

Fourth submission of the research performed by Alan Lockyer, a Unitec Institute of Technology, Human Resource Management lecturer and researcher. The research was conducted during late 2014 and completed 2016. The research concerns: **Performance Evaluation and Management Practices of New Zealand Not For Profit Organisations**

Sources of funding for Not For Profit Organisations

Respondents were asked: What percentage of your annual operating budget comes from the following sources?

The Results:

The main sources of NPOs annual operating budget include: NZ Government Contracts (42%), Community Trusts (42%), Membership Fees (42%), NPOs Business Activities (40% of NPOs), Lottery Board Grants (31%), NZ Government Grants (31%) City Council Sources (29%) and Foundations (25%).

Other financial sources are used by 36% (26 NPOs) of the NPOs but these were not identified/no details given of what these included in the respondent replies. The 'Other financial sources' i.e., alternatives to what was asked in the survey questionnaire, where the minimum is 1% and maximum is 100%, mean 21%. Hence, other financial resources are a significant source of alternative financial support for 26 NPOs.

Some NPOs are totally reliant on one source of funding and this is very risky. For example, some NPOs are 100% reliant on: NZ Government contracts (3 NPOs), membership fees (5 NPOs) and NPOs Business Activities (1 NPO). See Figure 7 and Table 7 for data details.

For further details about: Annual Operating Budget Financial Sources and Statistical Information, see Figure 7 and Table 7 below.

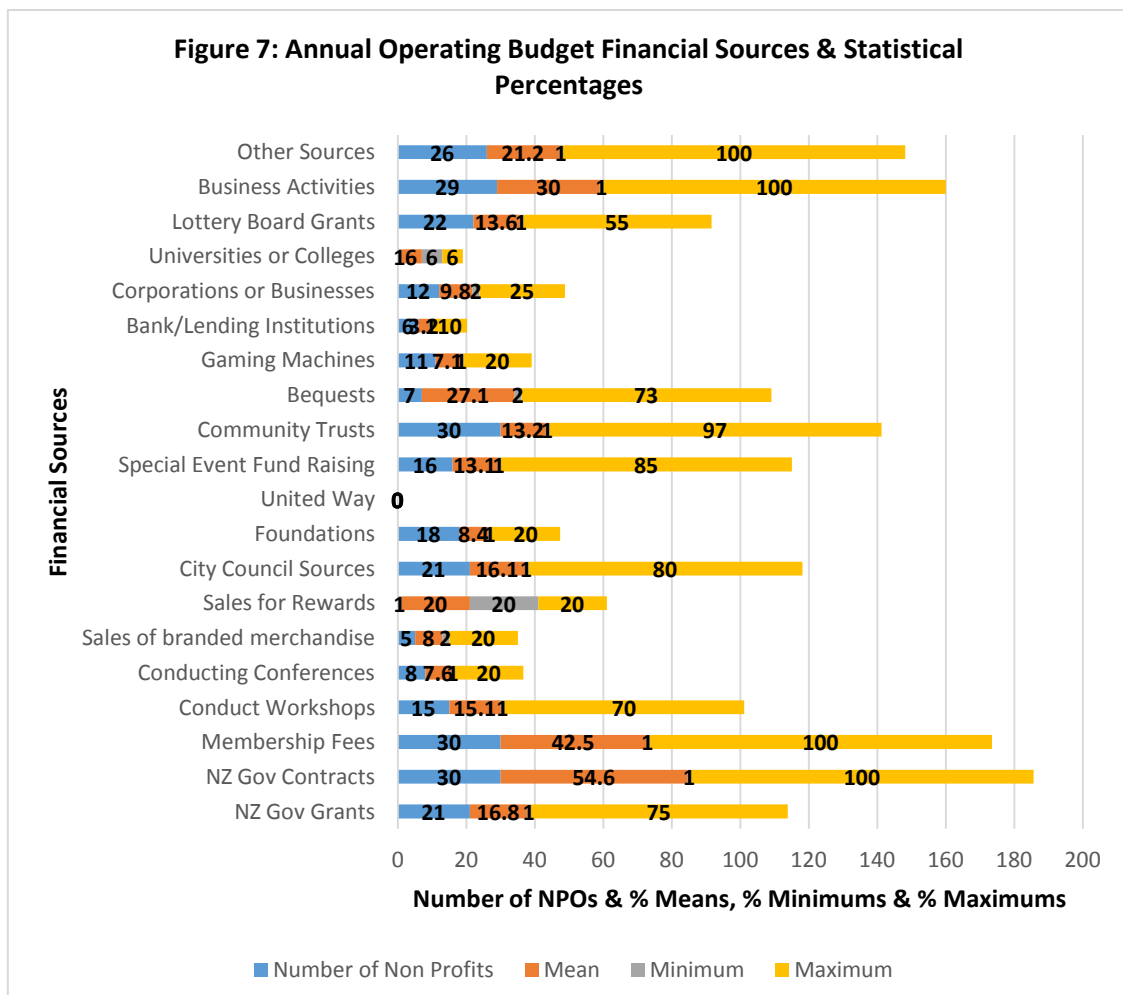


Table 7: Annual Operating Budget Financial Sources and Statistical Information					
Financial Sources	Number of Non Profits	Percentage of NPOs	Mean	Minimum	Maximum
NZ Gov Grants	21	29	16.8	1	75
NZ Gov Contracts	30	42	54.6	1	100
Membership Fees	30	42	42.5	1	100
Conduct Workshops	15	21	15.1	1	70
Conducting Conferences	8	11	7.6	1	20
Sales of branded merchandise	5	7	8	2	20
Sales for Rewards	1	1.4	20	20	20
City Council Sources	21	29	16.1	1	80
Foundations	18	25	8.4	1	20
United Way	0	0	0	0	0
Special Event Fund Raising	16	22	13.1	1	85
Community Trusts	30	42	13.2	1	97
Bequests	7	10	27.1	2	73
Gaming Machines	11	15	7.1	1	20
Bank/Lending Institutions	6	8	3.2	1	10
Corporations or Businesses	12	17	9.8	2	25
Universities or Colleges	1	1.4	6	6	6
Lottery Board Grants	22	31	13.6	1	55
Business Activities	29	40	30	1	100
Other Sources	26	36	21.2	1	100
Respondents Details	68	95			

Conclusions and recommendations:

Funding

Those NPOs that are reliant on one source of funding e.g., Government contracts and membership fees need to find other sources as well to spread their financial risk. This requires good networking with future potential people/other organisations who may be able to assist. Marketing your NPO effectively is important so that users of your services know what you are offering them, how your services differ from your competitors and how these services are sustainable and can positively impact on society. Funders are interested in results that are measurable and benefit communities.

Not having enough funding to perform evaluation activities was a key finding in the survey. NPOs need to market themselves well to attract funding. If funders understand the important reasons for funding NPOs this helps them acquire funding. Planning budgets that take into consideration programme evaluation is also important to external providers. Learning from other NPOs who are successful in obtaining funding for their operations as well as evaluation is a useful strategy to adopt.