



# West Somerset Railway Association

The Railway Station, Bishops Lydeard TA4 3 BX

## WSRA POLICY No F3 : Admin and Fundraising Costs Policy

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### Background

In the early years of the 21st Century the WSRA turned its attention to 'trading' rather than fundraising for its sustainable income and over time this caused some frictions on the railway. In 2015 an external review of the WSRA, reached the clear conclusion that the WSRA should not trade in competition with the WSR PLC. This signalled the need for a significant change of direction for the WSRA and a broad understanding of the function of each of the different organisations that make up the West Somerset Railway.

As a result of this process, during 2019 the WSRA turned its attention to fundraising and grant giving for the first time in several years and close to £250,000 was raised and granted to projects on the West Somerset Railway. At the end of that trading year the WSRA's trading concerns were sold to the WSR PLC as going concerns. The WSRA now derives its income from grants, donations and membership fees, along with income received from the hiring out of assets.

In order to operate efficiently and effectively and protect its heritage assets, the WSRA must incur some overhead and administration costs. These range from technology, utility and admin costs to the costs of maintaining a small core of essential staff to help Trustees raise funds, achieve objectives and manage the membership and the charity. There are also legal, accounting, professional and insurance costs that need to be covered.

### Process

As part of the transition the WSRA needed to reassess its overheads and other costs in order to direct the majority of its funds towards its key purpose of Supporting the Heritage of the West Somerset Railway. All costs were assessed by the finance committee along with the ratio of general donations to project donations received, and an acknowledgement that the WSRA had been losing money on administration and overhead costs.

### The Policy

The finance committee recommended to the board that 9% of project funding raised be used to support the overhead costs of fundraising. It was emphasised that this means that over 90% of all project funds raised will be used for delivering specific projects. This is an excellent record for any charity. This policy was agreed by the board in their meeting of 27<sup>th</sup> March 2020 and the General Manager was asked to draft a new policy.

As this is still new territory for the WSRA the policy will be reviewed annually alongside the End of Year accounts to ensure that it still delivers adequate security for the charity and best value and transparency for the donors and funders.

Policy Author	Jacque Green – General Manager
Date confirmed by WSRA Board	27.03.2020
Date Implemented	01.04.2020
Review Interval	Annually – with end of year accounts.
Next Review Due	March 2021, March 2022, March 2023.