

Top 10 Tips for Funding Success

Introduction

This information pack will take you through a whistle stop tour of how to approach applying for grant funding. It should give you a clear understanding of what goes in to producing a grant application and feel more confident in applying for funding.

If you prefer to listen to the guidance, please see the 'Top Tips for Funding Success' recorded webinar on the South Kesteven District Council website.

Jargon Buster: Outputs Vs Outcomes

While jargon is best avoided when applying for grants, this does not stop funders from using their own. Output and Outcome are funding terms which seem like they could be synonymous, however they have distinct definitions in the world of grant funding.

It is important to understand the difference so that you can be clear in your applications

Output: What the grant will pay for

- A product of the funding i.e. the purchase of new equipment, creation of promotional material, a new website, delivery of training, or funded salaries.
- If you will be invoiced for it, it is generally an output

Outcome: How what you paid for has benefited you, your business, staff or community.

For Example:

- You have capacity for more orders
- Staff have new skills
- New jobs have been created (or jobs have been retained)
- Students have been introduced to your industry
- You are offering a new service to customers
- Your business is more resilient

Developing a funding strategy

Grant Funding for business is becoming more common, but there remain limited options compared to the charities and community sectors.

It can be tempting to reverse engineer a project to fit what funding is available, however, having an outline strategy for how grant funding could benefit your business, can help to identify projects, and focus your energy where you are most likely to succeed.

Most businesses will already have the start of this without realising – within their business plans.

Business grants tend to focus on similar themes:

- Growth and productivity
- Innovation
- People and Skills Development

Increasingly grant funding is being made available to support businesses in delivering on Climate/ Energy efficiency/ Net zero ambitions.

These tend to be split into one of two focuses:

- Grants which support businesses developing new technology/ approaches to energy efficiency
- Grants which support new infrastructure for the business e.g. Solar power, heat pumps, vehicle charging where applicable.

These grants do not typically provide for activity which could be considered within general maintenance (new windows, insulation, roof repairs etc.).

To develop your funding strategy, review your business plans with these general priorities in mind, to identify opportunities or pinch points that funding could unlock.

Make a note of what resources would be required, what and what likely costs would be.

When you are ready, contact SKDC to discuss what grants may be available.

Remember, not all grant funding will fit your needs or circumstances, review the grant documentation carefully to make sure that its suitable, and don't be afraid to pass on grants that don't fit.

Top Tips for Funding

1) Read the guidance

Grant funds exist to award grants and the funders are on your side, they are not looking for reasons to say no to an application, but rather to justify why they are saying yes.

Because of this they helpfully provide a cheat sheet to the funding application: the grant guidance document.

This may be a separate document, or information provided on the website, but whichever way it is presented – it is the key to a successful application.

- Take note of any key phrases or buzzwords which the funder uses repeatedly through the guidance when they refer to what they need projects to achieve and try and reflect this back to them in your application.

In general, there are three reasons that people are unsuccessful in grant applications and understanding the guidance can mitigate against them.

- **The applicant or the project is not eligible for funding.**

If this is the case, even the best presented case for funding will fail.

Grant guidance should clearly outline the eligibility criteria, both for applicants, and what the grant can fund. Reading this thoroughly will save you the time and effort of applying for something if you are not eligible.

- **The applicant has not provided the right information, enough detail, or they have submitted a grant after the deadline.**

Guidance will explain what information the funder needs, and how it should be presented including:

- any supporting documents are required,
- if there are word limits or limits to file sizes,
- what format information needs to be provided in.

The guidance will also clearly outline any deadlines.

If you don't provide the correct information the funders will not be able to process your bid: if you are lucky, the funder may request further information from you, if you are not your bid will be rejected.

- **There is too much competition for the grant, and other applicants built a stronger case.**

Guidance will outline what the priorities of the grant funder are and what outcomes and outputs they want projects to achieve.

While you cannot control how many other people apply for any given grant, by reading the guidance you can make sure that you build the strongest case for your project.

If the funder provides opportunity to discuss your bid before you submit a grant application, it is always worth doing so.

It can be an opportunity to discuss any questions you have about the grant guidance or receive advice on how to pitch your project; and highlights to the funder that you are interested in applying.

If this is not an option, do some brief research on what grants they have made previously. This is a good indication of the kind of projects they generally fund and what level of grant they award. Typically, funders will list their previous grant awards on their websites.

If the application for the grant is via an online portal or form, ask if it is possible to have a copy of the application questions so that you can prepare your application offline.

2) Think of applying for a grant as bidding to an investor.

Funders consider the grants that they make to be investments, but instead of expecting a financial return, their return on investment comes in the form of your outputs and outcomes.

Remember that being eligible to apply for a grant and having an eligible project does not mean that you are automatically entitled to a grant. They are often competitive processes, and you need to present your case for funding.

- Clearly explain in your bid what the outputs and outcomes will be, how that aligns with what the funder needs to achieve with the funding.
- Tell the funder how you will deliver on those outputs and outcomes in a way that gives the funder confidence that you are able to provide them with the return they require.

It's important to give time and consideration to producing a bid, but this needs to be balanced against the cost of your time.

A good rule of thumb is to consider the time you would dedicate to producing a quote or tender for work which would generate the same level of profit for your business.

3) The critical question – Describe your project?

All grant applications will have a question which ask you to summarise your project.

This question is your elevator pitch for the project; it is important as it is often the only directly quoted part of your application which the grants panel will see.

- Be clear on what the project is, what it will achieve (the outputs and outcomes), when it will be delivered, and how it matches the requirements of the funder
- Use plain English, it doesn't need to be perfect prose. Using bullet points can be helpful.

However, this doesn't mean that the rest of the application questions don't matter.

Grant officers will summarise the rest of your application into a report for the decision makers and will use the rest of your application responses to understand your project thoroughly and advocate for you.

Often, application forms can seem repetitive, but make sure you give detailed answers to every question.

4) Explain your project as if you were talking to someone who knows nothing about your industry or your business.

You are an experts in your field, and it can be easy to assume that the funder will know the things that seem obvious to you.

Never assume that the grant officers or the grant assessor has prior knowledge of you, your industry, your products, your project, or any moments of opportunity.

Even if you are applying for an industry specific grant, or you have previously spoken to the funder about your project or application, or even if you have had a grant from them before, write your bid as if this is the first time they have heard of you.

Make sure you explain who you are, what you do, what this project will do (your outputs) how you will benefit (your outcomes), and why it's important that the project happens now.

Try to avoid Jargon and acronyms (if you have to use them, explain them first) and explain any technical language.

If you are short of words remember that explaining the why is often more important than the what.

So, while you can very briefly explain that you are buying a new piece of equipment or expanding your production line, make sure you fully explain how this will benefit your staff and business (your outcomes), and how it meets the aims of the funder.

5) Have a critical friend review your bid

You know your industry, business and your project inside out, and it can be difficult to explain technical information to someone who doesn't, or to assume that you have addressed all the outcomes and outputs your project will deliver because they are obvious to you.

- Ask someone who has not been involved in putting the project together to review your bid - do they understand what your project is and what it will deliver?
- Ask yourself if their understanding of the project match the required outputs and outcomes? – if not review what information you have put in your application.

While this exercise isn't about proof reading and spell checking, it's a good idea to check this too.

If you are reviewing your own bid: try the 'Pink Hippo Test'



- Read through your application and in your mind replace all the outputs of your project or technical information with 'a Pink Hippopotamus' (i.e. with this funding we will purchase a pink hippopotamus which will allow us to...)
- can you still understand how the project will benefit your business, and address the aims of the funder?

This can help make sure you are adequately explaining your project, and not just submitting a shopping list.

Tip: *If you are reviewing your own application, try changing the font or text colour while you do it. This can help force your brain to see what is actually written on the page rather than what you think is written there.*

Learning Scenario

Consider the following scenario:

You are on a grant panel for a business growth grant open to all businesses in your area. Businesses from all sectors can apply, and there are a range of people from different backgrounds on the panel.

You have £15,000 left to award and two applications left to assess. Both applications are requesting £15,000 and have outlined similar outputs.

You are presented with the applicant's summary of their project. Given only this information – who has built the more compelling case for funding?

- A) *“We will use this funding to buy a LC-MS to expand our business offer and train staff.”*
- B) *“We are an independent laboratory which provides drug testing services. We currently offer a range of analysis services in house but have to out-source some of our more technical analysis work.*
This £15,000 funding will allow us to equip our laboratory with a Liquid Chromatograph – Mass Spectrometer (LC-MS) which will allow us to deliver services in house such as conducting analysis of drugs in samples of hair. This will allow us to:
- Expand our range of services*
 - Provide better value for customers*
 - Create a new express testing service*

The funding will also allow us to provide training for eight staff and validation and certification of our testing methods.

Following this we will be able to offer outsourced analysis services to other laboratories, expanding our business model and supporting our organisational growth and sustainability.”

Both applications are asking for the same level of funding, to deliver the same project, however applicant A does not explain what their project will achieve or how it will be delivered.

They use industry specific acronyms and jargon which may not be understood by the grants panel and are relying on the panel members having prior knowledge of their industry.

Applicant B has clearly explained who they are, what equipment they want to purchase, why they need it, and most importantly what purchasing it would do for the growth of their business.

In this example it doesn't matter if the panel don't know what the equipment is, it could be a pink hippopotamus, they can still clearly see what outcomes will be achieved.

6) Know your costs

Having inconsistent, incomplete or incorrectly calculated costs is a major red flag to funders. Applicants should be clear on how much funding they are requesting, and what the total project cost is likely to be.

- Review the guidance to confirm which costs related to your project are eligible expenditure.
- If your project will include elements of work which are not eligible, be clear how these will be funded.
- Check if the funder will accept estimated costs at the point of application, or if quotes are required.
 - If you are using estimated costs, try and base this on research so you can be reasonably confident with the figures.
 - Be aware that if you base your costs on estimates, and final quotes are lower it is likely the funder will amend the grant to the lower value.
 - It is unlikely that they will increase the grant if the actual costs are higher than the estimated costs.
- Check if a contingency value can be included within your bid.

Some funders will require a contingency budget is included, while other funders don't permit it. If you can use estimated costs, build some contingency into these.

- Check to see if match funding is required.

Some grants will cover 100% of project costs, but others will require a certain percentage of the project value to come from another source, referred to as match funding.

- If the grant fund does not require match funding it is worth considering if you can contribute anything to the project, this can help strengthen the value for money argument for your application.

- If your project includes elements which are not eligible costs for the grant you are applying for, in most cases it is possible present the costs of these works as match funding in your grant application
- Be clear in your application where match funding is coming from and what it will fund.
If it is from another grant funder be clear if it is secured, and what you will do if you are not successful in the other grant bid.
- If the grant you are applying to will be match funding for a larger project, that is fine, but make sure you are clear about what elements each funder will be covering and try and tailor your application to each grant funder.
- Check if VAT costs can be included as eligible spend.

As a general rule if you are a VAT registered or have another mechanism by which you can recover VAT costs you should not include VAT in your application. If you are not able to recover VAT costs, you may be able to include them, but this is not always the case. If this is not clear in the grant guidance, contact the funder to clarify this, or you will risk being 20% short on your project.
- Check if retrospective costs be considered.
It is rare for funders to allow any costs you have incurred before your grant application is approved to be included within your eligible costs.

However, sometimes you can include costs for things like planning consent, or specialist fees if you are required to have consents, surveys or reports in place as part of your application.
- Double check your figures.
Ensure that you refer to the same costs throughout the application and any supplemental documents you are asked to provide. Double check that the grant value you have stated matches the to the values provided in any funding breakdown.

7) Be realistic with what the project will achieve

It can be tempting to try and tick every box for outputs and outcomes, but this often results in unwieldy projects which take energy away from your business rather than supporting it.

It is better to focus only on the outputs and outcomes which most strongly align with your project.

You will likely find that as your project progresses; you will achieve more outcomes than you listed in your application. You can report these secondary outcomes to the funder at the end of your project.

8) Be aware of strings attached

All funders will have some requirements around how their funding can be used, how it should be managed, evidenced and evaluated.

You should know what these are and be comfortable with them from the outset. Grant guidance should outline any restrictions or requirements that apply, and it should also be made clear in the offer letter or grant agreement.

You should understand and agree to any conditions before signing a grant agreement, as this forms a contract between you and the funder.

These can include but are not limited to:

- Requirement for formal 'permission to start' before any grant funding can be spent
- Requirements to acknowledge the grant publicly, in press, on social media, websites etc.
- Specific requirements for how you must procure goods and services
- Spend/ completion deadlines, and whether these apply to the whole project or just the elements that the grant is funding (i.e. can match funding be spent at a later date)
- Phased grant drawdown (how and when the grant will be paid)
- Requirements for evidencing spend
- Grant clawback clauses
- Evaluation/ completion report

All grants will require some form of evaluation or completion report which is an important document for both you and your funder.

This evaluation is how the grant funder gets their return on investment, and how they evidence the value of providing the grant funding.

Providing them with a clear picture of what was achieved through the funding helps increase the chance that further funding will be available in the future. Including images (e.g. before and after photos, or photos of equipment) or testimonies from staff and customers is always welcomed by funders.

9) Funding Timelines

Be clear on funding deadlines, and where possible aim to submit your application at least 24 hours before the deadline.

This is especially important if the application needs to be submitted through an online portal, or if additional documents need to be uploaded, as these often get overwhelmed with the number of people attempting to submit applications at the last minute.

If you are asked to register for an account to apply, make sure you do this early in the process. Ideally, as soon as you begin to consider applying.

Often the process is simple and quick, but sometimes there are eligibility assessments which form part of the registration which can take several days for the funder to approve.

Other things to consider:

- How many rounds of grant funding are planned
- Is there a limit on the number of times you can apply to the fund, can you apply to a later round if you are unsuccessful.
- How long does the assessment take – make sure you leave sufficient time before you intend to begin your project and have sufficient time to complete the project before any spend deadlines.
- Check the time of the deadline – typically its midnight on the stated date, but some funders will give a specific time on that day, Noon or 5pm cutoffs are common.

10) That ‘one weird trick’ they don’t want you to know....



A note on the use of AI to produce or support applications

It is inevitable that AI services will be increasingly used to support the production of grant applications. The technology is moving faster than the guidance, but in general it is worth considering the following if you plan to use AI.

- AI responses can be very generic.
Make sure that you review responses to ensure that they refer to the specifics of your project, your business, and your outcomes and outputs.
- Check for sense and accuracy
AI can be a powerful tool, but it is always advisable to have a human check the accuracy of the information it presents, and that it makes sense.
Does your application still pass the Pink Hippo Test? Does it adequately explain your project, has anything been added by AI that you were not aware of?
- Be cautious when uploading data to the AI server for it to work on. How AI services store, process and utilise data is often unclear, and often AI services use data uploaded by clients to teach their AI models.
You do not want your novel and innovative solution to an industry wide problem to pop up as a suggestion to a competitor.

It is best not to use AI services to produce financial breakdowns of projects, as these can be inaccurate and contain confidential or commercially sensitive information.

- AI could be useful in creating a summary of your project as a digital critical friend (but again be cautious around sensitive information), or in summarising grant guidance as an aide memoire (we would still recommend that you read the guidance first).
- As the use of AI grows, expect funders to issue guidance, which is specific to them, or restrict how you can use AI to support bids.
- Alternatively, funders may begin to use AI to assess applications, this emphasises the need for clearly explaining outputs and outcomes, and to include key words.