Diversifying Income

By Robert Hand
Executive Director
Resources for Independence Central Valley

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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

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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
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?
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

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Federal grants are often very technical

Private foundation grants vary greatly

Spread out grant search responsibilities
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

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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

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Annual Campaign

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

DONATE!

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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

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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
Robert J. Hand
Executive Director
Resources for Independence

(559) 221-2330
bhand@ricv.org