

Financial Management for Sustainability

Michigan Main Street



JOHNSON CENTER

AT GRAND VALLEY STATE UNIVERSITY

Zoom Norms

Mute your mic

Chat box

Raise your hand

Breakouts & breaks

Views & controls

Facilitator



Tamela Spicer
Program Manager
Johnson Center for Philanthropy



JOHNSON CENTER
AT GRAND VALLEY STATE UNIVERSITY

Zoom Hostess



Tara Baker
Philanthropy Assistant
Johnson Center for Philanthropy



JOHNSON CENTER
AT GRAND VALLEY STATE UNIVERSITY

Checking In



Outcomes

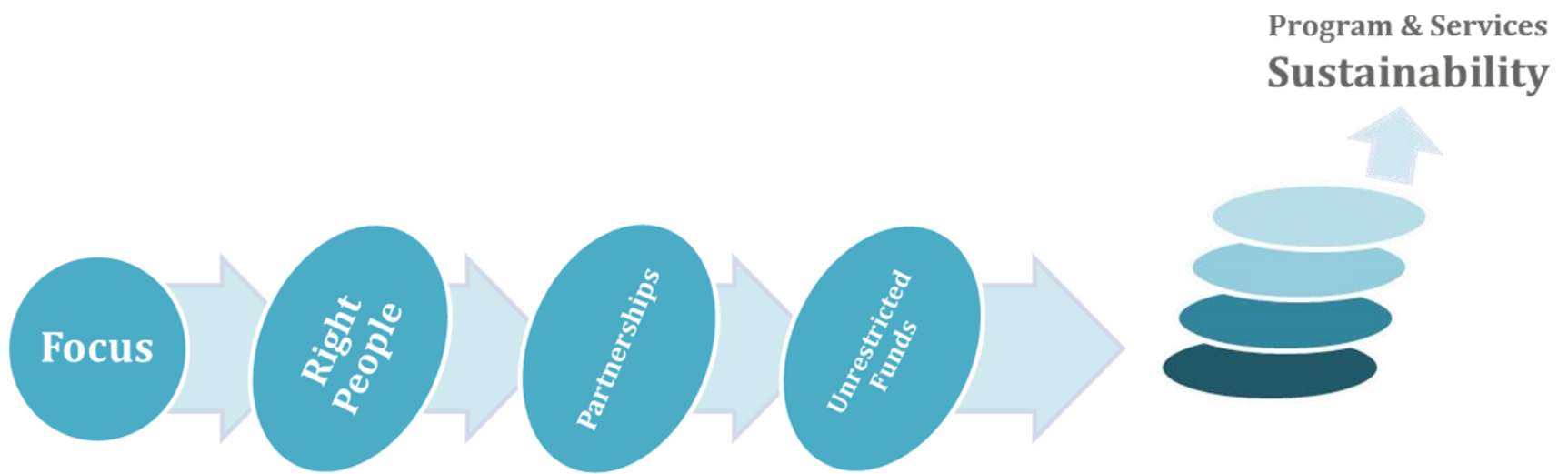
Understanding sustainability

Financial practices

Good practices for financial controls

How to engage the board

How to engage the community



Foraker Nonprofit Sustainability Model

Tools for Sustainability

Strategic plan or framework

Marketing plan

Fundraising plan

Business plan

Bylaws & policies

Budgets

Financial Viability

Balance Sheet

Debt

Facilities

Liquidity

Income Statement

Reliability

Surplus

Coverage

Analysis

Organization Level

Stability

Capacity

Responsibility

Program Level

Funding

Staffing

Profitability

Why it Matters

Responsible stewardship

Compliance

Fiscal responsibility

Build public trust

Effective mission

Manage with Controls

Minimize risk

Protect reputation

Promote efficiency

Maintain policies

Sense making for stakeholders

Types of Controls

Internal

Cash vs. accrual

Expense classes

GAAP practices

Record retention

Compliance

External

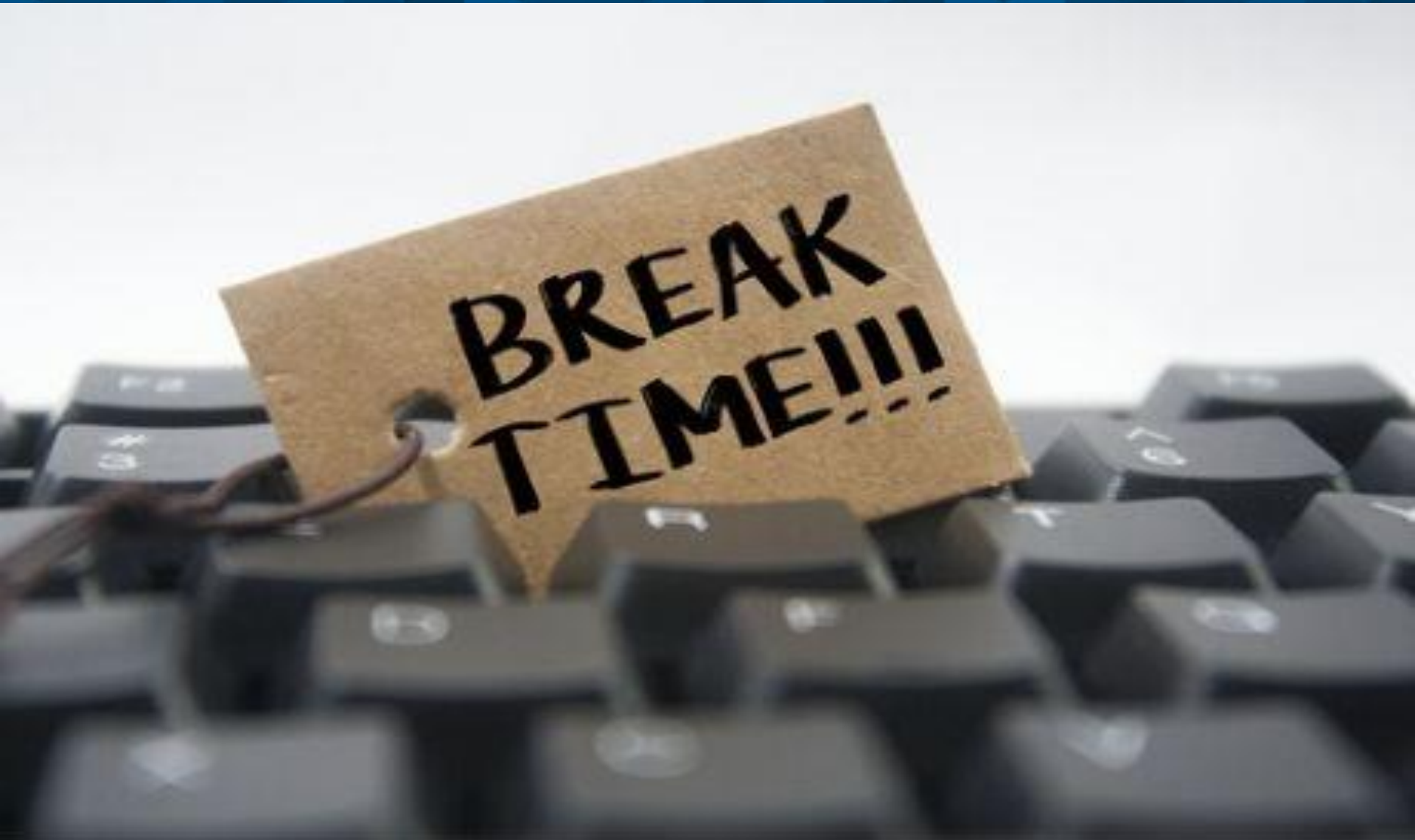
990

Solicitation

Audits

Payroll

Testing



WE'RE DOING "ZERO-BASED BUDGETING" NOW, SO
WE HAVE TO JUSTIFY EVERY EXPENSE EACH PERIOD.

UNFORTUNATELY, WE DIDN'T GET APPROVAL TO TURN
ON THE LIGHTS, BUT WE'LL TRY AGAIN NEXT QUARTER.



TOM
FISH
BURNE

Budget Tips

Revenue as starting point

Multiple drafts

Engage others

Link to strategy

Use data

Revenue Ready

Available resources

Evaluate the climate

Know your funding capacity

Branding

Know your story

Gift Amount	# of Gifts	# of Prospects	Cumulative Total
\$150,000	1	4	\$150,000
\$75,000	2	8	\$300,000
\$40,000	4	16	\$460,000
\$20,000	8	24	\$620,000
\$10,000	16	32	\$780,000
\$5,000	24	48	\$900,000
\$2,500	40	80	\$1,000,000

Board Role

Support & guidance

Financial forecasting

Scenario planning

Budget approval & monitoring

Governance & policies

Fund Development

Art & science

Essential partner to philanthropy

Donor centered

Nurture loyalty

NOT a quick fix

In 2019, Americans gave **\$449.64 BILLION** to charity

EDUCATION, PUBLIC/SOCIETY
BENEFIT, ENVIRONMENT/
ANIMALS AND ARTS, CULTURE AND
HUMANITIES ORGANIZATIONS SAW
DOUBLE-DIGIT GROWTH IN 2019.

Where did the generosity come from?*

CONTRIBUTIONS BY SOURCE (by percentage of the total)

69%

Giving by Individuals

\$309.66 billion

↑ Increased 4.7% over 2018

17%

Giving by Foundations

\$75.69 billion

↑ Increased 2.5% over 2018

10%

Giving by Bequest

\$43.21 billion

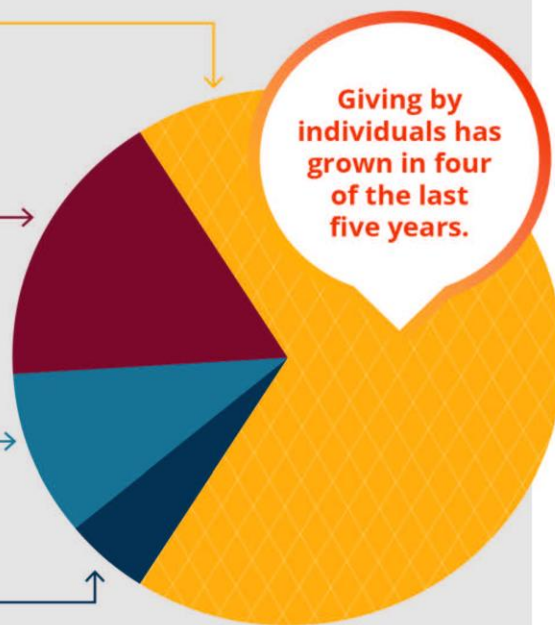
→ Flat growth of 0.2% over 2018

5%

Giving by Corporations

\$21.09 billion

↑ Increased 13.4% over 2018



* All figures on this infographic are reported in current dollars unless otherwise noted.

Where did the charitable dollars go?

CONTRIBUTIONS BY DESTINATION (by percentage of the total)



29% to Religion

\$128.17 billion (increase over 2018)



14% to Education

\$64.11 billion (increase over 2018)



12% to Human Services

\$55.99 billion (increase over 2018)



12% to Foundations

\$53.51 billion (increase over 2018)



9% to Health

\$41.46 billion (increase over 2018)



8% to Public-Society Benefit

\$37.16 billion (increase over 2018)



6% to International Affairs

\$28.89 billion (no change vs. 2018)



5% to Arts, Culture and Humanities

\$21.64 billion (increase over 2018)



3% to Environment/Animals

\$14.16 billion (increase over 2018)



2% to Individuals

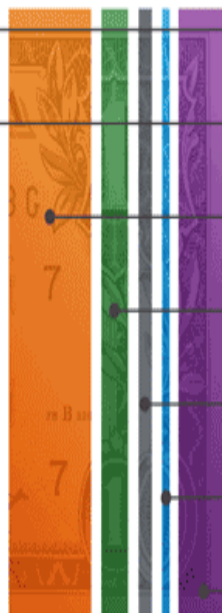
\$10.11 billion (increase over 2018)



Giving by foundations grew 2.5% in 2019, and has **grown in nine of the last 10 years.**



Giving to environment/animals organizations increased 11.3% in 2019, marking the **sixth consecutive year of growth** for this subsector.



49% EARNED Private Fees for Services

31.8% EARNED Government Grants/Contracts

8.7% DONATED Individuals

2.9% DONATED Foundations

1.5% DONATED Bequests

.9% DONATED Corporations

5.2% Other

Copyright 2019 National Council of Nonprofits | www.NonprofitImpactMatters.org

Engage Board

Ethics

Accountability

Financial oversight

Relationship building

Giving

What's Your Story

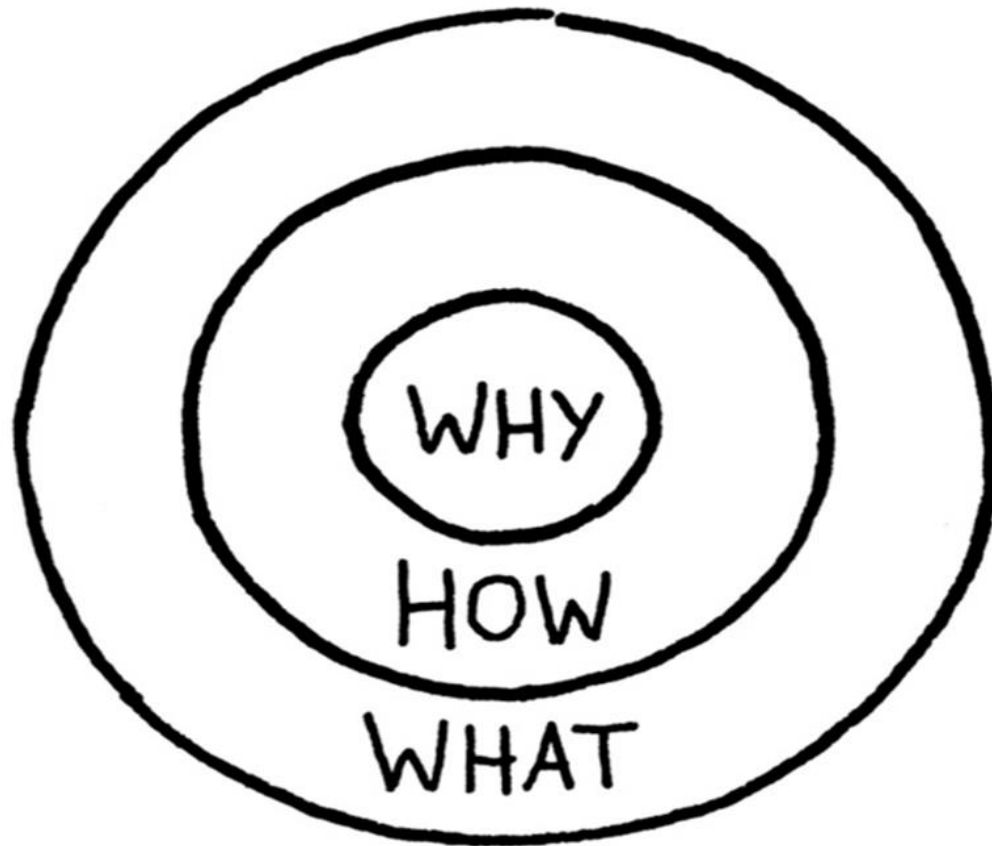
What is the need?

Why does it matter now?

What makes us qualified?

What's the benefit?

What are the consequences?



What

Every organization on the planet knows WHAT they do. These are products they sell or the services they offer.

How

Some organizations know HOW they do it. These are the things that make them special or set them apart from their competition.

Why

Very few organizations know WHY they do what they do. WHY is not about making money. That's a result. It's a purpose, cause or belief. It's the very reason your organization exists.

Plan

Resources

Cultivation & communication

Financial & strategic goals

Solicitation & stewardship

Evaluation criteria

What Story Can Do

Provides connection

Relate to experiences

Inspire action

Merge meaning & emotions

Activates the brain

Metaphors & symbols have power

Why an Annual Fund

Nurture relationships

Steady & predictable growth

Unrestricted funds

Minimize crisis

Diverse revenue

Earned Revenue

Intellectual property

Consulting & training

Products & services

Rental income

Building partnerships

