

# An introduction to Sustainable Funding



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Here is Edward Bear, coming downstairs now, bump, bump, bump, bump, on the back of his head, behind Christopher Robin.

It is, as far as he knows, the only way of coming downstairs, but sometimes he feels that there really is another way...if only he could stop bumping for a moment and think of it.

A.A. Milne, Winnie the Pooh, 1926



# What is Sustainable funding?

**It is about having STABLE funding inc:-**

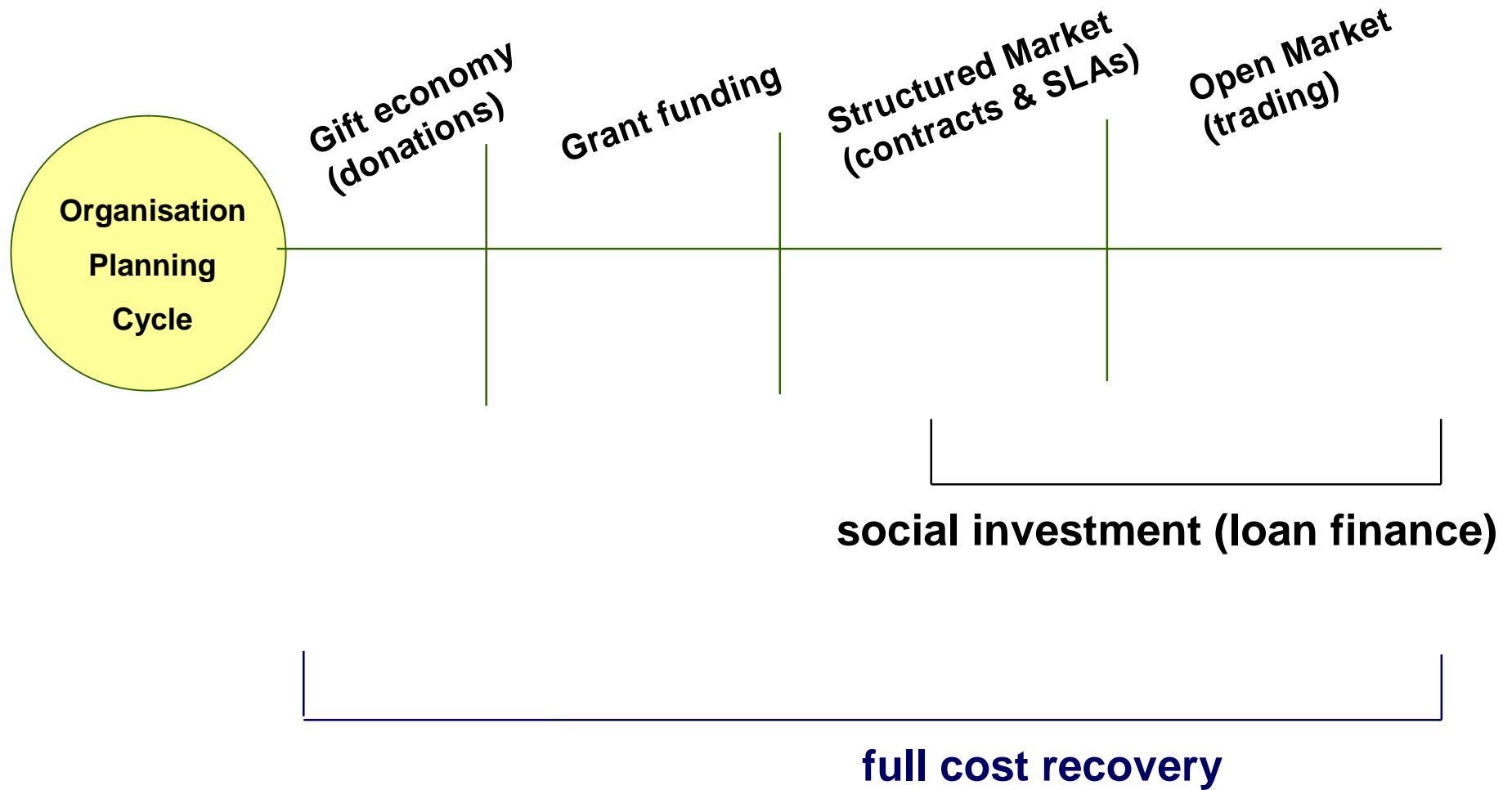
A mixture & range of income sources

A loss of one source does not threaten organisation viability

Ability to predict more accurately future resource levels

Plan for the longer term

# An holistic approach...



# Sustainable funding?

**It is about having SUITABLE funding inc:-**

A wide range of funding & finance options

An understanding of what is available & what each can offer is vital

# Sustainable funding?

**It is about having SUFFICIENT funding inc:-**

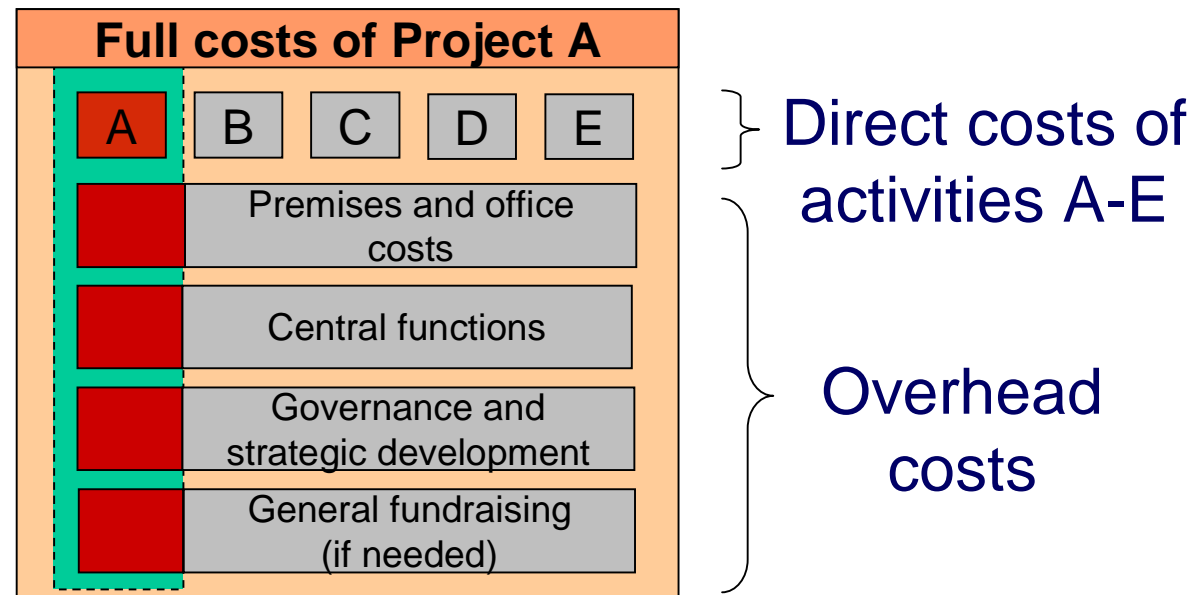
An understanding of your organisations costs

Allowing for informed decisions about grants, contracts, etc.

Leading to effective planning & growth

# Ensuring you understand your cost base and recover it

**Full cost recovery simply means securing funding for, or 'recovering', all your costs, including the direct costs of projects and all the organisational overhead costs.**



**The full cost of an activity or project = the direct cost of that activity + the appropriate portion of all other costs in the organisation**

# Why sustainable funding?

## The Context

- ü Stagnant giving, rising need

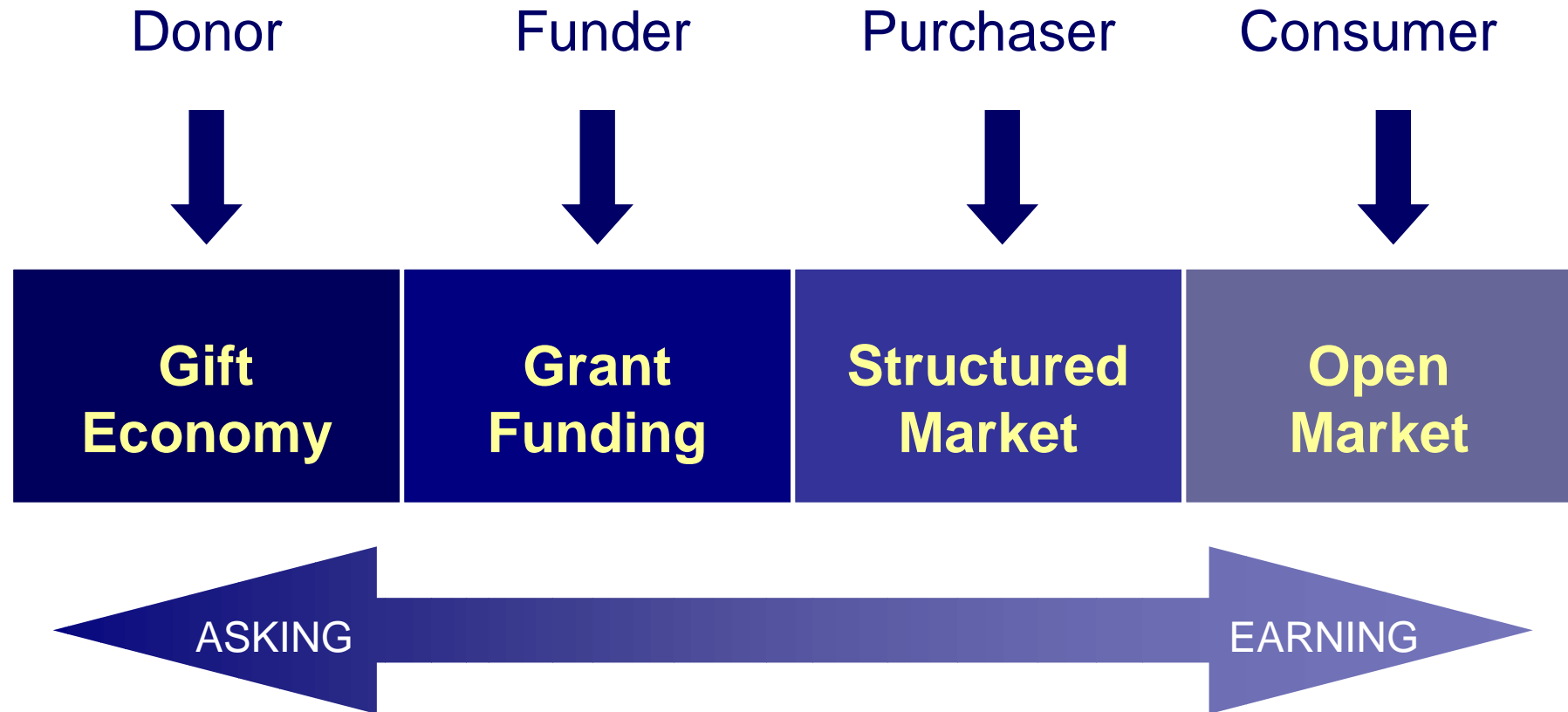
- ü Reducing pots of money

- ü The limitations of short-term project funding

# Why sustainable funding? Opportunity

- ü **Grant-makers' engaged approach**
- ü **Hunting for hidden assets**
- ü **Increased public service delivery**
- ü **Finance initiatives – e.g. Futurebuilders**

# Funding streams and relationships



# Are you an octopus or a train?

...Or something in between?

## An octopus organisation -

- pulled in different directions
- little reference to mission and strategic objectives

## Or a train -

ü on track

ü you're driving

ü fuelled by funds

‘Too many non-profit organisations are financially stagnant, raising and distributing funds the same way they have done for decades...

A non-profit that is run for profit sounds like a contradiction in terms.  
But it doesn't have to be.’



**Bill Shore, Revolution of the Heart**

'In 20 years of promoting income generation he has yet to meet a “non profit” that is void of income generating potential all together.



**United States Pioneer, Jerr Boschee**