

Fundraising for Museums

Second edition, revised

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“Giving money is rarely a human routine. It only usually happens when it is provoked. And people are provoked when they think something is important.”

George Smith *Asking Properly*, The White Lion Press Ltd

Introduction

Is your museum making best use of all the funding sources and techniques available? The UK now has a fiscal climate which is more encouraging to charitable donors than ever before. Places of national heritage, closely followed by the arts, are among the top categories of interest to wealthy donors. With public funding in decline, it is now vital that all museums and galleries invest in acquiring the skills and expertise that will enable them to raise funds from the private sector – individuals, trusts and companies. This paper provides an outline of the wide range of fundraising sources and techniques that have proved to be effective in museums and galleries in recent years.

Why invest resources in acquiring fundraising skills?

- To produce realistic business and development plans supported by an achievable fundraising strategy;
- To save time and money by making targeted, researched bids using proven techniques and knowledge of the sources of funds;
- To release other museum staff from fundraising, partially or entirely;
- To provide interested individuals and organisations with a ‘role’ – a way of helping the museum to progress and improve, with minimal commitment.

The Fundraising Strategy

A fundraising strategy should include a statement of the museum’s particular aspirations (its ‘vision’), the stepping stones or stages by which it will achieve its vision, the methods to be used (e.g. sponsorship, trusts and foundations), a budget for fundraising costs, annual and other milestone targets, income projections and a timetable for implementation. It might also set out policies and structures for organising and providing the resources for people who will help to raise the funds. These should include senior volunteers such as Board members, whose influence will help ‘open doors’ to prospective donors and sponsors and supporter organisations (Friends) which raise money for the museum as part of their role.

Fig 1

The fundraising function shares some features with marketing (see *Figure 1*) in that both involve techniques for identifying and analysing information about existing and potential visitors. Unlike marketers, whose objectives focus on aspects of the visit itself, the fundraiser’s role is to prompt a financial response. This is more likely to achieve regular, one-off and long-term income (e.g. from legacies) if supported by the necessary resources.

KEY FUNDRAISING METHODS FOR MUSEUMS

Capital appeals

More than any other fundraising activity, it is perhaps in organising capital appeals that all the elements and methods of fundraising can come together. The capital appeal is most frequently used to establish a major development for the museum, or even, as in the case of the Bunyan Museum, to raise the funds to build the museum in the first place.

Some core costs e.g. for administering the project, can be added to the fundraising target, provided these are explained in appeal literature.

Before deciding whether to have an appeal, it is essential first to establish whether it is like-

ly to succeed. Fundraising consultants can sometimes be brought in at this stage to carry out a feasibility study, to clarify the purpose of the exercise, examine what resources of staff time, funds and well-connected people the museum can call on, or carry out research and even ‘test the water’ with potential donors.

Some questions that should be asked at feasibility stage are: Do we have

- desirable, achievable and precise objectives?
- a campaign which is phrased in terms of the benefits it will bring to people and/or causes potential donors will care about?
- costings for the project?
- access to influential people in our community regionally or nationally (although any apparent lack of these should not be seen as a barrier)?
- dedicated professional staff to manage the appeal (or provision for training people with transferable skills)?
- the willingness to set aside funds to meet the necessary fundraising costs (before funds start to roll in)?
- anticipated sources of funds?

The key to a capital appeal is the Major Gift programme. Its chief characteristics are:

- the achievement of a small number of large gifts (hence the name);
- peer-giving, where a, usually wealthy, individual gives and then gets others to give;
- The involvement of influential people from outside the museum (or trustees, if well connected) in a networking and personal approach process to potential donors.

Typically in any fundraising activity the funds raised are distributed as follows:

Top gift produces	10-20% of funds raised
Top 10 gifts produce	30% of funds raised
Top 20 gifts produce	50-80% of funds raised
Top 100 gifts produce	90% plus of funds raised

In planning for capital appeals through Major Gift fundraising all efforts are put into researching potential donors of amounts which conform to these patterns. Once a lead gift has been found giving 10%, 20% or even more of the target, it is often very much easier to secure the next gifts.

Capital appeals are all about networks. People do not just give to 'causes' – they give to *people with causes*. In other words, so long as the cause is a good one then it is the person who *introduces* the cause to the donor who becomes all important in the 'ask'. That person has to be influential, impressive, persuasive, or so caught up in the enthusiasm for the museum that the prospective donor, full of admiration for the dedication shown and perhaps flattered to receive an approach from such a dignitary, feels "Yes, I will support the project".

The capital appeal needs:

- research into potential major donors;
- research into the networks of contacts which exist around the museum;
- good clear presentation of the case for support. Glossy brochures are not essential – well produced word-processed fundraising briefs are quite adequate and have the advantage that they can be amended and altered to suit a particular individual potential donor;
- the help of influential people to 'open doors', make introductions and even to 'make the ask' when appropriate.

The research needed is part desk research, part interview. There are many publicly available sources of information which give details of trusts, individuals and companies.

Alternatively it can be a good use of limited funds to seek external help from specialist fundraising research companies which have developed databases of individuals, trusts and companies with a track record of supporting charitable appeals and who have related interests. Major donors are predominantly trusts and foundations, but can also include individuals. It is a common mistake to think that companies contribute large sums to charity: although it is not unheard of it is far less likely.

In practise some museums may not have access to many of the 'great and good' and are not necessarily good at, or comfortable with, fundraising. Often staff can be better at asking than trustees. Yet it is still possible to approach cold and succeed – don't be afraid to ask!

The ideal fundraising approach is made by a major donor in a personal approach to a friend who is also a potential major donor. The Americans have an expression that asking should be done "face to face, peer to peer, donor to prospect". Approaches or introductions are often best made by a committed volunteer who as closely as possible follows this epithet, and not by a professional. Where major donors are not willing to be directly involved in approaching others it is still possible to use their leadership as inspiration and an example to those who follow.

This is specialised organisational work in which the help of a consultant, even if only in mapping out the case, the strategy and the process to be followed, can pay for itself many times over. Consultants can also help with 'training' high level volunteers and staff in cultivation of potential donors and methods of asking. It is occasionally said that peer to peer fundraising is an 'old fashioned' or 'old boy' way of working. However, it is a technique which is so fundamentally rooted in human psychology that it will never become outdated. The type of person who exerts maximum influence in society may change, but so long as the basic principles are adhered to this will always be a technique which produces substantial funding most economically. Its success depends on a full understanding of the principles involved, and on clear and unambiguous leadership in applying them.

So how do you get started with the fundraising campaign? It is a good idea to create a name and visual identity or 'brand' for the campaign and to consider how to launch it – perhaps by staging an event to which prospective donors are invited, perhaps asked by a friendly 'peer'. Choose an attractive or unusual venue that is easy to reach for your best prospects: London can sometimes be best even if your museum or gallery is outside the capital. An after-work drinks reception is often a good idea as it is not too costly and enables staff and trustees to move around and 'work the room'.

Best use:

Funding new facilities, major refurbishments or redevelopment – projects where there is a finite sum required to meet a specific project cost.

Corporate sponsorship and giving

Company Sponsorship/Partnership

'Sponsorship' is a term often used to mean any kind of support from any private source. In the arts world it is defined as an agreement between a company and a not-for-profit organisation for the exchange of specific benefits. These usually take the form of marketing benefits to the sponsor in return for

payment from the sponsored body, e.g. branded literature, hire of venues for meetings or galleries for corporate entertaining. This definition distinguishes the commercial nature of the sponsorship from the corporate donation (see below) for which no benefit is sought or delivered. The term 'partnership' is increasingly used in preference to 'sponsorship' as it allows for a more flexible type of relationship, but it has the same essential element of reciprocity which distinguishes it from the corporate gift.

In today's climate organisations need to lead, more than ever, with the offer of a 'deal' to a sponsor which is demonstrably worth something to their organisation. Some companies have Corporate Social Responsibility (CSR) policies to explain how they see their responsibilities to the communities where they work and to society more widely. These often define which causes they will support through charitable donations and/or sponsorship deals. The policies are usually published. Even where a company doesn't have a CSR policy, they may be interested in how an involvement with a museum can help them demonstrate CSR by benefiting the community.

It is important for a museum to clarify the company's expectations at the outset. It may ask for its logo to appear on the museum's print and signage, or request complimentary tickets for an event or performance in return for its financial contribution. Although the company will have certain requests it is important for the museum to call the tune, and be certain about the type and scale of the company's publicity return. There are ethical issues, for instance, regarding how appropriate it is to allow commercial sponsorship to appear on a museum display.

To avoid misunderstandings and unfulfilled expectations, details of the sponsorship should be agreed and confirmed with the sponsor in writing. The agreement will be likely to cover the list of benefits to be provided, cost exclusions (such as catering), the duration of the agreement or the date of the event, who will be responsible for delivering the benefits and the exact fee (plus VAT if the museum is VAT-registered).

In line with this purely commercial transaction, the payment or sponsorship fee should equate to the value of the marketing exposure derived by the company, rather than the cost of the sponsored activity e.g. the costs of mounting an exhibition.

Advice and training for those seeking sponsorship and other funding for museums and galleries is available through the national and regional offices of Arts & Business, which is funded partly by the government and partly by subscriptions from member business firms. Arts & Business manages a number of schemes to foster sponsorship. The organisation, which has regional offices throughout the country and an office in Scotland, also runs regional Development Forums which provide a useful point of contact and source of know-how for arts fundraisers.

Best use:

Exhibitions, education programmes, network-

ing events, launch parties and stand-alone projects where you can confidently deliver branding and other forms of marketing benefit to the sponsor or partner.

Company donations

Unlike Gift Aid donations from an individual, a company donation to a registered charity is made gross, that is, the sum donated includes the tax benefit deriving from the charitable status of the recipient. It is not necessary to obtain a Gift Aid Declaration from a company donor, which simplifies the transaction for all concerned. The company can set off the gross gift against its corporation tax liability, thus providing a useful incentive to companies to make tax-effective charitable gifts. However, most smaller companies are not aware of this so it is a useful persuasive tactic when negotiating.

In order to be eligible for the Gift Aid tax benefit, the donation must be purely charitable: this precludes any publicity to the company in relation to the gift, including the use of the company's logo. The Gift Aid benefits to the donor are set out in *Figure 2*.

It is extremely important to abide by these rules since, if a museum were found to be in breach of them the donor company would be denied corporation tax relief and the museum could become liable for VAT on the gift. Including the name of the donor company in credits and acknowledgements without the logo is permitted and of course highly necessary in creating good long term relationships with the business community. The donor benefit rules apply to Gift Aid donations from both companies and individuals.

Best use:

Company gifts can be used to fund a wide range of museum activities including capital projects and education and outreach work.

Direct mail/marketing

The term Direct Mail or Direct Marketing refers to the offer of merchandise made to an individual by post directly to his or her home address. The technique has been deployed successfully – some would say to excess – by charities seeking to raise funds and sell products. As a fundraising method, it is only cost-effective if the charity has a database of many thousands of donors and potential donors. It enables the charity to approach selected individuals regularly, using computer software to track and analyse the response over time, with the aim of increasing frequency, volume and the amount of the donation.

Museums (and their support-groups) that have a mailing list of 4000 or more might consider targeting sections of the list as part of an awareness exercise leading up to a fundraising campaign.

Before doing so, it is essential to comply with the Data Protection Acts, which apply to holding and processing data on private individuals. Registration must include the category 'Fundraising' if you are going to use your database for this purpose. Under the 1998 Act which came into force in March 2000 'data subjects' must give their explicit consent to the holding of information about them; they have a right of access to their database record and records may not be kept indefinitely.

It is commonly acknowledged that the most likely donor is the person who has given previously; so the investment in obtaining your first donation by mail and then seeking to create a relationship with the donor informed by your records of his or her transactions with the museum, could lead to regular giving and then eventually a legacy. However, your carefully and creatively prepared 'mail shot' might be considered 'junk' mail by the recipient and is the fastest way to lose support if handled insensitively. Building a large mailing list of your own will take time and money, both in short supply for many independent museums. Advice from an experienced direct mail consultant with recent experience of fundraising in museums is important if you wish to invest in this technique. Museums can go it alone if they bring themselves up to date with the literature available on the subject.

Direct mail might best be used in the first instance in conjunction with the telephone and internet to inform supporters about a project and to provide them with the option of sending a cheque or credit card details by mail, still the preferred method of making a charitable gift.

Best use:

- For past donors and 'warm' supporters
- To make friends before raising funds from your supporters – keeping them informed about projects you are raising funds for, thanking them for their support in the past, giving advance notice of special activities and privileges
- Special appeals, e.g. to 'save' an object which may otherwise be sold overseas
- The last phase of a Major Gift campaign when you have completed your peer-giving person to person phase and want to bring

the campaign, or some bite-sized chunk of it, to a particular group of your visitors or supporters.

Fundraising events

There are almost as many types of fundraising event as there are charities to organise them. Museums have the advantage of being able to offer special exhibitions or activities on their own premises, although this can raise insurance problems. It is crucially important to decide in advance what you want to get out of your fundraising event and to plan meticulously to ensure that those goals can be achieved. The occasion should be matched to its potential audience, and ideally it should have some affinity with the aims and objectives of the museum itself.

The following questions will help to ascertain how the event can be organised and what its likely returns will be.

The event

What is the event? How will the funds be raised – from sponsorship, ticket sales, sale of donated or purchased goods, from an auction, by letting catering concessions and 'lots' (as in a car boot sale or craft fair)? Are performers involved? Is there a special touring exhibition to be purchased?

Manpower resources

Do we have the manpower and contacts to sell enough tickets or product to make our target profit for the event? Do we have enough people willing to act as organisers? Do we have an event committee? Do we have enough helpers on the occasion – for curating, ushering, car parking, catering, and other activities? Do we have access to celebrities who might participate in or promote the event?

Costs

Do we have to pay for the venue, the entertainment or activity, the catering? Are there 'upfront' expenses involved? What are the risks involved? Is the return guaranteed? Do we need to take out special insurance for the museum, or for public liability, or for failure of the event through bad weather?

Income

Do we have any potential sponsors? Will the event work without sponsorship? Will the return on the sponsorship be appropriate for the sponsor? Can we add other fundraising activities to the event to enhance income (auctions, rides, sideshows, catering, raffles etc)?

Legalities

Do we need an entertainment or liquor licence? Do we need any special permissions (e.g. from the Local Authority, or from say, Air Traffic Control or the Police?) Do we have public liability insurance for events? Are our museum contents insured for visitors attending as part of an event? Do we need First Aid cover? Do we need police help with parking, traffic management or protection of the museum and its contents? Is there a VAT liability?

Value of Donor Benefits Allowed

Aggregate donations in the tax year

- £0 – 100
- £101 – 1,000
- £1001 – 10,000
- £10,001 +

Maximum aggregate value of benefits allowed in the tax year

- 25% of the aggregate donations
- £25
- 2.5% of the aggregate donations
- £250

Fig 2

Such questions often help decide whether to do it at all! Events are very time consuming, expensive to stage and often do little more than cover their costs. Yet there are many museums, particularly those with plenty of space such as open air museums, military or aircraft museums, which derive one tenth, a quarter or more of their total annual income from one or more major public events each year.

Organisations that have used events find that once successful they can often be repeated at regular intervals. Each year the formula can be adjusted to provide variety or enhanced income, but the core activity is often good for five, seven, or even 10 years. The same team can follow the same procedures each time, often becoming very adept at producing useful extra revenue year on year whilst helping to raise the museum's profile with a wider public.

Individual giving

Why do people give? There is no single answer to the question, but it is usually caught up with several of the following prime motivating factors.

People give:

- for, and because of, the feeling of 'ownership' and responsibility which comes from commitment;
- because all of their peer group are giving to it – perhaps even with no pressure but just the natural feeling that this is what 'we' do;
- because they were asked by someone who they could not refuse – for reasons of flattery, respect, or other reasons that fundraisers have no business to know about!

We now have a tax regime which greatly encourages personal giving. Tax relief is available on all charitable donations made by UK tax payers, on transfer of shares, assets and on legacies. Note that none of these is listed above as a prime motivator on why people give. People do not give *because* of tax breaks, but the tax breaks certainly help to create the *climate* for giving. *Figure 3*, headed **Main Tax Effective Methods of Giving**, sets out the tax advantages of giving.

Regular Contributions – Gift Aid and Covenants

For most charities the more people who sign up to some form of regular giving the better. Individuals should be encouraged to give through Gift Aid so as to trigger the basic rate income tax reclaim, and to do this by standing order or direct debit. It is possible to use the Deed of Covenant (which is a formal undertaking to give a series of Gift Aid donations over a specified period). Covenants are becoming quite rare now that Gift Aid is so well established. They do however have the great benefit that it is often possible to borrow 60% or more of their gross value (i.e. after tax claim) since they are technically a legally binding contract, thus enabling the committed funds to be spent early in the life of the covenant.

The Main Tax Effective Methods of Giving

So long as the museum is a registered charity, the following tax reliefs are available:

Gift Aid – a one off or regular donation on which the museum (the recipient charity) can claim back income tax at the basic rate. Every £10 given is thus worth £12.82. Higher rate tax payers can deduct that whole gross figure of £12.82 from their higher rate tax liability. It thus effectively only costs them £7.70 to give £12.82.

Under Gift Aid the donor only needs to sign a 'Gift Aid declaration' for Gift Aid to take effect. This declaration need say little more than "I wish this and all subsequent donations to be treated as Gift Aid donations until further notice". The charity also has to point out that the donor must pay at least as much tax as they can claim on the donation. Clear guidelines are available on the HM Revenue & Customs website.

Regular Giving – can be covered by the Gift Aid declaration. For most revenue fundraising, membership subscriptions or core costs this is quite sufficient and allows the museum to claim basic rate tax on all donations. This also applies to **Payroll Giving**.

Gifting Shares – donors giving shares are given income tax relief at the donor's highest rate *and* capital gains tax relief. This concession is especially attractive to donors with high capital gains tax liabilities. These tax reliefs are also extended to units in unit trust, open-ended investment trusts and foreign collective investments, also to shares traded on the alternative investment market (AIM).

Legacies – legacies to museums which are registered charities remain free of inheritance tax.

Fig 3

The internet

The internet is both a two-way channel of communication with potential donors and supporters all over the world and an excellent source of information on fundraising sources, much of it reliable and free.

Most museums now have – or are in the process of acquiring – their own website, providing information about collections and visitor attractions. At the very least, details about how to make donations, any sponsorship opportunities and ways of supporting the museum should be included on the website. It is probably worth setting up the means to make donations electronically, but as yet this is probably not likely to produce more than a handful of small donations. Internet users are becoming more used to making credit card donations to charitable projects on the web, but these will favour well-known causes and major events such as disaster appeals. There is also the risk with internet giving that the sums donated could be smaller than might be achieved from a personal approach to specifically identified individuals.

Probably the best use of the internet is to use email to keep in touch with your supporters with news about activities they may wish to support. By this means they can be cultivated to encourage other forms of support at a later date. If you are running an appeal, donors can pledge (promise) their gift by e-mail (as well as in person, by telephone or by letter); you then send them a Gift Aid Declaration in the mail and collect the tax on the gift.

Using the internet as a research tool allows you to access a huge range of information from and about fund and grant-makers. You can, for example, visit websites of grant-making trusts and companies, find out about other museum's fundraising and sponsorship successes or search for information about celebrities in every field.

Legacies

Leaving bequests to museums has a long history. However, legacy fundraising is fairly new as an actual technique, as opposed to a lucky chance event. It is defined as "the mechanism of making gifts in wills as a marketing tool" and has enormous potential for museums of all sizes.

Making a bequest to charity has a major advantage over other forms of giving – the money does not leave the donor's bank account or investment portfolio, and during their lifetime the donor can enjoy the pleasure of being in a position to benefit an institution they care about.

There are several good guides to legacy fundraising which are a credit to the cooperative spirit within charities. However, as with all other techniques, having learnt the technicalities of 'residual' and 'pecuniary' legacies, the all-important factor is cultivating the relationship with the potential legator. There are potentially large sums to be gained from this source and no one should forget that *anyone* might be the person who decides to leave you a large bequest. The message is clear and applies to all fundraising. Make friends before you try to raise funds.

Payroll giving

Payroll Giving or Give as You Earn is a scheme whereby employees can authorise their employer to deduct charitable donations from their pay before calculating PAYE. The employee selects a charity to receive the gift and then gets tax relief at the top rate of tax on the donation. The employer has to agree to operate the scheme, but may not influence the choice of charity to which employees donate.

The scheme has not proved very popular since it was introduced in the 1970s and

currently only about 2% of employees participate.

The scheme has been little used by museums; however, enthusiastic volunteers could help to promote a scheme in their place of work where the area of employment is related to the project in some way, say mechanical restoration and engineering, and what about setting up a scheme among the staff of the museum itself to support a special appeal? From time to time there are generous government incentive schemes to help promote payroll giving.

Current schemes can be found on the HM Revenue & Customs website.

Fundraising from trusts and foundations

Trusts and foundations exist solely to give money away and there is a very large number of them! Many of these are active in supporting museums. Who are they and how should we approach them?

Trusts and foundations derive their funds from a variety of sources – the interest from endowments or a capital sum placed in trust by the person setting up the trust (called *the settlor*); from regular payments into them, say by a company giving a proportion of profits, or from an individual giving out of income or from the proceeds of selling a company; or from some combination of these.

Many trusts are administered by the settlor personally, or by members of the settlor's family or descendants. Many others have professional administrators who follow guidelines set down by their trustees.

There are several sources of information on trusts, and it is essential to refer to these in researching exactly which trusts might be in a position to help your museum project. Nothing irritates trusts more than misdirected, ill-researched applications for projects which fall outside their guidelines, or which are plainly 'round robin' appeal letters which are being sent to large numbers of trusts from a list.

What do trusts support?

Some trusts will only support one-off projects or needs; some will only support interpretation, or staff training, or conservation work; some will give to capital costs but not to general running costs. This is where research and doing your homework is essential. Every trust is different. There is no blanket approach which works for all. *Figures 4 and 5* suggest a process, and essential elements of a proposal, which gives a framework for approaching trusts.

Developing a database of supporters

Museums and galleries attract visitors. During or immediately following a visit, interest is high, making it the ideal opportunity to begin the process of developing a 'donor base', a list of supporters. Some people are happy to donate during a visit so think about information displayed on site, and information visitors can take home, which describes the

Seven Steps to Successful Fundraising from Trusts

- Prepare your fundraising 'case' and split it down into different cost elements – these can often form a useful 'shopping list';
- Take time to study trust listings to produce a good shortlist of potential trust supporters;
- Try to find people who know the trustees of these trusts. 'Inside advice' greatly increases your chances of pitching the approach correctly and thus gaining higher level support;
- Take informal soundings on the telephone from trust administrators as to whether they could support your museum. Seek advice on how best to angle the proposal to them;
- Prepare supporting papers setting out the 'case for support' following the advice given to you;
- Prepare draft applications following the advice given. These application papers and supporting briefs will become 'semi-standard' papers but each will need to be adjusted for each trust. Always state the amount you are hoping for, but ensure that this is realistic for the trust concerned;
- When the scope for personal introductions to trustees of these trusts runs out then it is all the more important to take advice from their administrators. The recent experience of many fundraisers is that a one-in-six to one-in-10 success rate is normal, although well targeted applications for a compelling case may do better and the blanket mailing on untargeted trusts very seldom works and may 'queer the pitch' for approaching the trust again for several months.

Fig 4

project and the funding need. It is advisable to seek name and address details and there are several, subtle ways of doing this – questionnaires provide valuable feedback as well as the all-important contact details. Competitions can be attractive to a wide range of potential donors. Once you have their details and have their consent to be sent 'information relating to the museum' (making it clear that you will not pass their details onto anyone outside your organization) it is vital that you keep them informed of developments, through letters, newsletters or emails.

If inheriting a database of contacts, a priority must be to 'clean' the data of any deceased contacts and people who have moved. This can be done as an integral part of your first mailing, by ensuring a return address is printed on the delivery envelope. Depending on the cost of the mailing and/or number of contacts on the database, it may be worth paying an external mailing company to 'clean' it for you, to minimize expensive wastage in the mailing.

Friends and membership schemes

These can provide valuable regular revenue through subscription payments and the Friends/members often form a museum's most committed core of supporters, who can be called upon in times of need to contribute to a special appeal.

Using fundraising consultants

At the broadest level fundraising consultants can provide external assistance in strategic planning to achieve your museum's goals, and they can help implement the strategy, adjusting it, monitoring progress and supporting you until those goals are achieved. Alternatively, you might use consultants for very specific specialist tasks such as with analysis and research of the fundraising market, building volunteer structures establishing financial controls or recruiting and developing staff and volunteers through training.

Five Essentials of a Trust Proposal

1. **Summary of the Proposal** – start with one or two sentences to explain who you are, what your application is for, how much you are seeking and what the benefits will be.
2. **The Museum** – basic background on the Museum, its specialisms, interests, collection, objectives etc.
3. **The Need** – give specific details of your project or proposal, what it will cost, what the benefits will be and how you know there is a need. If it is a capital project remember to say *who* will benefit from the capital investment, and explain how much worse off they are at present. Give statistics to support your analysis of the need if possible.
4. **The Project or Proposal** – how do you propose to satisfy the need? Set out the proposals, their budget, plans and an explanation of how they work, and how they fit into the general running of your museum.
5. **The Ask** – tell the trust how much you are looking for, how much you have raised to date and how much you want from them. The level of gift or grant you ask for should be realistic for the trust concerned.

Fig 5

Use of fundraising consultants cannot absolve you or your trustees from responsibility for fundraising, nor undertake staff roles or make up for staff shortages. Neither can they provide 'magic millions'. The consultancy arrangement is an advisory and supportive one, in which by working closely together you can define your needs and work through the process of realising them. Ultimately it is the passionate and knowledgeable museum trustee, staff member or volunteer that really makes the difference in asking for and receiving substantial gifts for the cause.

When selecting a consultant it is important to be clear in your own mind what you want to achieve. Draw up a brief for the task. Talk to other museum colleagues or organisations that have used consultants to see if they can recommend consultants. Talk to half a dozen or more consultants on the telephone, and from the reactions you get, select two or three consultancy firms to meet and discuss your needs with them. They will not normally charge for such meetings. Ask them to make proposals and to make a personal presentation from which your final choice is made.

The two key factors in achieving a successful outcome from a consultancy are:

- clear objectives and detailed assignments set out formally in a contract
- personal compatibility with the consultants – you have to be able to work with them!

The Institute of Fundraising maintains a list of fundraising consultants. The list is not vetted in any way. www.institute-of-fundraising.org.uk

The Association of Fundraising Consultants is the professional association for qualifying members of the fundraising consultancy profession in the United Kingdom. Members subscribe to a rigorous Code of Practice to which they must give an annual declaration of compliance. Intending member firms must have been in business successfully for two years and have a principal who has had at least five years continuous successful experience in fundraising consultancy. At least three client references are taken on new members, which are peer vetted. Every two years two current client references are followed up and again submitted to the peer vetting process. www.afc.org.uk

CASE STUDIES

Building a new independent Museum

The John Bunyan Museum

In March 2000 a new independent museum opened in Bedford, the result of years of planning and hard work by the congregation of the Bunyan Church.

A unique collection of first editions, original manuscripts and artefacts belonging to the celebrated preacher and writer John Bunyan has been handed down through the generations at the church where he preached, in his home town of Bedford. The present congregation decided to make these treasures more accessible; but plans to build a museum and library to house them were costed at over half a million pounds.

METHOD	FINANCIAL RISK high, med, low	PURPOSE/USE	FUNDRAISING VALUE	COST RATIO %
Capital appeal	MEDIUM/HIGH	Major capital sums i.e. £100k+ Lottery match funding	HIGH	5–15
Christmas cards	MEDIUM	Special appeal New ind/corp members Create/develop mailing list	MEDIUM to HIGH	15–30
Gift Aid/Covenants	LOW	Special appeals Regular income Major gift potential	MEDIUM to HIGH	1–15*
Special club	MEDIUM	High value gifts	HIGH	5–10
Friends	LOW	Cultivating support Seed-bed for funds Active fundraising Source major gifts Source of volunteers	MEDIUM	1–5
Legacies	LOW	Long-term projects General support	HIGH	1–5
Membership	LOW	Cultivating support Seed bed for funds Source of volunteers	LOW	1–5
Supporter mailings	LOW	Special one-off needs Recruit Friends/mems Say thank you Source of volunteers	LOW to MEDIUM	1–5
Telephone appeals	LOW	Special one-off needs Recruit Friends/mems Say thank you Source of volunteers	HIGH	5–10

*Depending on prospect acquisition cost

Fig 6

A Project Planning Committee was formed, a wide range of potential visitor groups and uses of the facilities was identified, and this in turn began to define the fundraising story.

By the end of 1996 a number of statutory bodies had become heavily involved and almost £100,000 was secured. With the fundraising case now clearly defined, a group of influential people was gathered who could provide personal introductions to grant-making trusts.

By mid-1998 over £500,000 had been secured and building work began, generating wide public interest. When the museum was officially opened in March 2000, one of the first visitors was the Archbishop of Canterbury.

This project was master-minded by a group of people who believed completely in the spiritual objectives of their scheme, who had never undertaken such a venture before, but who had all the skills and talents needed for the project to succeed. They simply needed the tools for success – a meticulously developed fundraising case, the strategy and process, and assistance in dealing with the day to day problems of project fundraising management.

Raising funds through a Friends organisation

The Friends of the Laing Art Gallery in Newcastle upon Tyne

A recent survey by Arts & Business concludes that Friends schemes have proved to be the most stable form of income for arts

organisations of all types.

The Friends of the Laing Art Gallery in Newcastle upon Tyne were asked by the Gallery to raise £75,000 as their contribution to exhibitions during Visual Arts Year.

The sum was 50% more than the total the Friends had donated to the Gallery in their 35 years existence.

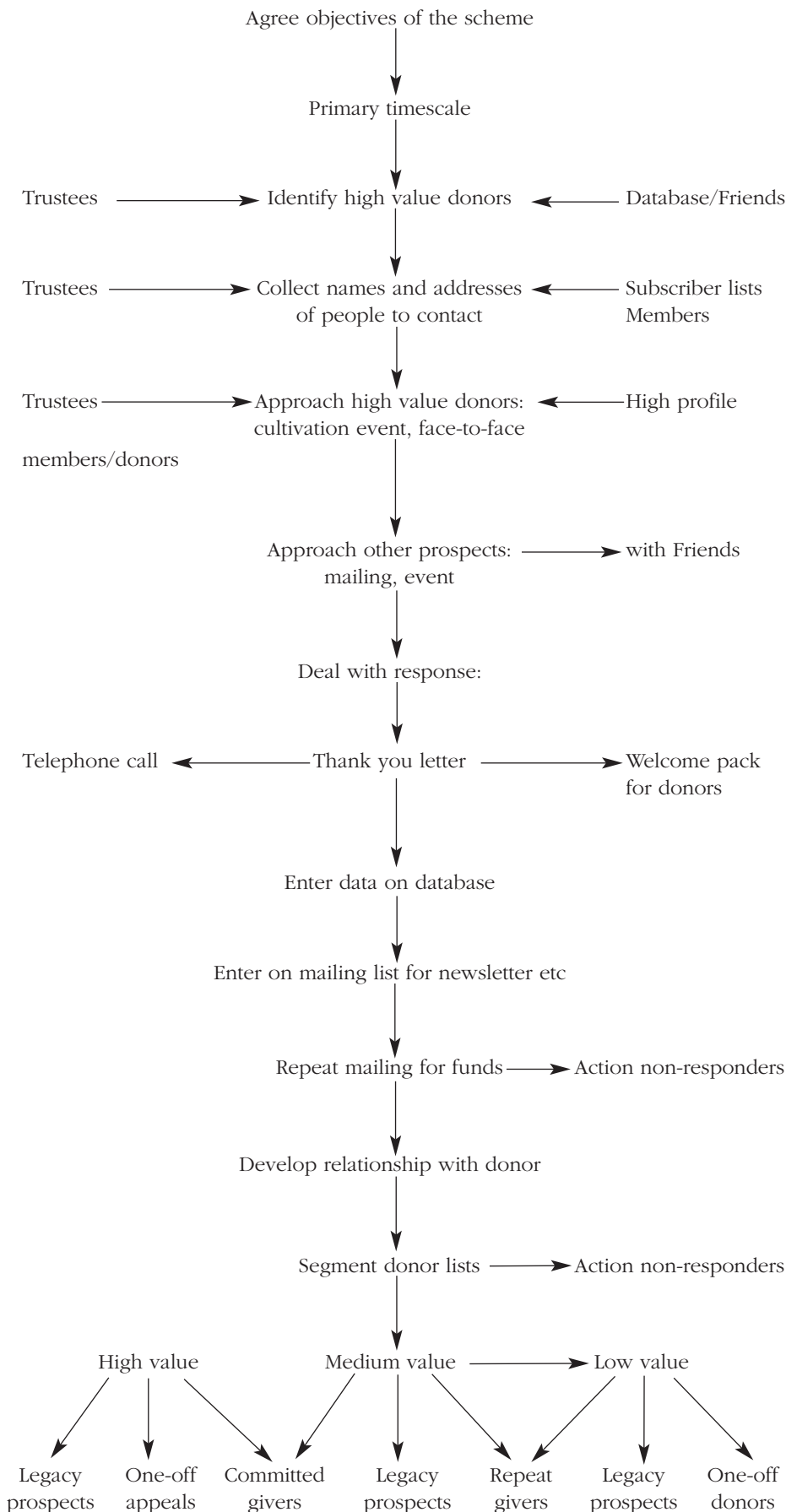
The Management Committee received the news of this request in 'stunned silence', but 11 months later had achieved this target.

What were the main factors which contributed to this outstanding result?

- The Friends were being asked to play a key role in a much larger fundraising effort: the funds they raised would be used to secure one of the key exhibitions of the Year, with the Lindisfarne Gospels, brought 'home' to the North East from the British Museum, as the centrepiece. Their case for support was thus based on a genuine and compelling need.
- In the preparation stages of the appeal, a well-known local art historian, collector and life member of the Friends agreed to make a major contribution and to having the appeal to be named in his honour.
- A fundraising consultant, retained by the Gallery was brought in at the outset to advise the Friends on the strategy, the case for support and structure of gifts and benefits and leadership.

Model of an Action Plan

Starting a monthly giving scheme



<.....MAJOR GIFTS.....>

Fig 7

- Commitment and hard-work on the part of the Chairwoman and Committee, together with confidence in the achievability of the project
- Willingness of the Committee and high profile members to 'get out their cheque books' and show an example to the rest of the membership
- A means of thanking donors publicly, by giving them formal status according to the level of gift and giving (Benefactor, etc.) and making it known that a plaque would be placed in a prominent place honouring the donors.
- A dedicated and methodical approach to targeted trusts and foundations; Friends with contacts on boards of trustees did some gentle lobbying to support the formal applications
- Use of tax-efficient giving – Gift Aid and Loan/Covenants (a lump sum gift supported by a 4-year covenant on which tax is reclaimed annually). The Hon. Treasurer, a local accountant, gave considerable voluntary time to supporting the Friends' part-time administrator.
- The Committee made sure there was something for everyone to do.

FURTHER INFORMATION AND USEFUL LINKS

Becoming a registered charity: The Charity Commission, Harmsworth House, 13/15 Bouverie Street, London EC4Y 8DP Website: www.charity-commission.gov.uk

Gift Aid, Tax relief and how it all works – The Giving Campaign.

The Giving Campaign promoted Gift Aid when it started, and is now wound up. However, their website is maintained by HM Revenue and Customs and gives clear direction on everything you need to know. <http://www.givingcampaign.org.uk/> and for Payroll Giving information, try <http://www.payrollgivinggrants.org.uk/>

Charity Taxation and benefits – HM Revenue and Customs.

Spend time finding your way round this excellent website – everything you need to know on charity tax claims and status is here! Useful links below:–

<http://www.hmrc.gov.uk/> Home Page

<http://www.hmrc.gov.uk/charities/started.htm> – good basic explanations of charity tax status and links to details on each tax relief available.

<http://www.hmrc.gov.uk/payrollgiving> – payroll giving information

<http://www.hmrc.gov.uk/budget2005/revbn27.pdf> – explanation of rules on Gift Aid for museum admission charges.

Implications of tax incentives and information about Payroll Giving: Charities Aid Foundation (CAF), King's Hill, West Malling, Kent ME19 4TA Telephone Hotline: 012732 520039/520044.

Website on charity tax changes: www.giving-today.org

Comparison of initial estimates and achievements

	Initial Estimate (by Consultant)	Outcome
Appeal to members (including reclaimed tax)	35,000	37,563
Appeal to local individuals and trusts	10,000	10,000
Win a holiday lottery	3,000	5,511
Events	2,000	7,098
Friends reserves	25,000	14,695
Totals	75,000	75,000

Help and advice for charities from the Inland Revenue charity division:

England, Wales and Northern Ireland:
FICO (Charity Repayments), St John's House,
Merton Road, Bootle, Merseyside, L69 9BB
Tel: 0151 472 6038/6055/6056

Charities in Scotland:

FICO (Scotland), Trinity Park House, South
Trinity Road, Edinburgh, EH5 3SD Tel: 0131
551 8127

Corporate sponsorship and partnerships

Arts & Business, Nutmeg House, 60 Gainsford
Street, Butler's Wharf, London SE1 2NY Tel:
020 7378 8143 Partners.info@AandB.org.uk
www.AandB.org.UK

Training staff and volunteers

Fundraising training is offered by the follow-
ing organisations:

The professional body for charity fundraisers:
The Institute of Fundraising, Park Place, 12
Lawn Lane, London SW8 1UD Telephone: 020

7840 1000 Fax: 020 7840 1001 Website:
http://www.institute-of-fundraising.org.uk/

The professional body for fundraising consul-
tants: The Association of Fundraising
Consultants – many members offer training
designed specifically for your needs, PO Box
9, Woodstock OX20 1ZJ Tel: 01582 762446
Fax: 01582 461489 http://www.afc.org.uk

Courses, seminars, publications – Directory of
Social Change, Information and Training for
the Voluntary Sector, 24 Stephenson Way,
London, NW1 2DP. All enquiries – 08450 77
77 07 (local rate).

London office Directory of Social Change, 24
Stephenson Way, London NW1 2DP Tel: 020
7391 4800.

Liverpool office Directory of Social Change,
Federation House, Hope Street, Liverpool L1
9BW Tel: 0151 708 0117

http://www.dsc.org.uk

The Group for Education in Museums (GEM),
Primrose House, 193 Gillingham Road,
Gillingham, Kent ME7 4EP Tel/Fax: 01634
312409 http://www.gem.org.uk

Regional arts boards and museums, libraries
and archive councils offer short training
courses in various aspects of fundraising on
an ad hoc basis.

Some useful publications

The Arts Funding Guide, Directory of Social
Change, as above

The Complete Fundraising Handbook, Sam
Clarke and Michael Norton, published by DSC
and IoF, as above

Relationship Fundraising and Friends for Life,
Ken Burnett, White Lion Press

Asking Properly, White Lion Press Ltd,
London, EC1Y 0TY

Find the Funds is a book on fundraising
research published by DSC

Fundraising for Museums and the Arts,
Russell Willis Taylor, The Council for
Museums, Archives and Libraries, 1995

Institute of Fundraising, CAF (see address
above)

Legacy Fundraising, Sebastian Wilberforce

Trust Fundraising, Anthony Clay (Editor)

Corporate Fundraising, Valerie Morton
(Editor)

Fundraising Strategy, Redmond Mullin

Selecting a fundraising consultant

The Association of Fundraising Consultants,
as above. Guidance on selecting consultants
is set out in this website – www.afc.org.uk
(full list of members and details of their
respective areas of expertise and experience;
the Code of Practice)

Institute of Fundraising – list of consultants
(see contact details above) and sample con-
tract with a consultant

Who's Who in Fundraising, Institute of
Fundraising (see contact details above)

Elizabeth Anderson and Andrew de Mille, members of the Association of Fundraising Consultants, have worked extensively with public and independent museums and galleries.

Andrew de Mille Fundraising Consultants

Andrew de Mille has been a fundraising consul-
tant since 1971, setting up his own consul-
tancy in 1977. He has undertaken over
200 capital fundraising projects, many for
museums, galleries, arts facilities and heritage
attractions. Clients have included The Vale
and Downland Museum Trust, Wantage; The
Bunyan Museum, Bedford; The Merchant's
House, Marlborough; and Whitchurch Silk
Mill. Contact Andrew de Mille Fundraising
Consultants, Hedsordene, Cookham,
Berkshire SL6 9HW. 01628 527753
andrew@demille.co.uk www.demille.co.uk

Elizabeth Anderson & Associates

Elizabeth Anderson's early career included
senior fundraising and public relations posts
with SHELTER. After completing a major capi-
tal appeal as the first development director of
Beamish Open Air Museum, she set up the
consultancy in 1983 and has since worked
with a variety of museums and galleries,
including Tyne and Wear Museums; The
National Glass Centre, Sunderland; Eureka!
The Museum for Children; The Thomas
Bewick Birthplace Museum; Seven Stories,
Centre for Children's Books; The Sage,
Gateshead and Woodhorn Museum. Contact
Elizabeth Anderson & Associates
elizabeth.mounthooley@virgin.net

Andrew de Mille was a founder of the
Association of Fundraising Consultants, and is
a former chairman and current board mem-
ber. Elizabeth Anderson was also a founder of
the association and is a past board member.

www.afc.org.uk



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