

Since the introduction of the Landfill Tax in 1996, a tax credit scheme called the Landfill Communities Fund (LCF) has existed to encourage landfill operators to work in partnership with environmental bodies to improve communities and the environment. Most of this funding is only available within a certain geographical radius of a particular company's site. In most cases, the LCF are focused on the community and environmental benefit of a project. Where a church building is an accessible space available to the whole community, the enhancement of its use, or the conservation of its fabric may well fall within the grant criteria of the schemes.

## **8.10 Community Fundraising**

Community fundraising is what a lot of people refer to when they think about fundraising. Events, sponsored activities and the like come in many shapes and sizes and there are many ideas available for things you can run in your appeal's public phase. The resource section below has some suggestions on where to look for ideas. Today a lot of this happens online, via websites such as JustGiving, where organisations and individuals set up pages in support of events and appeals. As well as raising much needed funds, the community element of an appeal also helps gain publicity and draws in new contacts and potential partners. It is important to be realistic, however, about how much community activity will raise. It is time consuming and labour intensive to run events and activities and not all of these will raise large amounts. They are often used to finish off an appeal that is most of the way there, as well as to engage large numbers of people in community activities, so think of them in the round and make sure they are meeting all your objectives. Make sure too that they are planned well. Screen them for the best ideas and establish budgets. Give one person the responsibility for coordinating each one, so there is accountability.

## **8.11 Loans**

Loans are a surprisingly common element of an appeal package. Provided the business plan can demonstrate a regular income, it is common for lenders to provide a loan facility to help complete an appeal. Some churches also benefit from loans from members, some of whom re-mortgage their homes in order to lend to the church. It may be worth noting that often members are later happy to convert a loan into an outright gift. Make sure the loan is paid back and gifted separately in order to ensure you can claim Gift Aid on this. While most churches would prefer to raise the money outright and not be saddled with a debt, a loan facility is often a viable option and should be considered as part of the funding mix. Church Growth Trust (CGT) has written a paper on Church Mortgages, which is freely available on the CGT's website. Contact details for a recommended Mortgage Broker is also shown in the Further Resources & Information section at the end of this paper.

## 8.12 Company Giving and Gifts in Kind

Companies sometimes feature in the donor lists of church building appeals although, as with charitable trusts, there is often a tendency to over-estimate their likely contribution. In fact most companies prefer to give to secular charities (especially linked to children or health) rather than religious causes. This said, where there is a major employer locally, or where members work for local companies, it will still be worth finding out what their giving policy is and how to apply. Remember that few companies will give to things which are purely internal church projects, so they will expect to see significant community and company publicity benefits. Think too about what the church can offer back to any corporate supporter, as they will often wish to see some benefit in return for their support. In some cases, companies will making gifts in kind instead of cash. These can still be valuable and might include building materials, staff expertise, the free loan of equipment, donated fittings and so on or items for an auction of promises.

## 9. Funding Strategy

Having considered the fundraising process and the possible areas for sourcing funds, it is then necessary to put in some hard graft in raise the funds. A clear strategy on how this is to be done and by whom will need to be agreed by the church and anyone working with you.

## 10. Prospect research

A key element of any appeal is establishing where the funds are that might support it and therefore an important task will be to research prospective donors and funders. This is now much easier due to the internet. There is a wide range of resources available, some free and some paid, for that can be accessed to help you draw up your prospect list. Someone will need to spend time researching these as you prepare your appeal.

There are online resources to identify charitable trusts and foundations, statutory sources, companies and National Lottery distributors. No single website has all the information, so it is a little like completing a jigsaw – you need to use a range of sources to pull the information together. The resources section below has some suggested sources to use in your search. Some of these offer free initial trials, which you can make use of. Others may be available via your local Council for Voluntary Services, or your local reference library. It is also possible to buy in research from fundraising companies, who can do the job for you and who will often have access to additional information.

For research into wealthy individuals, if relevant to your appeal, you will need to consider paying a professional, as it is a specialist area.

Today, many funders have their own websites, so do check the latest information there for details, as in theory these will often be more up to date than directories. When you know which funders you want to approach, it is also worth trying to speak to them by telephone if you can. This can elicit a lot of useful information and advice, as well as “warming up” your subsequent application.

When building your prospect list, as well as including details such as application procedures and forthcoming deadlines, it is worth noting the names of key people, such as trustees and administrators for contact mapping purposes (see below). For local funders in particular this is important.

Prospect research is an ongoing activity that will continue for the life of your appeal, so it is important to keep your list up to date and record which funders have been approached when and what the result was. It is also important to thank and update those that have given, not least because they may well give again in the future if you maintain a good relationship with them.

Applications will only be successful if you are fulfilling the grant funder's criteria, so try to be realistic as to who might give to your project and what level of grant they may give.

## **11. Contact Mapping – who do we know?**

In fundraising there is a saying that “people give to people”. In other words, it is often who you know not what you know that counts. While not true for all types of fundraising, having personal contacts can make a big difference to your results, often enabling appeals to be concluded more quickly and to raise more funds than otherwise. This is because having a personal contact not only increases your chances of success, but will also mean that average donations are larger than otherwise.

Most local organisations, including churches, think they have few if any useful contacts, but this is rarely true. All of us have been to school somewhere, live somewhere and have friends, relatives and colleagues. Others have sat on committees, been to university or been elected into public office at one level or another. Everyone knows someone and it is therefore a matter of identifying the people and organisations you want to reach first, then asking your members to review lists of the key people there to say who they know and how well. Most groups are surprised by how many people they can reach with a personal contact. Having a direct contact with a funder or donor does not automatically mean you will receive funding. You still have to apply or make an approach in the normal way. The difference is that personal links can open doors, warm things up and prepare the way for your appeal in a way that a standard, cold approach cannot. So an important part of appeal preparation is mapping out the people you want to reach and finding out who knows them. Then you can plan how you will use these contacts when it comes to raising funds.

## **12. Lead gifts**

For any major appeal to succeed, it is likely that there will be some larger contributions. Indeed, if these cannot be identified, the appeal will often struggle and may well fail. In fact, the likely sources of lead gifts are an important aspect of the feasibility study. By larger contributions is meant one or more gifts of at least 20% of the total sought. So if you need to raise £1 million, you will be looking for a gift of at least £200,000 to get things moving. Without such a gift, an appeal may fail to gain momentum.

Lead gifts can come from a range of sources, including a statutory grant, a donation from a foundation, a National Lottery grant or occasionally a gift from a wealthy person. At a push, it is possible to use other assets, such as the sale of land or buildings, although nothing

quite gives an appeal a boost as much as a large donation, which sets a seal of approval and also sets down a marker for other donors to follow.

Ideally, one or more lead gifts should be identified early in the appeal and certainly before the public phase. Their value is not least in showing that the appeal has made a good start and has momentum, which in turn will help to attract further support. At best, without a lead gift, an appeal will take much longer, which can increase costs and cause enthusiasm to wane.

## **13. Tax Considerations**

It is worth considering the tax implications of your project and the two key areas here are VAT and Gift Aid.

### **13.1 VAT**

Ideally, you should be seeking to minimise the amount of VAT that will be payable on your building work. This is a specialist area and, for large appeals, is well worth taking professional advice, as it is sometimes possible quite legally to reduce or avoid paying VAT altogether, depending on the nature of your scheme. For example an independent annex or new building for relevant charitable purposes would be zero-rated for VAT. The HMRC website has advice about this and there are also tax specialists who can help you navigate this complex issue. Stewardship have produced an excellent briefing paper on VAT for churches (see Further Resources and Information section below).

### **13.2 Gift Aid**

Churches will already be familiar with Gift Aid from their regular giving programme, so will have signed Gift Aid declarations for many members who give. For capital appeals, it will be worth checking your records to make sure you have valid declarations for all those who are eligible (i.e. all those who will pay income tax or capital gains tax during the financial year in which they are giving). Sound record keeping here is essential and full guidance is available on the HM Revenue & Customs website. You will also need to check that the donors are paying sufficient tax to be able to claim Gift Aid on their whole gift (e.g. a pensioner on an employment pension of say £15,000 per year has raided their Building Society account and given a capital sum of £10,000, on which the charity has claimed Gift Aid on the whole amount without thinking about whether the donor has paid sufficient tax).

### **13.3 Listed Places of Worship Grants Scheme**

If your building is a Listed Place of Worship you can receive a grant from the Listed Places of Worship Grant Scheme (LPWGS) to cover some of the VAT you have to pay on repairs and maintenance work. The funding for the scheme was substantially increased from 2012/13 and the budget confirmed until March 2016.

## **14. Final Considerations**

### **14.1 Community Consultations**

In today's competitive funding environment, evidencing the need for your project is vital and one way a church can do this is to carry out consultations with interested parties in the community. In fact some funders, such as the National Lottery, now require specific evidence of what consultations have taken place, in what form and even on which dates. So before you make approaches to the larger grant makers, you will need to plan and run local consultations to demonstrate that what you are planning will meet a real demand and is more than just a nice idea the church has thought up.

In consulting local people, you should plan to speak to the key organisations in your local area that know the community and its needs. These include statutory bodies (such as the local authority, GPs, local health trust, schools, police etc), as well as community groups, charities and so forth. You may also wish to run one or more events for local people to find out more about your plans and to have some input into the sort of services and facilities you will be providing. A good starting point here is the local Council for Voluntary Services, which will be able to provide you with local contacts and help you identify who to speak to. This is also a good way to forge new relationships and increase your reach locally. Once consultations have been carried out, their results need to be fed back into your project planning process; so start consulting early and ideally before you are too firmly committed to any detailed plans.

### **14.2 Timescales**

A key question for any appeal is how long will it take. This is a difficult question to answer, as it depends on many variables, including how much funding is required, the strength (or otherwise) of the case for support, the effectiveness of the fundraising team, the availability of funding locally, the level of external needs identified and the commitment and engagement of the congregation. The likely timescale is one of the issues that is explored in the feasibility study. As a rule of thumb, it is better to give yourselves more time to raise money and complete the appeal early, than set a short timescale and overshoot. Appeals can often take several years to complete and the best advice is to allow at least two years (and preferably longer) to complete.

### **14.3 Keeping it Legal**

As with most activities today, fundraising is regulated and churches must abide by the law when raising funds. There is guidance available on this, both from the Institute of Fundraising and from the Charity Commission. See below for further information.

#### **14.4 The Appeal Office**

To run an appeal effectively requires organisation and administration. Ideally, an appeal office should be established, from which efforts can be coordinated, records kept and work carried out. It also serves as a contact point for enquiries about the appeal. It might be located in the church office or in the home of a volunteer. As with any office-based activity, the usual facilities will be needed, including computer, printer, telephone and access to the internet. There should also be provision for filing records and storing fundraising materials.

#### **14.5 Partnerships and Endorsements**

It cannot be stressed enough how important local partnerships and joint working are to a successful appeal. Funders want to see that the project you are undertaking fits in with local needs and that other organisations support what you are planning to do. It is therefore vital, as you develop your project, to think outside the church about who you need to talk to and how other groups may have input into your plans. For example, it may be that they will want to hire your premises for their activities, which will support the evidence of need, as well as bringing in some income. The representatives of these organisations may also be willing to provide you with written endorsements and quotations supporting your project, that you can use in your funding applications. Some groups may even be willing to contribute to the appeal if they feel your project will benefit them and their members. So it will be important to canvass local organisations about their view of your project and seek their support (whether moral, financial or practical) for what you are planning.

#### **14.6 Taking Advice**

While some churches are well positioned to plan and run a capital appeal themselves, others may lack the knowledge and skills to do so alone and will therefore value some professional input, whether this involves conducting the feasibility study, preparing the appeal strategy, delivering prospect research or helping run the appeal itself. A little advice can go a long way and is usually money well spent to ensure the appeal is on the right track and avoids the obvious potential pitfalls.

In the UK there are fundraising specialists able to advise churches and charities about raising money. While there is a cost to taking their advice, in many cases - and especially for larger appeals - this will be worth the investment.

There are various sources of consultants, so churches can ask around for recommendations or check the directory held by the Institute of Fundraising (see below for details). When seeking a consultant, it is wise to develop a clear brief for the work you would like them to do and ask them to submit a costed proposal for the church to consider.

When taking on a consultant, you should expect to pay fees for the work they do, as very few will work on commission. Not only is commission working not appropriate for conducting feasibility studies, developing strategies or delivering research, but

the Charity Commission and the Institute of Fundraising both advise against it, for good reasons. As with your architect or other professional advisers, consultants' fees can be built into the total cost of the work and recouped via the appeal. Fees charged are either based on an agreed daily rate or can be a fixed price for a specific job (e.g. conducting the feasibility study).

When taking on a consultant to advise on your appeal, you will need to have a written contract in place, which the consultant should be able to provide.

## **15. Top Tips**

### **15.1 Preparation is key**

It is better to take more time to plan things properly than to rush an appeal. This includes conducting a feasibility study and preparing an appeal strategy. Even though these take some time and expense, they will pay dividends later as the appeal develops.

### **15.2 Get the vision right**

The basis of a successful appeal is to have a clear vision of what is to be achieved and why it is important. This needs to be shared by the congregation. If there are doubters, they need to be brought round and any opinion leaders need to be fully on board or an appeal may falter.

### **15.3 Think community**

Use the appeal as an opportunity to engage with new stakeholders and potential partners in the community. This is an excellent way to build new relationships and reach out to more people, as well as preparing the ground for fundraising.

### **15.4 Think long term**

As well as seeing potential funders and donors as prospects for the capital appeal, do keep one eye on the long term. If you deliver what you say you will and report back positively, they may well give again in the future.

### **15.5 Success breeds success**

With any appeal, psychology is important. People need to feel you are on track to succeed or they may not give to their full potential (or at all). So avoid things like putting an empty fundraising thermometer on the wall, as this only deters donors.

### **15.6 Support your team**

Fundraising is hard work and can be tough going at times, so it is important to celebrate success and to make sure that those tasked with doing it are supported and encouraged at all times.

Finally, “Unless the Lord builds the house, those who build it labour in vain” (Psalm 127:1). So take time to pray through your plans and seek God’s will for every step of the way.

## **16. Further Resources and Information**

### **16.1 HM Revenue & Customs - VAT, Gift Aid and Listed Places of Worship Grants Scheme**

[www.gov.uk/government/organisations/hm-revenue-customs/contact/vat-enquiries](http://www.gov.uk/government/organisations/hm-revenue-customs/contact/vat-enquiries)

[www.hmrc.gov.uk/thelibrary/vat.htm](http://www.hmrc.gov.uk/thelibrary/vat.htm)

[www.gov.uk/claim-gift-aid](http://www.gov.uk/claim-gift-aid)

[www.lpwscheme.org.uk](http://www.lpwscheme.org.uk)

### **16.2 Charity Commission**

[www.gov.uk/running-charity/fundraising](http://www.gov.uk/running-charity/fundraising)

### **16.3 The Institute of Fundraising**

[www.institute-of-fundraising.org.uk/guidance/law-and-regulation/](http://www.institute-of-fundraising.org.uk/guidance/law-and-regulation/)

[www.institute-of-fundraising.org.uk/guidance/about-fundraising](http://www.institute-of-fundraising.org.uk/guidance/about-fundraising)

[www.institute-of-fundraising.org.uk/consultants/](http://www.institute-of-fundraising.org.uk/consultants/)

### **16.4 Research Sources**

Funding Central : [www.fundingcentral.org.uk/default.aspx](http://www.fundingcentral.org.uk/default.aspx)

Directory of Social Change: [www.dsc.org.uk/FundingWebsites](http://www.dsc.org.uk/FundingWebsites)

Grants Online: [www.grantsonline.org.uk/](http://www.grantsonline.org.uk/)

Heritage Alliance: [www.theheritagealliance.org.uk/fundingdirectory](http://www.theheritagealliance.org.uk/fundingdirectory)

The Association of Charitable Foundations: [www.acf.org.uk/](http://www.acf.org.uk/)

Landfill Communities Funds: <http://www.entrust.org.uk/>

### **16.5 Loans and Mortgages**

Church Mortgages (Brokers): [www.churchmortgages.co.uk](http://www.churchmortgages.co.uk)

CGT’s “Mortgages” paper:

[www.churchgrowth.org.uk/admin/userfiles/briefing\\_papers/Mortgages-Mar2014.pdf](http://www.churchgrowth.org.uk/admin/userfiles/briefing_papers/Mortgages-Mar2014.pdf)

## **16.6 Stewardship**

Briefing papers on “VAT for churches” and “Financial Appeals: Guidance to avoid common pitfalls and failed appeals”:

<http://www.stewardship.org.uk/resources/briefing-papers>

## **16.7 Further Advice on Using Consultants**

[Wootton George Consulting: www.wgconsulting.co.uk/about-us/faqs](http://www.wgconsulting.co.uk/about-us/faqs)

**For general advice on property, building projects and fundraising:**

**Simon George of Wootton George Consulting** is a Fellow of the Institute of Fundraising, has many years' experience in the voluntary sector and as a fundraising consultant and is a committed Christian.

## Wootton George Consulting

7 Cremorne Drive, Stafford, ST17 0DR

t: 01785 663600

e: [info@wgconsulting.co.uk](mailto:info@wgconsulting.co.uk)

w: [www.wgconsulting.co.uk](http://www.wgconsulting.co.uk)

**Giles Arnold of Church Growth Trust** is a Chartered Surveyor and able to advise on many property related issues. **Gill Pedler** is a Chartered Architect and able to advise on large and small church building projects.

## Church Growth Trust

The Hope Centre, 8 Princewood Road

Corby, Northants. NN17 4AP

Tel: 01536 201339

Email: [giles.arnold@churchgrowth.org.uk](mailto:giles.arnold@churchgrowth.org.uk) and [gill.pedler@churchgrowth.org.uk](mailto:gill.pedler@churchgrowth.org.uk)

Web: [www.churchgrowth.org.uk](http://www.churchgrowth.org.uk)