



NICVA Funding Advice Note: 2

Applying to Grant-makers

Corporate Support

Introduction

Northern Ireland voluntary and community organisations receive just 1.8% of their total income from business sources. This compares with 4.9% in the wider UK voluntary sector. This figure comes at a time of growth in the Northern Ireland economy.

The low level of company support may mainly be due to the fact that larger corporate bodies tend to locate headquarters and major operations in Great Britain rather than in Northern Ireland and these companies tend to target support in their 'travel-to-work' area. There is also less understanding among companies here of the many benefits that good relations with the local community bring to the sustainability and profitability of business.

The most progressive companies are strategic in their support of the voluntary and community sector. Many have established or are establishing their own Corporate Social Responsibility (CSR) policy. While the term CSR is not consistently used by all companies it is becoming the standard definition most commonly used. Companies with policies such as 'Community Relations' or 'Sponsorship' or 'Charitable Support' are essentially CSR policies by another name. Alternatively many businesses do not have set policies but instead decisions on support are either taken on an ad hoc basis or from an annual budget. A number of companies are members of the Per Cent Club where they agree to allocate at least a certain percentage of their profits to voluntary and community activity. Many also promote tax effective giving by employees through Give As You Earn.

Voluntary and community organisations must consider the implications of accepting company sponsorship and support. Support from companies in the drinks, tobacco and armaments industries may raise ethical concerns with certain charities while other firms' work practice or profile may negatively affect the public's view of a charity connected to them.

Guidelines and Criteria

What companies fund often depends largely on the industry in which the company operates, although other factors such as founders, management and staff preference are also very influential. Generally speaking, companies want their charitable support to

increase their profits. They want their customers to think better of them because of the ethos of the company. Therefore financial institutions generally work with poverty and financial literacy; pharmaceutical companies tend to prefer health charities; and media companies generally support arts and culture, etc. There is however a significant number of companies with no prescribed preference and which are wide open to applications. With these companies it is still likely that the more popular causes will be successful.

Company support is delivered in the following ways:

- **In kind donations** - donations of product or services free of charge or at a reduced cost, eg Jessops.
- **Employee volunteering** - staff commit time to work with the charity on specific projects, either as a company, department or individual basis.
- **Sponsorship** - companies may pay to promote their business or brands at community events, initiatives or through publications, eg Coca Cola Ulster Bottlers Ltd.
- **Charitable Trusts** - the company establishes a charity (often in the name of the company) to administer grant awards, eg HBOS Foundation.
- **Staff Charity Funds** - company staff contribute to and manage a staff fund and allocate grants to charities throughout the year, eg Ulster Bank Staff Charity Fund.
- **Charity of the Year** - companies nominate a charity (or charities) of the year as their main (or only) cause that they will support throughout the year through fundraising events, activities and sponsorship, eg Tesco Charity of the Year
- **Matching funds** - a number of companies will match pound for pound the fundraising of staff for their own preferred charities, eg Translink.
- **Cause related marketing** - companies partner with charities to promote a brand associated with particular causes, eg Nambarrie and Action Cancer.

CSR policies may comprise a number of these methods in a business's overall strategy.

Support of the voluntary and community sector operates at different levels depending upon the company's size, location and type of industry. A small local business or sole trader, such as a corner shop, is unlikely to be able to offer anything more than a raffle prize or modest sponsorship and this only within the immediate neighbourhood. Larger nationwide companies will have a larger overall budget, but again, this may be modest. Multinationals, and in particular companies with a North American origin, will often have well developed programmes of support and large charitable foundations.

How to Apply

As with all grant-makers, you must research each company individually to understand how they choose to work. To find out a company's CSR policy you can consult Grant Tracker (www.grant-tracker.org) which lists companies that support organisations in Northern Ireland, giving contact details and policy guidelines.

As with other funders, companies solicit applications in different ways. Some produce clear guidelines and have application forms for potential applicants. Others simply ask for applications to be made in writing. Others operate on a more personal level by soliciting their own causes to support.

Some companies will only support charities when their employees can be actively involved in or nominate the project eg WH Smith. In these cases an approach from non-employees is simply wasting the applicant's and company's time. Other businesses have Staff Charity Funds or staff committees which influence where funding is given and/or the selection of the charity of the year. Therefore, it is helpful for all your volunteers and individual supporters who are in employment to become aware of the community support policy of their employer.

Range of Funding Available

Economies of Scale

The level of support you are seeking depends very much on the approach you take. For example, should you require just a small amount of money, or would settle for products in-kind for a raffle or for catering, an approach to the local business is the best route, eg Johnsons Coffee provide coffee machines and publicity for events. Most small to medium sized enterprises (SMEs) are used to approaches of this kind. For a larger sum of a few hundred pounds, approaching the company for sponsorship or a grant is the next step up in many cases. For more substantial support, a targeted approach to the company's associated trust, or an application to become the Charity of the Year can yield the most lucrative rewards. Always remember to make your request proportionate to the size of the business. Even the largest of companies often have quite meagre resources for community support. Keep your requests within reasonable levels. Companies have absolutely no obligation to support voluntary and community work. They do it when it is good business for them.

Where they fund

Location, Location, Location

With most companies location is an important factor. Many choose only to support in areas where they have a significant presence, at a factory, office or retail outlet, eg 3M in Bangor. This is why it is helpful for local and regional organisations to know which businesses are located in their area. A good tip is to list the businesses in the High Street, retail parks, industrial estates and enterprise areas in your locality as these tend to prioritise areas where staff and customers live. Even if the name is not one you recognise, you may be fortunate enough to have a small operation of a multi-national company in your area which may allow access to a new source of support.

For companies which choose a charity of the year, often the charity has to be large enough to appeal to a wide customer base and staff pool. This means the household name

charities of a Northern Ireland-wide, Ireland-wide or UK-wide nature are the most realistic candidates. The exception to this being if a particular employee is involved closely in a charity with enough appeal to influence others in the company.

Deadlines

Not all companies publicise when is the best time of year to make a pitch. Companies normally work from an annual budget so it is important to get applications in early in the financial year. For charity of the year nominations the decision is made a few months prior to the next financial year. For staff charity funds and company trusts the timing of applications is more flexible. Selection committees tend to meet at least quarterly so deadlines are not so crucial. Products in-kind are also taken from an annual budget in most companies so a request late in the financial year has less chance and may either be turned down or held over to the next year.

Further Information

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| NICVA's Grant Tracker | Database of funding sources including the corporate sector. Annual subscription from £80/annum. | Tel: 028 9087 7777, email: grant-tracker@nicva.org , www.grant-tracker.org |
| Business in the Community | More than 210 companies are in membership of Business in the Community Northern Ireland. | c/o TK-ECC Limited, 770 Upper Newtownards Rd, Dundonald, Belfast, BT16 0UL. Telephone: (028) 9041 0410 www.bitc.org.uk |
| Arts and Business | Arts & Business is a not-for-profit organisation that helps its members in both business and the arts to develop more effective ways of working together. Our vision is to help build communities by developing creative partnerships between business and the arts. | Arts & Business Northern Ireland, 53 Malone Road, Belfast, BT9 6RY Tel: 028 9066 4736 Fax: 028 9066 4500 northern.ireland@AandB.org.uk www.aandb.org.uk |
| The Department of Enterprise Trade and Investment (DETI) and Social Responsibility | Developing Corporate Social Responsibility in the UK. | www.societyandbusiness.gov.uk |
| CSR Europe | CSR Europe is a business-driven membership network. | www.csreurope.org |
| Ulster Business Magazine | Established in 1988, Ulster Business magazine is Northern Ireland's main business to business publication. | www.ulsterbusiness.com |
| The Guide to UK Company Giving | The new edition of this guide has been updated to include details of over 500 companies in the UK that give a combined total of £290 million in cash donations to voluntary and community organisations (£25). | Directory of Social Change, 24 Stephenson Way, London, NW1 2DP, tel 020 7209 5151, email: books@dsc.org.uk www.dsc.org.uk |

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