



Generating Income Beginner's Guide

Introduction

Income Generation is the process of looking for and finding financial contributions to support the running of your organisations. This can take many forms, and it is important that your organisation has several different strategies, so that if one income stream suddenly fails, your organisation is not at risk of immediate closure or unable to pay its staff or debts.

Income generation can take many forms, but are popularly grouped in the following 4 categories for the VCFSE sector:

Donations from Community and Business

- Individuals in the form of donations, payroll giving, gift aid contributions and legacies. [Charitable Giving](#) offers a range of services to support charitable giving at work. Personal fundraising and crowdfunding can be done via several websites, including [JustGiving](#) and [Gofundme](#).
- Community in the form of public appeals using text or phone donations, sponsorship or adoption schemes, street or supermarket collections, challenge events like sporting competitions, auctions, gala dinners, fun days with raffles, lotteries, philanthropy or campaigns, the use of shopping websites. Some community fundraising platforms include [Enthuse](#), [Easyfundraising](#) and [Spacehive](#).

- Businesses, in the form of donated goods, or sponsorship as well as relationships with companies that are looking to partner with a Charity in a long term relationship like 'charity of the year'.
- Local organisations like the Rotary, the Soroptimists and the Round Table.

Grants

Searching for funders and then being able to make a reasonable funding application is integral to the success of most registered charities. Some CIC's and Community Groups also rely heavily on funding to run a fair proportion of their activities. Having a good understanding of grant funding will support your organisation to increase its chances of being successful with each bid.

Search engines are specifically designed for the purpose of identifying funders to apply to and here are some of the ones that are free that we are aware of:

- [Charity Excellence](#)
- [Grantway](#)
- [Wirral Council Grants Portal](#)
- [My Funding Central](#)
- [Merseyside Funding Information Portal](#)
- [Get Grants](#)
- [Government Grants](#)

Local Funders

We also have several local funders for Wirral organisations to explore including the [PH Holt Foundation](#), [Steve Morgan Foundation](#), [Eleanor Rathbone Charitable Trust](#), [Community Foundation for Merseyside](#), [Hemby Trust](#), [John Moores Foundation](#) and [The Johnson Foundation](#).

Trading

Organisations have a variety of trading income streams which can include:

- [eBay for Charity](#)
- Core related trading (trading that relates directly to your aims e.g. Mental Health training sessions from a mental health charity)
- Unrelated trading (trading that has nothing to do with your aims)
- Merchandise (items that have your logo on, for instance)
- Cause-related marketing (partnering with a well-known brand to promote awareness for a cause)
- Charging membership fees
- Café sales

Charities can set up a separate trading company to carry out commercial activities like [running a charity shop](#) or managing events.

Bidding for Tenders

People get confused with the difference between Procurement and Tendering. The two can be defined as seen below:

Procurement encompasses the overall process of acquiring goods and services needed for a project.

Tender means a formal invitation to trade under the terms of offer and the documents associated with that offer.

Some key criteria to consider for a tender are:

- Quality
- Innovation
- Value
- Integration
- Collaboration
- Sustainability of services
- Improving access
- Reducing health inequalities
- Social value

Organisations that offer tenders will advertise those tenders on specific portals and your organisation will need to be registered as a supplier to

apply for a tender. If you are looking to bid for several contracts this may be worth doing ahead of time.

Currently suppliers to Wirral Borough Council will register on [the Chest](#). However, going forward Wirral Borough Council's procurement team suggests that Wirral organisations register with the [Central Digital Platform](#).

[There is a guide on how to register your organisation as a supplier to apply for a tender on the government's website.](#)

The procurement team also suggests registering with the [Social Value Portal](#), which will be mandatory for any tenders £100k and over.

Here are some additional useful websites which include other portals and guidance regarding tenders:

- [Crown Commercial – Information for buyers and suppliers](#)
- [Wirral.gov – Tenders and contracts](#)
- [Wirral.gov – Procurement strategy regulations and social responsibility](#)
- [Wirral.gov – Wirral Council supplier's guide](#)
- [Wirral.gov – Procurement FAQ's](#)
- [Cheshire & Merseyside NHS – Procurement and contracting](#)
- [Cheshire & Merseyside NHS – Patient choice](#)
- [Supply Chain – Suppliers](#)
- [GOV.UK – A short guide for suppliers](#)
- [GOV.UK – Contracts finder](#)
- [Supplying2NHS.org](#)
- [Liverpool University – Procurement](#)
- [LJMU – How we work with suppliers](#)

Investments

Charities could invest their income for a variety of reasons which include being able to support their ongoing activities with a reliable income, increasing their resources over time and protecting funds against inflation.

The Charity Commission has a guide for trustees called [investing charity money](#).

[Another useful website is the Charities Aid Foundation](#)

Income Strategy

Please see this simplified example of an income strategy that outlines the options you might consider about different income streams, including who you would need to target and what income you would expect to generate from this activity. Additionally, it is important to know how you will be able to obtain the information to understand if your strategy has been a success.

Goal: To generate £50,000 for April 26 – March 27				
Product/Service	Operations	Target Audience	Income prediction	Monitoring mechanism
Launch a Charity Shop	Donations Volunteers Marketing	Customers, passers by	£30,000	Shop sales
Implement a membership fee	Charges Engagement	Beneficiaries	£2,000	Membership payments
Host fundraising events	Annual Gala Community Events	Stakeholders	£8,000	Donations received
Apply for Grants	Research Applications	Funders	£20,000	Grants awarded
Corporate Sponsorship	Local Issue based	Businesses	£10,000	Donations received
Online Fundraising	Crowdfunding Social Media	Stakeholders	Not defined	Traffic on website, and donations resulting

Need more support?

Wirral CVS is here to help your organisation grow, develop and succeed. Whether you're just starting out or strengthening your foundations, our Development Team can provide one-to-one guidance, training, resources and advice tailored to your needs.

Contact us to book a support session

 **Email:** info@wirralcvs.org.uk

 **Phone:** 0151 433 3371

 **Website:** www.wcvs.org.uk

More resources available at:

www.wcvs.org.uk/support

Including templates, guidance and policy tools across governance, finance, safeguarding, volunteering and more.

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