

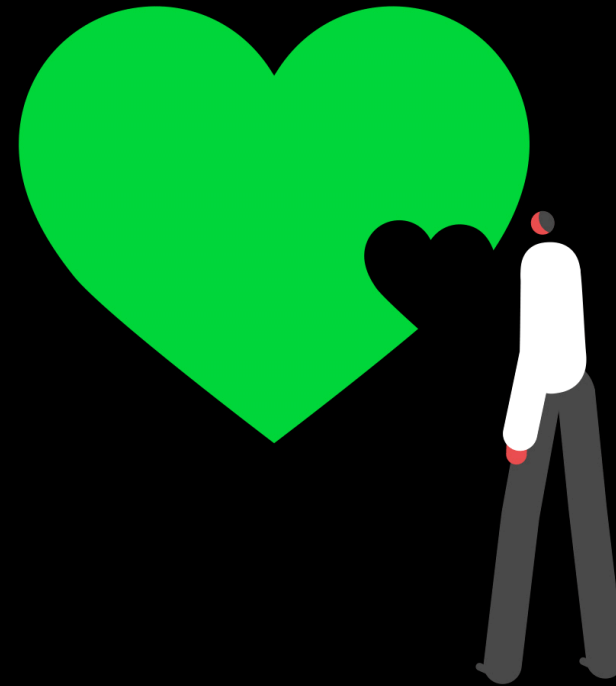
Building financial sustainability for your charity



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Sage Intacct



Agenda

- **Creating sustainable financial plans, manage reserves and effectively forecast**
- **Ways to build a reliable and balanced income portfolio**
- **Deepen donor engagements and build long term support loyalty**

Output from Co-pilot

To build financial sustainability, charities need to focus on several key areas:

From your document:

1. **Financial Governance:** This involves the mechanics of finance such as transaction processing, controls, management information, and sign-off on bids, costing, and cost recovery. Operational aspects like income, expenditure, reserves, balance sheet, and cash flow are crucial elements to consider.
2. **Strategic Importance:** It's essential to ensure that finance is seen as important within the organization. This means that budget-holders need to take action based on financial insights.
3. **Cultural Aspects:** Understanding the mission and role of the charity, funding requirements, sources of funding, reserves needed, resources needed, and collaboration required are all part of building financial sustainability

From your company:

1. **Diversified Income Streams:** Charities should look at key fundraising tactics, diversified income streams, and smart financial planning to help the organization thrive even in challenging times.
2. **Donor Engagement:** Strengthening donor relationships, optimizing grant applications, and building a reliable recurring revenue model are essential strategies.
3. **Long-term Planning:** Sustainable financial planning, managing reserves, and effectively forecasting are crucial for long-term success

Output from Chat GPT



Building financial sustainability is how charities can fulfill their mission. Here's how they can do it:

1. Diverse Revenue Streams

- **Donations:** Secure funding from individuals and corporations.
- **Grants:** Apply for grants from government and private organizations.
- **Earned Income:** Offer services or products related to the mission.
- **Memberships and Subscriptions:** Create membership or subscription programs.
- **Events and Campaigns:** Organize fundraising events and campaigns.

2. Strategic Financial Planning

- **Budgeting:** Develop a realistic budget aligned with goals.
- **Reserves:** Build and maintain financial reserves.
- **Investment:** Invest surplus funds wisely.

3. Strong Donor Relationships

- **Engagement:** Build trust and communication, transparency.
- **Retention:** Focus on retaining existing donors and attracting new ones.
- **Stewardship:** Show appreciation and offer special programs.

4. Cost Efficiency

- **Operational Efficiency:** Minimize overhead costs.
- **Partnerships:** Collaborate with other organizations for impact.

5. Innovation and Adaptability

- **Technology Use:** Leverage technology for cost management.
- **Trend Awareness:** Stay informed about social needs.

How do Charities

6. Transparency and Accountability

- **Reporting:** Provide clear, accessible financial reports to donors and stakeholders.
- **Governance:** Ensure strong board oversight and sound financial policies.
- **Impact Metrics:** Demonstrate the effectiveness and efficiency of programs with measurable results.

7. Community Engagement

- **Volunteer Programs:** Leverage volunteer efforts to reduce costs and build community support.
- **Advocacy:** Raise awareness about the charity's cause to gain public and private support.
- **Loyal Supporters:** Encourage supporters to act as ambassadors, spreading the word and encouraging others to contribute.

8. Long-Term Vision

- **Sustainability Goals:** Align all financial strategies with the long-term mission.
- **Scenario Planning:** Prepare for economic downturns, donor fatigue, or unexpected challenges.
- **Endowment Funds:** Establish endowment funds to generate ongoing income.

A combination of strategic planning, relationship-building, and operational efficiency ensures that charities can thrive and sustain their mission over time.

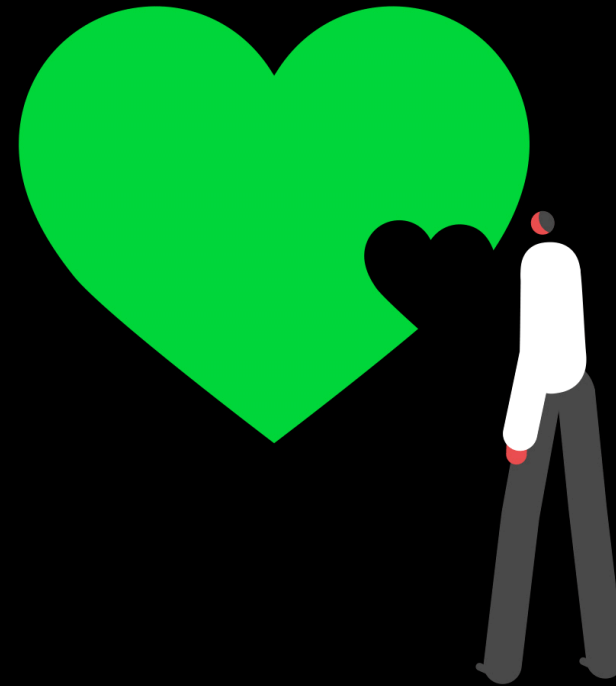
Creating sustainable financial plans, manage reserves and effectively forecast



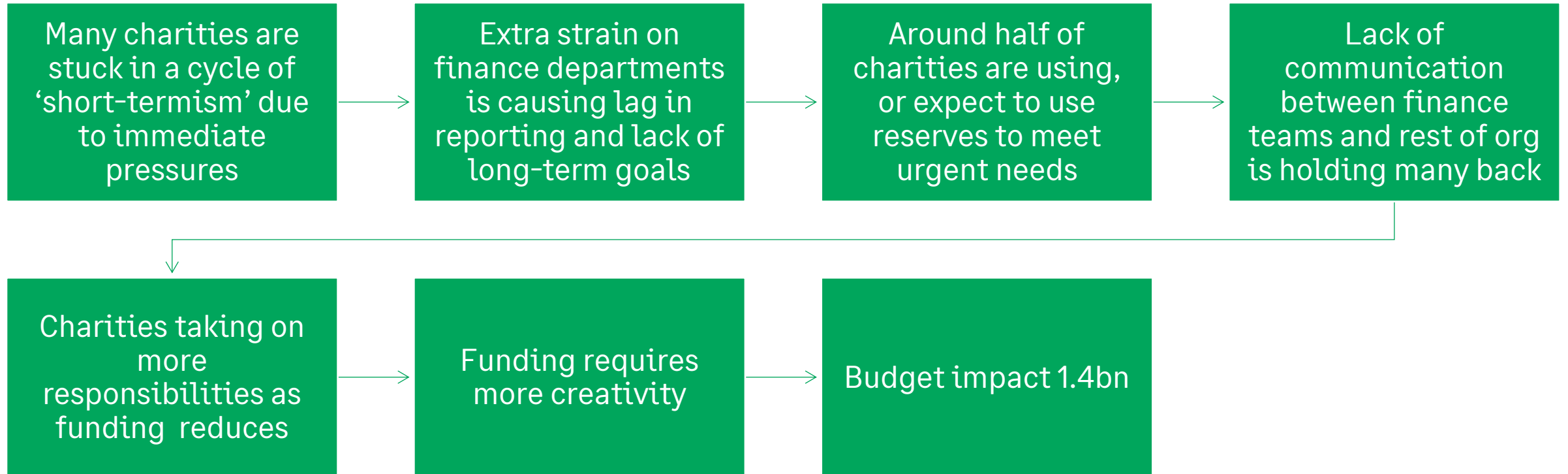
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Common financial challenges



Financial Sustainability Plan

Three main areas

Strategic

income, expenditure, reserves, balance sheet, and cashflow. These are all the basic elements of finance which you will need to consider to ensure financial sustainability.

Operational

this is where we look at the mechanics of finance: financial governance, transaction processing, controls, management information and sign off on bids, costing and cost recovery.

Cultural

this is often forgotten about, but looks at whether people think that finance is important or whether finance lacks teeth to get budget-holders to take action.

Must cover short, medium and long term

Environmental, Social and Governance

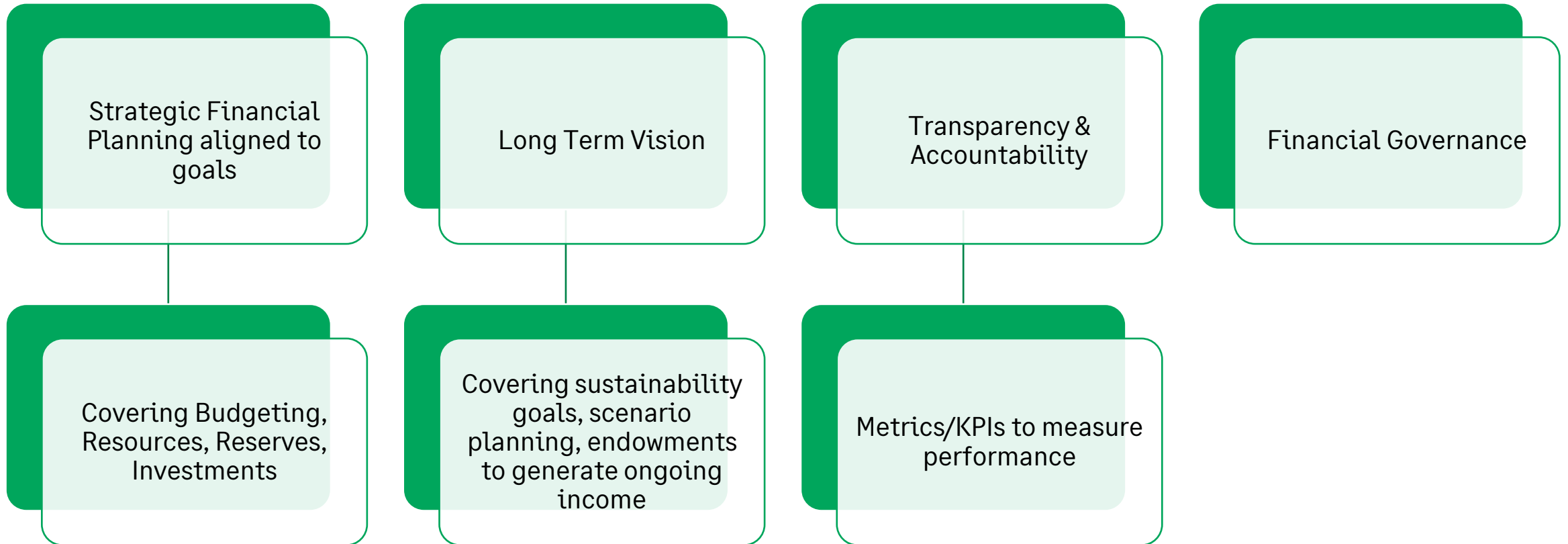


Emissions, recycle, water resources, land use, deforestation, biodiversity

Managing employee development, labour practices, safety and quality of product/service, supply chain, sourcing

Board Diversity, how executives are compensated, company's sustainability performance, anti-competitive practices

Financial Sustainability plans must cover

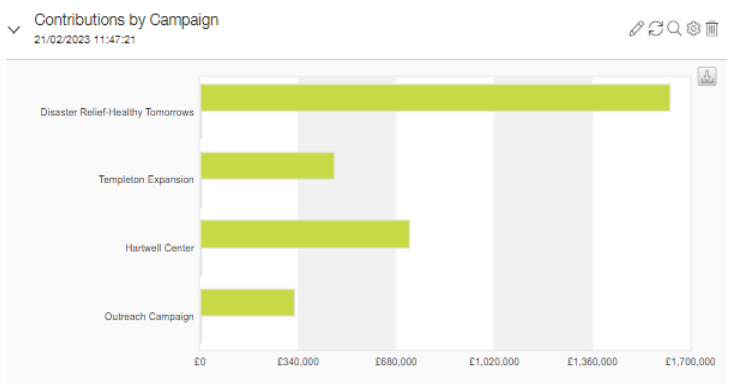


Define metrics to measure performance

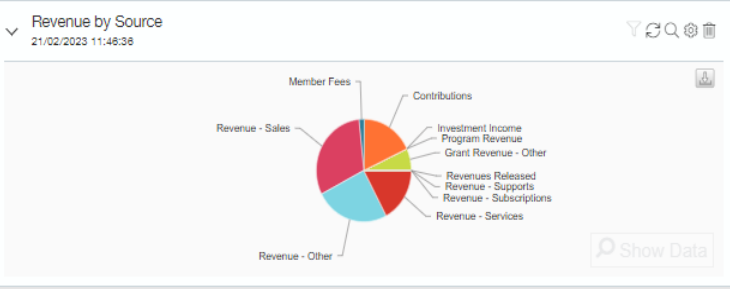
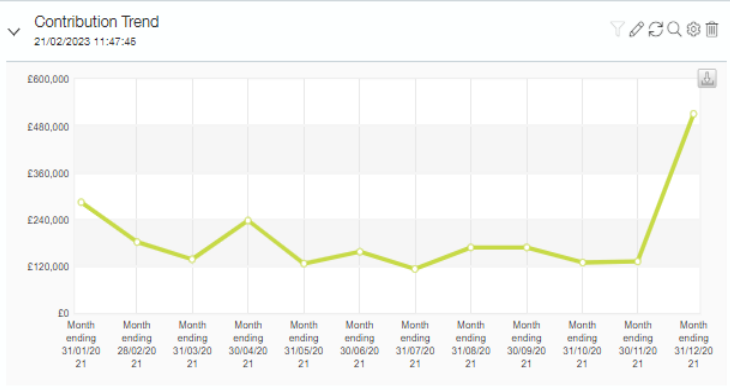
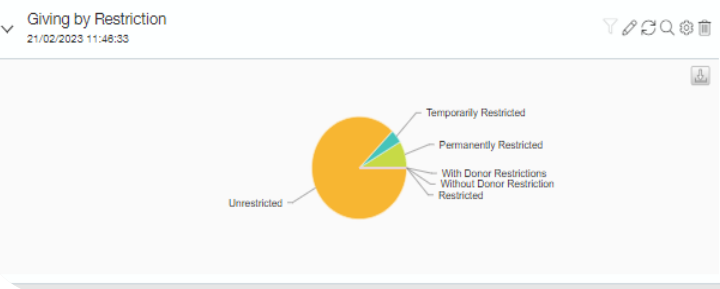
Fundraising Efficiency: Fundraising Efficiency

31/12/2021 All locations All projects All customers Clear + Settings Copy Print

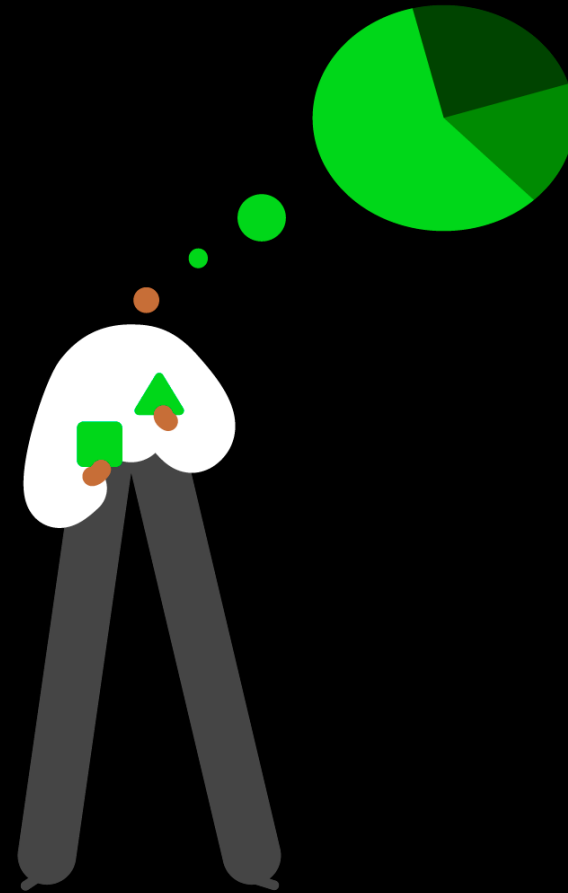
Avg Gift Amount £200 <small>this year</small> <small>-£33 vs. prior year</small>	Avg Donor Giving £611 <small>this year</small> <small>-£3 vs. prior year</small>
Avg # of Gifts per Donor 3.04 <small>this year</small> <small>+0.41 vs. prior year</small>	Net Per Active Donor £520 <small>this year</small> <small>-£3 vs. prior year</small>
Cost per £ Donated £0.19 <small>this year</small> <small>+£0.01 vs. prior year</small>	Fundraising Cost per Donor £76 <small>this year</small> <small>+£10 vs. prior year</small>
Active Donor Ratio 37.95% <small>this year</small> <small>-29.24 vs. prior year</small>	Fundraising Expense Ratio 4% <small>this year</small> <small>-0 vs. prior year</small>



# of Giving Donors 3,855 <small>this year</small> <small>+122 vs. prior year</small>	# of Donors 10,159 <small>inception to date</small>
# of Major Donors 73 <small>this year</small> <small>+12 vs. prior year</small>	# of Sponsors 15 <small>this year</small> <small>+2 vs. prior year</small>
YTD Grant Revenue £917,125 <small>this year to date</small> <small>-£417,068 vs. prior year</small>	Sponsorship Revenue £1,592,900 <small>this year</small> <small>-£47,100 vs. prior year</small>
Individual Contributions £2,358,135 <small>this year to date</small> <small>+£63,039 vs. prior year</small>	# of Individual Gifts 11,735 <small>this year</small> <small>+1,928 vs. prior year</small>



Case Studies



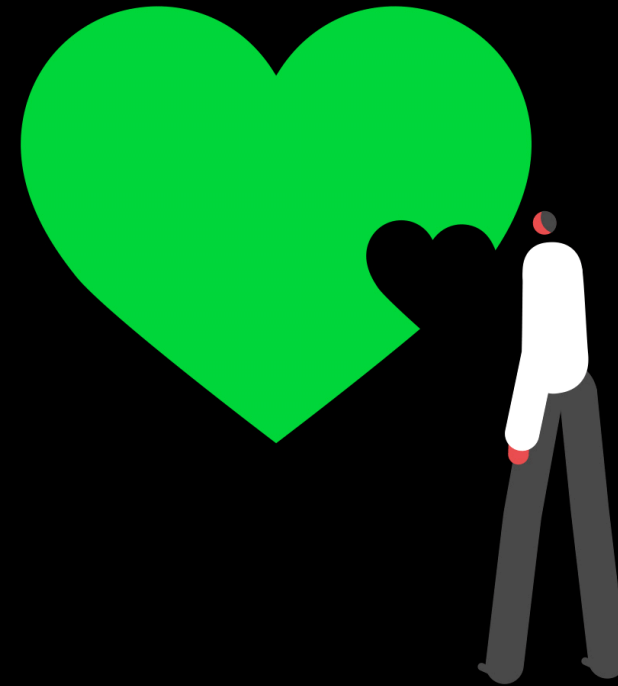
Ways to build a reliable and balanced income portfolio



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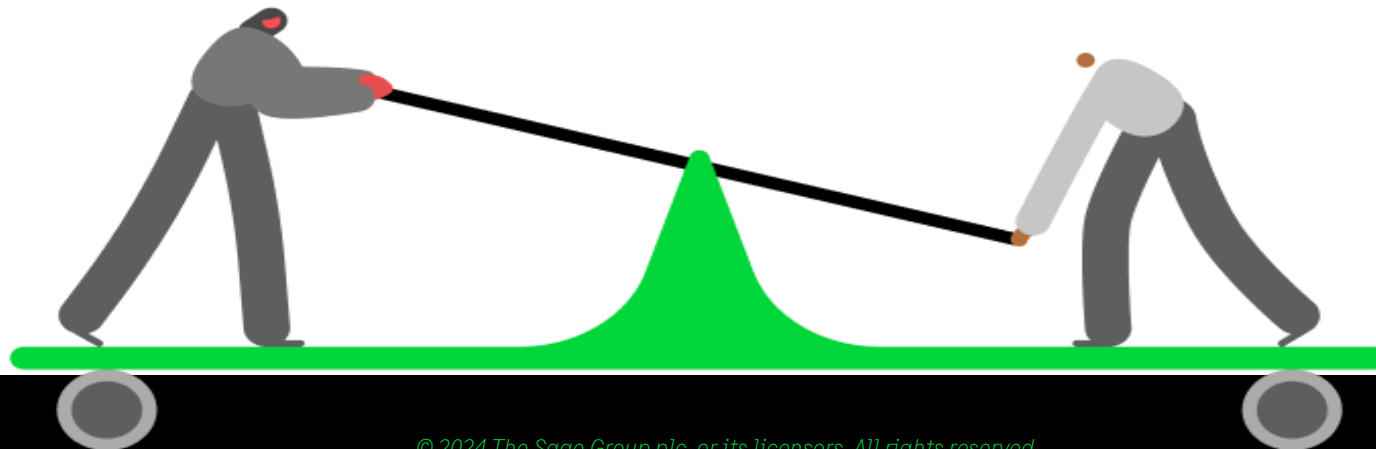
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Building a balanced and reliable Income portfolio

*Diversify Revenue Sources
Create a Financial Safety net
Maximise Donor Engagement
Strategic Investment Management
Develop long term partnerships*

*Look at Grants/Funds available
Reduce reliance on a single source
Leverage Technology and Innovation
Monitor and Adapt Financial Strategies
Empower Staff and Volunteers
Build Public Trust*



Examples of funding streams

(not exhaustive)

NHS

Partnerships

Legacies

Citizens

Local Authority

Corporations

Other Charities

Retail

Grant Funding

Sponsorships

Events

Professional
Body Fees

Special Project
funding

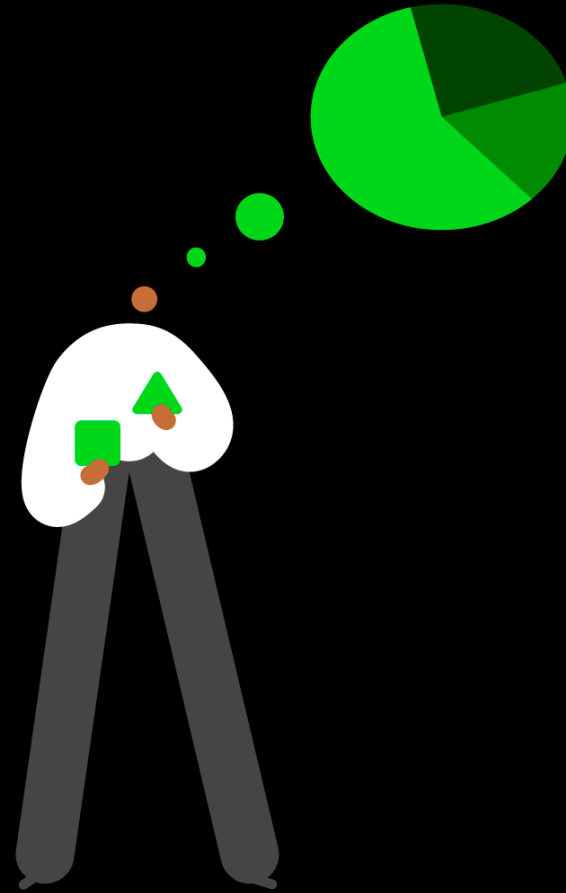
Philanthropy

Lottery

Membership
fees

Start thinking like the corporate world

Case Studies



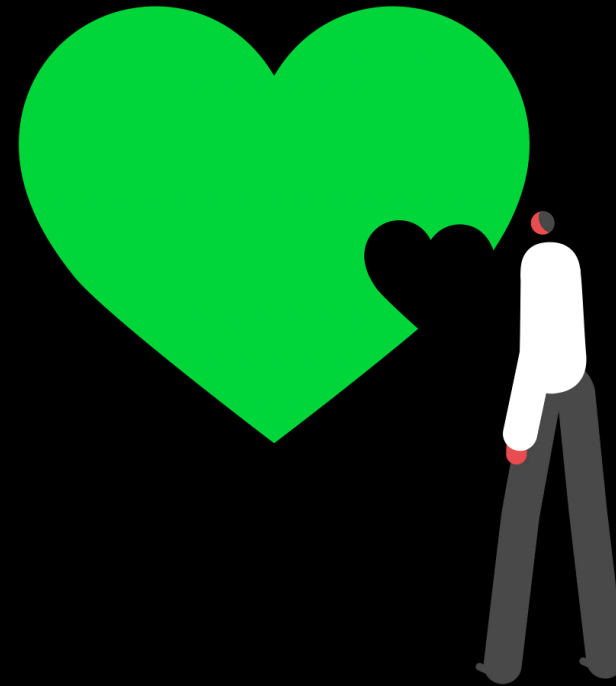
Deepen donor engagements and build long term support loyalty



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Encourage deeper engagements

- Personalise Communication
- Share Impact Stories
- Encourage 2-way communication
- Offer engagement opportunities
- Build Trust through transparency
- Recognise and Celebrate Donors
- Cultivate a Community
- Encourage long term relationships
- Stay true to your mission
- Use Technology Strategically

Ages 19–35

Young adults are often enthusiastic but may have limited disposable income. They focus on creative and digital contributions:

Small Donations: Contribute via online platforms, crowdfunding, or monthly micro-donations.

Event Participation: Engage in charity runs, concerts, and volunteer-led events.

Digital Advocacy: Leverage social media to spread awareness, start petitions, or create viral campaigns.

Skills-Based Volunteering: Offer skills like graphic design, marketing, or web development to support charities.

Employer Programs: Participate in workplace giving programs, matching donation initiatives, or corporate volunteering days.

Ages 36–55

This group tends to have more financial stability and a focus on social responsibility.

Monetary Contributions: Make larger, regular donations or sponsor specific projects.

Corporate Philanthropy: Use their influence in professional roles to secure corporate sponsorships or partnerships for charities.

Family Volunteering: Engage their children in charitable activities, instilling philanthropic values.

Event Leadership: Host or lead fundraising events, charity galas, or campaigns.

Board Membership: Serve on boards or committees of charitable organisations.

Ages 56 and Above

Seniors often have accumulated wealth and time to devote to causes they value deeply.

Major Gifts: Make significant financial contributions, including endowments or legacy gifts.

Volunteering: Dedicate time to hands-on activities like mentoring, administrative support, or community outreach.

Planned Giving: Include charities in wills, trusts, or estate planning.

Philanthropic Leadership: Found or fund charitable initiatives, scholarships, or organisations.

Advocacy: Use their networks and experience to champion causes and influence policies.

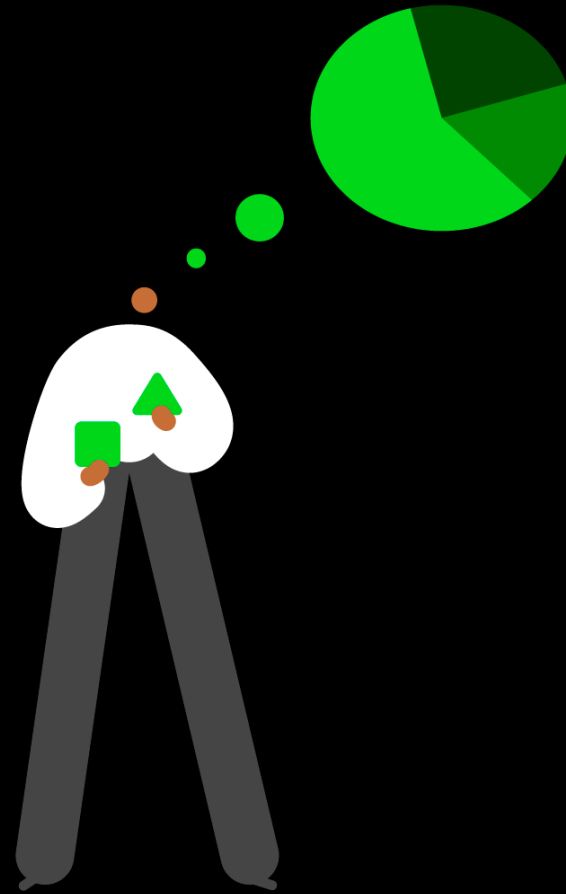
Cross-Age Group Trends

Family Contributions: Charitable activities often involve multiple generations, fostering a shared sense of purpose.

Technology Use: Younger groups favour digital contributions (e.g., mobile donations, crowdfunding), while older generations may prefer traditional methods like cheques or in-person events.

Cause Preferences: Younger individuals may focus on global issues like climate change or social justice, whereas older adults may prioritize health, education, or local community needs.

Case Studies



Summary

- **Constantly reevaluate your financial plans and undertake different scenario situations. Be as proactive as is practical**
- **Ensure you have a reliable and balanced income portfolio – reevaluate on a regular basis**
- **Create a culture to encourage deeper donor engagements**

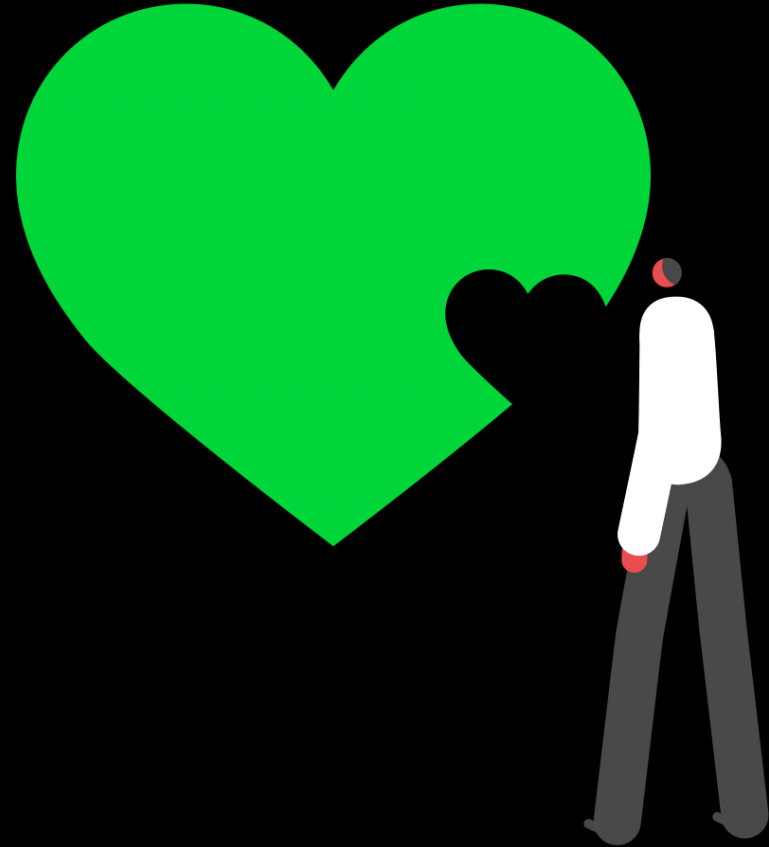
For more Information



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Q & A



Thank you for joining us!