

# Landcare Notes

Landcare Note 3.6  
September 2010

## Using a prospectus to gain funding

**Using a prospectus is one way your Landcare group may consider approaching a corporate or alternative funder.**

### What is a prospectus?

A prospectus is a well presented, colourful document designed to attract the attention of a funder. A prospectus should be tailored specifically to the funder you intend to approach based on the information you have gained through researching the organisation. Typically a prospectus will include information such as a project summary, group history, aims and vision and a detailed project outline.

### Is a prospectus the right approach for your group?

The first thing you need to do is to consider if this is the right approach or format for your project and your group. If you choose to use a prospectus, make sure you have the time and resources required to do a good job. Some of the steps you might need to consider when developing your group's prospectus are outlined below:

1. Know who you are going to target with your prospectus and for what project
2. Research local companies that operate in your area and use local knowledge to choose a company
3. Target two to three companies at a time and write a prospectus for each of the companies using what you have learnt through researching them. For example, who is the appropriate contact, what do they currently fund and do they have an environmental policy or community goals?
4. Choose a project that may interest the funder. For example, a funder may like to be involved with protecting wildlife so you choose a project highlighting an endangered species
5. Before starting, make sure you know what you aim to achieve – what are your goals, outcomes and partners for the project?
6. Add photos of the species and/or the area where the project will be undertaken. It may be beneficial to use an area that is familiar to the funder. For example, the CEO might live nearby or the business may be located near the site. Make your project personal to them
7. Show the funder how they will be contributing to the broader community, the environment, improving their image in the community or building a positive attitude to community involvement
8. Let them know of your successes and your ability to complete what you have promised you can do. You need to sell your group to them. Show you are passionate about what you are doing and why you are doing it – believe in the project, but at the same time don't be pushy and always be open to new ideas
9. When sending out the prospectus address it to the appropriate person – you should be able to find this information on the organisations' website and put a cover letter with the document
10. Give them a phone call two to three weeks after sending the document suggesting a meeting to discuss options – expect to hear "no".
11. When you hear "no" ask them if there is a better time to seek project support or what they look for when choosing to support community projects
12. If you are successful in organising a meeting send two well informed community members along who know the most about the project and your group. Don't expect an answer immediately. You need both patience and persistence. Remember your

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project is not their core business; it is an added portion to someone's role

13. Expect to negotiate, build a rapport and to answer questions. They will probably know little about what you do, who you are and even less about the importance of your work
14. When an agreement has been made develop a Memorandum of Understanding between your organisation and the funder. Detail all that you collectively agreed to in a document including outcomes, media, logo use, reporting requirements and what each organisation is going to do. A good understanding of each organisation's responsibilities gives the project a great start.

## What should be in your prospectus?

A typical structure for a prospectus often includes a project summary, group history (when your group started, achievements to date, the Landcare logo), aims and vision and a detailed project outline (including project purpose and expected outcomes, other partners, overall cost and why you are requesting funding). It may also be useful to include how you will be completing the project (volunteers, other partners, or through contractors) and by when (make sure you leave enough time for funding negotiations).

It is important to remember that the project does not need to be fully developed in a prospectus. This may restrict the potential for the corporate to have input into the design and therefore have an impact on ownership of the final project and the partnership development. Developing a project together may also encourage further funding and offers of skills or equipment for the project.

Most good prospectuses target one corporate organisation. This gives you an opportunity to use language and values which closely align to those of the potential funder. When choosing a corporate it is preferable if you are able to share some goals and visions with them. This

will help foster a sense of mutual respect for each other and create common ground.

Highlight the sizzle factor, make the project proposal enticing and hard to resist and use language they are familiar with.

## What can you give them in return?

In your prospectus include what they will achieve out of the partnership. The partnership offer should include several propositions.

Your propositions should be innovative, cost-effective, and provide them with something they need and that enhances their customer reputation.

For example, using their business logo on printed material; media articles acknowledging partnerships; signage at the project site acknowledging their involvement; inviting the staff of the corporate to activities; celebration days acknowledging corporate support.

Always remember that if the corporate requires you to have Deductible Gift Recipient status they are not to receive anything in return for their donation.

## Forms of investment by a funder

Investment from a funder can be delivered in three main ways:

1. Volunteering staff time at events
2. Donation of skills-based support e.g. assistance with web pages, accounting or equipment
3. Financial support for projects (small or large).

## Risk Management

When developing a prospectus, make sure you can deliver on what you are proposing and in the projected time frame. It may be a disincentive for further investment if you are not able to deliver on a project completely and on time.

When developing an agreement between the two parties make sure adequate time is



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allowed for project delivery and that the agreement suits all parties concerned.

## Reporting

Your ability to deliver on an agreed project could build your capacity to partner with more companies in the future. Highlight measures of success in the media, keep an accurate record of your successes and celebrate them with your members and your funders.

## Credibility of your organisation

It is important that you can demonstrate what you are able to achieve and your commitment. Having a business plan can sometimes provide funders with the security they need to prove you can do the job.

You need to offer the funder a clear understanding of what you do as an organisation, including who you are and what your future looks like. Remember the funder trusts you to deliver an agreed product in a time frame and they need to know you can do it.

## Further references

Australian Tax Office – Non-Profit Organisations:

<http://www.ato.gov.au/nonprofit/>

Corporate Toolkit – located on Victorian Landcare Gateway:

<http://www.landcarevic.net.au/>

MAV Small Towns Grassroots Grant:

<http://www.mav.asn.au>

Landcare Australia Ltd:

<http://www.landcareonline.com.au/>

Our Community Grants:

[http://www.ourcommunity.com.au/funding/funding\\_main.jsp](http://www.ourcommunity.com.au/funding/funding_main.jsp)

## Related Landcare Notes

This Landcare Note is one of a series. These notes provide an excellent guide for the ongoing operation of your group.

## Acknowledgements

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