

Getting it right and delighting trusts and foundations

Project 08. Trusts and foundations

Deanna Wolf, February 2017

The original brief

Trusts and foundations are significant donors to charity but while most operate in ways substantially different from individual donors they have distinct needs in terms of requiring an exemplary and rewarding donor experience for trusts and their staff. This project will seek to define the best ways to deliver that experience for any trust or foundation.

Summary guidance

Operating in ways substantially different from individual and corporate donors, trusts and foundations have distinct needs in terms of requiring an exemplary and rewarding donor experience for trusts, trustees and their staff. Where they are available, guidelines, applications and reporting requirements paint a fairly clear picture of what many trusts and foundations want. If we meet these expectations, we will automatically be providing them with an excellent donor experience. Or will we?

The basic skills of fundraising from trusts and foundations remain the same regardless of a fundraiser's experience or approach and are not the focus of this guidance. As the backbone of good trust fundraising, these skills are outlined in detail in many other fundraising resources and should definitely be used to help achieve a positive experience for our donors. But perhaps these practices, guidelines, processes and requirements are not the destination we should be aiming for. They are the starting point, along with a shift in our collective attitude toward our potential donors.

The emphasis needs to be on how we can ensure the continuing goodwill of our donors. We must ensure that the processes we go through as applicants and as funded projects provide them with excellent experiences of their involvement in contributing to our causes, as well as recognise the very important role that they play.

Principles – Attitudes and Assumptions to Adopt

- First and foremost, a positive donor experience is not about what the donor can do for our charities, but what our charities can do for them. This isn't saying we should replace our charity's goals with those of the donor. Rather, we should be more aware of our donor's motivations and interests and work to find our common goals. What do they want to achieve, and what can we achieve together?

- Do your research and find out as much as you can about the trust and its trustees. Who have they funded previously? If your goals are aligned and you approach them, tweak your application – if you are using a base case for support – to the trust. Sometimes even a single sentence will let them know that you were thinking specifically of THEM when you wrote it.
- Across the country, indeed across the world, there is as much variety in size, composition, purpose, value, and management of trusts and foundations as there is in the charities and organisations which seek their support. There is therefore no single step-by-step approach that will suit all trusts and foundations. Although there are some general similarities in the sector, a case-by-case approach must be taken with each trust or foundation. Do not assume that what works in London will work in the rest of England or in the other Nations. Do not assume that it won't.
 - Use the guidelines, talk to others, and more importantly pick up the phone. Find out what the trust wants and adhere to that. If they want minimal or no communication, respect that. If they want a detailed report, provide that, regardless of their donation size, and without complaint. If they do not say either way, deliver at least a basic report which tells what happened, who benefited and how, and be appropriately grateful. Follow their guidelines on press involvement. Invitations to events or launches may or may not be acknowledged or accepted; in my experience this really is dependent on the community and location within the UK. Abide by their decisions and learn from them for future interaction.
- Trusts and foundations are not nameless, faceless corporate bodies. They are managed by busy people, often themselves volunteers, and are trying to fulfil the vision, wish, dream or passion of their founder and/or their current trustees to do something to make the world a better place. As charities, we can help them realise this goal if our own is in alignment.
 - The funds that a trust is giving to you come from the founder; the trustees that control those funds do so with that specific purpose. If your project is too 'round' for their 'square' guidelines, move on to another funder. If you are in alignment, follow best practice in all aspects of the application and grant management process, deliver on your promises, and remember and accept that whilst your charity may be the expert in delivering services to a particular group that does not excuse your charity's benevolent or fundraising activities from scrutiny. Be willingly transparent.
- Trusts and foundations do not exist for our convenience. Their only responsibility is to deliver their charitable objects as set out in their governing documents. However, whilst it is not their responsibility to design their processes to meet our requirements or make our lives, as fundraisers, easier or harder, many trusts acknowledge that the relationship they have with applicants is symbiotic and they are trying to make the process if not easier, at least potentially more streamlined (e.g., the work being carried out by the Scottish Funders' Forum).
 - It can be frustrating when a trust's guidelines or requirements do not easily fall in line with our timetables and financial demands. Nevertheless, do not forget that the trust and its trustees or representatives are as important a part of the *fundraising equation* as the charity's beneficiaries – albeit in different ways. Do not let them be sidelined in the quest for money to deliver your charity's aims and goals. Without them, you will struggle. Finding a range of appropriate and interested funders to cover all aspects of our financial need is *our job*. Trust fundraising is not rocket science, but no one ever said it would be easy.

- Respect and honour the trust or foundation, their staff and volunteers, and their guidelines. NEVER forget that it is not YOUR money you are spending, it is THEIR donation.
 - Never forget that the grant you have been awarded is a **gift**, not a loan, not a random payment. Be gracious and communicate how it is being used or if there are problems. Regardless of how worthy and necessary the work of your charity, understand that you are one of many such charities. The trust, its trustees and volunteers do not owe you anything.

Practical Donor-Centric Actions – Not Trust Fundraising 101

For most of us, I believe that adjusting our trust fundraising practice to be more donor-centric is largely to do with our attitude rather than significantly altering daily tasks or processes. However, acting to acknowledge and meet the basic elements of these four categories will go a long way toward an excellent donor experience.

- *Maintain and improve your own fundraising practice and skills:* Trust fundraising is not simply writing and submitting bids. There are many online and literature-based resources available giving trust fundraising basics, tips, and tricks as well as regular courses and conferences. Do your research and take responsibility for your own practice.
- *Follow the guidelines provided:* If there are no guidelines, concisely and clearly answer the basic questions (where, why, what, when, who, how, and how much).
 - Do your research. Make sure you meet their criteria. If you do not meet it, and you do not have a pre-existing relationship or research to the contrary, do not apply.
 - Remember that sometimes it is about the relationship and sometimes it is **not**.
 - If in doubt, contact the trust by whatever method possible.
- *Submit quality applications for quality projects:* Your well-written, accurate application should be on time, as requested and deliverable.
 - Recognise that whilst it may be symbiotic, the relationship between trusts and applicants/awardees is unequal. Resist exaggerating needs or methods, or over-extending capabilities, capacity or outcomes in order to secure funding. This can only lead to disappointment and possible reputational damage for everyone involved. Realistically and practically, “under-promise and over-deliver.”
- *Engage in effective stewardship and relationship-building:* Do not forget to be grateful and be sincere in a timely manner. Follow the trust’s wishes regarding levels of communication and interaction / relationship-building.
 - Report back on time, honestly and at a level the trust/trustees will find appropriate.
 - If suitable, invite trustees and trust staff to see services in action or to a stewardship event. Accept that they may not engage.
 - Involve your Chief Executive, key operational staff, and maybe beneficiaries in the relationship you build with the trust.
 - If the trust does not want a relationship, respect that.
 - Be upfront and proactive if things aren’t working in your funded project.
 - If acceptable to the trust, keep in touch between applications and projects.
 - Leave an accurate and comprehensive record of the relationship between your charity and its donors for your successor. Think about what you would want left for you.
 - Say thank you. Honestly and sincerely. This cannot be re-iterated often enough.

The approach

When I took on leadership of this project I wasn't entirely sure what I was getting myself into. In the first place, I thought it was about what we, as trust fundraisers should expect from this category of funders. I very shortly came to realise however, that I needed to flip this on its head - it is about what trusts and foundations should expect from us, the charity sector that is seeking their support.

There are over 9,000 grant-making trusts in the UK, as well as their lottery and statutory counterparts. To survey and consult with each and every one of them about their preferences would take much more than the several months I had available. Additionally, consulting with the thousands of UK trust fundraisers and organisations seeking funding would be difficult during the busy summer and early autumn, especially as I am based in Scotland. I therefore decided to put out requests for contributions through a number of mailing lists, social media, a blog in UK Fundraising (an online magazine/resource), as well as discussions with representatives from a major legal firm in Scotland and the Association of Charitable Foundations (representing over 300 UK trusts), with fellow trust fundraising colleagues, and with other members of the Commission. Personally, I bring 14 years' experience, passion and dedication as a trust fundraiser gained across four countries.

Whilst there were fewer responses than expected, the diverse range of contributors offered relatively consistent feedback.

Putting the principles and actions into practise

Delivering an excellent experience for our trust and foundation donors is not rocket science, nor should it be considered to cause harm to our charities or the people or causes we are supporting. It is simply following the methods and procedures that we all know comprise best practice trust fundraising. Unlike many other donors, trusts and foundations often provide us upfront with explicit instructions on how to ensure this, including clear guidelines on when and how often to apply and the amount, duration and recurrence of funding available. Essentially, by following these instructions, employing good manners, acting honestly, ethically and respectfully, as well as adopting the attitudes and assumptions below, we have a pretty good chance of delivering a first-rate experience for our trust and foundation benefactors, and one that will hopefully (if desired by the trust) start or sustain a mutually beneficial longer-term involvement and relationship.

Magic formulas do not exist in trust and foundation fundraising to guarantee a funder will enjoy or appreciate your interaction with them. There is no one way to write a grant application or fill in a form. There is no single, one size fits all approach that will always work. There are lots of useful tips, tricks, styles and methods that can be employed, the overwhelming majority of which are included in the 'how to' literature and online resources for trust funding which can be easily researched and will not be re-iterated here. These need to be tailored to the individual application to the individual trust or foundation, but it really boils down to a fundraiser's (and their charity's) attitudes towards potential funders and their understanding of what works and is required by individual trusts and foundations.

Principles – Attitudes and Assumptions to Adopt

- There is as much variety in size, composition, purpose, value, and management of trusts and foundations as there is in the charities and organisations which seek their support.
- There is therefore no single step-by-step approach that will suit all trusts and foundations.

In response to my request for comments and contributions, a number of the trust fundraisers, a legal colleague who not only represents a number of trusts but is also a trustee himself, and a representative of the Association of Charitable Foundations emphasised the importance of these principles. Using identical approaches for all trusts and foundations may find some success, however chances are the trustees and staff at the donor organisation will recognise it as such an approach. Be aware of cultural and regional differences and strive to incorporate them into your approach. Whilst there are elements which will be consistent between most donors, and which can be used to good effect in a base case for support, even minor tweaks will let your potential funder know you were thinking of **THEM** when you applied.

- Trusts and foundations, while operating as organisations, are managed by people and are trying to fulfil the vision, wish, dream or passion of their founder and their current trustees to do something to make the world a better place. As charities, we can help them realise this goal.
- Trusts and foundations do not exist for our convenience. It is their responsibility to deliver their charitable objects as set out in their governing documents. It is not their responsibility to meet our requirements or make our lives, as fundraisers, easier or harder.
- A positive donor experience is not about what the donor can do for us as charities, but what we as charities can do for them.

A significant proportion of the contributions to this project suggested that the application and reporting requirements of trusts and foundations are becoming a barrier to charities achieving their fundraising and operational goals. Meeting these requirements seemingly becomes an inefficient and frustrating use of the fundraiser's time – particularly when, for example, the trusts choose to fund outside their stated guidelines, do not fund certain aspects of projects such as full cost recovery, or constantly require new and innovative projects instead of funding core activity. Whilst this attitude reflects legitimate frustrations in light of increasing 'competition' for the attention of these donors, it removes the aims of the trust or foundation, their trustees and their staff from the fundraising equation. It sidelines their role in supporting those who need assistance, in working with charities and others to make the world a better place to that of an automated bank machine. It is also disrespectful.

Trusts and foundations remain one of the largest and most effective funders of the work to which charities are devoted, and it is therefore in charities' best interests to revisit these attitudes and relationships.

- Respect and honour the trust or foundation, their staff and volunteers, and their guidelines. **NEVER** forget that it is not **YOUR** money you are spending, it is **THEIR** donation.

To a great extent, respecting the trust or foundation's history, trustees, staff and requirements will go a very long way to delivering the excellent experience we want our donors to have. This includes following best practice in all aspects of the application and grant management processes, including delivering what we said we were going to, and understanding that the trust

or foundation and its representatives do not function simply as a source of income for charities. We should always remember that regardless of the size of donation they may award, these funds are the result of the founder's savings (however they may have come about); they want to use them in what **THEY** see as the best way possible and they want to hear how we accomplished that. Ultimately, we must respect that how they distribute their funds is up to them, not us.

Practical Actions – Beyond the basics

In addition to the above attitudes and assumptions, there are some simple practical actions that any charity or trust fundraiser can implement now to encourage an excellent experience for their trust and foundation donors. By taking personal responsibility for maintaining and improving their own fundraising skills and practice, these all represent best practice trust fundraising fundamentals and fall into three main categories:

1. Follow the guidelines provided;
2. Submit quality applications for quality projects and activities; and
3. Engage in effective stewardship and relationship-building.

If you are looking to transform your fundraising situation, these fundamentals will help you reframe your strategies and build or rebuild relationships with the trusts and foundations you approach. If these already form part of your approach and relationship strategy, great! You and your charity are probably already benefitting from improved relationships with donors that feel valued. Keep up the good work!

- Follow the guidelines provided
 - A trust or foundation's guidelines will be set to meet their own requirements. Follow them carefully unless told otherwise. Do as much research as you can with the resources you have (including calling the funder/their representative) to determine if you are a good fit for a trust or foundation's objects. Do not expect this information will always be provided or easily available for you.
 - Match your project, organisation and budget as closely as possible to the trust or foundation's guidelines when available. Clearly explain a tenuous match.
 - Meeting their guidelines should be the minimum a fundraiser should strive for.
 - If you do not fit their criteria, do not apply (unless told otherwise by the donor). You will be wasting their time.
- Submit quality applications for quality projects
 - Deliver a good quality, accurate, honest, well-researched, well-written, and heartfelt business case individually targeted to each funder. Anything less demeans you, your charity and the trusts and foundations you approach.
 - Do not make trustees or their staff search for information they need to make their decision.
 - Submit your application on time, in the manner and format requested.
 - Do not try to pull the wool over their eyes regarding your organisational reputation, your position within the sector, or your level of expertise.
 - Do not promise what you cannot deliver.
- Engage in effective stewardship and relationship-building
 - Relationships can vary between trusts and charity applicants/awardees depending on many variables: geography, cause, community interest and history, type/size of donation sought, etc. Do not necessarily expect consistency amongst your relationships.

- If you are successful, thank the trust or foundation appropriately, quickly and with respect, meeting any of their conditions or requirements.
- Fundraisers should be transparent, delivering on agreed activity and targets, appropriate communication and involvement as desired by the funder, honesty, and fiscal accountability.
- Develop a stewardship plan for each donor observing their communication and reporting preferences (including minimal or no further communication).
- Consider inviting trustees or trust employees/administrators to an event, formal or informal, to find out more about your organisation and work and for you to find out more about them. Accept that they may or may not engage as again, relationships are built on a case-by-case basis and interest in such events varies across the country.
- If you cannot deliver on ANY aspect of your commitment, including delays to activity, communicate with the trust or foundation as soon as possible. Be prepared to negotiate the re-purposing or return of the donation, understanding that the trust or foundation does not have to be sympathetic.
- Accept responsibility for your activities or inactivity.
- As a general rule, do not argue with your donor.
- Do not assume that trustees or their staff or trustees have time to engage with you once a grant has been awarded. Equally, do not assume that they don't.
- Unless discouraged by the trust or foundation, build links and relationships (with trustees, staff, legal representatives) where possible and that are not related to a current or imminent proposal. This can lead to a partnership that can have a real impact on your shared goals.
- Leave a comprehensive record of your relationship and actions for your successor.

Appendix 1: Case studies

Of the emailed responses that were contributed, just under half of them approached the issue from the fundraiser's point of view - what the *funder* could do to make the donation experience better. Some of these did emphasise good trust fundraising practice, but not from the view of the donor's experience; many focussed on what *we*, as fundraisers, would want the donor to do differently, to satisfy *our* fundraising needs. This was echoed particularly in the 2012 article by nfpSynergy: "Taking nothing for granted: A research report into what charities think a model grant-maker looks like". Nevertheless, many of the contributions highlighted good practice, where positive donor experiences were either outlined or implied. These representative samples (anonymous at the contributors' request) are included without endorsement.

- "We make sure we follow this simple rule -
 Apply to trusts and foundations that will fund our type of work on time and thank them promptly if successful. Report back to them on time. The objective where appropriate is to try and build a relationship with a trust/foundation that could develop into a long term partnership. This can, among others, include: inviting them to see our services in action, getting out [our] Chief Executive to speak to them on the telephone and inviting them to appropriate events.
 In the Grants and Trusts team here at *[removed]* we consider the approach requested by trusts as the minimum level acceptable. If we realise an objective or have an unexpected success (one that is not part of the original outcomes expected) we will

contact them (via their preferred method of contact) to notify them of progress. We also send them a copy of our quarterly donor magazine as it will always have a short update of their project's progress over the previous quarter.

Obviously we work hard to ensure we do not over-communicate and so tailor our approach to the wishes of each individual trust or foundation.”

- “I try as you say to really adhere very closely to what the trust wants. So if they want no newsletters and no reports I do respect that. With others though, where either they do ask for a report or don't specify either way, I try to send back a write up with photographic evidence and quotes from project beneficiaries, together with any measures of outcomes we are able to report on. If it is a local trust, we also put in a press release to the local papers and offer a visit and tour of the Hospice if they so wish.

We don't do an annual mailing to trusts e.g. Annual Review and we don't list our donors in roll calls on newsletters etc – we try to report back and give publicity on an individual basis depending on what the trust prefers and have more of an ad-hoc approach.

This wasn't always the case – we used to have a volunteer who did trusts before I came along and because he wasn't here all the time, report deadlines were often missed, thank you letters not sent for weeks etc. I have at least two examples where I believe this resulted in the trust ending their support. I really believe you need to respect trust supporters (like any other supporters) and they will probably stick around.”

- “I have been a trusts and statutory fundraiser among other roles for nearly 20 years, and have seen good, bad and indifferent practices. I support entirely your view on the Commission website [*see below in Appendix 3*] about a more considered approach – that good practice starts with careful research into (and respect for) the purposes and passions of a donor, their guidelines and requirements (and the interests of the individual trustees); and that this is your *starting place* with regard to making an application and/or building a relationship with a trust. I cannot understand how anyone can have a perfunctory view as you describe, but know some do. For many years I managed a small specialist charitable service and we raised all our own funds. We did so successfully I think because we played it absolutely straight and carried out extensive research before picking up the phone or making an application, and were equally focused on delivery and reporting as agreed with the donor. We also, unless explicitly powerful reasons prevented us, delivered on time and within budget.

Yet I have (briefly, I left after time revealed a small catalogue of horrors and continuing sloppy thinking) worked for an organisation with a high staff turnover that appeared to be quite indifferent to what happened to projects and funding from some high-profile donors: minds had been changed, in some cases projects had not even been delivered yet money kept, simply because no one knew what was going on, and moreover, no one seemed to care or take responsibility. It was when I started to imagine the conversations I might have with donor x, who may one day write or call to find out about project y, that I started to plan my escape. I took matters seriously, closed down one failed project and told the donor (it never really got off the starting blocks and what money had been spent had not been spent in line with what was set out in the bid). For another, in which no attempt at all had been made to deliver a promised project and key staff had moved on, I went to senior management and suggest to them they had to pay the money back. One senior manager suggested it be spent on something else! In a kind of ‘over my dead body’ moment I told them this was unethical and that they had to return the funding and reapply if that were the case. I left shortly after.”

- “... More generally, I am finding that trust fundraising is more about the relationship and less about the application guidelines.

My analysis of giving patterns in this job, and my last two trust jobs, has clearly demonstrated this. Even when trusts are open to unsolicited applications, I have found that if they are cold to my charity, the success rate is basically 0%.

So an existing relationship, or the ability to build one (usually through the trustees’ connections) is absolutely vital to success.

In a sense, therefore, I think that trust guidelines are often almost misleading for not making it clear that there’s virtually no chance of success for new applicants. And, quite bluntly, gone are the days when a trust fundraiser can sit behind their desk, churn applications out and maybe have a quick phone call with a trust administrator. More sophisticated skills are needed to stand out from the competition.

It’s a very competitive field, and there is still a need for excellent proposals and stewardship, but this is the absolute bare minimum and I think any charity wanting to increase trust income has to look at relationships – how their trustees and senior management can help. In the end how to develop the right skills in their trust fundraisers.

... Bad Practice – senior managers who still think that trust fundraising is ‘a numbers game’ – i.e., the more applications you send, the more money you will get. As demonstrated by the 0% success rate to cold trusts, this is simply not good enough any more. It is also bad practice to set targets based on this approach – you need careful analysis based on the strength of relationships.

Good Practice – I am trying to steward my trust donors better, and am developing stewardship plans for every trust. I called one donor yesterday just to say thank you – they have been supporting my charity since its inception 24 years ago. The call was purely to say thank you and she received it very warmly – she really appreciated it. I suspect that not many trust fundraisers do this – I certainly haven’t been, but am making an effort to try and improve. ...”

Additional input came from discussions and the collective experience of trust fundraising colleagues.

Appendix 2: Research sources

In order to develop this project, I sought input from the following:

- *trust_fundraising@yahoo.co.uk* – a mailing list operated by the Institute of Fundraising Trusts and Statutory Fundraising Special Interest Group.
- *Fundraising Chat* – a closed Facebook group of over 2,500 fundraisers based mainly in the UK as well as some international fundraisers.
- *UK Fundraising (fundraising.co.uk)* – an online magazine covering news, ideas and inspiration for professional charity fundraisers.
- A legal contact in a major legal firm in Edinburgh who works with many trusts.
- Association of Charitable Foundations (AFC) – who I contacted for a response to my proposition (echoed in my blog).
- Institute of Fundraising North East Funders Forum.

- nfpSynergy's two reports on grant fundraising 1) Inside the mind of a grant-maker: Useful stuff on how grant-making works (June 2013); and 2) Taking nothing for granted: A research report into what charities think a model grant-maker looks like (June 2012).
- Colleagues, fellow trust fundraisers and other Commission on the Donor Experience project leaders through informal discussions.
- Over 14 years' personal experience raising income from statutory, lottery and charitable organisations in Canada, the United States, England and Scotland and gathered from my involvement as a Member, Committee Member and Officer and Chair with the Institute of Fundraising Scotland's Special Interest Group for Trusts, Statutory and Foundations.

Appendix 3: Methodology

I was approached to head the Trusts and Foundations project mid-June 2016 and spent the first several weeks working through how to tackle collecting input in order to develop this best practice approach. I am based in Scotland and was unable to attend the discussion events that would happen in various locations around the country. I therefore decided to solicit contributions virtually. My first foray was through a post on the Facebook Fundraising Chat page towards the end of June. This is a lively discussion page with just over 2,500 fundraisers (at the time) from a variety of sectors and specialities who seem to be mainly based in the UK. Unfortunately, my post [see below, #1] did not result in many responses – although it did serve to re-focus my direction.

After further discussion with some other members of the Commission both online and at the Institute of Fundraising's National Convention in early July and then over the summer, I set out a hypothesis and requested opinions, reactions and contributions through a number of sources including:

- Emailing trust fundraisers through the *trust_fundraising@yahoo* group reaching potentially thousands of trust fundraisers in the UK and beyond;
- Emailing Commission of the Donor Experience enthusiasts; and
- Posting a blog in UK Fundraising, requesting feedback.

From these contacts I received:

- Email submissions from 15 fundraisers (ranging from those new to the profession to those who have been in it for 20 years or more and have been recognised at the highest levels for their contributions to charity fundraising); and
- Research results provided by the Institute of Fundraising North East Funders Forum project carried out in 2016 (including a survey to fundraisers as well as a discussion group comprised of 2 North East funders, CEOs and fundraisers representing organisations across the sector and of varying sizes, local authorities and the CVS). The project was supported by The Ballinger Charitable Trust and Lloyds Bank Foundation.

I also discussed and requested assistance from a legal contact in a major legal firm in Edinburgh who works with many trusts, and contacted the Association of Charitable Foundations (ACF) for a response to my proposition (echoed in my blog). The ACF represents over 300 members, comprised of trusts, foundations and independent funders located across the UK. They include family trusts, corporate foundations, livery companies, and broadcast appeals that range in size from small and local grant-makers

to some of the world's largest foundations. They provided a response and suggested I consult nfpSynergy's two reports on grant fundraising 1) *Inside the mind of a grant-maker: Useful stuff on how grant-making works* (June 2013); and 2) *Taking nothing for granted: A research report into what charities think a model grant-maker looks like* (June 2012).

I bring over 14 years' personal experience raising income from statutory, lottery and charitable organisations in Canada, the United States, England and Scotland and gathered from my involvement as a Member, Committee Member, Officer and Chair with the Institute of Fundraising Scotland's Special Interest Group for Trusts, Statutory and Foundations.

The contributions and dialogues collected over the last few months have resulted in this discussion of best practice with regard to how trust and foundation donors should be experiencing their involvement in our fundraising efforts.