**Diversifying Income and Sustainability for Charity Leaders: Half Day Webinar Worksheet**

## Activity 1: Current income mix

Have a go at plotting your current fundraising mix into the blank pie chart (or table if you are working online).

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| **Income type / stream / source** | **£ value last year** | **% of overall income** |
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| What are the relative strengths and weaknesses of your income mix?  Where are your key areas of risk? |

## Activity 2: Considerations when diversifying income

What should trustees and charity leaders consider when exploring options to diversify or grow income? Use the space below to capture useful ideas/suggestions from the group chat.

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| EG: Awareness of future income needs; Confidence that all sources of income have been considered; Understanding of the costs of different income generation activities so they have reassurance resources are being used effectively; Assessment of whether plans are delivering intended results |

## Activity 3: Case Study (see appendix)

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| Notes from Room discussions: |

## Activity 4: Useful tools and models

**Activity: Portfolio analysis**

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| **Heart** | **Stars** |
| **Stop** | **Money trees** |

Are you too heavy in one area, to the exclusion of another?

Is there anything you can do in your ‘Heart’ quadrant to make them more cost-efficient or able to generate an income – to move to ‘Stars’?

Can you make your ‘Money Trees’ more impactful, to move to ‘Stars’?

## Activity 5: Key fundraising principles for trustees

What would you need to have in place to make sure the six principles are followed? Work through the prompts provided.

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| **Principle** | **What do we have in place already?** | **What else might we need to consider?** |
| **1. Plan effectively:** This is about you and your co-trustees agreeing or setting, and then monitoring, your charity’s overall approach to fundraising. Your fundraising plan should also take account of risks, your charity’s values and its relationship with donors and the wider public, as well as its income needs and expectations. ​ |  |  |
| **2. Supervise your fundraisers:** This is about you and your co-trustees having systems in place to oversee the fundraising which others carry out for your charity, so that you can be satisfied that it is, and remains, in your charity’s best interests. It means delegating responsibly so that your charity’s in-house and volunteer fundraisers, and any connected companies, know what is expected of them. If you employ a commercial partner to raise funds for your charity, the arrangement must be in the charity’s best interests and comply with any specific legal rules and standards that apply. ​ |  |  |
| **3. Protect your charity’s reputation and other assets:** This means ensuring that there is strong management of your charity’s assets and resources so that you can meet your legal trustee duty to act in your charity’s best interests and protect it from undue risk. It includes ensuring that there is adequate consideration of the impact of your charity’s fundraising on its donors, supporters and the public, making sure that your charity receives all the money to which it is entitled, and taking steps to reduce risk of loss or fraud. ​ |  |  |

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| **4. Comply with fundraising law:** The legal rules that apply to various types of fundraising can be detailed and complex. They cover compliance in important areas such as with data protection law, licensing, and working with commercial partners. There are new rules in the Charities (Protection and Social Investment) Act 2016 which affect some charities that fundraise. You should make sure that your charity has access to sufficient information and appropriate advice to ensure that its fundraising complies with all relevant legal rules. ​ |  |  |
| **5. Follow recognised standards:** These are in the Fundraising Regulator’s Code of Fundraising Practice. The Code outlines both the legal rules that apply to fundraising and the standards designed to ensure that fundraising is open, honest and respectful. The Commission expects all charities that fundraise to fully comply with the Code. ​ |  |  |
| **6. Be open and accountable:** This includes complying with any relevant statutory accounting and reporting requirements on fundraising and using reporting to demonstrate that your charity is well run and effective. In your fundraising communications it is about being able to effectively explain your fundraising work to members of the public and your charity’s donors and supporters. ​ |  |  |

## Appendix: Diversifying Income Case Study

What would you need to have in place to make sure the six principles are followed? Work through the prompts provided.

You are the new CEO of a small charity that has been running for a number of years, providing counselling and therapeutic support targeted at children and young people in Dagenham. One of the priority areas trustees have asked you to look at is the financial model for the charity and to develop a fundraising strategy. You are aware that the organisation has tended to ‘lurch’ from one difficult financial situation to another, luckily in the past something has always come in whether that be an anonymous donation, a grant or a legacy.

You have completed some initial research including analysing past income records, looking at other, similar organisations to benchmark and pulled together your findings in a SWOT analysis.

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| Income received from 1st Jan – 31st Dec | | |
| **Type** | **Amount Rec'd** | **Notes** |
| Charitable Trust | £98,325.40 | Includes CiN and Lottery, plus a range of other trusts |
| Corporate | £83,105.42 | Includes donations, COY, Events, sponsorship etc. |
| Private Individuals | £170,435.41 | Donations, sponsorship etc, volunteer-run events etc plus £50K legacy received in November. |
| General donations | £12,574.76 | Includes churches, community groups, schools |
| Health Authority | £32,600.00 | CCG for Supervision |
| Education | £10,171.55 | Inc. Outreach etc. |
| Events | £30, 655.00 | Includes our own organised events such as annual ball, Golf Day, quiz nights, pamper nights |
|  | £437,867.54 |  |

SWOT analysis

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| **Strengths**   * High quality services, well-regarded and valued by client group. * Have had some success with developing relationships with Clinical Commissioning groups although early days yet * Have been using a CRM for a number of years and the information in there is of good quality. It shows an excellent resource of networks and contacts to support potential growth in individual and corporate giving. * Compelling case for support – poignant history, emotive cause and data/statistics to show significant need/impact on mental and physical health. * Have some solid events e.g. Annual Dinner which has sponsorship and is well attended however could be doing more to optimise post-event (see opportunities) | **Weaknesses**   * Current staff and board time is at capacity * Stewardship plans not in place consistently across donor segments which has meant that existing donors and supporters are not followed up with to increase their engagement. * Monitoring and Evaluation processes could be improved to better demonstrate consistently across all programmes the difference that the charity makes * Fundraising skills have been learned ‘on the job’ and staff and Board members do not all have the appropriate skills to support changes to plans. |
| **Opportunities**   * Maximising events through follow up and stewardship to build individual and corporate giving. * Increase regular givers * Using Charity of the Year e.g. Eversheds to widen networks and increase individual donors * Potentially ability to develop a major donors programme – need to drill into database to agree/define threshold. * Tapping into Youth market – via schools, young ambassadors, Youth Council. * More could be made of Charitable Trusts - potential to widen scope of trusts we apply to * Trustees have indicated a willingness to invest in capacity and staff resources up to £25K per year. | **Threats**   * There are a number of competing causes that may be more popular locally. The Children's hospital/hospice services may also be attracting the same donors as our charity is hoping to reach. * Uncertainty around CCG funding and commissioning priorities may have a knock-on effect on fundraising need. |

You are preparing a paper for the Board with recommendations on options to diversify income and where to invest the £25K in capacity.

* What factors would you take into account in your recommendations?
* What gaps do you have in your information?
* What questions do you think your Trustees will have?