**Pledge Letter Sample**

**This pledge letter has been written and used successfully by many communities. It is designed as a suggestion of the letter you might send to anyone who indicated in your questionnaire that they would be willing to consider investing and/or making a donation to your project. You will need to tailor the letter to suit your own situation, but this has been provided to help you get started. Where there is orange text, you will need to enter in your own information.**

**Dear [resident name],**

This letter is from the fundraising members of the [name of your community group] Steering Group, which has been formed to raise the funds required to **[purchase our village shop premises/local pub/other project]**.

**The Finance Team**

We are [list names of those on the team]. We are part of a larger team of volunteers who have been working hard to establish the necessary business framework to make **[the establishment of local shop/saving our local pub…]** a realistic proposition.

**Sources of Finance**

We are currently researching what grants may be available, both locally and nationally, but is clear that these will only form a small part of the fundraising that is required. We have a tight timescale, and we are likely to need to raise around **£XXXX in order to…**

As part of the grant applications, we need to establish how much the community is willing to invest, and whether there is a genuine willingness in the village to contribute sufficient funds to make the project work.

You were kind enough to indicate in the recent questionnaire we distributed that you would consider **investing in, and/or making a donation**, so we are contacting you now to ask more specifically what you would be prepared to contribute. However, rest assured that we are not just contacting you, and we will be offering the same opportunity to all members of the community.

**Legal Structure**

We are forming a company in which villagers can invest by buying shares. The primary objective of the company is to run the **[shop/pub/business]** for the benefit of the community, and in the longer term, if there is any surplus, to use this for the benefit of the wider community of **[community name].** The company itself will be a Community Benefit Society and will be registered with, and regulated by, the Financial Conduct Authority.

Anyone who invests the minimum of **[for example, £10**]. which will be the price of single share, will have a vote and therefore a say in the affairs of the business at General Meetings, and it is the intention that there will be a committee of members to oversee the day-to-day running of the business. Of course, we welcome bigger share holdings (legal maximum is £100,000) but the business will operate strictly on a one member, one vote basis, regardless of how many shares you hold.

The Company will not pay dividends to shareholders but you may be able to recoup your initial investment in the future by selling your shares back to the Company. To give the business a chance to establish itself we will need to agree an initial period **[of five years, or whatever you choose]** during which time the buying back of shares will be restricted, but thereafter the expectation is that there may be profits to fund withdrawals within parameters agreed by the members.

**Business Plan**

We have prepared a business plan and firmly believe that with your support the business will be profitable, provided that we ensure we are responding to what you, our community, needs. A separate sub-committee is already working on this plan and proposals to make sure that the business is a success.

**How You Can Help**

The more people who are able to pledge a donation, however small, or buy shares, and the wider the section of the community that is involved in our project, the greater the likelihood of success. We appreciate that some people will not be interested or able to purchase shares and may prefer to make a donation instead, for which we would be extremely grateful.

To help us judge the level of support we have, we would be grateful if you would fill in the enclosed form with how much money you are prepared to pledge. No money changes hands at this stage, and this is not a final commitment on your part. More financial information and details of the proposals will be provided in due course before you decide whether you would like to buy shares or make a donation. If you wish to post the form back to us, please try to get it to us by **[date**] and send it to the address below.

Alternatively, a member of our team will call to collect the envelopes over the next 2/3 weeks. We appreciate that many of you will want your pledges to be kept confidential and so only one member of the steering group will open the envelopes and will provide the rest of the group with the totals only.

If you have any questions about the formation of **[name of project]** or the proposed share structure then please feel free to speak to: **GIVE NAMES AND CONTACT NUMBERS**

Yours sincerely,

NAME NAME

Title (EG. Chair of Management Cttee (e.g. Secretary of Management Ctttee)