# Kate Sayer: How to ensure your charity is financially sustainable

07 February 2018 , Be the First to Comment

Large sums are not crucial for charities to keep going - alternatives are available, writes our columnist

*Kate Sayer*

For most charities and social enterprises, financial viability is a goal because they do not feel confident they currently have a sustainable financial strategy. To put this into context, however, most small businesses would not feel confident that their income streams were assured. Some uncertainty about future income is inevitable.

Unhelpfully, some commentators suggest that charities need larger financial reserves to help them achieve financial sustainability. First, this is unlikely to be achievable if you are dependent on restricted or grant funding. Second, it is not a good strategy because external stakeholders and possible future supporters see you saving your money instead of spending it on your charitable objects. So what can you do?

**Stay nimble**

The big advantage of being smaller is that you can respond to opportunities more quickly. As long as a new activity is within your objects, it is worth considering. The challenge for larger organisations is often that it takes them a while to reach decisions and they might have high fixed costs, plus rules about covering overheads that make them expensive to a potential funder.

### Keep costs flexible

Doing more does not always mean employing more staff. Think about other ways of achieving your goals. Perhaps you can keep your costs flexible by working with a number of associates. Zero-hours contracts are not always bad - some people choose to work as freelancers and you can pay them fair rates. It can be a win-win, giving you a ready team willing to step up if you find opportunities to do new work.

### Collaborate

Working with others is not always easy, but can bring benefits. You might be able to second staff to another organisation to give team members experience and learning. When you need help, those organisations might reciprocate. Secondments can be one-way traffic, too, with large firms really valuing the learning for their staff from placing them in a different setting.

### Look for pro-bono help

Companies might not be able to provide large amounts of funding, but could be willing to provide people or resources. Use your board to make contacts and think about what you have to offer, not just what you want. Grant-making trusts could provide premises, advice and contacts too.

### Resilience

In past recessions, small charities have been incredibly resilient. Organisations that realise it is about people, not money, seem to do much better. If you can keep people involved as supporters and volunteers, you do not need large sums to keep going. Small charities can go back to being volunteer-run in times of austerity - not easy, but better than giving up altogether.

*Kate Sayer is senior consultant at specialist auditors Sayer Vincent*