



Community Enterprise Initiative

Working with partners to support community enterprise development across Toowoomba, Moreton & Sunshine Coast regions

Financing Your Social Enterprise

'Start with what's strong, not with what's wrong' - Cormac Russell

FRAMEWORK 1: RAISING START-UP CAPITAL

'What's in the kitchen cupboard and what you might have to go down to the shops for'

Start-Up Capital is a critical (but not the only) ingredient to getting your enterprise going. Importantly, you don't have to wait for a grant or major donor to help, but can start with resources you have close to hand (in the kitchen cupboard so to speak).

1.1. What's in the kitchen cupboard

Your List

1. Community / Citizen Energy

(i.e. are there people willing to engage in this to help get it off the ground and if so what might they reasonably expect in return for the efforts.

2. Community Assets

(what existing community assets are in your control / or potentially in your control which could be utilised toward starting your enterprise efforts (e.g. an underutilised piece of land, a vacant shop front, a vehicle etc) You might do some asset mapping to identify these and you might be surprised what opportunities arise

3. Replacing Expenditure

(i.e. are there existing regular expenses you could replace) e.g. do you currently pay a company for cleaning when it is potentially a job for your social enterprise?

4. Retained Earnings

(does your committee have any retained earnings that they are willing to put toward an enterprise trial within defined parameters. e.g fund a six month position for an enterprise development worker to pilot a project to see if it has enterprise and developmental energy

1.2 What you need to go to the shops for **Your List of Options**

1. No interest or low interest loans.

(approach government, philanthropy or another community organisation for a no or low interest loan)

2. Government Grants

(e.g. program funding for social enterprise, addressing of long term unemployment, youth disadvantage etc) but also consider grants for equipment e.g. Gambling Community Benefit fund and host of other funding options

3. Traditional finance

(i.e. go to the bank for a loan) Usually only if you have a clear business plan and anchor contract which will provide a safe and stable return. Also consider non-traditional finance such as impact investing, where lower interest rates might be available. (Approach Social Enterprise finance intermediaries such as SEFA and Whitebox regarding this).

FRAMEWORK 2: DEVELOPING INCOME STREAMS.

All social enterprises have blended income, aligned with to a greater or lesser degree with their social or enterprise agendas.

This includes three broad streams:

1. Income from trade (selling coffees, cutting grass, washing laundry)
2. Income from providing services (NDIS services, youth services, or other government program funding)
[1 and 2 can be relatively stable especially where there are contracts in place].
3. Philanthropy and grants (sometimes awarded for programs & often for equipment). [Such income is often one off or short-term but can be a valuable source of semi-regular income for specific needs].

Building Income Streams Your ideas

**% of
total**

Income from trade

Income from service provision

Income from philanthropy,
donations or grants
