

Be Fundable: Bridging the Gap Between Charities and Funders

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About ImpactEd Philanthropy

ImpactEd Philanthropy was launched in Spring 2024 to support organisations with fundraising and giving that is intentional, efficient and impactful.

Our core purpose is to bridge the gaps between fundraisers and funders to unlock resources that will make a difference.

It is part of ImpactEd Consulting, which belongs to ImpactEd Group: a specialist consultancy that supports education and purpose-driven organisations to maximise and realise their potential. We do this by helping our partners to be consistently impactful and operationally sustainable.

For those interested in support to understand and strengthen their fundraising readiness:

- ▶ Email us for a copy of our free *Be Fundable* audit tool.
- ▶ **We are seeking Expressions of Interest from charities to join a cohort of organisations that will contribute to building benchmarks for fundraising readiness, whilst gaining a deeper understanding of their own position and opportunities to strengthen it. To find out more, please contact:**

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Foreword

We know that securing major philanthropic grants and gifts is not as simple as writing excellent applications. Nor is it solely down to building strong relationships. Whilst these things are important, a charity team can be brilliant at both and may still face barriers to attracting funding. *So, what else matters?*

We launched the *Be Fundable* project to seek and provide robust answers to the critical question of what charities can do to maximise their chances of attracting philanthropic funding. We approached this by asking funders what they are looking at – and for – when making funding decisions, and ‘what good looks like’ from their perspective. Our aim is to bridge a gap in the research and, we hope, the understanding gap between charities seeking funding and those with resources to give.

The findings make it clear that funders consider a wide range of charity information when making funding decisions – and that whilst fundraisers can play a key role, especially in building meaningful relationships, fundraising success cannot rest purely on their shoulders.

To ‘be fundable’, there is a need for whole charity teams – including trustees, leaders, delivery teams and those operating behind the scenes – to make a collective commitment to effectively presenting an organisation that is well-led and making a difference.

We are incredibly grateful to the people and organisations who generously gave their time to share their insights. We hope that this report will help more charities to secure more funding, and more funders to support more diverse portfolios of organisations – so that together, we can all make a greater difference in the world.



Maddy Gazzard
Director, ImpactEd Philanthropy



Thank You

We would like to thank all participating individuals and organisations, including those listed below and those who wish to remain anonymous.

AB Charitable Trust	Sir George Martin Trust
Access Foundation	Social Business Trust
Apax Foundation	St John's Foundation
Asda Foundation	The Considered Ask Foundation
BGF Foundation	The Fore
Collective Futures	The Harpur Trust
Dulverton Trust	The Hg Foundation
Fair Education Alliance	The Powell Family Foundation
Forvis Mazars Foundation UK	The Quilter Foundation
Hinchley Charitable Trust	The Rayne Foundation
Impetus	The Shackleton Foundation
John Lyon's Charity	The Shears Foundation
Lloyds Bank Foundation England and Wales	The Straight Charitable Trust
Mission 44	Treebeard Trust
OVO Foundation	Triangle Trust 1949 Fund
People's Postcode Lottery	Walcot Foundation
Purposeful Ventures	Westminster Foundation
Raise Your Hands	Wimbledon Foundation
Sea-Changers	Woodsmith Foundation
SG UK Foundation	Zing
SHINE	

“Too many great charities and funders are missing out on impactful funding relationships through a lack of understanding. This is limiting for charities, but also frustrating for funders.

By demystifying what funders need – especially what they need to give unrestricted, multi-year funding – we will ensure that more excellent charities can access funding to help them really fly.”

John Rendel

Research Fellow, and Non-Executive Director, ImpactEd Group

Executive Summary

The *Be Fundable* research project was launched in April 2025 with the aim of understanding what types of charity information funders use to make funding decisions, how funders rate the quality of that information, the key pitfalls for charities in relation to fundraising, and how charities can increase their chances of attracting philanthropic funding.

We developed and promoted a survey for individuals who are/have been involved in making grants/gifts of £5,000+ to charitable organisations operating in the UK; this achieved 67 responses and we conducted follow-up interviews with 23 participants.

Findings

Funders' make use of a variety of charity information to make funding decisions.

- ▶ Out of 20 types of information we asked funders to rate the importance of when making funding decisions, 16 are rated 'quite' or 'very important' by more than half of funders.
- ▶ The six types of information that ranked the highest and are considered important by at least three-in-four funders are: Accounts, Application, Organisation Budget, Grant Report, Trustees' Annual Report, and Organisation Strategy / Business Plan.

Funders are fairly positive about the quality of charities' information, but there are opportunities to improve quality in order to stand out.

- ▶ Out of 20 types of charity information, 15 are rated as 'satisfactory' or above by at least 90% of funders.
- ▶ Only eight types are rated as 'good' or 'excellent' by more than half of funders who use them, including: Accounts, Trustees' Annual Report, Entry on Register of Charities, Case Study / Story, Application, Impact Report, Grant Report and Website.
- ▶ This excludes two types of information considered important by at least three-in-four funders: the Organisation Budget and Organisation Strategy / Business Plan.



Funders highlighted three key pitfalls in relation to charities 'being fundable': the presentation of information, the demonstration of strong leadership, and engaging with funders.

- ▶ Funders seek clarity and consistency of information.
- ▶ Funders look for a commitment to strong leadership and to making a difference.
- ▶ Funders want to feel that charity representatives understand their priorities and processes, and take opportunities to build and nurture relationships.

Recommendations

For charity leaders, we recommend:

- ▶ Commit to leadership that prioritises good governance, strategy, financial management and impact.
- ▶ Audit – or commission an external audit of – your charity's ability to provide key information and identify priorities to improve your fundraising readiness.
- ▶ Set high expectations for a strong culture of fundraising across the whole charity.

For fundraisers, we recommend:

- ▶ Be curious about your charity and prepared to clearly communicate it to funders.
- ▶ Be curious about funders' priorities, processes and giving history to inform decisions.
- ▶ Engage with funders before submitting applications when possible.
- ▶ Demonstrate that you understand and care about funders' priorities and processes.
- ▶ Play a role in nurturing a strong culture of fundraising across the whole charity.

For funders, we recommend:

- ▶ Make it easy for charities to understand your priorities, processes and giving history.
- ▶ Develop and publish clear and proportionate application and reporting processes.
- ▶ Take time to speak with charity representatives and give practical feedback.
- ▶ Give unrestricted/flexible funding; building fundraising readiness requires resources.
- ▶ Suggest and enable opportunities for collaboration and capacity building.



Methodology and Participation

In Spring 2025, we invited individuals who are/have been involved in making grants/gifts of £5,000+ to charitable organisations operating in the UK to share their insights through a combination of quantitative and qualitative research methods.

We launched a survey and conducted follow-up interviews to seek answers to the research questions below.

- ▶ When making funding decisions, how important do funders consider various types of charity information?
- ▶ How do funders rate the quality of different types of charity information?
- ▶ According to funders, what are the key pitfalls for charities in relation to attracting funding?
- ▶ According to funders, how can charities present information more effectively?
- ▶ According to funders, how can charities build stronger relationships with funders?

We received survey responses from 67 individuals who were eligible to take part. In addition, we conducted follow-up interviews with 23 participants.

Participants represent a range of organisation types, with the most common type being charitable trusts and foundations (82%). The majority of participants are paid staff members (82%).

Figure 1. Participants by type of organisation.



Table 1. Participants' role in funding.

Role in Funding	Number of Participants
Paid staff member [C-suite / Director / Head or similar]	39
Paid staff member [Manager, Officer, Administrator or similar]	16
Trustee	8
Donor	2
Paid advisor, consultant or similar	1
Volunteer [not including Trustee]	1

Almost all participants are based in England (94%), with one participant based in Scotland and one in Wales.

At ImpactEd Group, a significant proportion of our work is with education organisations; of the funders we engaged, 70% would describe their affinity for education as 'high' or 'significant'.

Combined, the *Be Fundable* participants bring more than 330 years of experience in making grants and donations, and give more than £200 million per year.

Use of AI

During the *Be Fundable* project, we have used AI to transcribe interviews and to analyse common themes in responses. All information has been reviewed and this report developed by researchers.

Reasons for Taking Part

We asked funders to share an insight into why they decided to take part in the *Be Fundable* project. Key themes include:

- ▶ A sense of responsibility to make grantmaking better for everybody
- ▶ A desire to help charities improve their ability to attract funding
- ▶ A recognition of the power of collaboration within philanthropy
- ▶ An acknowledgement of – and interest in – shifts in philanthropy
- ▶ Personal experiences and frustrations, and the desire to share those in a safe space

In order to gain and share candid insights from funders, we have anonymised all quotes, whilst sharing only the type of funder they represent.

"I think as grant giving organisations, we have a responsibility to give back and to support the wider sector to deliver the best it can for the charities that we support, and therefore ultimately the beneficiaries that they work with."

Funder representing charitable trust/foundation – associated with private company

"We're tiny, but we try and be open and collaborative because with such a small pot of funding ourselves, we have always known that it'd be much better to collaborate with other funders that have deeper pockets in order to achieve the impact that we want."

Funder representing charitable trust/foundation – family and/or individual donors

"I think the sector is going through a lot of change in terms of the demands on philanthropy and fundraising, and how and what people are applying for and who they're applying to. I think it's a great piece of work to understand that a little bit better and what is in the power of grantees."

Funder representing charity that makes grants alongside other activities

"I think it's a really interesting and important time generally for philanthropy and grantmaking, wherever you sit in that sort of space. We've come through the Covid pandemic period, where a lot of foundations loosened up and became super flexible, and then as we came out the other side, took time to re-strategise and rethink. And there's some interesting soul searching happening."

Funder representing charitable trust/foundation – independent

"The majority of my career has been on the other side of the table. I think one of the parts of the job which I didn't think I'd find frustrating, but I have, is being able to communicate really openly about what our challenges are as funders. I think it's a great thing to do because it's a safe space for people to say that stuff and there's nowhere else to say it. Obviously there is such fierce competition and such difficulty with accessing funding, it feels a bit 'standing from your ivory tower' to tell people that we have challenges ourselves, but I thought this was a useful collective way to say some of the things that we experience and how we might be able to shape charities' experiences for the better as well."

Funder representing charitable trust/foundation – associated with private company

Part 1: Funders' Use of Charity Information to Make Funding Decisions

We asked funders to rate the importance of 20 types of charity information when making funding decisions. The graph on the following page shows their responses ranked in order of importance, from left to right starting with the highest importance rating.

Of the 20 types of information, 16 are rated 'quite' or 'very important' by more than half of funders (on the graph, from 'Accounts' to 'Information about Trustees').

There are six types of information that are considered important by at least three-in-four funders when making funding decisions:

- 1 **Accounts**
- 2 **Application**
- 3 **Organisation Budget**
- 4 **Grant Report**
- 5 **Trustees' Annual Report**
- 6 **Organisation Strategy / Business Plan**

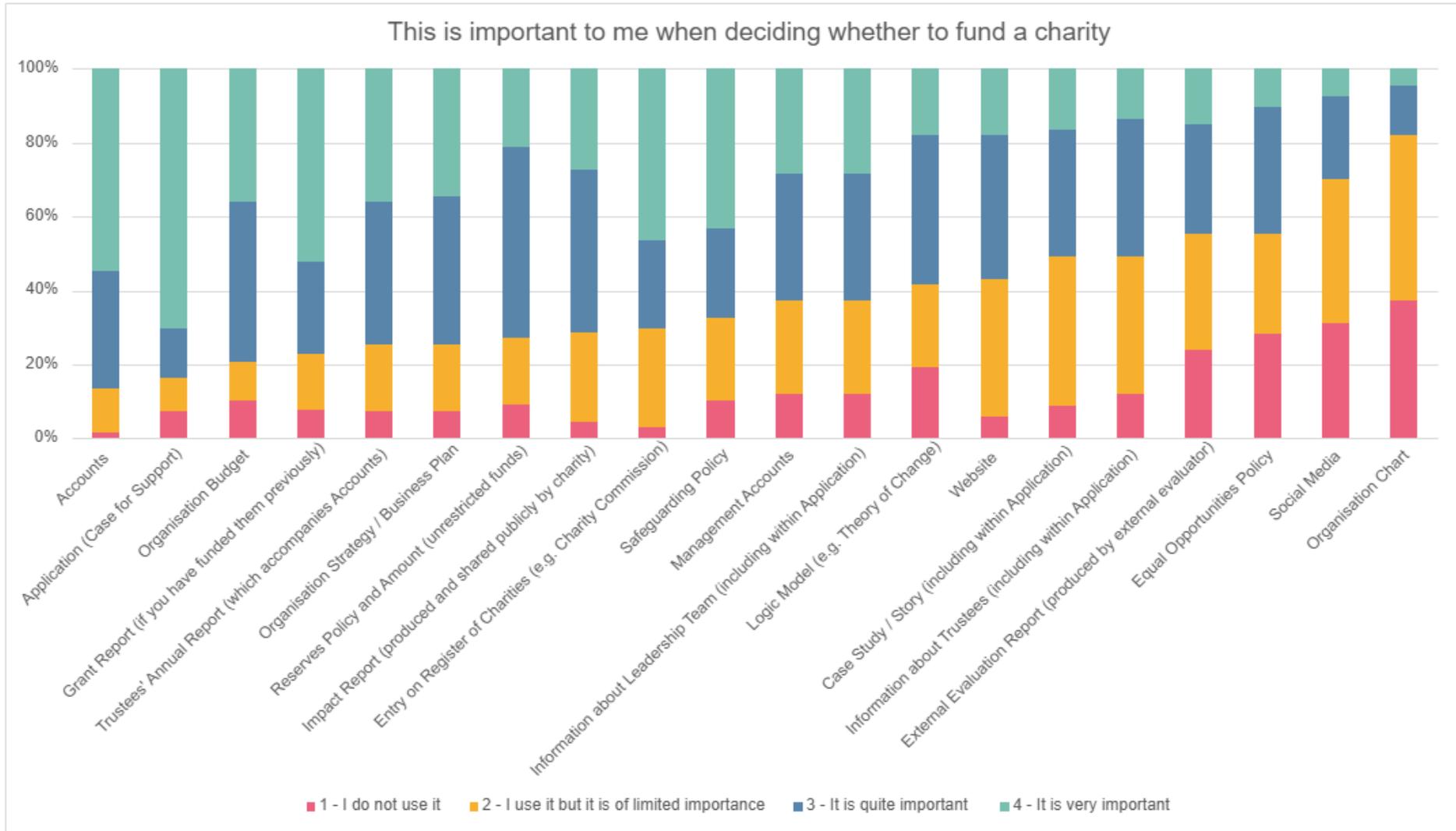
It is worth noting that only one type of information is considered important by fewer than 30% of funders – the Organisation Chart – and even then, it is considered important by almost one-in-five funders (18%).

Alongside the emphasis placed on applications (the most common type to be rated by funders as 'very important', at 70%) and grant reports, which are typically associated with the remit of fundraisers, **the findings highlight the keen interest that funders take in charity finances and strategic leadership; areas over which fundraisers are less likely to have control.**

We also invited funders to tell us about any other information they use when making funding decisions. A common theme that emerged was information about collaboration, which we have taken into consideration as part of the recommendations in this report.



Figure 2. Types of charity information ranked by funders' ratings of importance.



Where we had sufficient data to draw meaningful comparisons, we have segmented the data by various factors to explore variations in which types of charity information are rated as more or less important. We segmented by:

- 1 **Type of charitable trust or foundation**
- 2 **Type of funding given**
- 3 **Approach to funding**
- 4 **Amount of funding given annually**
- 5 **Number of charities supported annually**

Overall, we saw more variation in the types of information considered the *most* important by different segments of participants (rather than *least* important), as outlined in the tables below. In each table, we have highlighted the types of information which appear consistently across all segments in dark green, types which cross over two segments in light green, and types which only appear in one segment in light red.

Table 2.1. Types of information rated most important by groups of funders: type of charitable trust or foundation.

Ranking	Charitable Trust or Foundation - Independent (n = 23)	Charitable Trust or Foundation - Associated with a Private Company (n = 15)	Charitable Trust or Foundation - Family and/or Individual Donors (n = 16)
1	Accounts	Application	Organisation Budget
2	Trustees' Annual Report	Accounts	Grant Report
3	Application	Entry on Register of Charities	Impact Report
4	Organisation Budget	Trustees' Annual Report	Entry on Register of Charities
5	Organisation Strategy / Business Plan	Grant Report	Application

Table 2.2. Types of information rated most important by groups of funders: type of funding given.

Ranking	All or Mostly Restricted (e.g. to a specific project or cost) (n = 24)	All or Mostly Flexible (e.g. core funding, funding restricted to a specific geographical location but not a specific project or cost) (n = 16)	All or Mostly Unrestricted (n = 23)
1	Application	Application	Information about Leadership Team
2	Grant Report	Entry on Register of Charities	Accounts
3	Accounts	Grant Report	Organisation Strategy / Business Plan
4	Organisation Budget	Safeguarding Policy	Trustees' Annual Report
5	Reserves Policy and Amount	Organisation Budget	Impact Report

Table 2.3. Types of information rated most important by groups of funders: approach to funding.

Ranking	Open (we invite applications and enquiries) (n=31)	Proactive but Open (we do not accept unsolicited applications but welcome enquiries) (n=22)
1	Application	Organisation Strategy / Business Plan
2	Accounts	Logic Model
3	Trustees' Annual Report	Accounts
4	Grant Report	Organisation Budget
5	Reserves Policy and Amount	Grant Report

Table 2.4. Types of information rated most important by groups of funders: amount of funding given annually.

Ranking	Less than £1 Million (n=33)	£1 Million to £10 Million (n=21)	More than £10 Million (n=12)
1	Application	Application	Accounts
2	Accounts	Accounts	Application
3	Entry on Register of Charities	Grant Report	Grant Report
4	Organisation Budget	Safeguarding Policy	Organisation Budget
5	Impact Report	Reserves Policy and Amount	Organisation Strategy / Business Plan

Table 2.5. Types of information rated most important by groups of funders: number of charities supported annually.

Ranking	Fewer than 20 Organisations (n=22)	21-50 Organisations (n=19)	More than 50 Organisations (n=25)
1	Impact Report	Organisation Budget	Accounts
2	Organisation Strategy / Business Plan	Application	Application
3	Accounts	Accounts	Grant Report
4	Logic Model	Safeguarding Policy	Trustees' Annual Report
5	Information about Leadership Team	Organisation Strategy / Business Plan	Reserves Policy and Amount

Part 2: Funders' Perceptions of Charities' Information

We asked funders to rate the average quality of the types of charity information that they use when making funding decisions.

Overall, this reveals fairly positive results; out of the 20 types of information, 15 are rated as 'satisfactory' or above by at least 90% of participants.

It is also positive that the top five types of information by quality score all appear in the top six types of information considered important by at least three-in-four funders. Only one of these – the Organisation Strategy / Business Plan – falls lower down the table, with 87% rating it 'satisfactory'.

This suggests that there is a fairly good mutual understanding between charities and funders as to the importance of these types of information.

It is noticeable, however, that when looking at the percentage of funders who rated the types of information as 'good' or 'excellent', there are large drops in these percentages; only eight types of information are rated as 'good' or 'excellent' by more than half of funders: Accounts (the highest score, at 61%), Trustees' Annual Report, Entry on Register of Charities, Case Study / Story, Application, Impact Report, Grant Report and Website.

Whilst it is positive to see that this includes four of the six types of information considered important by at least three-in-four funders, it is notable that two are missing: the Organisation Budget (which scored 37%) and Organisation Strategy / Business Plan (which scored 32%).

This suggests that, **from the perspective of funders, there is particular room for improvement in the quality of charity information which relates to strategic and financial planning.**



Table 3. Types of information by funders' ratings of quality alongside ranking by importance.

Ranking by Quality	Type of Information	% Satisfactory, Good or Excellent	% Good or Excellent	Ranking by Importance
1	Application	100	57	2
2	Grant Report	100	54	4
3	Accounts	98	61	1
4	Trustees' Annual Report	98	60	5
5	Organisation Budget	98	37	3
6	Entry on Register of Charities	97	59	9
7	Safeguarding Policy	97	47	10
8	Equal Opportunities Policy	96	40	18
9	Organisation Chart	93	33	20
10	Case Study / Story	93	58	15
11	Information about Trustees	93	29	16
12	Website	92	52	14
13	Information about Leadership Team	91	37	12
14	Management Accounts	91	34	11
15	Impact Report	90	56	8
16	Social Media	89	49	19
17	Reserves Policy and Amount	88	32	7
18	Organisation Strategy / Business Plan	87	32	6
19	External Evaluation Report	83	41	17
20	Logic Model	77	27	13

Part 3: Funders' Perceptions of Key Pitfalls in Relation to 'Being Fundable'

We invited funders' thoughts on the most critical pitfalls for charities when seeking funding.

Several funders suggested that these are often beyond charities' control, for example, power imbalances between those with and without resources to give, and the use of disproportionate funding processes (insights which helped to inform our recommendations for funders).

When focusing on aspects that charities have more control over, three key pitfalls emerged:

- 1 **Pitfalls in the presentation of charity information**
- 2 **Pitfalls in the demonstration of strong leadership**
- 3 **Pitfalls in engaging with funders**

Pitfalls in the Presentation of Charity Information

In particular, this relates to:

- ▶ Clarity of information
- ▶ Consistency of information

A common issue cited by funders is a lack of clarity across charity information. Funders reported a tendency amongst charities to provide either too little information and/or to overcomplicate matters. In both cases, this can include making assumptions of prior knowledge (or appearing to) and/or using jargon which is unfamiliar to many people. At a basic level, funders can therefore find it difficult to build a clear picture of what a charity does, who it serves and what it achieves.

Another issue raised was the inconsistency of information about charities – for example, between an application and the website and/or accounts – resulting in uncertainty about the true and most up-to-date picture of a charity's activities and income, amongst other factors.

Both of these issues have a knock-on negative effect on funders' inclination to consider funding a charity and/or their ability to convince decision-makers to award funding – and whilst some funders will take the time to ask follow-up questions, others will not.

"Charities know their work so well, I think that sometimes they forget that others don't and therefore sometimes application information is too complex or, conversely, not detailed enough."

Funder representing charitable trust/foundation – associated with private company

“If it's too complicated an idea to be able to articulate simply in a few sentences, our employees are unlikely to engage with it. The four most important things are: articulating a problem clearly; laying out how the charity will deal with it; providing convincing evidence that this is a good way to deal with it; and giving a straightforward call to action for how the corporate can help.”

Funder representing private company

“Often publicly available information via Charity Commission/their website etc. isn't up-to-date and it's difficult to quality assure what's shared in their application. This results in what can then feel like excessive due diligence to collect enough information to get a real and current picture of their work and organisational health.”

Funder representing charity that makes grants alongside other activities

“I find especially the website reports aren't always exactly the same as what's in their accounts. So it's then figuring out what is the correct story. If I've got a shortlist and then one of the charities is not quite clear to me, I might just take them off my list, which is awful because sometimes they are doing such incredibly important work. But for a lot of foundations and staff, they are very time poor.”

Funder representing charitable trust/foundation – associated with private company

Pitfalls in the Demonstration of Strong Leadership

In particular, this relates to:

- ▶ Demonstrating commitment to strong governance, strategy and financial management
- ▶ Demonstrating commitment to making a difference

Typically, before giving money to a charity, funders want to trust that it is well-run. Whilst it is hard to truly know how an organisation is run from the outside, funders strive to build a comprehensive picture of how a charity is led by requesting and reviewing a range of information, including documents relating to governance, strategy and finances. Funders reiterated that this is not a ‘tickbox exercise’ and nor do they expect these documents to be created specifically for them; rather, the availability and quality of information such as organisation budgets and management accounts provides funders with telling insights into charity leadership. They expressed that when certain information is not available, or takes a long time to produce, it can raise red flags regarding a charity’s reliability and sustainability.

There was a recognition, however, that it takes time to build a charity's infrastructure, and that the information requested and expectations can vary depending on how established a charity is.

Funders also want to believe that their funding will make a difference (this phrasing is intended to capture a range of terminology used by funders, such as 'change', 'outcomes' and 'impact'). A common perception by funders, however, is that charities tend to be better at explaining *what* they do, than *why* they do it and the resulting *change*. Especially in a competitive climate, funders are interested in charities that can meaningfully articulate and evidence how they change lives.

Again, whilst some funders will invest time to ask follow-up questions and even support charities with capacity building projects, others will not.

"Sometimes up-to-date budgets are not immediately forthcoming or not presented with a high level of clarity. If a CEO or member of leadership can't at first meeting explain what the funding need is this and next year, that can delay the process and be a bit of a red flag that there is not full financial transparency and fluency. Same goes for strategic goals; strategic fluency is key."

Funder representing charitable trust/foundation – independent

"I think charities often over index on case studies and social media and don't give enough time in their application to really talking about their impact, evidence for what they do and the strength of their leadership team and governance – the people behind an organisation are critical!"

Funder representing charity that makes grants alongside other activities

"[A critical pitfall for charities when seeking funding is] a lack of understanding about the change they want to make for the people they are supporting and limited measurement of that change."

Funder representing charitable trust/foundation – family and/or individual donors

"We look for clear, data-backed evidence of impact as this is key for our own donors."

Funder representing charity that makes grants alongside other activities

Pitfalls in Engaging with Funders

In particular, this relates to:

- ▶ Demonstrating understanding of funders' priorities and processes
- ▶ Building and nurturing relationships with funders

More than half of participating funders that accept applications estimate that at least 25% of applications they receive do not align with their funding priorities (53%). This leads funders to believe that charity representatives are not reading their guidelines, or are ignoring them in the (false) hope that funders will abandon their strategies; this induces feelings of frustration about time wasted by charities that could be better spent.

Whilst, overall, funders are pleased with the quality of engagement with charities (with 85% rating it 'good' or excellent') and with responsiveness (with 82% rating it 'good' or excellent'), some highlighted missed opportunities to speak with funders before amking applications. They also raised the importance of listening and striving for meaningful two-way conversations, rather than drifting into 'long monologues'. Several funders did, however, also acknowledge that this could be a daunting experience and that some charities may have had difficult experiences.

"Certainly post pandemic, we have seen a much greater request level and a lot of it is just people wasting their time. You know they're not doing their research; they're not looking at who we are. You might as well spend a little time on the research and actually save time in the long run."

Funder representing charitable trust/foundation – family and/or individual donors

"We've told people on the phone that they're not eligible and they still apply. We've gone back and said, "this isn't eligible and it's your only chance to apply this year – are you sure you don't want to withdraw it?". "No, your trustees might think differently." It's like, "no, because it's not the criteria"."

Funder representing charitable trust/foundation – associated with private company

"We offered calls to anyone who wanted to apply in a recent funding round and very few fundraisers took the opportunity up. We thought we would be inundated, but it just wasn't like that. The ones who did, their applications were stronger because they knew what we were looking for in more detail."

Funder representing charitable trust/foundation – associated with private company

"[A critical pitfall for charities when engaging directly with funders is] going in with a hard sell in the first call or email. The first interactions should focus on learning about each other's organisations and seeing where there is overlap. If it's also clear that it's not a good fit, it's better to acknowledge that early on rather than trying to shoehorn something in."

Funder representing private company

Part 4: Recommendations for Charity Leaders

The findings from the *Be Fundable* survey and follow-up interviews make it clear that funders consider a wide range of charity information when making funding decisions – and that whilst fundraisers can play a key role, especially in building meaningful relationships, fundraising success cannot rest purely on their shoulders.

To ‘be fundable’, there is a need for whole charity teams – including trustees, leaders, delivery teams and those operating behind the scenes – to make a collective commitment to effectively presenting an organisation that is well-led and making a difference.

It is, of course, much easier to present this when an organisation *is* well-led and making a difference; our first recommendation, therefore, is to:

- ▶ Commit to leadership that prioritises good governance, strategy, financial management and impact.

It is somewhat beyond the scope of this research to aim to capture all that this encompasses, however, we are pleased to offer recommendations for ensuring that you can demonstrate a comprehensive picture of your organisation to funders:

- ▶ Audit – or commission an external audit of – your charity’s ability to provide the information that funders are using to make funding decisions, and use this to identify priorities to improve your fundraising readiness.
- ▶ Set high expectations for a strong culture of fundraising across the whole charity, ensuring that everyone in the team feels responsible for your charity’s fundraising success; and if your fundraising team faces barriers to information, encourage collaboration to unblock them.

To support charities with this, we have developed a *Be Fundable* audit tool which is designed to enable charity leaders and fundraisers to:

- ▶ Build their understanding of the types of information that funders consider
- ▶ Assess their charity’s ability to present the organisation as a whole
- ▶ Identify priorities to improve their charity’s fundraising readiness

Further information about the *Be Fundable* audit tool can be found in the next section.

Be Fundable Audit Tool: Overview

The *Be Fundable* audit tool is designed to be used to assess and identify priorities to improve charities' fundraising readiness in line with the findings of the *Be Fundable* research project, which draws upon contributions from 67 funders.

The audit tool comprises 100 statements. The majority are linked to specific types of information that funders may consider when making funding decisions, and based on funders' insights about what takes the quality of that information from 'poor' or 'satisfactory' to 'good' or even 'excellent'. In addition, it includes a section on an organisation's culture of fundraising, given the relationship between this and a charity's ability to fundraise efficiently and effectively.

To organise the tool and statements, we have mapped each type of information onto the Dimensions of ImpactEd Group's Impact and Sustainability Framework (ISF), which sets out what we believe the leaders and teams of education and purpose-driven organisations need to think deeply about in order to maximise their potential. This is outlined on the next page and should provide a helpful indication of which teams need to be engaged across each type of information.

To accompany the statements, we have provided anonymised quotes from funders as an opportunity to 'hear' detailed reflections and add more depth to the meaning of the statements.

In terms of practical use, the statements could be rated 'yes' or 'no' or 'unsure', or rated on a scale, for example: 1 = strongly disagree, 2 = disagree, 3 = agree, 4 = strongly agree. The ratings could be done collaboratively as a team, or as individuals – which could make for interesting comparisons internally. For example, there may be areas in which the leadership team is more confident in fundraisers' access to information than fundraisers themselves.

At ImpactEd Philanthropy, we are seeking **Expressions of Interest from charities to join a cohort of organisations that will contribute to building benchmarks for fundraising readiness, whilst gaining a deeper understanding of their own position and opportunities to strengthen it. To find out more, please contact:**

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Table 4. Types of information mapped to Dimensions of Impact and Sustainability Framework (ISF).

Dimension	Description	Type of Information
1. Governance	Ensuring that governance, leadership and accountability structures support your strategic vision effectively.	1. Entry on Register of Charities
		2. Accounts
		3. Trustees' Annual Report (which accompanies Accounts)
		4. Reserves Policy and Amount (within the Accounts)
		5. Management Accounts
		6. Safeguarding Policy
		7. Equal Opportunities Policy
2. Strategic Direction	Establishing the impact you want to achieve for your beneficiaries and society, and how you will make this possible.	8. Organisation Strategy / Business Plan
3. Outcomes	Identifying evidence-based outcomes, robust evaluation plans, and producing high-quality reports that inform continuous improvement.	9. Logic Model
		10. Impact Report
		11. External Evaluation Report
4. Activities	Translating strategic priorities and outcomes into high-quality activities that serve your beneficiaries.	12. Case Study / Story
5. Revenue	Generating revenue through diverse income streams that enable scalability.	13. Case for Support (used to develop Applications)
		14. Grant Report
		15. Culture of Fundraising
6. Operating Model	Developing financial and operational models that enable scalability, efficiency and adaptability.	16. Organisation Budget
		17. Organisation Chart
7. People	Building and nurturing a diverse, skilled and engaged team that collectively pursues your mission.	18. Information about Leadership
		19. Information about Trustees
8. Community	Engaging with your community to build strong relationships, and operating as a responsible organisation.	20. Information about Collaboration
		21. Website
		22. Social Media

Be Fundable Audit Tool: Statements with Funder Reflections

Type of Information	Audit Statements
1. Entry on Register of Charities	1.1. We are confident that the charity is easy to find on the register of our relevant regulator (e.g. Charity Commission).
	1.2. The description of the charity is clear and reflects its current mission and activities.
	1.3. The information about trustees is up-to-date and accurate, and includes at least three unrelated trustees.
	1.4. The information about finances is up-to-date and accurate – and we are prepared to explain any significant surpluses or deficits.
	1.5. The accounts have been filed on time and <i>not</i> qualified.

“Before approaching a charity, I would obviously always make sure that they are a registered charity. I always look at the financial history and see how they are doing. If their income is significantly more than their expenditure, then we might start questioning it. But generally we look at the cause first. We would always look at their accounts before even approaching a charity and probably the number of trustees – I think the minimum for a charity is three and I think we say five trustees in place because then we know governance is a bit more established.”

Funder representing charity that makes grants alongside other activities

“We sometimes find that people don't understand what qualified accounts are. They think qualified accounts means a good set of accounts. So I've had a couple of charities where we've gone in and checked and they're not qualified and we've had to go back to charity and say, “get this changed on the Charity Commission, you've ticked the wrong box”.

We've got one charity whose accountant has really screwed up their accounts, so they filed late. That's unfortunate because lots of funders will only take one late filing as a due diligence fail. We do tend to just dig a bit really and find out what's the story behind late accounts because there's nowhere on the Charity Commission to say, “these are late because we had to get them redone because our accountant was rubbish”. But a lot of funders don't have time to go back and ask questions at the due diligence stage. If they're late three years consecutively, we don't really even dig; we just rule them out.”

Funder representing charitable trust/foundation – associated with private company

Type of Information	Audit Statements
2. Accounts	2.1. We are confident that the accounts are accurate and presented in line with good practice (i.e. the Charities SORP).
	2.2. There is a clear distinction between income streams – especially income generated through trading and fundraising, and an explanation of any figures likely to raise questions.
	2.3. There is a clear distinction between expenditure – especially Direct and Support costs, and an explanation of any figures likely to raise questions.
	2.4. There is a clear distinction between funds, including unrestricted (reserves), designated and restricted funds.
	2.5. We are confident that funder names and grant details are listed accurately and in line with funders' preferences.

“I think narrative is really, really important. If you've got a figure which is unexplained, then it's very easy for a funder to go, “that looks a bit silly”. Also, our application form asks a really simple question about what was in your last accounts, but sometimes you go to the accounts and the number just doesn't exist. If you've got time, you'd go back to the charity and ask for clarification, but not all funders are able to do that. Just make sure your numbers all match up. Don't give funders easy reasons to say no. Because when it is so competitive, sadly, we have to do that.

Sometimes charities overuse designated funds for things that are not really appropriate in an apparent attempt to make reserves look lower than they are; we've all got a limited resource and if you look at somebody who looks like they're sitting on a pot of money, you're more likely to fund the organisation that is not. But if a charity explains, “actually we need it because the roof's about to fall in and we need to replace the roof”, you're able to make a very different judgement.”

Funder representing charitable trust/foundation – family and/or individual donors

“So the real basic one for us is, are they actually right? We've got lots of problems with accountants and actually that's usually the biggest problem for a bad set of accounts. Some will perhaps go a little bit further than required about breaking down income so that we can see a little bit more about the story behind that income. They'll get the funders names right; they don't always get our name right in their accounts and it's a little bit annoying – particularly when they're using a name that's three years out of date when you know they have got grant agreements with the correct details on. But honestly, we're happy with just the basics being right.”

Funder representing charitable trust/foundation – associated with private company

Type of Information	Audit Statements
3. Trustees' Annual Report (which accompanies Accounts)	3.1. We are confident that the Trustees' Annual Report is presented in line with good practice (i.e. the Charities SORP).
	3.2. It contains clear and accurate information about the charity's income, expenditure and funds – which aligns with the accounts.
	3.3. It contains clear, compelling information about the charity's mission, evidence of need, beneficiaries and activities.
	3.4. It contains clear, compelling evidence of the difference the charity makes, including key findings and how they will inform future work.
	3.5. It contains clear, compelling information about the charity's strategy, priorities and plans.
	3.6. It contains clear information about risks and how risks are managed by the trustees and team.

“Once we know the organisation is on mission, we tend to look in detail at the narrative/figures in the Trustees' Annual Report and accounts, so these need to be spot on.

In general, I think annual reports could be more balanced, explaining the challenges and things that haven't gone as well, and a more expansive section on how they manage risk. All too often this is a one paragraph section and given that funders are generally quite risk averse, I think this is an easy area that charities can improve on.”

Funder representing charitable trust/foundation – associated with private company

“Long winded and unclear documentation makes it hard to identify funding opportunities, particularly for a proactive funder. Leading with a clear message, backed up by data and illustrated with case studies – all of which are used consistently across documentation – is a very strong indication that a charity is well-run and knows what it is about.

In addition, it is refreshing to hear from charities when they have faced challenges and are willing to share the realities of the difficulties they face. I also find spelling/grammar or out-of-date information to be off-putting.”

Funder representing charitable trust/foundation – family and/or individual donors

Type of Information	Audit Statements
4. Reserves Policy and Amount (within the Accounts)	4.1. In the accounts, there is a clear reserves policy that includes a specific amount of unrestricted funds that the charity aims to hold.
	4.2. There is a clear explanation of the charity’s funds, including the distinction between unrestricted (reserves), designated and restricted funds.
	4.3. There is a clear explanation of whether the charity’s reserves are within its policy.
	4.4. The charity’s reserves are within its policy – or, if not, there is a clear explanation why and the charity’s plans to address this.
	4.1. In the accounts, there is a clear reserves policy that includes a specific amount of unrestricted funds that the charity aims to hold.

“It’s quite inconsistent whether the reserves policy is even stated. The other thing that I find quite inconsistent is whether they explain if they are not within their intended reserves policy. Sometimes there will be a comment on why that is; they might say, “we had an unexpected piece of expenditure”, or “money is coming in a week after the accounts are done”. Other times it would just say what the policy is, what the situation is and then nothing more, even if they’re outside of their reserves policy.

I’d say it’s not necessarily a bad thing if an organisation is below their reserves policy, especially after the last few years. That’s what reserves are there for: supporting organisations through unprecedented times. But again, it’s just building that picture of an organisation where the leaders are thinking ahead to, “we did need to use those reserves and we decided that was the right decision, but now we do know that needs building up again and this is how we think we might go about it”.

Funder representing charitable trust/foundation – associated with private company

“I think that what tends to be the minimum defined as three months of operating costs as a reserve is a prudent assumption to take and this obviously should be available from unrestricted cash. I would add that many charities have dipped – and do frequently – dip below that level. Now that’s not the end of the world. Essentially, if you have one month covered, you have a way forward, but needless to say, you have no leeway for anything to go wrong or something unexpected to arise in that scenario.

Charities should show that they really understand the difference between the funds. If there is a good understanding of restricted and designated funds that are to be released in a certain time period, that can alleviate that immediate worry.”

Private donor

Type of Information	Audit Statements
5. Management Accounts	5.1. We are confident that we can promptly provide up-to-date management accounts, including income, expenditure and funds.
	5.2. There is clear a distinction between key income streams – especially income generated through trading and fundraising.
	5.3. There is a clear distinction between types of expenditure – especially Direct and Support costs.
	5.4. There is a clear distinction between funds, including unrestricted (reserves), restricted and designated funds.

“You get two extremes and very little in the middle. You get charities that give you an excellent set of management accounts. They're clearly reviewing them monthly or quarterly. They're keeping them up to date. They clearly had a budget at the beginning of the year. They're tracking their expenditure and income against that budget. They're reporting to the board against a set of management accounts. And then at the other end of the spectrum, there are no management accounts.

A certain size charity applying for certain size grants with no management accounts doesn't rule them out for us, but it makes us go in and understand – and that's when we're then looking for honesty.

If you see it as a funder tickbox, you're not for us anyway because you haven't grasped what it means to be a good charity. And as I say, we've gone in and supported charities with none of this – that's OK, but you've got to understand why we're asking and why we're trying to get you to that. Or you're not going to survive as a charity. You might wing it for a few years, but you won't survive.”

Funder representing charitable trust/foundation – associated with private company

“One would like to see a balanced view that takes into account both income and costs, but importantly – how does that translate to cash? – because that's ultimately what's keeping the lights on. Showing that sort of understanding and providing enough high level information about the team and how generating the income actually compares with similar charities in the marketplace to give you the confidence that this is managed in the best and most efficient way for the beneficiaries.”

Private donor

Type of Information	Audit Statements
6. Safeguarding Policy	6.1. We are confident that we can promptly provide an up-to-date safeguarding policy in line with good practice (reviewed by trustees within a reasonable timeframe).
	6.2. It acknowledges the trustees' responsibility for safeguarding.
	6.3. It is relevant to the charity's activities – especially if a template or AI has been used.
	6.4. It describes the charity's reporting procedures, including who to contact and how incidents are handled and communicated.
	6.5. There have been no notifiable safeguarding incidents – or, if there have, we have proactively informed funders.

“As a funder, we have a high level of responsibility to try to make sure that organisations are safeguarding in the right way, so what we tend to do is ask for a safeguarding policy.

We are looking for clearly defined processes and procedures. We're looking for a recognition in the document that trustees have a responsibility for safeguarding and often, that's one thing that is absent. We obviously like to see the name of the designated safeguarding person.

We ask people to let us know if there is anything which is reportable through the course of the grant. We had a charity that had a safeguarding issue which was all over the local news, but hadn't thought to tell us about it. So that's going to really compromise them.”

Funder representing charitable trust/foundation – family and/or individual donors

“We've got a bit of a checklist. Is it in date? Often we get ones that were dated four years ago. We look for comments on safer recruitment and DBS cheques for staff and volunteers, particularly if they're working directly with children and young people.

And then the other really crucial one is around their reporting procedure, so if somebody wanted to report an incident, that their staff or volunteers know who to go to and they've got the contact details and so on. And then what the procedure from that point would be.

It's not just about whether or not they have a safeguarding policy; it's the whole picture of them and how they are operating and it's part of the funders responsibility to check that that's in place.”

Funder representing charitable trust/foundation – associated with private company

Type of Information	Audit Statements
7. Equal Opportunities Policy	7.1. We are confident that we can promptly provide an up-to-date Equal Opportunities Policy in line with good practice (reviewed by trustees within a reasonable timeframe).
	7.2. It acknowledges the trustees' responsibility for equal opportunities.
	7.3. It is relevant to the charity's activities – especially if a template or AI has been used.

"I think more and more, charitable organisations are needing to operate at a higher level and so having that understanding and having an equal opportunities policy for staff and beneficiaries is essential in my mind. It means that your trustees have signed off a policy that goes, "we are aware of this; it is something that is innately important to us because we have taken the time to consider it".

Not having one – or not even having a basic one that you can get quite easily – makes me concerned that you're not necessarily looking after your staff and for me that has multiple ramifications as to how you operate in a wider context.

I will also look at the review date; if it's an equal opportunities policy that was last reviewed 10 years ago, then is that truly a policy that's in effect? No, it's not. And it speaks to that proper governance of the charity; the trustees should be reviewing policies annually. So it's not just a tickbox exercise; it innately shows that wider charitable belief and ethos in an organisation.

There are multiple online resources that you can go to get a basic pro forma of an equal opportunities policy. Charitable organisations will have some sort of corporate or individual connected to a corporate that could support them. We operate as a corporate foundation, so why not say to us, "could you spend a little bit of time looking at this policy?".

Funder representing trust/foundation – associated with private company

"Even if you're one person, one founder, how is equity, diversity and inclusion showing up in your approach, in your leadership style? In our case, it wouldn't necessarily be the case of, "show us your policy on this", but it would be that more human understanding of the way you lead."

Registered charity that makes grants alongside other activities

Type of Information	Audit Statements
8. Organisation Strategy / Business Plan	8.1. We are confident that we can promptly provide an up-to-date charity strategy.
	8.2. We are confident that we can provide a brief summary of the strategy (up to one page).
	8.3. The strategy contains a clear, compelling overview of the charity's mission, priorities and plans.
	8.4. We are confident that the strategy is realistic.
	8.5. The charity's strategy is publicly available and we are confident that it is easy to find.

"If we're really lucky, the strategy is on the website and it's super easy, or we will look for it in the latest published Trustees' Annual Report. If it's too small to have that, then we might see whether they'd be interested in participating in our process and see what they could send us through. I suppose that what we're really looking for is an organisation that can articulate what it's done and where it's going and how it intends to achieve its mission. Now that could be a quite simple one-pager. And failing something written down, it's the chief executive who we would be wanting to talk to and we would want to hear them articulate it. Everything comes back to: is it something that I can understand in 3 minutes? So many times you look at a website or you look at a document and you can see they've chased pots of cash around the place and therefore it's like, "we do this and we also do this and we also do this". And I'm like, "but what do you do?". You've got to be clear about what you are so that I can be clear – because how can I sell it to board if I don't get it?"

Funder representing charitable trust/foundation – family and/or individual donors

"I think it's fascinating how, even when most funders I know of will ask for some kind of plan so that they can get an idea of where that organisation is going, charities recreate the plan every time and you get a feeling that it's a draft. It also astounds me with some of them how disjointed their strategy is with their challenges; the challenges that they mention are nowhere to be seen in terms of their strategic improvements. It makes you think that the strategy is not that well thought out, or it's not a living thing that is guiding their decisions."

Funder representing charity that makes grants alongside other activities

Type of Information	Audit Statements
9. Logic Model	9.1. We are confident that we can promptly provide an up-to-date logic model.
	9.2. It clearly explains the links between the charity’s mission, beneficiaries, activities and the difference it makes.
	9.3. We are confident that the logic model is realistic.
	9.4. The charity’s logic model is publicly available and we are confident that it is easy to find.

“It’s the mission, the target population, some sense of logic to the programme and how that ties into the problem, and some articulation of the outcomes they’re looking to achieve. I think it is important because we can’t tackle everything and can’t help everybody, so I think there’s real benefit for charities being clear about who they’re best placed to help, but also who they’re not.”

Funder representing registered charity that makes grants alongside other activities

“The thing is, everybody’s obsessed with impact, rightly. But I don’t actually think there’s a clear understanding of what impact means. People measure all kinds of crazy stuff and it’s not really telling you anything. I would rather see two metrics really well thought through, understood, researched and some evidence that they actually learn from the process. It’s a candour and a demonstration of a willingness to learn that we’re really interested in as well.”

Funder representing charitable trust/foundation – family and/or individual donors

“One element is when the evaluation methodology is baked into the delivery of a programme; you can see they’ve thought about it and it’s a fundamental part of how the programme is delivered, rather than “we’re going to create this programme” and then as an afterthought, “we’ll think about how we would evaluate it”. If it’s a new project, then you are obviously not expecting everything to be sorted out in the beginning, but being able to say, “this what we’re thinking so far” and being able to demonstrate that it’s baked in, I think is really good and really important.”

Funder representing trust/foundation – associated with private company

Type of Information	Audit Statements
10. Impact Report	10.1. We are confident that we can promptly provide an up-to-date Impact Report.
	10.2. We are confident that we can provide a brief summary of the impact report (up to one page).
	10.3. It contains clear, compelling information about the charity's mission, activities, and the difference it makes.
	10.4. It contains clear, compelling information about how the charity measures the difference it makes, key findings, and how the findings will inform future work.
	10.5. The charity's Impact Report is publicly available and we are confident that it is easy to find.

"I think receiving a lovely glossy brochure is great, but who actually has the time to wade through the whole thing? My view is to have an executive summary which shows on one page the key things that I'm interested in and demonstrates what your impact is and how you measure it.

Our board are really keen on data. They like to see the numbers because they can see progress very clearly when it's numerical. Equally though, I think the storytelling plays a part and you can't underestimate that either; illustrating something against the data, I think that's super important."

Funder representing charitable trust/foundation – family and/or individual donors

"For us, employee volunteering and employee engagement is the biggest driver for the success or failure of our charity partnerships, and so being able to really easily give that narrative of "you did this, it has had this impact" is absolutely crucial.

Leadership will turn around and ask, "we are having an impact, right? This is money well spent?" and we have to be able to say, "yes it is, here's all of the evidence".

For our staff more generally, I would say less than 5% will read the Impact Report. Most of the time, people are going to connect with a really powerful story and at least half of it is how it is delivered; if it's a really powerful story that is five pages long, then no one's reading it.

Comms wise, CSR is never going to have a lot of attention; you need to be able to get that message across in 10 seconds maximum. The most powerful things are short and sharp."

Funder representing private company

Type of Information	Audit Statements
11. External Evaluation Report	11.1. We have completed an external evaluation – and if so, we are confident that we can promptly provide the report.
	11.2. If applicable, we are confident that we can provide a brief summary of the findings (up to one page).
	11.3. If applicable, the report contains clear information about the evaluator, research questions, methodology and findings.
	11.4. If applicable, the key findings and how they will inform future work are publicly available and we are confident that they are easy to find.

“We offer purely unrestricted funding and so for us, knowing that something works is really important. Getting that externally validated is really important and reflects our own abilities. If we're going to give money to an organisation, I'm well equipped to say whether the organisation is financially sound or its people and governance are good, but we don't have researchers here. Someone else giving a kind of credence to what the charities are doing gives us a kind of reassurance.

The gold standard for us is a randomised control trial [RCT], which most people don't do because they're really expensive. If you're not going to do that, I would love to see a university accredited evaluation or a social return investment; anything that is not purely measured by the charity itself. There are significant limitations to marking your own homework.

It doesn't need to be that that someone's evaluated it necessarily, but maybe that they've worked on it collaboratively with other charities and in a sense, peer reviewed what they're doing.”

Funder representing trust/foundation – associated with private company

“I think external evaluation is useful because if used well and done properly, charities should be able to really look at what they're doing or change what they're doing. I think there can be more honesty from the charities and external evaluations can help to say, “actually this way of doing this hasn't proven to make long-term change”.

I think working on briefs is always going to be key to how the actual evaluation turns out, but I think also looking at what other evaluation is out there.”

Funder representing trust/foundation – community

Type of Information	Audit Statements
12. Case Study / Story	12.1. We are confident that we can promptly provide a case study.
	12.2. Each case study focuses on a person's story and demonstrates a clear, compelling journey of 'before', 'during' and 'after' engaging with the charity.
	12.3. Case studies are publicly available and we are confident that they are easy to find.

"We put all of our final applications to a grants committee and it was made-up of people from our trustees, experts and people from our staff teams who work in the corporate world.

The thing that resonated through and through was storytelling and if they told a good story. I thought it was going to be stats; they're maths people, you know, they're going to go with stats. But no.

Our colleagues in the in the business don't understand things like theory of change (which obviously we do, so they've made the shortlist on that basis), but they do understand: this young person was at risk of unemployment, and now they've got a job because of this. They understand when it's put in that kind of simple way."

Funder representing trust/foundation – associated with private company

"Case studies are great to bring work to life, but they're not so great as evidence because you can make a case study of one person that's attended a group of 20 and the others might not have a similar case study. I'd use case studies to bring it to life, to understand what's happening, so that funders, trustees, external people can understand: this is what happens and I can see that now."

Funder representing trust/foundation – community

"Is this making a difference – and a difference that I care about? Are they creatively and efficiently using their resources to solve the problem and the pitfalls? I want to see that there's been a transformation; that there was a problem and intervention, and the intervention has solved the problem, or gone some way towards solving it."

Funder representing charitable trust/foundation – family and/or individual donors

Type of Information	Audit Statements
13. Case for Support (used to develop Applications)	13.1. We have an up-to-date internal source of truth (i.e. Case for Support) that we use to efficiently develop funding applications.
	13.2. The Case for Support contains clear, compelling information about the charity’s mission and evidence of need for its work, including embedding information about collaboration.
	13.3. The Case for Support contains clear, compelling information about who the funding will benefit, the activities it will support, and the difference it will make, including embedding case studies.
	13.4 The Case for Support contains clear, compelling evidence of the difference made, including key findings and how they will inform future work.
	13.5. We are confident that when using the Case for Support to develop applications, we tailor the content to funders’ priorities.
	13.6. We are confident that our applications meet funders’ requirements and answer all questions without relying on additional links/attachments.
	13.7. We are confident that any AI generated content is carefully checked to ensure it is clear and accurate.
	13.8. We are confident that the Case for Support is realistic.

“I honestly think it comes down to clarity in the application and some of the best applications I've seen in terms of clarity have been bullet points. In a competitive environment, really getting through the message of what they're doing, why they're doing it, who they want to support and how – because they're the key things that our decision makers then look at.”

Funder representing charitable trust/foundation – associated with private company

“Often, charities are very activities focused, rather than impact and outcomes focused. And obviously the activities are hopefully driving the outcomes and impact, but this isn't always the case – tell us the “so what?” factor of the activities and the difference they make.”

Funder representing registered charity that makes grants alongside other activities

“It's things like spell check, grammar check, check the budget adds up. These things matter because if the spelling isn't right or the budget doesn't add up, it gives you a feeling of, what else is wrong? The point with links is you can't rely on people looking, so don't say, here's a link to all the information.”

Funder representing charitable trust/foundation – family and/or individual donors

“You can tell when they don't bother to focus on your priorities at all. An application might be the overarching “yes, we support mental health” and then they'll do their application for a singing group and just talk about the singing group, but they won't mention the link to what they've applied for. Or they overdo it and say how amazingly linked their work is to that priority, but don't have any evidence of that. They talk in generalisations and say, “well this obviously improves the wellbeing of people”.”

Funder representing charitable trust/foundation – family and/or individual donors

Type of Information	Audit Statements
14. Grant Report	14.1. We are confident that grant reports are consistently submitted on time.
	14.2. We are confident that grant reports contain a clear, compelling overview of the grant objectives, activities delivered and difference made.
	14.3. We are confident that grant reports contain clear, compelling reflections on challenges and lessons learned, and how this will inform future work.
	14.4. We are confident that our grant reports meet funders' requirements and answer all questions – without relying on additional links/attachments.
	14.5. We are confident that any AI generated content is carefully checked to ensure it is clear and accurate.

“So where I've given significant donations for what you might call a project, I'd like to receive an update and the more personal that is, the better. I've seen it done well and I've seen it done badly. Badly is where they've pretty much just told you everything they told you in the first place, and there's not really anything new that that's added.

There's another charity where I funded a piece of equipment and I used to get a statement every year of how many times it has been used and how many lives have been saved as a consequence. That kind of thing is pretty powerful.”

Funder representing charitable trust/foundation – family and/or individual donors

“I think the larger organisations are using AI well to save time and to make sure that their reporting is a bit more intelligent in that they're not recreating things multiple times. They're using AI to help to customise reports and pull things from a larger body of evidence. But I know that there's also a heavy hand of human review and evaluation before they send, and I've never had any issues with that.”

Funder representing charitable trust/foundation – family and/or individual donors

Culture of Fundraising	Audit Statements
15. Culture of Fundraising	15.1. We are confident that the trustees understand why we fundraise and effectively contribute to successful fundraising.
	15.2. We are confident that the whole team understands why we fundraise and effectively contributes to successful fundraising.
	15.3. We are confident that we make well-informed decisions about which funders to approach.
	15.4. The leader(s) and fundraiser(s) are confident engaging with funders.
	15.5. We are confident that we use our knowledge of funders to deliver positive experiences of engaging with us.
	15.6. We are confident that any concerns about donors are dealt with professionally.

“Where we've had the best charities in terms of partnerships is where a trustee has come forward and met with me, as well as their senior teams. It does make a difference to how confident we feel engaging with the charity, particularly with people who, in theory, are going to be around for the next three years come rain or shine.”

Funder representing charitable trust/foundation – family and/or individual donors

“[A critical pitfall for charities when engaging directly with funders is] sending out ‘standard format’ letters seeking to introduce us to the work of their charity. These are received by us on a regular basis from charities which have received funding from us in the past, often on a regular basis, but no mention is made of this, nor acknowledgement of previous donations.”

Funder representing charitable trust/foundation – family and/or individual donors

“When I was on the other side, sometimes it was shocking how charities talked about people who are giving them money – like, really, really depressing. There are some organisations that I would never fund because I've heard how they talk about people. You don't know who's listening and it's bad.”

Funder representing trust/foundation – family and/or individual donors

Type of Information	Audit Statements
16. Organisation Budget	16.1. We are confident that we can promptly provide an up-to-date organisation budget.
	16.2. There is a clear distinction between key income streams – especially income generated through trading and fundraising – and between income projected and secured.
	16.3. There is clear information about the charity’s planned expenditure, including the distinction between Direct and Support costs.
	16.4. We are confident that it reflects the charity’s strategic priorities and plans, including how they will be resourced.
	16.5. We are confident that the organisation budget is realistic.

“Sometimes even asking simple questions like, “what’s your annual budget this year?” and “what’s your gap in that budget or deficit?”, that information is not readily available.

I think for me really strong financial literacy is actually having the key details ready and present at all times. It wouldn’t be a definite deal breaker for us, but it definitely would affect my confidence depending on who I’m speaking to. Where you have a conversation with an organisation and lots of things are really appealing, but they don’t have the financial information and then a month goes by and you still haven’t got it, other stuff has come up and you’ve had to push this onto the back burner.

There are a few things that we look out for: anything that looks remarkably low costed because I think there’s a temptation that the smaller the budget, the more appealing it’s going to be. That’s definitely not the case. I’d also look for distinction about who’s doing what. If there’s a new role – a research manager or something – and then elsewhere there is a chunk of budget for scoping research or something, then I’m like, “hang on, isn’t the research manager doing that scoping?”. I always ask for income information so we have a sense of what the gap is. Sometimes budgets don’t make it clear if something is already funded or not yet funded, or if it’s restricted or unrestricted.”

Funder representing charitable trust/foundation – independent

“We do expect them to know what budget they’re looking for and where else they’re getting money from. I think if we see they’ve not applied for any other funding, then that raises a bit of a red flag. We expect them to be looking for funding, even if you know they might get rejected.”

Funder representing charitable trust/foundation – family and/or individual donors

Type of Information	Audit Statements
17. Organisation Chart	17.1. We are confident that we can promptly provide an up-to-date organisation chart.
	17.2. There is a clear distinction between current roles and planned roles.
	17.3. We are confident that it reflects the charity's strategic priorities and plans, including how they will be resourced.
	17.4 We are confident that the organisation chart is realistic.

“Basically, everything that we're all doing in this sector comes down to people. If you think about a theory of change principle of saying “these are our goals, this is the difference we want to make, and then this is how we're going to do it”, another part of the puzzle is, how are you going to resource it?

Typically an organisation chart demonstrates to us that leadership have a really clear sense of what people power they need and what positions to deliver on their goals, and they've really thought about that in a strategic way. It's that discipline of getting it down to look at it and ask, “does this work? Who's got line management responsibilities and what impact does that have on their role?”

Also succession planning and people development. It shows where teams might grow as well because it's a live document. So when you're in partnership with them and they start telling you, “we're going to recruit for this role”, you could have seen that coming. You can see where it fits in the org chart and why they're doing it because there was a space in the org chart, or “we needed an officer for this or we needed a data person for that, because that's in our strategy”. It all has to fit together.”

Funder representing charitable trust/foundation – independent

“In my view, it's basic information. You want to know what the fixed cost base is and how efficiently the organisation is and you can only really see that in the organisation chart.

Quite a few of the funders in the charities that I am involved in are financial services businesses and use them themselves when they measure their organisational competitiveness and effectiveness – so when it doesn't exist, you immediately start thinking, why?

Also, from a charity management perspective, it is really important so that if you come to a difficult decision of having to cut costs, it is readily available. It should be a live document.”

Private donor

Type of Information	Audit Statements
18. Information about Leadership	18.1. We are confident that we can promptly provide up-to-date information about the leadership team.
	18.2. It contains relevant information about individuals' experience (including lived experience) and skills, and how they bring these to their role.
	18.3. Information about leadership is publicly available and we are confident that it is easy to find.

"We really back individuals and people, so I guess it's partly the idea and the fact that they've taken the initiative to start something and they've perhaps started piloting that idea. I guess what we like to see is their commitment. I guess another thing is whether they have managed to draw in one or two others that also really see their vision and can help run with it."

Funder representing charitable trust/foundation – family and/or individual donors

"It's more the leadership style I'd say is important. Having that conversation and being able to see the people who are going to be spearheading the work is important not because of the power structure, but because of the leadership style. How will you approach this work? What is your mindset? What is your approach? Are you willing to fail and learn? Are you willing to work in partnership?"

I do also think that you can learn so much if you're looking at a leadership team and the makeup in terms of equity, diversity, inclusion and how important that is – whether or not it is represented in the people that lead, but also in how they talk about the work that they do.

So there's a level of power governance but also recognising that the type of leadership that is needed to make the type of work that we do needs a certain style, a level of willingness to fail and learn.

The other thing is the bullshit-ometer. People would rather hear people say, "I actually don't know, but let me take it away and ask the team who's leading on this or do some research" than just try and answer questions when they don't know the answer. Ideally, you're answering 90% of the questions - don't get me wrong – but there's something in building trust because you see that they're willing to say that they don't know when they don't know."

Funder representing charity that makes grants alongside other activities

Type of Information	Audit Statements
19. Information about Trustees	19.1. We are confident that we can promptly provide up-to-date information about the trustees.
	19.2. It contains relevant information about individuals' experience (including lived experience) and skills, and how they bring these to their role.
	19.3. Information about trustees is publicly available and we are confident that it is easy to find.

“Sometimes we go on to a charity’s website and it will say something like, “X had a career in the city for 25 years and he now has settled down with his wife”, but that doesn’t really tell me anything. I think short biographies are helpful, but also demonstrating why they’ve been selected and what skill set they’re supposed to bring. If all your trustees are from the same firm or trustees are related, that’s where I start to get concerns. So what I want to see is a broad perspective. The really good ones are when I can see a well-designed board, rather than just by default. Our corporate parent also mandates that we do KYC [Know Your Customer] checks and we look at the hits on them.

But to be honest, even before we get to that stage, I’d have to be satisfied that they are a cohesive group because one of the problems we have is that, in nearly all of the charities we have supported, the senior leadership team has changed. The people we’re reliant upon making the next best decision and recruitment are the trustees.”

Funder representing charitable trust/foundation – associated with private company

“When they highlight lived experience, that’s one of the most valuable indicators for us. Generally we hear about them being service users of the charity previously or they might be a parent of a pupil at a school that works with the charity. Showing that there are people on the board who actually have a good understanding and experience of what they’re working on is important.”

Funder representing charitable trust/foundation – family and/or individual donors

Type of Information	Audit Statements
20. Information about Collaboration	20.1. We are confident that we can promptly provide up-to-date information about other organisations the charity works with.
	20.2. We are confident that we can explain how the charity's work relates to other organisations.
	20.3. We are confident that we can explain how the charity's work is informed by the community we serve.
	20.4. Information about who the charity works with is publicly available and we are confident that it is easy to find.

"A key thing that is quite hard to pin down for some is the ecosystem question. Where do they fit in their sector? Who do they collaborate with? Who are their competitors? It doesn't mean there's a right or a wrong answer. We've ended up funding quite a few people doing broadly similar stuff because we're interested in that and the problem was massive.

Most funders have a helicopter view of the sector they fund and can see many different organisations in the same space; they will rightly ask the question, "who are your competitors and what are you doing differently?" You can see lots of stuff going on in this area and all the people working in it and you're like, why aren't they at least talking to other, sharing learning if not working together?

Charities need to be able to articulate how they fit into their own ecosystem, who the other players are, and how they complement each other (or otherwise!)."

Funder representing charitable trust/foundation – family and/or individual donors

"We have a question in our application form about how you are different or better than what already exists, and we've found that the quality of that answer in particular has diminished quite significantly and that people's awareness of what else already exists has got poorer. So that ability to landscape scan and be aware of what else is already out there, so that you can better understand your USP and how it fits in the ecosystem, is crucial."

Funder representing charity that makes grants alongside other activities

"For us, it's demonstrating that young people have articulated that there is a need for this work and have had a say in how the project is being constructed."

Funder representing trust/foundation – associated with private company

Type of Information	Audit Statements
21. Website	21.1. We are confident that it is easy to find the charity's website.
	21.2. We are confident that it is easy to find information about the charity's services and key contacts.
	21.3. We are confident that it is easy to find information about the charity's mission, evidence of need and the difference it makes.
	21.4. We are confident that it is easy to find information about the charity's governance, leadership, strategy and finances – including relevant links.
	21.5. There is clear information about the registered charity number and address.
	21.6. It is up-to-date and reflects the information published in the Accounts, Trustee's Annual Report and Case for Support.

“Sometimes you look at a website and you go, “they're not a registered charity” and they go, “we are”, and we're like, “well why aren't you listing that on your website?”. I want it really simple. Who's the organisation? What are they trying to do? How do they do it? A bit about the financials and governance, the annual report, the strategy, theory of change. If you can't find information on senior leadership and boards, then that's not good. It should basically be a potted version of that with learnings, success stories, challenges. They should never be doing webpages for us because we're looking at what you do. Why are you hiding it under these other pages?”

Funder representing charitable trust/foundation – family and/or individual donors

“You can learn a lot from a website. Is it up to date? Does it seem accurate? Does it align with what they have told us in the application? The quality and the information can vary quite a lot. I do tend to look at the website as if I was somebody wanting to use their service to see if it's super clear what they deliver and who it's for. So would it be for me and how do I find out information about the service? Where does it happen? Where would I go? Who do I contact?”

Funder representing trust/foundation – associated with private company

“You can't work out what they do for about five clicks and there is so much that is overly complex. Actually what you need to say is: this is the problem, this is our solution, and this is how we make it work. But there's so little of that. It's really hard to understand for most people.”

Funder representing trust/foundation – associated with private company

Type of Information	Audit Statements
22. Social Media	22.1. We are confident that is easy to find the charity’s social media accounts.
	22.2. It provides clear, compelling information about the charity’s activities and difference it makes.
	22.3. Information is shared regularly and reflects the information published in wider charity communications.

“If it's a new organisation that we've not come across before, it's helpful just to confirm they're a real delivering organisation in a way. We'll research them because sometimes you see things. Are they in the news for anything? Is it positive things that we're seeing about them? Has there been a local article about them which shows they seem to be delivering what they say they're delivering and they're a good organisation? Or vice versa if it's not a good piece of news about them.

It's looking at how recent was the last update or post – and that's with a bit of pinch of salt. I get that for small organisations, it probably isn't a priority to keep their social media up-to-dates, but it's part of the full picture.”

Funder representing trust/foundation – associated with private company

“Be findable and clearly demonstrate the impact that you are having on the beneficiary group that you work with.

I think getting your name out there and being active in the digital landscape is key for small charities especially, which don't have big budgets, but they also have existing supporters they can leverage. And I think that's key to having a very clear picture of who you are and your messaging.

I often do go through my network and see who other people are supporting – so actually to be working with other foundations and companies. Then obviously lots of internet searches, so also being kind of hot on their SEO [search engine optimisation] can really help.”

Funder representing charity that makes grants alongside other activities

Part 5: Recommendations for Fundraisers

Informed by the research, our recommendations for fundraisers are to:

- ▶ Be as curious about your charity as funders are to develop a deep understanding of the organisation – from the mission through to the strategy, governance and finances – and be prepared to clearly communicate this to funders. If you face barriers to information, raise it with leadership as a matter of importance.
- ▶ Be curious about funders' priorities, processes and their giving history, and use your research to make well-informed decisions about who to engage with and how.
- ▶ Engage with funders before submitting applications when possible – especially when invited to – to build relationships and gather insights that will strengthen applications.
- ▶ Demonstrate that you understand and care about funders' priorities and processes by tailoring your communications to each recipient.
- ▶ Play a role in building a positive culture of fundraising which fosters internal collaboration and excellent donor experiences.

For fundraisers, curiosity is key; curiosity about the charity they represent and the funders they wish to engage.

Whilst some funders prefer to engage with CEOs and trustees than dedicated fundraisers (our research found that 32% of funders typically engage with CEOs, 19% with fundraisers and 18% with trustees), there is undoubtedly an important role that fundraisers can play in attracting funding for charities, whether on the frontline or – perhaps surprisingly for some funders – equipping charity leaders from behind the scenes.

To build confidence and trust, it is beneficial for those representing charities to funders to be able to communicate an in-depth picture of their organisation as a whole.

Whilst there may be the temptation to pursue funders which are not a good fit for a charity based on their priorities – especially in a competitive climate – this risks doing more harm than good, primarily through lost time that could be better spent. Taking a focused approach and demonstrating that you understand and care about funders' own missions is critical to building meaningful relationships with efficiency in mind.

“Be prepared! Know who you are (i.e. organisation type – we find organisations often don't know the difference between CIO, CIC, Company Ltd by Guarantee, etc.), what you do (overall, not one specific project), how you do it, why you do it, what you aim to achieve. Have access to all required documentation and be prepared for questions about your governance and accounts.”

Funder representing trust/foundation – independent

“The unspoken thing is we've got a corporate parent to impress. They provide all of our funding and there's more money to come if we can make a success of it. That's why the relationship stuff is so important. If I meet with you and I think these people are reliable, you're one step ahead of everybody else. We don't want to fund something that's going to be front page of the newspaper and causes our corporate parent problems; that's not a way to secure funding for the future.”

Funder representing trust/foundation – associated with a private company

“Find and speak to funders who are closely aligned to your impact goals, and make it a two-way dialogue if possible.”

Funder representing trust/foundation – independent

“I'd love everyone to ring us before. The number of people that ring us and the opening sentence is always, “I'm really sorry to bother you”. And we always go, “you are not bothering us and don't be sorry. This is why we put our phone numbers on the website, so you can actually ring us and have a conversation.”. I think funders that are transparent and have their e-mail and phone numbers everywhere are not the kind of funder that's ever going to embarrass the person who rings them. I absolutely get the nervousness of phoning; that's why we try to put people at ease straight away.”

Funder representing trust/foundation – associated with a private company

“In the past, I've been ready to give £10,000 for a charity and they turn up and ask for £500. You've completely misread the situation. You know I could do something significant for you and you haven't asked me. On the other hand, it's quite annoying when you're only ready to give £500 and they're asking for £10,000 that it should be perfectly obvious – if they've done any research into your trust – that you just haven't got. There are clever ways charities can deal with this by saying, “we've got this, this and this project; this one costs this and this one costs this”.”

Funder representing charitable trust/foundation – family and/or individual donors

Part 6: Recommendations for Funders

The *Be Fundable* project has naturally highlighted examples of good practice – and conversely, common frustrations – amongst funders, which we believe it is beneficial to acknowledge and share (and which funders expressed interest in).

We found that funders often considered their decision-making processes unique or unusual, however, as we have seen, there is much common ground – and whilst we are not in a position to provide comprehensive advice on ‘how to be a good funder’, our recommendations are to:

- ▶ Make it easy for those researching you to understand your priorities, processes and giving history, and whether/how you like to be contacted.
- ▶ Develop and publish clear and proportionate application and reporting processes, ensuring that all information requested is used.
- ▶ Take time to speak with charity representatives as part of decision-making processes and give practical feedback when possible, being mindful of power dynamics.
- ▶ Give unrestricted/flexible funding; building fundraising readiness takes time and money.
- ▶ Take advantage of your helicopter view to suggest and enable opportunities for collaboration and capacity building, and consider funding this.

It is understandable to be frustrated by approaches from ineligible charities, but it is also a prompt for funders to critically review the information that is publicly available about them and consider opportunities to make it clearer and/or implement tools such as eligibility checkers. There are also opportunities to review application processes to ensure that they are proportionate to the amounts being given, and that all information requested is needed and used to inform decisions.

We heard from several funders of the benefits of speaking with charity representatives about their work; understandably, power imbalances can make this daunting from the charity perspective, so consider how you can create safe spaces for meaningful two-way conversations.

Developing fundraising readiness is not a neat ‘project’ ask, but it takes significant time and therefore money; this is one reason amongst many possible reasons for prioritising the giving of unrestricted and/or flexible funding.

Given the view that funders have of many charities, consider proactively suggesting and facilitating collaboration and capacity building, and using funding to make this possible.

"In all honesty, I think the 'pitfalls' often fall outside the charities' control, in that they are more on the funder side – lengthy application processes, requirements for charities to contort to funders' theories of change, unrealistic expectations around impact 'measurement'/assessment."

Funder representing charitable trust/foundation – family and/or individual donors

"I think it's really important for us to ask sensible questions and keep it proportionate to the size of the grant that's been requested. There's a two-way thing here; we should ask the right questions and the charity should answer them in an accurate and correct way."

Funder representing charitable trust/foundation – family and/or individual donors

"We've been umm-ing and aah-ing about whether to put word limits on our applications, because that was always a frustration of mine when I was applying for grants, when you're told you've got two pages and you've got so much information to get across. But now understanding how many applications funders are dealing with, just trying to get that point across as quickly as possible is so important."

Funder representing charitable trust/foundation – associated with private company

"Charities are MUCH better when you talk it through with them on the phone than in documenting it clearly in the application form."

Funder representing charitable trust/foundation – associated with private company

"[A critical pitfall for charities when engaging directly with funders is] the power imbalance between funders and those being funded."

Funder representing charitable trust/foundation – family and/or individual donors

"It's very rare that I come across two charities and think, they're the same. So if I do, then it's an opportunity. As a funder, we have a responsibility where the charities might not have the resources themselves to collaborate to say, "let's get together, let's take some additional budget to enable that"."

Funder representing charitable trust/foundation – family and/or individual donors

Next Steps

We hope that the *Be Fundable* report and audit tool will be useful for many charities looking to attract philanthropic funding in pursuit of their missions. If you have any comments or feedback, we would welcome your perspective.

At ImpactEd Philanthropy, we will embed the learnings from the *Be Fundable* research project into our future work with both charities seeking funding and funders themselves.

We are seeking Expressions of Interest from charities to join a cohort of organisations that will contribute to building benchmarks for fundraising readiness, whilst gaining a deeper understanding of their own position and opportunities to strengthen it.

We will also be speaking to the findings and recommendations at various events and would be delighted to present for your organisation and/or assist with more bespoke support on fundraising and giving.

Thank you for your interest in *Be Fundable* and we would be glad to hear from you.

MADDY GAZZARD (DIRECTOR, IMPACTED PHILANTHROPY)

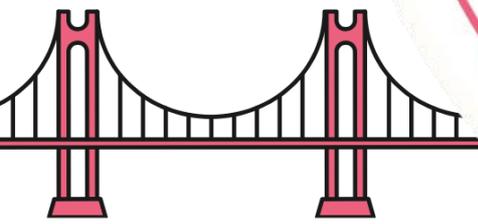
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