

SOURCES OF FUNDING

Key

Cheap – There is little or no cost involved

Little work – It is easy to undertake or takes little time

Large income – There is potentially a large income

Tax efficient – Enables money to claim Gift Aid

Legal issues – There are legal or other such considerations

Good publicity – Can create good publicity for the organisation

✓ Yes
X No,
? Maybe

Source of income	Cheap	Little Work	Large income	Tax efficient	Legal issues	Good Publicity	Comment	Action to take
Gift Aid Money that Charities can reclaim from HM Revenue & Customs on donations made by UK tax payers	✓	✓		✓			<ul style="list-style-type: none"> • Gift Aid can be claimed on volunteer / trustee expenses if they donate them back to the organisation • Online donations can also be set up to claim Gift Aid • There is a need to complete necessary complete an audit trail of donations • Time to paperwork • Only Charities can claim directly, although non charities can claim through a third party 	<ul style="list-style-type: none"> • Donors need to sign a form to say they are a UK tax payer and are willing to let you reclaim the tax. • Get the appropriate paperwork and forms for donors to sign. • Charities can back date Gift Aid on donations, so check for previous donations received and ask the donor to sign the Gift Aid form

								<p>Links www.hmce.gov.uk www.tax-effective-giving.org.uk/ www.tax-effective-giving.org.uk/downloads.html#gadykbnef</p> <p>Documents Trustee expenses form – 1.6 Model Gift Aid declaration -1.1 and 1.1a Gift Aid basic facts - 1.3</p>
<p>Legacies</p> <p>This is money left by individuals in their wills to organisations</p>	✓	✓	✓	✓			<ul style="list-style-type: none"> • Unreliable / unpredictable income • People can feel uncomfortable talking about death 	<ul style="list-style-type: none"> • Add a sentence to all your publicity / annual reports asking people to remember you in their will by leaving a gift. • Register with giving sites such as www.remembercharity.org.uk these enable people looking for organisations to leave money a way to find organisations. • Speak to local solicitors about having a leaflet in their offices <p>Links www.remembercharity.org.uk</p>
The Internet	The Internet offers a range of methods through which an organisation can raise income							
<p>EBay / Mission fish</p> <p>Sell goods through EBay and have between 10% and 100% donated back to your organisation</p>	✓	✓					<ul style="list-style-type: none"> • May appeal to younger supporters • Can't guarantee income • Can take time to list items and not all items will sell • You need to find items to sell 	<ul style="list-style-type: none"> • Register with EBay/ Mission fish and get selling • Promote to supporters • Hold competition between supported for who can raise the most, or most strange item sold <p>Links www.missionfish.org</p>
<p>Affiliated shops</p> <p>You gain a percentage of money from sales</p>	✓	✓					<ul style="list-style-type: none"> • Needs people / members to use your website • Ensure products match members shopping preferences 	<ul style="list-style-type: none"> • Decide what shops to affiliate to • Promote to members, particularly at Christmas! <p>Links</p>

when people access shopping sites via a link on your website								www.Amazon.co.uk
Online lotteries Internet based lotteries that make a donation back to your charity each time a supporter plays.	✓	✓			✓		<ul style="list-style-type: none"> • Small outlay in first instance (around £80) • Lotteries may not appeal to everyone Encourages • Gambling • Need lottery licence 	<ul style="list-style-type: none"> • Once registered promote widely to members / supporters Links Unity Trust Lottery - www.unitylottery.co.uk/ Weather lottery - www.theweatherlottery.com/
Search engines You receive a share of income from website sponsors based upon the number of searches undertaken by supporters of your organisation	✓	✓	X				<ul style="list-style-type: none"> • Needs user support • Search engines are not always very good 	<ul style="list-style-type: none"> • Register with a search engine and let supporters know how to register and use • Provide the search engine box on your website Links www.everyclick.co.uk
Giving Giving covers many aspect and can be from putting money in a tin to making a large cash donation	✓	X	?	?	✓		<ul style="list-style-type: none"> • Can be rewarding for individuals and charity • Takes time to build relationships • There is legislation from HMCE to be aware 	<ul style="list-style-type: none"> • Provide a range of ways people can give, aim to get people to move towards higher value / more frequent ways of giving • There are codes of practice from Institute of fundraising Links www.how2fundraise.org www.hmrc.gov.uk/CHARITIES/guidance-notes/chapter3/sectionb.htm#j Documents Institute of fundraising codes of practice

Collection Tins Collection tins either static or by street collectors	✓			X	✓	✓	<ul style="list-style-type: none"> • Can be used to raise profile and generate publicity in the community • Can't easily claim Gift Aid on the money • Need volunteers to help collect money 	<ul style="list-style-type: none"> • Contact local authority for a license • Consider the security of where tins are left
Regular donors People who give a regular amount to your organisation			?	?			<ul style="list-style-type: none"> • Takes time to build relationships with people to become regular givers 	<ul style="list-style-type: none"> • Have correct paper work / direct debit mandates so people can sign up • Give a number of payment options Documents Example Standing Order 1.6 Donor and Gift Aid form 1.1 and 1.1a
Online giving Allows supporters to make donations through your website	✓	✓		✓?			<ul style="list-style-type: none"> • It is easy to reclaim Gift Aid • Quick for people to do and less paper work to complete • May not get contact details of the donor, so unable to start to build a relationship with them Make sure it is secure	<ul style="list-style-type: none"> • Find a giving site to take donations for your organisation, beware those charging high admin fees, some are free • Don't expect people to suddenly start donating! People rarely visit a site to give, it is only by engaging with supporters that the money will follow Links www.justgiving.com/ www.charitygiving.co.uk/giving/donate_a.asp www.cafonline.org/
Payroll giving Enable people to make donations through their payroll.		X		✓	✓		<ul style="list-style-type: none"> • Once set up it is easy for the person to donate on a regular basis Need employers on board • Paper work to complete • Need to invest time to promote • Works better with larger employers 	<ul style="list-style-type: none"> • Don't expect quick results, to be successful you need it invest time to actively promote it Links www.payrollgiving.co.uk/ www.hmrc.gov.uk/payrollgiving/index.htm
Membership Where people pay to be part of the organisation.	✓	✓		?			<ul style="list-style-type: none"> • Make benefits clear of membership • Be clear about the rights of members, can they vote at AGMs for instance • A fee may prevent some people from joining • There are restrictions on benefits of 	<ul style="list-style-type: none"> • Be clear on benefits of membership • Have tiers of membership with different benefits • Make sure Gift Aid is included • Invite donations option to round up membership

							<p>membership and being able to claim gift aid, see HMRC for guidance Can charge for membership and claim Gift Aid on it the amount.</p> <ul style="list-style-type: none"> • Can have tiered membership or life-time membership at a higher rate • Generates a regular income 	<p>Links www.hmrc.gov.uk/charities/gift_aid/mem-subscript.htm#1</p>
<p>“Friend of”</p> <p>Similar to membership but tend not to have any voting rights</p>	✓	✓		?				
<p>Appeals</p> <p>Asking for money for a specific project</p>		✓	?			✓	<ul style="list-style-type: none"> • Need to plan well, especially if long / large appeal • Can't ask too frequently • Need to know who to ask 	<ul style="list-style-type: none"> • Develop a supporters list <p>Documents Tips for an appeals letter</p>
<p>Sponsored events</p> <p>Ask supporters to undertake sponsored events for the organisation</p>	✓			✓	✓	✓	<ul style="list-style-type: none"> • Use online sponsorship forms to enable more people to support your event • Time to organise • Insurance may be needed • Taking part in events organised other groups means you don't have to organise them but you may have to pay entry charges 	<ul style="list-style-type: none"> • Have first donor as a high amount, even if it is a fictions one! This will encourage a higher rate in the rest of the form as people are guided by other amounts given • Register for pre arranged events, such as Great North Run – you can then ask runners to gather sponsorship for your organisation in return for a place in the race <p>Links www.justgiving.com/</p> <p>Documents Model sponsorship form with Gift Aids – 1.2 and 1.2a</p>
<p>Coffee mornings</p> <p>Social events to</p>	✓	✓				✓	<ul style="list-style-type: none"> • Provide good networking opportunities • Needs volunteers and publicity to be effective 	<ul style="list-style-type: none"> • Find volunteers to run

raise money for organisations								
Charity Balls / dinners			?			✓	<ul style="list-style-type: none"> • Good way to find new supporters • Can raise money through additional sales on the day • 	<ul style="list-style-type: none"> • A lot of up front money to organise If your don't sell the tickets you could be out of pocket
Raffles Sale of tickets for prizes and cash	✓	✓				✓	<ul style="list-style-type: none"> • They can help publicise the work of the organisation • They are a simple way of accumulating extra funds within larger fundraising events • Raise small incomes Certain legal requirements to comply with depending upon type of raffle • Time or cost to get prizes etc 	<p>Links www.institute-of-fundraising.org.uk/bestpractice/thecodes/codesoffundraisingpractice/fundraisingcollections/rafflesandlotteries.htm #</p> <p>Documents Raffles, lotteries and competitions (I of F) – 1.4</p>
Lotteries Private lotteries These are held at events where tickets are <u>only</u> sold to members of an organisation	✓	✓				✓	✓	<ul style="list-style-type: none"> • There are restrictions upon the size of prizes and also conditions on operation • They can be an additional source of income at an event <p>Links www.how2fundraise.org/fundraising-ideas/fundraising-ideas-by-type/lotteries-sweepstakes-raffles/raffles-at-events/raffle-at-events-introduction.htm</p> <p>Documents Raffles, lotteries and competitions (I of F) – 1.4</p>
Social lottery These are open to the general public	✓					✓	✓	<ul style="list-style-type: none"> • Allows you to sell tickets in advance • You must get a permit from the local authority
Charity Shops Running a shop of typically of donated goods and sales go to the charity		X	?	?		✓	✓	<ul style="list-style-type: none"> • Need volunteers • Stock, various health safety policy to comply with, as well as insurance • Overheads can be large • Space to store / sort items • promotes organisation and gives a street presence • Provides training opportunities for volunteers <ul style="list-style-type: none"> • Do your research before you start. Speak to other shops, make sure you will get enough passing trade and will have sufficient volunteers, that's just for starters... <p>Links</p> <ul style="list-style-type: none"> • Association of Charity Shops www.charityshops.org.uk

<p>Contracts</p> <p>Provision of service for a third party</p>		X	✓				<ul style="list-style-type: none"> • May distract from key areas of work • There may be penalties if you do not deliver the service you offered • Generates unrestricted income • can be more secure than grants and longer term 	<ul style="list-style-type: none"> • Register with Sell-2-Wales • Decide what service that your organisation can offer / deliver. Check that your governing documents will allow it. <p>Links</p> <ul style="list-style-type: none"> • www.sell2wales.co.uk
<p>Loans</p> <p>Loans from banks to get a project off the ground</p>			✓		✓		<ul style="list-style-type: none"> • Ensure you can pay them back • Check your governing documents allow you to borrow money • Can provide essential finance to start a project 	<p>Links</p> <ul style="list-style-type: none"> • www.Charitybank.org • www.unity.uk.com
<p>Corporate sponsorship</p> <p>Money or gifts from businesses</p>				✓			<ul style="list-style-type: none"> • Need to find sympathetic businesses • Ensure business does not conflict with the organisations ethics or that it could give bad publicity 	<ul style="list-style-type: none"> • Be clear what your organisations message is, what do you offer a business

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