



## Employing a Fundraising Consultant

by Maggie Taylor

**This document gives charities some background on issues to consider when thinking about using a fundraising consultant.**

### **What is a fundraising consultant?**

In order to employ a fundraising consultant, it is important to have a definition. According to the Oxford Modern English Dictionary, a consultant is '**a person providing professional advice for a fee**'.

This is quite different from a **professional fundraiser** who by the definition of the Charities Act 1992 (Section 58(1)) is, '**any person who carries on a fundraising business who for reward solicits money or other property for the benefit of a charitable institution**'.

So a consultant may be a fundraiser by profession but is only a professional fundraiser (under the terms of the Charities Act) if they **directly ask for money** on behalf of the charitable institution.

### **Types of fundraising consultants**

The Consultants' Group of the Institute of Fundraising has identified three types of fundraising consultants:

- **Type 1** are individuals who are involved in consultancy as a part-time occupation (either in between jobs, on retirement or as a supplement to their other, usually full-time, job). Type 1 consultants are usually members of the Institute of Fundraising but many are not.
- **Type 2** are sole-traders, firms and businesses that may not be VAT registered. Type 2 consultants are often members of the Institute of Fundraising and qualify for membership of the Consultants' Group.
- **Type 3** are companies, firms or businesses that are VAT registered. Type 3 consultants are often members of the Institute of Fundraising, qualify for membership of the Consultants' Group and may also be members of the Association of Fundraising Consultants (AFC).

## **Types of work undertaken by a consultant**

Fundraising consultants undertake a range of work. However, the most common types of work undertaken include:

- Fundraising audits and reviews
- Fundraising strategies
- Creating or improving the Case for Support
- Development of specific programmes (such as charitable trust, donor, legacy or corporate)
- Event management
- Research
- Recruitment of fundraising staff and volunteers
- Training programmes for Trustees, staff and volunteers
- IT strategy and development
- Database design and management
- Crisis management
- Feasibility and resources studies
- Big gift and capital campaigns
- Trust, Grant and lottery applications.

## **Why employ a fundraising consultant?**

On occasions, outside help may be needed. Before engaging such help, ask the following questions:

- Does the organisation have the skills required for the task?
- Does the organisation have the time?
- Can a consultant produce what is required more cost effectively?
- Does the organisation need an impartial view to assist with the development of its fundraising?

The answer to any or all of the above questions may be to employ a fundraising consultant who can fulfil any or all of the following roles:

- Expert
- Independent observer
- Facilitator
- Mentor
- Manager
- Project manager
- Non-managerial supervisor
- Advocate
- Trainer
- Assessor
- Problem solver
- Planner
- Influencer

- Enabler.

A fundraising consultant may be:

- A skilled professional
- Someone with particular specialisms
- Informed about trends and activities.

A fundraising consultant may not be:

- A magician
- The fount of all knowledge.

### **Steps to employing a fundraising consultant**

There are two key elements to employing a fundraising consultant:

1. Choosing the consultant.
2. Agreeing a contract with that consultant.

The steps to employing a fundraising consultant successfully are:

1. Be clear about what the consultant is required for.
2. Identify the consultant(s) to approach.
3. Make initial contact and request details.
4. Assess details for the most appropriate consultant or consultancy.
5. Hold exploratory meetings.
6. Invite selected consultant(s) to submit proposal/tender.
7. Interview consultant(s).
8. Make a choice.

### **Agreeing a contract**

The requirements of a contract of employment include:

1. A brief for the work to be carried out or service provided.
2. Fees to be paid.

Fees can range from £150 - £2,000 per day. The fee level should reflect expertise, track record (not the overheads of the consultancy) and the difficulty or complexity of the work required. The greater the level of expertise and longer the track record, the higher the fee will be.

Fees in the form of commission are to be avoided. They may be a disincentive to donors and not reflect the service to be provided by the consultant. It also may encourage organisations and their Trustees to neglect their primary responsibility for its financial health. This includes any fundraising activity.

3. Any reasonable and agreed expenses and other on-costs.
4. Methods of payment.
5. Length of contract.
6. Arrangements for review or termination of the contract.
7. A confidentiality clause.

## **Conclusion**

Fundraising consultancy does not always run smoothly. However, there must be a commitment by the organisation to work with the consultant. It is important to inform the consultant of events that may impact upon their work. It is imperative to discuss with the consultant anything that the client is unhappy about. A small problem can grow into a major crisis if not dealt with swiftly.

However, at the end of the day, the purpose of fundraising consultancy is to enable any organisation to move forward with confidence **to provide the best possible service to those who need and deserve it.**

## **About the Institute of Fundraising**

The **Institute of Fundraising** is the professional membership body for fundraisers, working to promote the highest standards in fundraising practice and management. The **Institute of Fundraising's** mission is to support fundraisers, through leadership, representation, standards setting and education, to deliver excellent fundraising.

Committed to raising standards in fundraising practice and management, we engage with charities, Government, media, the general public and other bodies to positively influence the UK fundraising environment. We work to nurture the knowledge and standards of all those who undertake fundraising, offering an extensive range of training and networking opportunities.

The Institute represents over 4,500 fundraisers and 280 fundraising organisations, providing information and support services for Individual and Organisational members.

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