



COMPANIES

a funding information leaflet from *funderfinder*

Raising support and income is a major part of the work of many voluntary and community groups but approaching companies for support is often a new, untried and uncertain route. Often local groups do not know how company giving works, or how to approach it. There may also be worries about working with a commercial organisation, and how this might affect the work of the group.

Voluntary and community groups do not need to change what they do, or how they do it to be attractive to companies. "Don't change your work, just package it differently" was the advice given by Sam Rider, Shelter's Corporate Fundraiser at a seminar (Corporate Citizen no. 18 Autumn 1996).

Many small and large organisations do successfully work with companies, and the number of companies who promote their links with charities as part of their advertising is increasing.

Why companies give to voluntary and community organisations

Companies support voluntary organisations for a variety of reasons. In the past old fashioned philanthropy may have been the main reason but these days this seems to be on the decline. Increasingly companies donate to good causes as part of a marketing strategy to generate goodwill, to help market their goods and services, and to develop a particular image for the company. This shift from cash donation to "cause related marketing" will shape the future of company giving.

Companies are also increasingly using support for good causes as a way of developing good relationships with their staff. Employee volunteer activity or secondment to voluntary and community groups is seen as a good staff training and development opportunity. If you can offer this then your proposal will offer added value to the company.

Companies are increasingly looking for causes which are relevant to their business. This may mean that there is a geographical link or a product link - such as a baby care product company supporting a parents network. For local groups, personal links may be important - where a member of a group knows someone in a local company.

Current trends

- Larger companies are devolving their budgets for spending on community projects to local areas, good news for local voluntary and community organisations;
- Many companies are becoming pro-active in their support for good causes - setting their priorities well in advance and choosing the causes they will support themselves, rather than simply responding to requests from groups.

How much do companies give?

There are no accurate figures on the total value of corporate giving to the sector, but it is estimated at around 3% of total charity income. It is very difficult to accurately estimate the amount given to local organisations as the figures involved are often not reported within company accounts. Less formal ways of giving are even harder to quantify and are often not reported anywhere.

The Charities Aid Foundation figures for the top 500 companies suggest that companies pledged just over £1bn in 2004/5. This includes not just cash, but employee time and gifts in kind. It also doesn't distinguish between voluntary and non-voluntary sector good causes. The Directory of Social Change's publication *A Guide to Company Giving 2009/2010* lists the top 500 companies in terms of giving (£20,000 pa or more) and estimates that they gave around £808 million in community support in 2007/08. These are national figures however and will include fairly substantial sums donated to well known, national charities. Local voluntary and community organisations will rarely get support from these larger national companies - except where there is a very strong geographic, personal or product link with the company.

Most companies do not give substantial amounts of cash - smaller companies and local outlets may only give up to £25 in cash - even large companies rarely give more than a few hundred pounds to local projects. However, companies do give in a variety of ways and cash donation is only one of them.

How companies give

Support in kind

Companies will often give their products, materials or old office equipment. For example, a timber yard might donate wood for an adventure playground and local shops will often donate a raffle prize. Some groups get free or subsidised office accommodation, photocopying or printing services from local companies.

Advice and support

You can sometimes get free advice or services from local firms such as solicitors, accountants or architects. **Prohelp** is a national network of professional firms offering free support to the voluntary sector. To find out about your local group see their website at www.prohelp.org.uk (further details at the end of this document).

Contacts

The help of senior business people can be very important in fundraising from others in the local business world.

Employee secondment / volunteering

Some companies will second staff to help local groups, or organise voluntary activities with their staff, including fundraising. Bear in mind that this type of arrangement needs managing and can create extra work for your group. See the end of this sheet for contacts.

When you are approaching companies, it is important to remember that the main business of a company is to make a profit - not to give to charity. It is therefore very important to do your homework before approaching a company and be clear about what you want.

Money

There are two main ways to get financial support from companies:

- a) Donations: the company donates cash to your group as a "good cause" . The company can get tax relief on charitable donations but gets nothing else in return for its money (though indirectly it may benefit from being seen as a supporter of a "good cause").
- b) Sponsorship: sponsorship differs from a donation in that the company gets - and expects - something in return for their support. This is usually in the form of advertising, association of the company with the charity (and its good name) or endorsement of a company product or service. Common examples of sponsorship include:
 - advertising in a charity brochure, annual report or newsletter
 - sponsoring an event, activity or publication.

If you are seeking sponsorship, you need to be very clear about precisely what you are offering the company in return. This is a business transaction - a contract - and it carries different responsibilities from a donation. If you are registered for VAT, sponsorship counts as trading income for VAT purposes. The company cannot claim tax concessions on a sponsorship deal even if you are a registered charity.

How to approach companies

- Target your approach. Don't send circular letters to a random list of companies. Do your homework and target companies who you think may be interested in your cause. This might be because you have a personal contact in the company , you are based in the same neighbourhood - or because there is a link between what you do and the companies product.
- Be aware that companies want to know what they are getting out of it - think about what might be in it for them before you approach them.
- Find out who to approach first - don't send off a letter addressed "Dear Sir/Madam". This initial research is often best done over the telephone, especially with local companies. Ask who is responsible for charitable donations - or who can make a decision on spending. This is often the Marketing or Public Relations Department but it can be anyone.
- Tell them who you are and what you do and ask if you can write to them. Be brief, straight to the point and polite. Get someone who is good on the telephone to do this.
- If you write a letter check that you have the correct name and address - check the spelling too. Your letter needs to be as short and concise as possible - one side of A4 preferably. Most company people are overloaded with paper - they need to be able to see what you want and why they should support you at a glance. It is always best to ask for something specific - a sum of money (be realistic!), a product, a service or whatever.
- Plan ahead and allow enough time. Sometimes companies can respond to simple requests quite quickly - but often they cannot. They may have to get permission from a head office, or feed the request through a particular committee. If the company has a policy on giving to - or sponsoring - good causes, they may plan well ahead, often a year or more.
- Be realistic in your expectations.
- Say thank you if you do get help.

Useful contacts

Business in the Community, 137 Shepherdess Walk, London N1 7RQ, tel: 020 7566 8650, website: www.bitc.org.uk

Business secondees and support for short-term developments or longer term projects - mainly around social and economic regeneration.

LawWorks for Community Groups, 10-13 Lovat Lane, London EC3R 8DN, tel: 020 7929 5601, website: www.lawworks.org.uk/

Provides pro bono, free, legal advice to community groups in England and Wales, through a network of volunteer lawyers.

Prohelp, c/o Business in the Community, 137 Shepherdess Walk, London N1 7RQ, tel: 020 7566 8650, website: www.prohelp.org.uk

A network of professional firms offering free support to the voluntary sector.

REACH, 89 Albert Embankment, London SE1 7TP, tel: 020 7582 6543, website: www.volwork.org.uk

Finds and matches retired professionals with organisations needing their services as volunteers.

Useful resources

All of the following are published by the Directory of Social Change, 24 Stephenson Way, London NW1 2DP, tel: 08450 77 77 07, website: www.dsc.org.uk

www.companygiving.org.uk

£245 + VAT, this database contains all those companies in The Guide to UK Company Giving (see below), as well as newly discovered large givers.

Corporate Fundraising, ed. Valerie Morton, 3rd ed., 2007, £22.95, ISBN 978 1 903991 88 6.

An overview of the ways in which charities and companies may work together to mutual advantage.

Finding Company Sponsors for Good Causes, by Chris Wells, 2000, £12.95, ISBN 978 1 900360 37 1.

A practical handbook on drawing up a proposal, costing it, identifying potential sponsors and "making the ask".

Fundraising from Companies, by Jill Ritchie, Quick Guides series, pub. Wiremill, £5, ISBN 978 1 905053 00 1.

An overview of ways companies provide support to organisations. Available from DSC.

The Guide to UK Company Giving, by John Smyth, pub. DSC, 7th ed., 2009/10, £50, ISBN 978 1 906294 32 8.

The guide profiles over 500 companies which support community and voluntary organisations.

Leaflet supplied by