

# Winning new funding and satisfying existing funders

In the first of a series of articles, **Richard Pierce** of PS Financials looks at how financial systems can influence success with funders.

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You may think that your finances only help you see what *has* happened in terms of your performance and income. A financial system is there to help you assess what you achieved relative to the budget set, right? Not if you want to win more funding it doesn't...

If you are waiting to assess the performance of a project against budget at the end of the project, it is too late to see where you could have made improvements or adjustments along the way. A project should be monitored throughout, and the information used to your advantage.

You know that the local infrastructure marketplace is now very competitive. As a result of this change in the market for funding, there are now more commercial providers attracted to the sector, which may mean stiff competition! To compete with commercial providers you need to have the same (if not better) information for your tenders.

From our experience working with a wide range of charities and voluntary organisations we have seen that funders are now very demanding, both before and during the contract, about the information they require and how they want to see it.

Recently we have seen local infrastructure organisations (LIOs) and other voluntary organisations suffering on competitive submissions for grants and funding. We can identify common reasons why this is happening:

## **Bidding**

Consider the following – do you face this problem with your submissions for funding? Are the outcomes familiar?

## **It is difficult to cost proposals in specific detail**

This results in the submission being unsuccessful because it creates:

- Lack of confidence in your organisation
- Increased risk to the funder of missed or understated costs

Alternatively you may win bids that are unsustainable, leading to financial complications.

What about the projects and contracts that you already have? Are you able to provide your funders with all the information they need?

## **Delivering projects**

Consider the following scenario and outcomes – do any of these sound familiar?

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### **You are unable to easily provide information your funders require during the life of a project**

This means that you may face the following:

- additional costs, not accounted for, to provide the information requested by funders
- inability to identify where financial improvements or adjustments can be made in a project
- reduction in your funder's satisfaction – making the relationship unnecessarily difficult during the project
- your funder has reduced confidence in your organisation to deliver projects – which may affect your future funding and income.

### **How to satisfy your existing funders**

You need to have an accounting or financial system in place that allows you to:

- easily provide financial information in different formats to cover all requirements from funders
- find information in 'real time' – so you can monitor performance/costs at any time as they currently are (not just at the end of the project!)
- produce unlimited budgets for measurement (compare and contrast different items)
- manage 'project costing' so all your costs and revenues are recorded by project, never summarised, and instantly available to give a detailed and true record of the actual costs/benefits of a project
- hold all your information in one system (this doesn't just mean accounting information) – so you don't have to use lots of different systems and spreadsheets and then bring all this information together

- budget by all outcomes (including non-financial measures) so the true benefits as well as costs can be seen.

### **How to win more funding**

You need to have an accounting or financial system in place that allows you to:

- have your historic information immediately available – record accurate, historic data, with the ability to recreate past positions, recording outcomes as well as financial transactions
- answer prospective funders' queries quickly, accurately and with very little work because all the information (financial and non-financial) you need is easily found and put into a report
- accurately track with certainty a successful outcome for projects
- produce impressive reports and graphical representations of your data – so you can submit high quality, professional, proposals (easily!).

PS Financials works with charities and LIOs, providing accounting software that delivers real results. Working directly with users, PS Financials has developed a system that allows LIOs to satisfy their existing funders and assists them to win more funding.

PS Financials will be presenting a workshop at the NAVCA Annual Conference on 20 September 2006 at Warwick University titled: 'Generate more income – a guide to more effective tendering'.

Please attend the session to see how to make this happen in your organisation or visit our website [www.psf Financials.com](http://www.psf Financials.com) for more information.

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