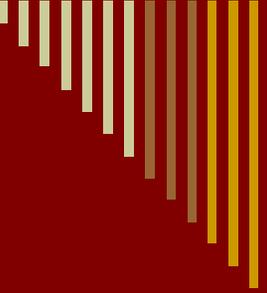


# Diversifying funding for Non-Profit Organizations WHY IS IT IMPORTANT?

**Franklin Management**

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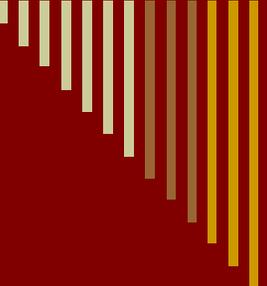


# Rule #1

□ Don't rely on Federal funds only

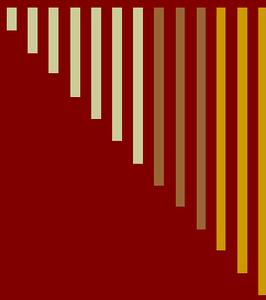
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## Rule #2

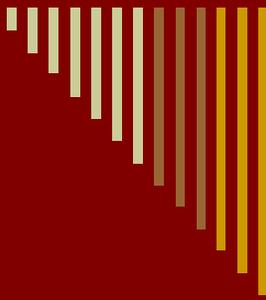
- A good board is always informed and involved in organizational growth and development.
-



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# Diversifying Funds

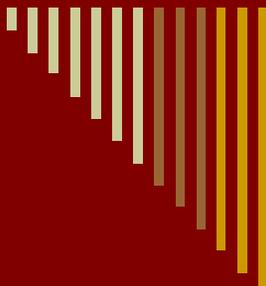
- This means taking one's total resource and dividing them into different groups.
  - Public support – federal, state/local
  - Foundations support
  - Board member support
-



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# CASE STUDY #1

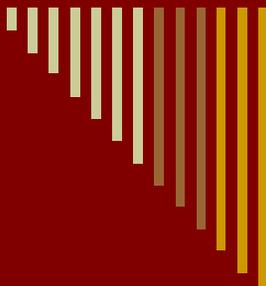
- The Great Community Based Organization (GCBO) is a nonprofit organization that provides community and street outreach to high risk individuals living in Houston.
  - The agency received a \$115,000 annual grant from the Centers for Disease Control and Prevention.
  - The project period was 5 years, beginning January 1, 2001.
  - On September 11, 2001, the United States was attacked by terrorists.
  - At the end of the first project year, GCBO expended \$75,000 of the total award providing services.
-



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# CASE STUDY #1

- In March 2002, the CDC notified the agency that due to cuts in federal funding, their 2002 award would be reduced to \$89,555.
  - In February 2003, the CDC notified the agency that due additional cuts in federal funding, the project would not be renewed at the end of the current funding year.
  - On July 27, 2003, the CDC notified the agency that it intended to synchronize all funded programs, and that its new funding year would end on September 29.
  - On July 28, 2003, the Board of Directors held an emergency meeting to discuss development of fundraising strategies.
-

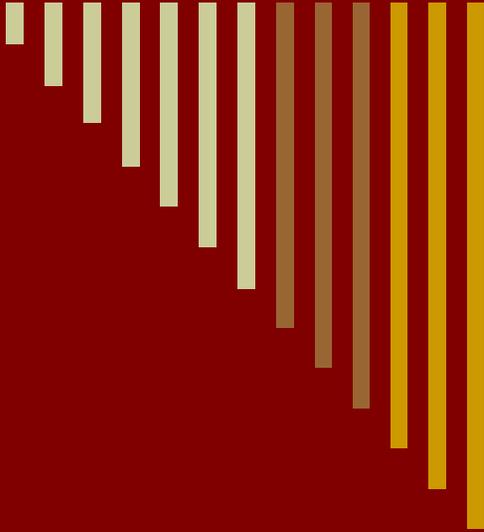


# WALKER'S THEORY OF NON-PROFIT FUNDING

- The amount of resources a CBO acquires, expends and maintains is directly related to organizational history, commitment of Board and senior management staff, ability of program staff to meet goals, market changes and sound financial planning.

$$R = \frac{(H + B + S + PS) \times P}{M}$$

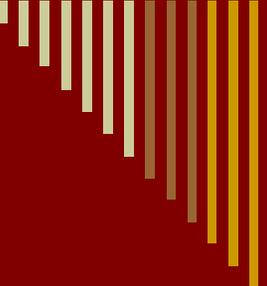
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# RESOURCE DEVELOPMENT PLANNING

**CORE COMPONENTS OF A  
RESOURCE DEVELOPMENT PLAN**

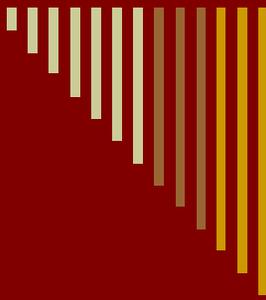
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# SECTION I: ORGANIZATIONAL HISTORY

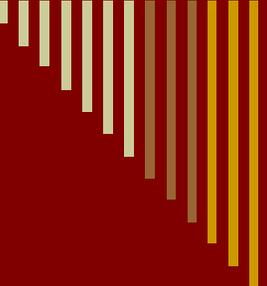
- Mission, vision and capability statements
  - Years of service and operation
  - Activities conducted and services provided
  - Highlights of Board of Directors and Key Management Staff
  - Location (s)
  - Connection to the community
-



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## SECTION II: ORGANIZATIONAL ASSESSMENT

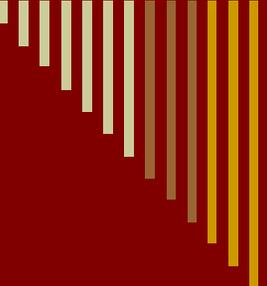
- What are your resources?
  - What makes your organization unique?
  - Fiscal year
  - Major financial policies and procedures
  - Current operational budget, audit and balance sheet
  - Current overall revenue, including revenue streams
  - Major expenditure forecast
-



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## **SECTION III: MARKET ASSESSMENT**

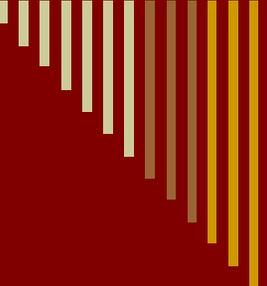
- Competing community based or private organizations providing similar services
  - Assessment of opportunities and challenges
  - Revenue forecast with growth potential
  - Assessment of revenue streams
-



# SECTION IV: REVENUE GENERATION PLAN

## Needs Assessment

- Why resources required
    - Funding Sources
    - Restricted versus unrestricted
  - Types of resources required
    - Personnel, monetary, technological, equipment, etc.
  - “Risk” Assessment
    - What happens if.....
  - External requirements
    - Products/services/technology required to be purchased outside company
-

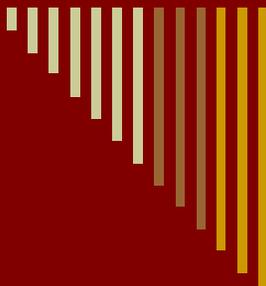


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# SECTION IV: REVENUE GENERATION PLAN

## Measurable Goals, Objectives and Action Steps

- Introduction
  - Short, intermediate and long term goals
  - Realistic and time-phased objectives
  - Narrative description of activities
  - Timeline and with major milestones
  - Budget
-



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# SECTION V: QUALITY ASSURANCE AND QUALITY CONTROL

- Process and outcome objective to evaluate attainment of goals
  - Revised or new goals and objectives
  - Rewards
    - Estimate expected pay-off, particularly if seeking funding
-