

“Funding Distribution among Community Organisations Providing Social  
Services in Waitakere: Fund-Seeking Experiences”

Auckland Voluntary Sector Study: working paper 4

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## **(1) Introduction**

Non-government organisations that operate to provide social services within New Zealand occupy an important position within the social infrastructure of New Zealand. These organisations have traditionally acted to fill gaps in social services provided by government, address the needs of specific groups within society, and act as a voice in advocating and lobbying for the needs of some of the most disadvantaged people within society.

Political and economic changes during the last 20 years have seen the roles of many of these organisations change and expand. Increased decentralisation of government social services has seen service provision shifted from government into some of these 'community organisations', while the shift from grant making to contracting by government agencies and increasing accountability requirements have seen some organisations develop into increasingly professional 'service providers' in response to these changes (Gunn, 1998; Casey & Dalton, 2004; Buchanan & Pilgrim, 2005).

In recent times increased attention has been paid to how service provision and funding of community organisations can be better planned and coordinated to best meet the needs of different communities.

This report forms part of a series based on research conducted in 2006 that examines the way funding is distributed among community organisations in Waitakere and the way organisations seek funding in that region. In this third report we investigate the fund-seeking experiences of a number of community organisations operating within Waitakere through a series of interviews in an effort to identify factors that may influence funding distribution in Waitakere.

It is hoped that this research will provide some useful insights for community organisations examining their fund-seeking practices, funding providers seeking to better understand, direct, and coordinate their funding efforts, and policy makers seeking to improve and support social service development and delivery in Waitakere and elsewhere.

## **(2) Methodology**

The same list of community organisations produced from the stock-take (see working paper 3) was also utilised when identifying organisations to approach for interviews. The researcher selected 35 organisations from this list ensuring that these organisations varied widely in terms of their size, coverage area, and the types of social services they provided. Each of these organisations was then posted an invitation to participate in this research along with a general information sheet (see Appendix C) outlining details of the research. Organisations that had not responded after a week were called by telephone or emailed another request where possible.

Eight representatives made themselves available for interviews during the time available for this part of the research. Each representative was interviewed once for approximately 30-50 minutes. During the course of the interviews, representatives were asked questions about how they locate funding opportunities, who they apply to for funding, where they have been successful and unsuccessful in applying for funding, and the possible reasons for this.

Another four interviews were conducted as part of the Social Services Mapping project during 2005 but were not utilised for that project due to time constraints. These interviews included some questions similar to those asked as part of this study including questions about acquiring funding and the impact of funding on community organisations. These interviews were added to the eight interviews conducted for this project to form a total of twelve interviews that were recorded and transcribed for analysis as part of this study.

Of the organisations that were interviewed, two are disability-related, four provide services/training to parents, one provides healthcare, two provide budgeting assistance, and two provide counselling. In terms of operation location: three of the organisations operate solely in West Auckland, while three operate across Auckland, and six operate nationally or are part of larger 'collectives' that operate nationally. None of the organisations interviewed are operated specifically for Maori or Pasifika people though one works largely with migrants.

The interviews conducted did involve obtaining private opinion and information and as such these were undertaken by participants on the understanding that their names and the names of the organisations they represent would be kept anonymous.

### **(3) Results**

#### **(3.1) Organisation Structure & Management**

A number of respondents speaking on behalf of organisations that operate as part of national organisations or collectives commented on the way the structure of their organisation helps/hinders them when seeking funding.

Interestingly one of the respondents commented that the structure of their organisation prevented them from applying for funding independently:

“because the structure of [organisation] has changed we are no longer able to apply independently as a centre. We now need to do our funding application through our office that’s based in Auckland City and they need to do all our funding applications for us and in some ways that is a huge disadvantage because there is money out there and I’m sure some of the time we could fit some of that criteria but we don’t get the opportunity to make that application”  
Organisation No. 7.

In particular this person noted that this arrangement prevents them from applying to specific local funders in Waitakere:

“I feel that we would have a lot more support from local funders if they knew that they were funding us and the funding was coming straight here.”  
Organisation No. 7.

At the other end of the spectrum, another respondent indicated that their branch of the organisation operates almost completely separately from the national body when seeking funding:

“Each group in this organisation stands completely alone... we run on the smell of an oily rag, every cent is totally accounted for... we know what we need out here and I wouldn’t want to be going cap-in-hand to a national organisation asking for funding” Organisation No. 4.

Among the other organisations the trend seemed to be for the national body to apply for any funding from central government or lotteries (with the intent of avoiding overlap and duplication) and distribute this among the various branches, while leaving individual branches to apply for additional funding from any other sources.

While this approach appears to be fairly popular, one respondent commented that national money may not always be perceived as having been divided up fairly among the branches of an organisation with larger branches sometimes resentful of receiving the same amount of funding as smaller branches.

#### **(3.2) Organisation Size & Capacity**

A number of respondents also spoke about the effect the size of an organisation can have on what an organisation can apply for in terms of funding. In particular several respondents commented about smaller organisations finding it more difficult to obtain

government funding:

"what I hear is that government is reluctant to put money into small fledgling or very much community-based organisations except through specific programmes that the Ministry of Social Development might run, and then it's very heavily mentored and overseen and so on." Organisation No. 1.

"I think it's what the people portray of what you're doing, how you're helping people and unfortunately how many people you're helping. I say unfortunately because that's a very government thing, input, output, it's not about quality helping, it's about helping the masses" Organisation No. 3.

Similarly when respondents talked about larger organisations, they suggested that larger organisations have a greater ability to locate and apply for different sources of funding. The following comment was a typical response:

"the groups which are big enough are more, you know got really formal structures and are paying people to do that job [fund seeking], obviously stretch their tentacles far and wide for funding. So it's a question of time and reimbursing the person doing it" Organisation No. 4.

A few respondents also talked about how having a funding application declined would impact on their organisation. Comments on this varied depending on the size of the organisation they represented with one representative from a smaller organisation commenting:

"a thousand dollars is a huge amount for a little group like ours... you actually need the amount you're asking for and if you don't get it, you've then got to do another funding application to someone else" Organisation No. 4.

While a representative of a larger organisation had a different response:

"Financially we're very sound. We don't tend to be in a situation where we apply for funding and if we don't get it we can't continue the project" Organisation No. 12.

The difference in these responses highlights differences in the 'cost' of applying for grants and the extent to which having an application declined may impact on different-sized organisations to different degrees.

Respondents also discussed a number of costs to organisations inherent to applying for funding. Time seemed to be the main cost when applying for funding with one representative from a smaller organisation stating that 50% of her time is taken up with funding related business. A comment from one respondent explains this issue well:

"one of the things is making sure you've got the time available at the point at which the applications have to be submitted, because you really have to drop everything and focus on applications. I often think to myself, how do organisations that are small manage to find the time to put all that work that needs to go into the applications?" Organisation No. 1.

An interesting comment was made by one respondent from a small organisation about the costs associated with having accounts audited (something that is required by most funders) within his organisation:

"I can't see how organisations that are small can have audited accounts, \$800 is a lot of money considering our turnover, it's crazy" Organisation No. 3.

### **(3.3) Secrets to Success**

During the interviews respondents were asked at one point about instances where they had been successful in acquiring funding and in particular the reasons why they felt their organisation had been successful. Several particular themes seemed to emerge repeatedly during these discussions.

#### *Expertise*

One common theme arising from a number of the interviews was the extent to which having a certain amount of expertise within an organisation is essential when it comes to finding and successfully applying for funding. The following comment was a typical response:

"you do have to have someone who knows the money scene. You have to have a good treasurer and you've got to have someone who understands the funding requirements or some people in your organisation who understand what funding is about." Organisation No. 4.

In particular a number of respondents talked about the need to have a person within an organisation who is an expert with regard to funding processes and procedures. More often than not the person being interviewed was this 'expert' for their organisation and some talked about how they have become better at applying for funding as their personal expertise has increased.

"it used to be longer but now I know what I'm doing and I organise my time around it. I know the short cuts" Organisation No. 5.

A number of respondents also noted that having greater experience within the organisation made it easier for them to apply for funding effectively.

"I'm good at copying from last years grant to this years grant. It's just a case of sort of knowing in the past historically what's worked" Organisation No. 12.

However having the funding expertise within an organisation based around one person has dangers too as one respondent pointed out. He commented that if an expert leaves an organisation unexpectedly, the organisation may be placed in jeopardy as all of the funding expertise has been lost and the organisation may struggle to survive.

Another interesting comment made by one respondent suggested that their organisation's success in obtaining funding was largely due to the expertise of members of their trust board.

"I think it starts at the board really, and if you've got a board that has got a good level of expertise, experience, and confidence in working with government, then that helps enormously" Organisation No. 1.

### *Connection*

A large number of respondents also talked about or referred to the importance of 'connection' in obtaining funding:

"One we got because we knew the person, if you know someone it's a breeze" Organisation No. 3.

"I think a lot of funding is still very much based on connection and who you know and certainly funding that we've received has been as much because people know us and know that we deliver" Organisation No. 8.

A number of respondents also commented that in order to be successful with funding you have to be 'in the loop' with different funders and government agencies particularly.

### *Reputation/Perception*

Almost all the respondents interviewed indicated that their success in applying for funding is at least partially due to the good reputation of their organisation or the way their organisation is perceived by the public:

"Another reason why I think we are successful is that we are a tried and true organisation, we have been doing this for 25 years and we have become recognised in the community." Organisation No. 5.

A number of respondents talked about how important it is for an organisation to have a good public profile noting that organisations that are unknown may find it more difficult to get funding:

"I think if you're unknown they're unlikely to give" Organisation No. 3.

"I'm sure that people tendering for their first contract could be at a slight disadvantage purely because they haven't got a reputation to precede them" Organisation No. 6.

One respondent from a fairly new organisation described the difficulties associated with not having a public profile:

"as an organisation we've been developing in credibility and developed a very solid reputation and that actually facilitates funding. The first two years were a struggle. As our organisation has grown we've actually had more success with obtaining funding. I guess we haven't been around long enough to know whether it will get harder" Organisation No. 11.

A number of respondents also talked about the need for their organisation to operate in a 'squeaky-clean' and ethical way with funding and management so as not to jeopardize

their public profile.

### *Political Recognition*

A number of respondents also talked about the effect that having political recognition of the importance of their organisations or issues can have on the funding they may receive.

There seemed to be a very notable difference between the situation of respondents from organisation that receive significant support from government and those seeking to have their issue recognised at a political level:

"we're still lobbying but it's very difficult because it's [our area] not life threatening so it doesn't get media attention" Organisation No. 2.

Interestingly one organisation that receives a significant amount of political recognition and support, works in an area that they believe is not recognised by the general public but receives support because politicians and policy makers have decided that it is an important type of organisation to have.

"I think it was about the time was right and then Central Government thought this is a good thing to be doing around the country and therefore they have actually allocated a budget" Organisation No. 1.

"I think government tends to favour organisations like ours that had a big lobby group behind it and then got set up quite strongly, and seeks to channel further funding through us" Organisation No. 1.

This suggests that while having a good public image may be important, this is not essential to obtaining a good amount of political recognition, which can also be quite lucrative when it comes to obtaining funding.

### **(3.5) Funding Requirements & Criteria**

Of all the topics discussed during the interviews, those interviewed had more to say about the requirements set out by funders than any other topic discussed.

A number of respondents talked about the limitations that some funders place on the types of things organisations can apply for:

"Some of them won't fund capital items like computers or office furniture or things for the community like tables and chairs for people to sit on. I don't know why they do it. The thing is if you're running an organisation you do need equipment" Organisation No. 5.

A number of respondents also complained about difficulties associated with finding funders prepared to fund administration costs and general overheads. It does seem however some respondents have tried to adapt to this situation and work around it where possible:

"you're just wasting your time with some organisations and you just ask for what you know you're going to get, so you choose something within your



organisation that you're going to need this year and you just ask for funding for that" Organisation No. 5.

Most respondents also made reference to funding applications having increasingly tight requirements. Interestingly respondents seemed to have a 'love-hate' relationship with this issue with some resenting the amount of detail required:

"we did get knocked back and reapplied on the next funding round on one of those simply because some microscopic piece of paper hadn't been supplied, like they wanted double quotes on things like photocopying... I think there's areas where you do need to be accountable and others that are just plain ridiculous. Using volunteer time to run around and get photocopying quotes for instance" Organisation No. 4.

But most seemed to understand and acknowledge the need for such tightness:

"I have noted that the applications over the years have gotten much tighter and much stricter and have more accountability. I'm actually in favour of that because I think there can be a lot of wastage" Organisation No. 3.

"It can be cumbersome. I think part of the reason why nobody wants to do it is because you've got to get hold of the quotes, and the accountability requirements. I haven't found a way to streamline it yet. I understand exactly why they want that information and why they need us to go through that process." Organisation No. 12.

Another popular topic for comment was the way respondents felt funding requirements are continually changing:

"they changed the rules so they would only fund new setups so we didn't qualify anymore" Organisation No. 3.

In particular several respondents commented on the changing systems and requirements set out by central government when applying for funding:

"now the government's always changing their criteria all the time, it's like shifting sand constantly. They've changed their names, changed the contracts, the way they do things, and the paperwork's unbelievable" Organisation No. 5.

The accountability conditions set out by different funders were another popular topic of conversation. One respondent representing an organisation that works with a number of government departments commented on the differences in accountability requirements that can exist between different government agencies:

"With ACC they've got a very long list of accountability and they do come and do audits and they do constantly check that we send them quarterly reports. The Ministry of Health is very different, they don't want to receive anything else from us except for a quarterly report. With ACC we're sending individual client reports whereas with the Ministry they wouldn't even have the time to read them." Organisation No. 6.

Another respondent also commented on the complexities involved in working with different government agencies:

“What is difficult is that each arm of Government has a different language around operation policies and principles and procedures. So though you’re working probably with the same people, if you’re dealing with Justice you have one, you have to translate your policies if you’re dealing with Education, if you’re dealing with NZQA, if you’re dealing with Health, if you’re dealing with CYFS, each has a different set, the standards are pretty much the same but the language is different which adds further to compliance costs.” Organisation No. 8.

Once again while a number of respondents indicated that meeting accountability requirements takes a great deal of time:

“I guess one of the things you’ve got to be doing to be more accountable is keeping better records with what you’re doing, who the course members are, who’s benefited, etc.” Organisation No. 9.

few seemed to dispute the need for them:

“it takes quite a lot of time, writing all these reports, updating, but in the service profession you must be able to show ongoing improvements and meeting contractual demands. We don’t see it as an issue. Accountability is important to us” Organisation No. 6.

A number of comments about funder requirements from respondents also involved talking about their specific experiences with certain funders where they felt the requirements set out by funders were too limited or skewed in a particular direction leading to them ‘slipping through the net’ in some way. The following comment is a typical example:

"we'd come under lotteries but we don't, we've somehow slipped through. If we were paying wages we'd get funding but we don't pay wages because we're totally voluntary" Organisation No. 3.

Several funders spoke about how the changing requirements set out by funders meant that they might apply for funding for the same thing two years in a row and only receive funding for it once as the requirements would often change between applications.

“they said in their letter to us that it wasn’t because what we were asking for wasn’t important, but they had a different criteria” Organisation No. 5.

Comments from a couple of respondents also suggest that organisations with funding requirements that are perceived as having excessively long or complex funding processes may be avoided by some community organisations if they believe they can get funding more easily elsewhere:

“Things like Sky City Community Trust, we’ve never gone for their funding, we got an application form once, looked at it and it looked like a book and we

thought 'too hard', we can get funding locally and it's a lot easier to get"  
Organisation No. 12.

### **(3.6) Funder Priorities**

Another popular topic of conversation was the way respondents felt different funders prioritise who they give to and the amounts involved. Several respondents discussed the selective criteria used by some of the funders:

"another one is Sky City Community Trust. They're quite hard to get money out of, sometimes they give it to you and sometimes they don't. They tend to be more interested in arts than social welfare but sometimes when they get a lot of applications for welfare they'll decide that it needs to be a priority and we'll get the funding that we need" Organisation No. 5.

"There are a few organisations that deal specifically with sports groups or they give out to children under the age of 17. They have a very specific aim. You go to the people who will give you the money" Organisation No. 5.

Several respondents from larger organisations had similar complaints about their organisations being punished by some funders for being too successful:

"United Way have told us that we're too successful, too big to receive money so the money that we receive in the past we don't get anymore... funding for our services has been jeopardized because people see us as successful... it does also send a really interesting community development message out that if you're successful you will lose funding opportunities." Organisation No. 8.

Most respondents also had something to say about the types of applications that they believe funding providers are more likely to view positively. One observation that was made repeatedly was that it is easier to get funding from funders for projects and initiatives that are 'new' than for ongoing projects:

"if it's a new initiative, then you're more likely to get funding for that. But the trap with this is, if it's just seeding funding, where do you go after it? So you establish a good service and because it's successful you're often penalised for that" Organisation No. 10.

"Auckland City is the prime example of something which works actively to fragment community, because they will only fund a project for a year and not again, groups work to try and invent something or to translate their work into a new form just in order to fit the bureaucratic environments" Organisation No. 8.

A number of respondents also talked about writing successful applications with one noting that such applications need to be 'emotive but to the point' and several talking about how 'you get to understand how they think' after writing a number of proposals.

### **(3.7) Funder Capacity**

When respondents were asked to talk about instances where they had been unsuccessful with funding applications or only received part of what they wanted and give reasons

why they thought this was the case, the response was almost always that the funder did not have enough money to go around that year:

“they had a higher number of applicants and only so much money to give out”  
Organisation No. 5

"they just say that you don't come under their criteria, or there's been so much applying that you didn't get it this time" Organisation No. 3.

“I know there was a huge demand on the Wellbeing Fund this last year, you know an unprecedented number of applications, so you know, they're obviously trying to meet a lot of need with a limited pot of money”  
Organisation No. 4.

Respondents seemed to acknowledge and accept the position of funders having a limited capacity to fund different projects:

"I don't know how the funding agencies work but I'm assuming they can give out \$5000 lots to different organisations, maybe they're happier to do that than to give one big lot, although I know we did get \$56000 from the ASB to do our roof and we've never been turned down from them. With the ASB Trusts if you own a percentage of your property they seem to help you more." Organisation No. 3.

Most respondents also acknowledged increasing competition for the limited amounts of funding available with several commenting about feeling torn between the need to compete and the knowledge that funding they receive comes at the expense of another organisation:

"I don't like the idea of competing with other organisations, I don't want to get it and someone else not get it. I don't know how you get away with that because you have to do your best application and you do what to get your money and it's awful you have to compete with someone else whose doing just as well as you" Organisation No. 3.

A number of respondents also indicated that they have changed the way they seek funding in response to this increased competition with some being selective about what they ask for:

"and that's why we go for smaller amounts because of that... you have to be realistic about what's out there and what's available", "for us \$100 was a big help" Organisation No. 3.

While others have opted to seek funders (usually government departments) with ‘deeper pockets’:

“obviously [organisation] has got a much bigger bucket of money and less demand” Organisation No. 6.

A couple of respondents also talked about the ethical problem they have when they apply

for funding to run a specific programme, then receive less funding than they asked for and are not able to provide the service/programme for which the funding was provided:

“Lotteries was the last one that we got some money but it was such a pathetic amount that I almost sent it back because you couldn’t possibly do even part of what we’d asked for the funding for.” Organisation No. 9.

### **(3.8) Other Considerations**

Respondents also mentioned a number of additional factors that impact on where and how they seek funding.

#### *Fundraising*

A number of respondents talked about fundraising either in terms of being successful in the case of a couple of larger organisations or in terms of wanting to find alternatives to traditional fundraising as this activity takes a lot of time from volunteers that smaller organisations in particular do not have.

"we are looking at how to get funding without having to fundraise because fundraising takes a lot of time" Organisation No. 3.

“We’re really too busy doing working to go fundraising” Organisation No. 5.

A number of respondents indicated that their organisations sell goods that are either donated or purchased from local suppliers and resold for a profit. Several respondents also indicated their organisations are looking to increase this sort of activity as traditional funding becomes harder to acquire.

One respondent made the point that organisations offering services to the poorest people cannot raise revenue by charging for these services and are likely to find it more difficult to raise funds in their local community if that community is full of poorer people.

“we run that [service] free for mothers because most of the ones that come to us are on low income and they can’t afford to access quality services and the ones that need it the most are the ones that are least likely to be able to afford it” Organisation No. 5.

Often the people most likely to need many of the social services offered by community organisations are also the people least likely to be able to pay for them.

One interesting story came from an organisation that wanted to buy land and build a new facility but could not get initial funding to do this. Instead their members contributed money to which they added the labour of their members to buy and ‘do up’ a house which they then resold at a profit. Each time they reinvested the profit in a better house and went through the process again until they had raised enough money to buy the land they needed. This example may suggest that organisations with greater internal resources (such as committed members, and members with capital) may not need to be as dependent on outside funding as organisations that do not have these things.

### *Ethics*

One of the respondents indicated that their organisation would not apply to certain types of funders for ethical reasons:

"In a way we were quite pleased to be turned down by the Sky City Community Trust because we had a bit of a moral dilemma about should we apply in the first place. Half of us weren't really happy with that. We won't apply again."  
Organisation No. 5.

Another respondent commented that "the only thing wrong with tainted money is there t'aint nearly enough" suggesting that organisations have different ethical values that influence who they approach for funding.

### *Neutrality*

Interestingly while most respondents were quite happy to receive money or continue to chase money and contracts from government, one respondent indicated their organisation had decided they did not want money from government:

"we don't want government funding, we want to be totally independent. It's partly we don't want to be beholden to them in terms of them dictating how we operate." Organisation No. 3.

## **(3.9) Non-Monetary Support**

A number of respondents interviewed expressed a concern about focusing too much on measurable monetary support and not giving adequate attention to organisations, businesses, and other groups that provide significant non-monetary support to them.

Types of non-monetary donations mentioned by respondents included assistance with postage materials, computers and software, office furniture, vehicles, food, clothing, and general goods for use in various fundraising efforts. Respondents indicated that this sort of non-monetary support is essential as it is not always possible to obtain funding for these goods through normal funding channels.

#### (4) Review: Factors Influencing Funding Distribution

It is perhaps most useful when looking at results from this study to focus on some of the factors identified in the literature as potentially influencing funding distribution, with an eye to establishing whether responses from interviews and collected funding data support the possibility of these factors influencing funding distribution in Waitakere.

##### **Service Provision**

The notion that funding distribution is influenced by the types of services an organisation chooses to provide is perhaps the most obvious and easiest to establish. There were noticeable differences between the funding received by different types of organisations within the data collected. For example: noticeably smaller contributions were made by non-government funders to budgeting and domestic violence related services than to disability related services.

This is largely unsurprising as different types of organisations/services are likely to require different levels of resourcing and may receive differing levels of support from government which would in turn influence the funding they receive from other sources (e.g. non-government funders may provide less funding to domestic-violence-related organisations as they may believe government has a primary responsibility to fund these services).

##### **Organisation Size & Capacity**

The idea that the relative sizes and capacities of community organisations are likely to influence the way funding is distributed is also supported in some results from this research. The cost of applying for funding was a popular topic in many of the interviews with respondents often commenting about the way smaller organisations in particular are disadvantaged when it comes to applying for funding due to compliance costs inherent in applying for funding and the limited resources they have at their disposal, time in particular. As the funding data collected is not comprehensive (a number of larger and smaller organisations register as receiving no funding), it is difficult to surmise whether a majority of smaller organisations in the data in fact received less funding during the period covered by this study. Responses from interviews would seem to suggest that this might be the case.

##### **Organisation Structure & Management**

The effect that different organisational structures and management arrangements might have on funding distribution among community organisations is more difficult to establish. The organisations interviewed as part of this study all had slightly different management structures with some of the national organisations in particular differing quite significantly in terms of the balance of power between national bodies and local branches. One organisation appeared to have an organisational structure that was so rigid as to prevent local branches from taking advantage of any local funding opportunities

while another operated so loosely that branches applied for grants completely independently of one another to the extent that funders might occasionally receive several applications from different branches of the same organisation. These different internal structures would manifest differently when examining the funding that each organisation receives and this suggests that the way funding is distributed among organisations may well be influenced by the different internal structures and management systems that exist within individual organisations.

## **Expertise**

It is perhaps self-evident but responses from the interviews do seem to support the notion that the amount of expertise that exists within organisations is likely to influence the way funding is distributed. All respondents interviewed agreed that the success of their various organisations in obtaining funding was due to the expertise and experience they and/or others within their organisation were able to utilise. There was a tendency in the interviews for respondents from smaller organisations to be the only 'expert' within their organisation and the only person submitting applications while those from larger organisations while still being largely involved in submitting funding applications were more likely to mention having assistance from paid staff, board members, or other experts within their organisation. This suggests that the level of expertise within an organisation may be linked to the relative size of that organisation.

## **Funding Requirements**

It is difficult to establish the exact effect that different types of funding requirements have on funding distribution. However the interviews suggest that these requirements certainly do influence the behaviour of community organisations. Organisations are more likely to apply for funding from organisations where they believe they may have a better chance of succeeding. This suggests that some funders may receive more applications if community organisations believe their requirements are fair and obtainable. Requirements set out for receiving government contracts are viewed as being very complex meaning that only large community organisations that have significant expertise and administrative capacity are likely to be able to meet them.

## **Funding Priorities**

Similarly the priorities that funders place on different types of funding applications are also used to decide which organisations receive which funding and must therefore directly influence funding distribution. Those interviewed identified two observed trends in priorities utilised by funding providers, both of which would have notable effects on funding distribution. The first trend involves some funders seeming to prefer funding projects that are 'new' while the second involves some funders declining applications from larger organisations that they may perceive as being too successful. It is not possible to establish for certain whether either of these trends is in fact occurring using data collected within this study however a study of the priorities and criteria used by different



funding providers when deciding which organisations should receive funding would shed some much needed light on this area.

## **Funding Capacity**

The extent to which the funding capacity of funders may influence overall funding distribution is likely to be more difficult to measure. It is reasonable to assume that if one funder suddenly increased or reduced the amount of funds available for distribution that this would have an immediate flow-on effect through the sector and the different amounts of funding available from different funders clearly influences the fund-seeking behaviour of community organisations. Responses from the interviews suggest that organisations may respond to differing amounts of available funds by applying to funders who have 'deeper pockets' or alternatively may settle for chasing smaller amounts of funding from funders with less money to distribute.

## **Perception**

The influence that the perceptions held by funders of different community organisations may have on funding distribution is also much more difficult to establish. Those interviewed clearly believe that the way their organisations are perceived is an important determinant of their success in obtaining funding. This may well be true however it may also be difficult to prove. Organisations that have a good public image and receive a significant amount of funding may also be quite large as a certain amount of resource capacity may be required to develop a wider public image making it difficult to determine the extent to which perception rather than sheer size may be responsible for the success of these organisations in obtaining funding. It is however reasonable to assume that the absence of a good public image might harm the funding chances of an organisation suggesting that perception does have an effect in determining which organisations receive.

## **Political Influence**

It is reasonable to assume that political influence also has some impact on the way funding is distributed among community organisations. A couple of respondents interviewed clearly received funding from government for specific work their organisations do which fits current political priorities while at the other end of the spectrum a number of respondents talked about ways they are currently trying to get their organisation and their issues onto the political and/or media agenda. This suggests that community organisations clearly recognise the importance of the political agenda in obtaining recognition and the funding they desire.

## **Other Factors**

Some other factors not directly addressed in the literature were also mentioned or alluded to during the interviews as factors influencing funding success.

A number of respondents mentioned the importance of having a 'connection' with funders and being 'in the loop' when applying for funding. It would be interesting to examine a number of 'connected' organisations within a specific region to see whether these organisations obtain more funding than their less connected counterparts.

Similarly a comment from one respondent about not applying to certain funders for ethical reasons indicates that different organisational values and ethical beliefs may also impact on funding distribution to some extent.

## **(5) Future Research**

The limitations of the study reported in working papers 3 and 4 mean there are many unaddressed areas that would benefit from additional research examining the experiences and approaches of both community organisations and funding providers.

Additional research investigating possible factors on the community organisation side could seek to examine: the internal structures utilised by different organisations and the impact these have on the ability of these organisations to obtain funding. Also the extent to which community organisations choose the types of funding they will apply for based on the size and capacity of their organisation, and the extent to which the perception community organisations have of certain funding providers influences their decisions to apply to these organisations for funding, are both areas that could benefit from some attention. Another interesting area for investigation related to community organisations could involve examining the way community organisations attempt to improve their public image through marketing and other activities and the effect this has on their success in obtaining funding.

This research project did not involve any direct investigation of the opinions/experiences of funding providers within New Zealand with regard to funding distribution. The absence of information from this important group leaves a clear information gap, especially in the area of Internal Funder Factors that may influence distribution, as information collected on these within this study is taken from the perspective of recipients/applicants only.

Subsequently future research in this area would do well to examine the experiences of funding providers with an eye to investigating: the extent to which funders determine their funding priorities based on available funds, the way funders prioritise funding applications based on perception of different organisations or public, political, or media agendas. Such research could also investigate the groups to which different funding providers are accountable and the way this may influence funding priorities, requirements, or decisions. Other areas of interest could include investigating: the extent to which funders collaborate/co-ordinate with other funders when identifying priorities and making decisions, the ways funders attempt to address the needs of smaller organisations in their application process and criteria, and the way funders decide which community organisations should receive funding when they have more suitable applications than they have funds available.