BENEFACT GROUP

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Welcome!

Funding Core Costs: in principle and in practice

Please settle in and we'll be kicking off shortly…



Welcome from the Benefact Group

Our common purpose is to **give** all available profits **to good causes**



*DSC – The guide to
UK Company Giving 2023-24

BENEFACT TRUST

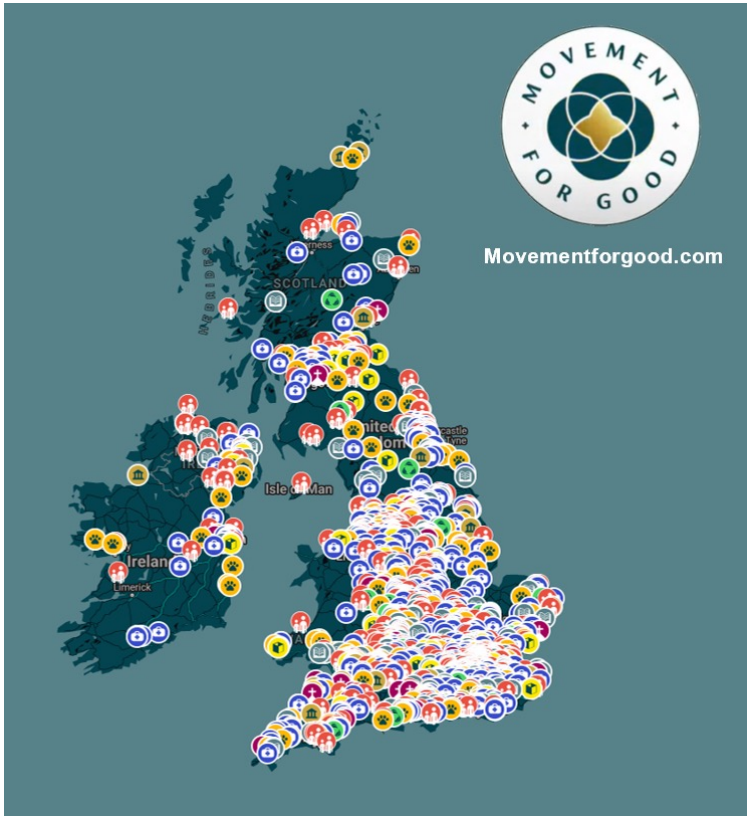
BENEFACT GROUP

- Investment management
- Specialist insurance
- Broking & advisory

How we give – the Benefact Group

BENEFACT GROUP

1. **Small donations** to charities doing every possible kind of good
2. **Larger grants** to charities doing amazing work really important to our customers and communities
3. **Charity support** enabling charities to be more successful and sustainable



Visit www.movementforgood.com today to nominate

BENEFACT GROUP

George Knight, Training Consultant

FUNDING CORE COSTS IN PRINCIPLE AND IN PRACTICE

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With the end in mind…

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Key takeaways

- What are core costs?
- Understanding why they are not costs
- Working with funders to fundraise

Core Costs

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"We must be equally committed to the fundraising of our services, as we are to the delivery of our services."

Kara Logan

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What are core costs?

Costs not directly applicable to service delivery

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Why are they not costs?

Because without core functions the charity cannot operate

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It is not: 80% of money goes to the cause

It is: 100% goes to the cause

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Examples

- Management
- Administration
- Finance
- Governance
- Compliance

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Why is it important?

Services can only run if the organisation can run!

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Who is responsible?

- Fundraising
- Finance
- Leadership team
- Service delivery
- Trustees
- Everyone?

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Fundraising

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How do you raise core costs?

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Funding techniques

- Basic budgeting
- Full recovery
- Project repackaging

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Basic budgeting

- Your project funding includes a flat % of your overheads in the costing.
  - Typically between 8-20%

Full recovery

- All core costs are distributed effectively between all projects

Project repackaging

- Funding for a project that pays for core costs:
  - Pay for our finance manager…
  - Hire our policy manager…
  - Keep our building serving beneficiaries…

Example

- Project needing funding
  - 10 courses delivered over 1 year for £10,000
  - 50 hours of consultancy over 1 year for £10,000
  - 5 fundraising bids written for £5,000

Project cost: £25,000

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Core costs needing funding

- Customer service
- Finance
- Leadership team
- Building costs
- Utilities

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Additional costs

- 1 CS agent for half a day a month for £650?
  - Consider putting this into project cost?
- % of finance staff for £X?
- % of leadership team for £X?
- % of building costs for £X?
- % of utilities for £X?

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How to work out additional costs?

- Yearly costs
  - Finance team - £10,000
  - Leadership team - £10,000
  - Building costs - £7,000
  - Utilities - £1,000

Yearly costs: £28,000

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Basic Budgeting

What do we do?

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Basic budgeting

- Charge flat 20% of project cost (**£25,650** with the CS agent)

20% of project cost: £5,130

New total cost: £30,780

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Full recovery

What do we do?

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What % of your operating time will this project take up?

- 10 courses
- 50 hours of consultancy
- 5 fundraising bids

Staff time: 20%

Building time: 10%

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Full recovery

- Overheads needing funding
  - 1 CS agent for half a day a week for £650
    - Added into Project cost, not core
  - 20% of finance staff for £2,000
  - 20% of leadership team for £2,000
  - 10% of building costs for £700
  - 10% of utilities for £100

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Full recovery

- Project costs:
  - £25,650
- Core costs:
  - £4,800

Total costs: £30,450

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TASK: Costing projects

- At the Little Berry Nursery they are costing a 1 day project
- Using the costing document how much will this project cost over a year?



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TASK: Costing projects

- Project costs:
  - Support worker: £15,000
  - Equipment: £1,500
  - Training: £200
- Variable costs (full recovery):
  - Part time salaries: £21,500
  - Utilities: £5,000
  - Building costs: £10,000
  - Stationary: £200



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1. Fill out project costs
2. Fill out annual costs
3. Decide on a project time commitment (answer as a %)
4. Add in pro-bono/in-kind/income

	Project costs
Support worker	£15,000
Equipment	£1,500
Training	£200
Project cost sum:	£16,700

	Annual Costs	Project Time Commitment	Project Cost
Part time salaries	£21,500	20%	£4,300
Utilities	£5,000	20%	£1,000
Building costs	£10,000	20%	£2,000
Stationary	£200	20%	£40
Variable cost sum:			£7,340

Total Project Cost	**£24,040**

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Putting it all together

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Work with finance



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Full cost recovery projects
Individual/community funding
Other unrestricted funding sources



“We must be equally committed to the fundraising of our services, as we are to the delivery of our services.”

Kara Logan

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1. Give fundraising and service delivery an equal voice
2. Make a list of your major projects
3. Look at the overheads you can repackage as a project
4. Ask finance to give you details of all overheads
5. Practice full cost recovery
6. Apply!

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Q&A

George Knight

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And finally… FOUR exciting things to leave you with

1. Attend an exclusive masterclass session
2. Attend future webinars
3. For Impact: The Charity Podcast
4. Join our Movement for Good Network

1. Attend an exclusive masterclass session

Feel you would benefit from being able to dive into specific questions relating to your organisation regarding funding core costs.

Register your interest via the webinar feedback form and you could be joining George for a one hour masterclass where you can get answers to your specific questions..

The masterclass will take place via Microsoft Teams and spaces are limited to enable attendees to get the most out of the time allocated.

11 June 2024

2:00 – 3:00pm

Apply via the webinar feedback form

(Successful applicants will be notified by close of business 4 June.)

2. Attend future webinars

Our next webinar is:

- **Writing winning funding applications**
  26 June, 9:30 – 10:30am
  Layla Moosavi, DSC Associate Fundraising Trainer, Independent fundraising trainer and consultant

Future webinars:

- Writing winning funding applications: Your questions answered, 10 July
- Digital Fundraising: Tools and tactics, 2 October
- Positive teams: Recruitment, retention and wellbeing, 13 November

3. For Impact: The Charity Podcast

Episode1: Why are the media so wrong about charities?

Available on your favourite podcast platform or on our charity support hub – just scan the QR code.



3. Join our Movement for Good network

*"**The Movement for Good Network** brings together a group of special charities to learn, share feedback and gain access to extra opportunities and support. We want to get to know your fantastic organisations better and do more to support you!"*



SCAN ME

Thank you for listening

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MOVEMENT FOR GOOD NETWORK

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Contact details

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