

# Voluntary Action Merthyr Tydfil

Your local county voluntary council



VOLUNTARY ACTION  
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## 7. Finding and getting money

### 7.6.1 Fundraising events

#### Introduction

Events are very public forms of fundraising and can be valuable opportunities for raising your charity's profile nationally or in the local community. Fundraising events do not provide most organisations' largest sources of income, though benefits other than cash alone can be obtained from these activities and can lead to other indirect opportunities.

The key elements of successful fundraising events are good organisation, effective promotion and above all, imagination. The fundamental purpose is to offer an enjoyable experience in return for the participants' money; if everyone enjoys the event, they are likely to give more and support future events.

Events are a popular way of raising funds, the two main types of events are *mass participation sponsored events* or *ticketed events* and these events can be any size or complexity. The most common charity events include:

- Sporting or activity events
- Music and cultural events
- Balls, dinners, auctions and other entertainment events
- Exhibitions, festivals and fairs

#### Objectives

Having conducted the appropriate research and concluded that you want to hold a fundraising event, you must be clear what the objectives of the event are so that you can decide what to do to achieve these aims. Is the aim simply to raise money or to attract media attention, to thank supporters or to entice new people to support your charity?

#### Pros and cons

Events can offer considerable benefits such as:

- Raising income.
- Raising public awareness through attracting media publicity.
- The opportunity to woo larger donors or celebrities as well as thanking supporters and volunteers with an enjoyable event.

Conversely, event management can be very absorbing and there is a high risk factor. Initial investment can be high (e.g. licenses, permits etc) and there is always the possibility that the return is very low if the event has not been adequately planned.

## **Planning a fundraising event**

The first step in planning an event is to conduct appropriate research; as previously mentioned, you should establish what the event objectives are and ensure that the activity fits within the organisation's charitable objectives.

The event should be appropriate to the target audience and consideration of the potential group size and what fundraising activities might be attractive to the target group should be considered.

Potential benefits should be analyzed and the approximate returns on investment should be forecasted with predicted break even points. A clear budget needs to be established, ensuring that all potential costs are included.

Decide the elements which will be critical to the success of the event and how these will be secured, and consider the potential risk to the organisation's reputation that may arise from being involved with particular events, associated companies and if the event goes wrong.

Ensure that support is provided by all relevant staff, managers and trustees and consider the timing i.e. are there any other similar events near the designated time or will the seasonal change have an impact on the events.

Whatever the nature of the event, there are five principal groups of people to include within the event planning.

These are:

- Sponsors; businesses can support the event to help meet their own objectives.
- The media; the media are in the business to report events such as fundraising events.
- Performers; these are central to the event itself e.g. auctioneer, football team, DJ.
- The audience; people may want to attend as they want to participate or because they wish to support charity.
- The charity's involvement gives the event focus and is one of the main reasons for supporters' attendance.

## **Event management**

There are three approaches to managing an event, and for each, ensure that enough time has been set aside for planning and recruitment of support:

- Managing the event yourself or using another member of staff will use a significant amount of time, though the experience will provide valuable skills which can benefit the organisation in future.
- A professional organiser is likely to charge a fee for organising the day to day planning or may wish to take a proportion of the ticket price. If the latter is the case, they become a 'professional fundraiser' under the Charities Act and certain requirements will need to be met to comply with the Act.
- Establish a committee of people with a variety of skills. It would be advisable to select a chair with previous experience of managing an event; the chair can then delegate tasks to committee members with the appropriate skills, such as an accountant to advise on budgetary issues.

### **Four important aspects of successful management:**

An *accurate budget* will show how many people are expected as a high and low estimate, including the price of each ticket. The budget will make an early assessment of all likely costs and sources of income including contingency funds.

The more *time* made available to plan the event, the higher the likelihood of success.

*Legally binding contracts* signed by both parties, are essential, and where larger sums of money are involved, it is advisable to consult a lawyer.

*Good administration and record keeping* will help build experience year on year. Keep records of everything from insurance certificates to receipts, as this will help make future events easier.

### **VAT and Income Tax**

Tax is not payable on donations given freely to charity. However, the sale of tickets to the public is considered trading rather than fundraising and may be liable for tax. Ticket prices may be split into two elements; a reasonable price for attending an event and a donation. If the wording is clear that the donation element is optional, then only the attendance price would be treated as taxable income for VAT purposes.

There is a concession (ESCC4) for those organising occasional events which allows the income to be treated as donations and free of tax. For further information, see the HM Revenue & Customs publication *Trading and business activities*.

### **Promotion**

A real advantage of a successful event is the ability to build a pool of contacts for future events. Decide who the target market is for your event, the best ways to reach

them, and consider how to attract new audiences. Examples of promotional techniques:

- Involve the local radio station, offer free tickets as prizes and invite reporters to cover the event.
- Advertise in local press, radio and any other targeted media.
- Feature celebrities whenever possible; either to compere, to perform or simply to announce the raffle.
- Give free tickets through local groups and networks such as school groups or the local Hospital to create interest.
- Create clear and eye catching leaflets and posters and display in as many public places as possible.

## **Reducing the risk**

Even with accurate budgeting, planning and marketing, some events don't go according to plan and there are ways of reducing these risks:

- Ask a sponsor to cover all running costs so that 100% of ticket sales go to the charity.
- Arranging a committee of supporters who are responsible for selling a percentage of the tickets to guarantee a minimum attendance.
- Get as much donated, lent or sponsored to reduce overall costs.
- Insurance; it may be possible to insure against public liability, theft, damage and even against bad weather.

**Further guidance on statutory and regulatory matters can be obtained from the following organisations:**

### **The Charity Commission**

PO Box 1227, Liverpool L69 3UG

Tel: 0845 300 0218

[www.charity-commission.gov.uk](http://www.charity-commission.gov.uk)

### **Institute of Fundraising**

Publishes three codes of practice on events:

- Event fundraising
- Charity challenge events
- Outdoor fundraising events

[www.institute-of-fundraising.org.uk](http://www.institute-of-fundraising.org.uk)

Park Place, 12 Lawn Lane,

London, SW8 1UD

Tel: 020 7840 1000

## Institute of Fundraising Cymru

14-16 Merthyr Rd, Whitchurch, Cardiff, CF14 1DG

Tel: 029 2052 1272

Fax: 029 2052 1250

[cymru@institute-of-fundraising.org.uk](mailto:cymru@institute-of-fundraising.org.uk)

## HM Revenue & Customs - Charities

See: *Trading and business activities* (Tax issues)

St Johns House, Merton Road, Merseyside, L69 9BB

[www.hmrc.gov.uk/charities](http://www.hmrc.gov.uk/charities)

Tel: 08453 020203

## Home Office

*The good practice safety guide*

<http://police.homeoffice.gov.uk>

## Disclaimer

The information provided in this sheet is intended for guidance only. It is not a substitute for professional advice and we cannot accept any responsibility for loss occasioned as a result of any person acting or refraining from acting upon it.

### For further information contact

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