

# Funder Needs Analysis Tool

As you develop a sustainable income strategy for your organisation, you will need to work with different income providers.

Take some time to think about the approach you will take with different funders, clients and customers, depending on where they fit in the income spectrum.

## **The Sustainable Funding Project**

Website: [www.ncvo-vol.org.uk/sfp](http://www.ncvo-vol.org.uk/sfp)

Telephone: 020 7520 2519

Email: [sfp@ncvo-vol.org.uk](mailto:sfp@ncvo-vol.org.uk)

The Sustainable Funding Project is an NCVO initiative working in partnership with the Big Lottery Fund and Charity Bank



# Funder needs analysis

Use the tool below to better understand the expectations and requirements that different income streams will have on your organisation. Think about where your income streams fit to see what factors you should consider. Each category of funding has different benefits and challenges, and they should all be considered when devising a sustainable income strategy.

## Donor

- Unrestricted income stream
- Voluntary contribution or philanthropy
- Relationship based on trust
- Can be many small or few large donations
- Requires good reputation and communication
- Requires marketing and fundraising skills
- Requires transparency and clarity about use of income

**Unrestricted**

## Consumer

- Unrestricted income stream
- Exchange of goods or services for money
- Requires product quality control
- Can be used to generate profit or contribute to costs of other work
- Developing a good relationship with the consumer is vital in ensuring continued custom
- Marketing and financial knowledge essential

Ask

Earn

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## Funder

- Restricted income stream
- Grant funding or output/outcome-linked income
- Subsidy of project or organisation
- Requires project planning and monitoring
- Relationship based on expectations of projects
- A clear understanding of funder's criteria essential
- Requires transparency and clarity about use of income

Restricted

## Purchaser

- Payment for goods or services set out in formal terms such as a contract
- Can be with the public, private or voluntary sector
- Ensure all risks are shared between purchaser and supplier
- Requires legal knowledge and expertise
- Requires regular monitoring and reporting
- Income reliant on delivery of outputs or outcomes

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NCVO's Sustainable Funding Project is the sector's premier provider of tools and resources encouraging and enabling voluntary and community organisations to develop and implement a sustainable income strategy.

A full range of tools and resources is available on the SFP website:  
**[www.ncvo-vol.org.uk/sfp](http://www.ncvo-vol.org.uk/sfp)**

