

# INVITING INVESTMENT IN SOCIAL ENTERPRISES: A PROSPECTUS FRAMEWORK FOR THE SOCIAL SECTOR



## COMMUNITY PROSPECTUS GRANTING GUIDELINES

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The Ross Trust acknowledges that most not-for-profit organisations must seek their funding from a diverse range of sources – government and philanthropic grants, commercial business sponsorships and donations from businesses and individuals. One of the aims of the Ross Trust is to help not-for-profit organisations improve their capacity to source the funds they need to meet the community's needs.

In November 2007, the Ross Trust published *Inviting Investment in Social Enterprises: A Prospectus Framework for the Social Sector*, to assist organisation build their capacity to source the funds they need. This publication is designed to be a user-friendly guide for not-for-profit organisations in how to prepare a prospectus-style document to communicate clearly the case for potential donors to invest in the organisation and its work. *Inviting Investment in Social Enterprises* is available for downloading at [http://www.rosstrust.org.au/docs/RERoss\\_Prospectus.pdf](http://www.rosstrust.org.au/docs/RERoss_Prospectus.pdf).

### Is my organisation prospectus ready?

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To assist organisations considering embarking on the development of a prospectus the Ross Trust has developed a checklist to ensure organisations are “prospectus read”. The checklist has been designed as a guide for organisations to be aware of some of the necessary and recommended groundwork that should be undertaken prior to developing a prospectus.

If you are able to answer yes to all or the majority of the checklist questions and have read *Inviting Investment in Social Enterprises: A Prospectus Framework for the Social Sector*, then your organisation may be eligible to apply to the Ross Trust for a small grant to assist with the initial phase of developing a community prospectus.

If you are **unable** to answer yes to all or the majority of the questions on the checklist, your organisation is probably not ready to develop a prospectus. If this is the case, we suggest you use the checklist and the *Inviting Investment in Social Enterprises: A Prospectus Framework for the Social Sector* can be used as gap analysis tools for your organisation to become prospectus ready.

## MUST HAVES BEFORE DEVELOPING A PROSPECTUS

Does your organisation have a business and/or strategic plan?	Y/N
Does your organisation have a clear, mission, vision and purpose?	Y/N
Has your organisation developed a system for measuring and reporting your performance against your organisation's objectives and/or broader social mission?	Y/N
Does your organisation regularly produce an annual report?	Y/N
Does your organisation have a specific fundraising objective to be achieved by developing a prospectus?	Y/N
Does your board and/or senior managers have two free weeks to devote to developing a prospectus?	Y/N
Has your organisation considered how a prospectus will be used to communicate with potential investors?	Y/N
Do you have a plan on how a prospectus will fit into your communications and fundraising strategies?	Y/N
Do you know exactly who the target audience for your organisation's prospectus will be?	Y/N

### Do you have electronic, easily accessible copies of the following documents?

• Your organisation's mission, vision, purpose	Y/N
• Your audited accounts	Y/N
• Annual reports	Y/N
• Legal structure of the organisation	Y/N
• Tax structure of the organisation	Y/N
• Governance structure and organisation chart	Y/N
• Overview and biographies of board members	Y/N

### Things to consider while developing a prospectus:

• Do you have a plan for conducting training for staff and board members on the purpose of the prospectus and their role in using it as a tool for inviting investment in the organisation?	Y/N
• What tools will be used to report to investors and supporters who are attracted to your organisation from the prospectus?	Y/N

### Initial phase of developing a prospectus

The Ross Trust defines the initial phase as including but not limited to:

- Senior staff and board members initial foundation work including: the pulling together of, appropriate; documents and setting the vision and drafting the outline of the prospectus.
- The hiring of an external (communications, business or marketing) consultant to assist your organisation research and write the prospectus;
- The development of a marketing plan laying out how the prospectus will be integrated into your organisation's overall marketing and fundraising strategy. The plan should include the prospectus's target audience for the prospectus and how the prospectus will be used to communicate with them.
- Training for the board and staff in how to use the prospectus as an effective communications/marketing tool for your organisation.

## Eligibility

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### To be eligible to apply for a grant to develop a prospectus you must:

- Be an organisation either operating in Victoria or proposing to use the funds in and for the benefit of Victorians.
- Have an ABN (Australian Business Number).

### You do not need to be:

- Incorporated (although the Ross Trust prefers that you are); or
- an organisation with Deductible Gift Recipient (DGR) status; or
- an Income Tax Exempt Fund (ITEF).; or
- a Tax Concession Charity (TCC).

### Trust will not support applications submitted by:

- Organisations which are too restrictive to groups defined by religion or ethnic origin.
- Individuals for the benefit of nominated individuals.
- Sporting clubs or projects that promote sport for sports sake.
- Arts' organisations that promote arts for arts sake; however the Trust will fund arts' organisations that use arts initiatives to improve public education or that facilitate the improvement of social outcomes for disadvantaged Victorians.
- Organisations that provide health and medical services; however, the Trust will consider supporting organisations that assist people severely disadvantaged in accessing the public health system and initiatives that support early intervention, prevention and health promotion.
- Organisations conducting scientific, including medical, research.
- Doctoral and post-doctoral researchers.
- Organisations that promote the protection and welfare of domestic animals.

## Ross Trust granting priorities

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To be eligible to apply for a grant to develop a prospectus, your organisation must be working towards achieving impact in **ONE** of the Ross Trust's nominated impact areas as listed below. Please refer to the Ross Trust Granting Guidelines for further detail on the Impact Areas.

### ➤ **Impact Area A: Improvement of social and economic outcomes for the most disadvantaged and vulnerable people in Victoria**

The Trust's current priorities under this impact area are:

- those experiencing financial disadvantage;
- family violence;
- homelessness;
- people with cognitive impairment, mental illness and psychiatric disabilities;
- offenders, ex-offenders, those at risk of offending and their families;
- refugee and asylum seekers;
- those living in very small rural communities; and
- indigenous Australians.

- **Impact Area B: Improvement of outcomes for children in their early years**
- **Impact Area C: Improved access to and achievement of equity and excellence in public education**
- **Impact Area D: Protection and preservation of Australian indigenous flora and fauna**

## **Size and length of periods of funding available**

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Organisations are eligible to apply to the Ross Trust for a small grant up to \$10,000 for the initial phase of developing a prospectus. Organisations will have up to 12 months to complete this initial phase. To gain an appreciation of previous grants made by the Ross Trust for completing a prospectus, we suggest that you review the latest Ross Trust Annual Report available at [www.rosstrust.org.au](http://www.rosstrust.org.au) to gauge the mix of activity the Trust has funded in the past financial year.

## **Closing dates**

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The Ross Trust has **no formal closing dates** for the submission of applications. The Trustees meet throughout the year and applications will usually be considered at a meeting of Trustees within six to eight weeks after an application has been received by the Trust.

## **Lodgement and receipt of applications**

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All applications to the Ross Trust for the purpose of **developing a community prospectus** must be made on the special **community prospectus application form** available for download at [www.rosstrust.org.au](http://www.rosstrust.org.au) and can be supported by a covering letter of up to three pages summarising why the Ross Trust should support your application.

When submitting your application, please provide **seven (7) unbound copies** of the application and covering letter. Where possible we encourage the copies to be double sided.

Please note that only one copy of your organisation's latest Annual Report, audited financial statements, ATO documents and incorporation certificate need to be provided.

You may lodge your written application by **post or delivery to The R. E. Ross Trust, 7th Floor, 24 Albert Road, South Melbourne, Victoria 3205.**

The Trust will acknowledge **receipt of your application** in writing within 10 days of it being received. Applications received only via email **will not** be processed.

Please **do not provide** any additional materials, such as CDs, DVDs, videos to support your application. If you do send these without a direct request from Ross Trust staff, they will be disposed of.

### **Telephone assistance prior to submitting a written application**

Staff members are happy to answer any questions applicants may have about the Ross Trust guidelines or application process or to provide clarity to an organisation not sure if their application meet's the Ross Trust's funding guidelines and priorities.

A telephone call may save you going to the considerable effort of preparing an application that may not be eligible.

To speak to a member of staff, you can telephone the Ross Trust office on 03 9690 6255.