

Diversifying Income

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- ▶ Centers for independent living rely on VII C grants
- ▶ Some also have VII B and state IL grants



These grants provide a foundation, but they are very limiting

- ▶ Reimburse expenses, so you must incur costs first
- ▶ Severely limit what costs are allowable
- ▶ Prohibit any profit, so you can't build cash flow or reserves



Options for other funding include

- ▶ Other government grants
- ▶ Foundation grants
- ▶ Systematic fund raising
- ▶ Fee-for-service programs



Before starting on diversifying
income it should first be
established how it will integrate
into the center

Mission

- ▶ Does the project fit your mission
 - Not as important for small, one-time fundraisers
 - Very important for fee-for-service, on-going or annual fund raising and large grants

Fiscal Accounting

- ▶ Ensure that you have a system to allocate income, costs and administration correctly
- ▶ How income, expenses and overhead from other projects are allocated can affect your VII C grants
- ▶ Good allocation systems that are in place from the start avoid major headaches of re-allocating if a program grows more than anticipated

Supervision and Staffing

- ▶ For long-term income sources, such as fee-for-service, do you have a plan for staffing, and a plan for supervision when issues arise
- ▶ Will staff be shared with VII C funding or completely separate
- ▶ Is a supervisor available who knows how to operate a new venture



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Other government grants

- ▶ Other federal departments fund services we might provide
 - Department of Transportation
 - Department of Labor
 - Agricultural Department

What other examples?

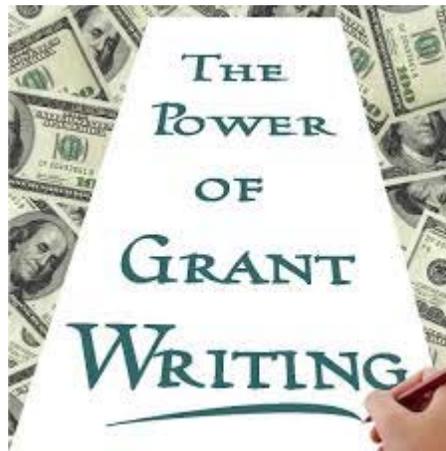
Government grants tend to be very detailed and usually require extensive documentation of services

Foundation Grants

- ▶ Community Foundations
- ▶ Regional Foundations
- ▶ National Foundations

Grant Writing

- ▶ Federal grants are often very technical
- ▶ Private foundation grants vary greatly
- ▶ Spread out grant search responsibilities



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Prepare standard information

- ▶ Board of Directors information
- ▶ 501(c)3 letter for the IRS
- ▶ Articles of Incorporation
- ▶ Audits and financial statements
- ▶ Other documents you often use

Fundraising types

» Events

Capital campaigns

Annual campaigns

Events

- ▶ People like them because they don't have to ask for money
- ▶ Be careful that they don't turn into “good publicity”
 - Publicity is nice if that's the purpose of the event, but if it's a fundraiser, you should make money



Pick events carefully

- ▶ Too often we hear of a successful event and decide to jump in and do one ourselves
- ▶ Often events are successful because of unique circumstances in an area
- ▶ How can you make the event specific to your area?

Plan events as if each one is a business

- ▶ I tell people to pretend it is their own money going into it
 - Are the expenses for the event an investment you would make with your money
 - Always make and use a budget
 - Have a good rationale for projected income
 - Don't let people add expenses as you progress without re-budgeting

Capital Campaigns

- ▶ Usually easiest to do
- ▶ Naming rights
- ▶ Some foundations fund them
- ▶ Internally or externally restricted funds



Annual Campaign

- ▶ Set specific goals
- ▶ 80/20 rule
- ▶ Board participation

DONATE!

Most event fundraising takes years to be successful

- ▶ Be prepared to invest in them and develop them
- ▶ Have a good evaluation system
- ▶ Review what worked and what didn't

- ▶ Did some activities bring in money and some cost more than they made?

Fee-for-service programs

»» Variety of types

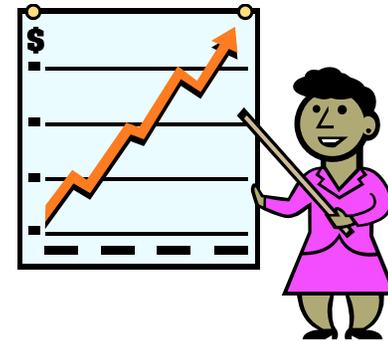
Job placement, American Sign language interpreting, assisting hospitals & managed care companies, and more

These are businesses and need to be ran that way

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Do not think of them as non-profit programs

- ▶ They should be profit-making, but the profit goes to the program
- ▶ Require knowledge of the service area
- ▶ Should have a business plan



Business plans don't have to be complicated

- ▶ Components include:
 - What specific activities need to occur and what are successful outcomes
 - What do you need to start: information, contracts, personnel, materials, etc.
 - How it will be supervised
 - How will finances and accomplishments be tracked, and what are the goals for success
 - What projections are made and how will things be changed if the projections are not being met

To be successful financially have more than one type of income

- ▶ Have them complement each other
- ▶ Make sure they don't overburden your support systems



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