

Different income sources - positives and negatives

A good mix of income sources is essential for a sustainable organisation. This info sheet shows some of the sources and summarises the positives and negatives of each.

Income	Positives	Negatives
Membership fees	<ul style="list-style-type: none"> • Simple • Unrestricted funding 	<ul style="list-style-type: none"> • Need to match what people can afford • Need a regular membership
Payment for refreshments at meetings	<ul style="list-style-type: none"> • Simple • A way for people to “give back” 	<ul style="list-style-type: none"> • Needs to be sensitive to people’s circumstances • Involves handling and banking cash
Renting out space/equipment	<ul style="list-style-type: none"> • Makes best use of your resources • Regular, reliable income source 	<ul style="list-style-type: none"> • Need to have the space/equipment • Need formal arrangements/contracts
Gift Aid	<ul style="list-style-type: none"> • Makes best use of donations 	<ul style="list-style-type: none"> • Need to understand the system properly; https://www.gov.uk/claim-gift-aid • Not available to CIC’s.
Donations from individuals	<ul style="list-style-type: none"> • Can give regular unrestricted funding • Relatively simple via online - button on website or Facebook page 	<ul style="list-style-type: none"> • Need to attract donors • Need to keep contact with donors
Sponsorship/events	<ul style="list-style-type: none"> • Way for supporters to help you • Visibility, promotion 	<ul style="list-style-type: none"> • Need to organise and plan well • Need to monitor and support your fundraisers

Selling skills and expertise	<ul style="list-style-type: none"> • Uses your org's skills to make money • Enhance your reputation as experts 	<ul style="list-style-type: none"> • Need to have something different to offer • Need to have business skills to ensure it works
Running trading "arm"	<ul style="list-style-type: none"> • CIC's should have some trading income • Can provide good unrestricted income 	<ul style="list-style-type: none"> • Charities need to obey the trading rules; https://www.gov.uk/guidance/charities-and-trading • Need to have business skills to ensure it works
Contracting/sub-contracting	<ul style="list-style-type: none"> • Opportunity to bid for considerable amounts • Can provide long-term funding 	<ul style="list-style-type: none"> • Contracting very complex and admin-heavy • Need to check the activities you sign up to are ones you want to be seen doing
Small one-off grants	<ul style="list-style-type: none"> • Relatively simple to apply to • A good source of top-up funds 	<ul style="list-style-type: none"> • Needs time and effort to research and apply to multiple funders
Larger, longer-term grants	<ul style="list-style-type: none"> • Provides security and consistency for income • Chance to develop a relationship with a major funder 	<ul style="list-style-type: none"> • Big investment of time and effort to make applications • More competitive
Crowdfunding	<ul style="list-style-type: none"> • Uses your contacts and supporters • Promotes your work as well as raising money 	<ul style="list-style-type: none"> • Need to have a good set of contacts to start with • Need to have very good social media and volunteers
Business Sponsorship	<ul style="list-style-type: none"> • Can involve major amounts of income 	<ul style="list-style-type: none"> • Very hard work, resource-heavy to set up • Only really viable for larger organisations

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Voscur is here to **support** VCSE organisations. For support, advice and guidance on how to apply this information in your particular circumstances, please contact us:

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