



Community &
Voluntary Services
cheshire east

Income Generation Strategy session 1

Welcome and Introductions

welcome

Aims and Outcomes

To equip you and your organisation to plan for the future, identifying a diverse range of funding opportunities through a strategic approach to income generation...

By the end of this session you should have increased:

- Knowledge of the component parts of an income generation strategy
- Understanding of the Funding Spectrum

What we'll cover today:

- Overview of the course
- Component Parts of an income generation strategy
- Where to start
- Income Spectrum
- Tried and tested sources of income



The Funding Environment....

- Political
- Economic
- Sociological
- Technological
- Legal
- Environmental

What is an Income Generation Strategy?

Component Parts

- Summary and Overview
- Review of Current Income
- Budget
- SMART targets
- Stakeholder analysis
- Regulation
- Investment
- SWOT
- Action Plan

Sources of income for voluntary organisations

Plan your organisation's future funding

There are four main streams of income. Each is accessed and managed differently and relies on a particular relationship, whether with an individual or an organisation. Having a good relationship with the donor, funder, purchaser or customer is crucial.

Asking and earning

Working with gifts or grants, you usually define the aim of your work and ask for support to make it happen. With contracts and the open market, the purchaser or customer usually defines what they want to pay for and you earn income by meeting their requirements.

Gifts

Donor relationship

Gifts are made to further the mission of the organisation. This includes community fundraising, individual giving, regular donations, philanthropy, corporate support, legacies and much more. Often this income is unrestricted, as the donor trusts the organisation to use the money to achieve its aims.

Grants

Funder relationship

Restricted funding to deliver specified outputs or mutually agreed outcomes. Most often there is an application process, the funder has clear expectations about what will be achieved and they will monitor how the grant is used.

Contracts

Purchaser relationship

Payment for provision of products or services according to agreed terms with a third party purchaser from the public, private or voluntary sectors. There is usually a competitive tendering process at the start and contract management throughout to check that the objectives are being achieved.

Open market

Customer relationship

Selling products or services to customers, not as part of a long-term structured contract. The open market includes trading and enterprise activity such as providing education, training, paid-for advice, selling publications or other retail. Trading can directly further the organisation's mission or can be purely to generate profit. Any surplus income is unrestricted.

Donor or customer?

Income from sponsorship, membership and fundraising events can be gifts or can be in the open market. It depends on whether the person or organisation is understood to be getting a product or service in exchange for their money. If they are, they are a customer, if not they are a donor. This affects tax and Gift Aid.

Social investment

Social investment means the different types of financing used to create social impact. This includes loans, bonds, capital, equity and many other types of investment in voluntary organisations. Full details are available on Social Investment Made Simple <http://ncvo.org/SocInv>

Investment income

Investment income includes rent from property, dividends, and interest on deposits. Investments by voluntary organisations generate a small but significant share of the sector's overall income. Wise investment is part of sound financial management, as discussed on the NCVO website www.ncvo-vol.org.uk/sfp

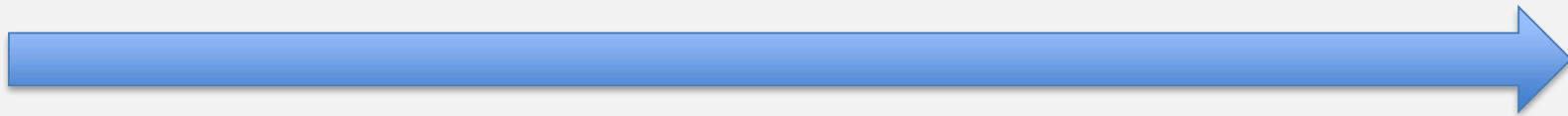
Gift Economy – Open Market

Donations

Grants

Contract

Trading



Overview and Key Messages

Mission and Aims

Beneficiaries

Values regarding Funding

Key marketing messages

GOAL

Questions

- Take away task
- Future Weeks
- Offers of expertise

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