

Nonprofit Finance Fund's Tools for Tough Times

Whether they provide education, shelter, or cutting-edge research, nonprofit organizations are currently facing the perfect storm: a greater need for their services and evaporating (or nonexistent) reserves, worsened by funding cuts from all sides. In our recent nationwide survey, 1100 nonprofits told us about the extraordinary challenges they're facing. During 2009, 75% percent expect an increase in demand for their services. At the same time, 43% expect cuts in government revenue while 62% expect a decrease in foundation revenue. Only 12% expect to operate above break-even.

Without money and financial guidance in both good and bad times, these critical organizations can't keep their doors open. Here's what NFF is doing to **make sure they continue to survive and thrive.**

NFF: "...arguably the most influential voice in the ongoing effort to reshape thinking and practice about nonprofit capitalization."

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Here's How We Can Help

Nonprofits face the need to cut expenses as a result of reduced revenue. NFF's tools are designed so that:

- Nonprofits have the financial tools to plan effectively during years of economic uncertainty and beyond.
- Short-term decisions leave nonprofits financially sound for the long haul.
- Cost-cutting measures result in minimal program disruption.
- Organizations prepare themselves to find new ways of operating in a changed economic and social reality.
- High-performing and socially valuable organizations are not allowed to fail due to financial challenges alone.

NFF has spent 30 years creating a lending program and financial strategies and tools specifically for nonprofits and funders. We listen, give guidance on issues that are both immediate and long-term, and respond to the needs of the sector.

Our services are described to the right. We always begin by listening: we assess an organization's current situation and needs. From there, we develop a work plan that will help managers better understand, interpret and use their financial data to make well-informed decisions. Our critical juncture financing provides access to capital. All of these in turn contribute to a sound platform for delivering on mission.

To learn more, visit us online at nonprofitfinancefund.org or get in touch with your local NFF staff.

Webinars and Workshops

Small-Group Peer Clinics

Financial Situation Diagnosis and Analysis

Introductory Services

Recession Planning Webinar (90 minutes)

For organizations in need of preliminary guidance, this webinar provides an online crash course in assessing risk and financial planning.

Recession Fundamentals Workshop (1/2 day)

We provide nonprofit leaders with guidance and tools to manage through these challenging times. Topics include: assessing organizational preparedness; evaluating risk exposure and tolerance; identifying and quantifying options; and communicating financial stories to funders. We discuss tips on cash flow planning, access to credit, program profitability and scenario planning.

Linking Money to Mission (1 day)

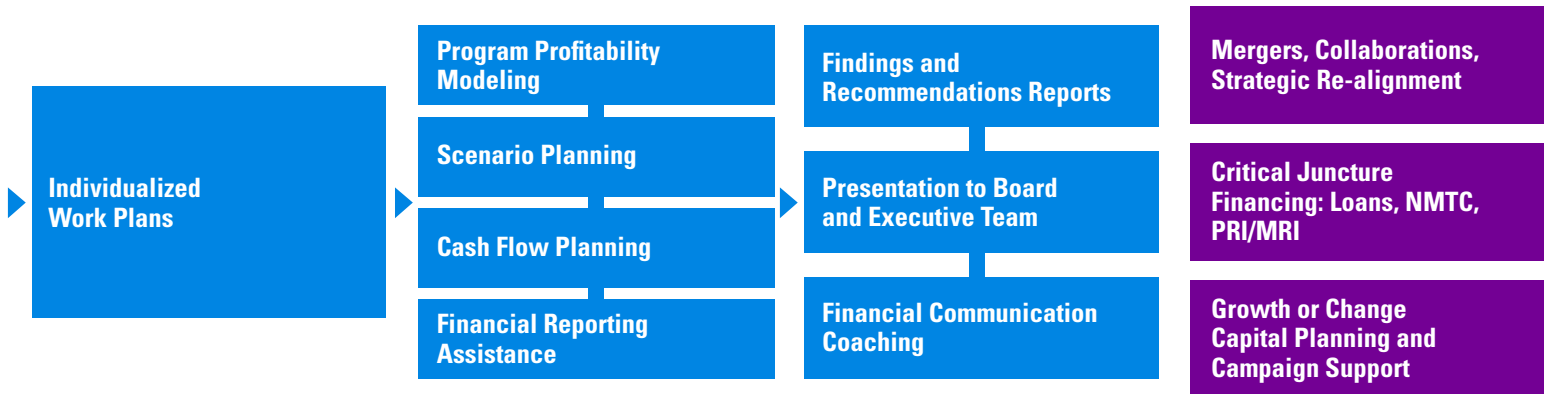
This workshop helps managers and board members become more comfortable with: core concepts of nonprofit finance; techniques for interpreting financial statements and incorporating this data into decision making; and ways to explore business choices that help maintain organizational financial health in an unpredictable funding environment.

Financial Leadership Clinic (2 days)

In this two-day seminar, we work intensively with up to six nonprofits in a common sector. Combining recession-related topics, individual financial exercises, audit analyses, and peer-based learning, we coach participants in how to articulate their unique opportunities, challenges, and financial goals. This small-group peer learning format can be adapted to focus on the specific needs of a sector or cohort of organizations.

Financial Situation Analysis and Work Plan

In today's uncertain environment, nonprofit leaders need to know where they stand financially and to understand how much financial risk they can tolerate. NFF's assessment is designed to improve managers' and board members' ability to read, interpret and use their financial information to plan and manage. In our initial consultation, we evaluate an organization's financial condition over a multi-year period to shed light on its trends, challenges and opportunities. We meet with the client's executive leadership and some board members to discuss our assessment and to suggest next steps for improving the organization's financial health. We then create a customized work plan for each organization, providing services that best meet the client's particular needs.



Core Financial Planning and Strategic Management Support

Financial Reporting Assistance

To make good decisions, nonprofits need accurate, up-to-date, and clear financial information. NFF assesses the organization's internal management reporting tools—such as cash flow projections, budget vs. actual reports, program analyses, and revenue and expense projections. We then help organizations make improvements so that these reports are most useful and effective for management and communications.

Cash Flow Planning

We offer guidance on how to produce and use monthly cash flow projections (CFP). A CFP forecasts cash inflows and outflows over a period of time. It provides visibility into the timing and reliability of cash. In addition to being an important element of any business plan, a thoughtful CFP can improve chances of receiving a line of credit or working capital loan.

Program Profitability Modeling (PPM)

A vital tool in an economic crisis, PPM helps nonprofits understand the practical revenue and expense dynamics of each major program and determine which programs are operating at a profit or loss. PPM can help management and board members set program priorities, tackle deficits, improve the financial bottom line, and identify ideal cost savings.

Scenario Planning

Planning for the unexpected is critical in times of uncertainty. NFF works with management to evaluate how unanticipated revenue shortfalls could impact the organization. We explore opportunities for maximizing revenue, cutting costs, and re-channeling resources. By developing best and worst case scenarios, we give nonprofits the tools to manage risk and think creatively about their financial future.

Reports, Presentations, Communications Coaching

After conducting a customized analysis, NFF can help a nonprofit communicate its financial story and the results of recession planning work. Our services span from reporting on or presenting findings and recommendations in meetings with boards, funders, or lenders to coaching clients on how to integrate compelling visual and written information into proposals and presentations.

Loans

NFF makes loans of up to \$2 million for operating and capital needs. In the current credit squeeze, we can often step in where banks have pulled back, providing refinancing, extensions, and lines of credits to small- and mid-sized organizations that meet our lending criteria.

New Markets Tax Credits (NMTC)

NFF has been awarded \$70 million in New Markets Tax Credits from the US Treasury Department, which we use to attract private investment for facilities in low-income communities. We are one of the few recipients using these credits exclusively to finance projects for nonprofits.

Long-Term Customized Engagements

Mergers, Collaborations, Strategic Re-alignment

More and more, nonprofits are entering into alliances and mergers with other organizations to better fulfill a common mission. It's essential that nonprofits considering collaboration engage in thorough analysis and planning—from determining feasibility, to final implementation, to forecasting. We can guide nonprofits through every step of the process.

Program-Related Investment (PRI) and Mission-Related Investment (MRI) Support

In these times, some funders are considering low-interest lending programs such as PRIs, as well as MRIs. NFF provides underwriting, portfolio management, originations and seasoned advice that can enhance the efficiency and impact of a funder's new or ongoing PRI/MRI program. We can also analyze restructuring or workout options for borrowers who are experiencing difficulties with existing PRIs or MRIs.



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Other NFF Services

Researching, Speaking, Writing

NFF is continuously speaking, contributing to articles, and publishing resources during these difficult times. For results of our recent nationwide survey examining the impact of the recession on nonprofits, visit us online at nonprofitfinancefund.org. As part of funder initiatives, we can also customize research projects, market studies, and trends analyses designed to build knowledge or fit the needs of a unique set of grantees.

NFF Capital Partners

Capital Partners helps design strategic capital campaigns of \$5 million or more to raise growth or change capital. Our Sustainable Enhancement Grant (SEGESM) methodology provides the organization and its philanthropic investors with a plan for attracting and managing these capital funds.

Systems Replacement Plan (SRP)

The SRP provides nonprofit management with a practical 20-year plan to take care of an organization's facility so it can continue to safely house programs. The SRP forecasts long-term facility-related repair and replacement costs and helps organizations plan for corresponding capital needs. It is most effective when combined with our BFF Program.

Building for the FutureSM (BFF)

BFF is a matching program to fund facility-related costs. It attracts and uses foundation and government contributions as a financial incentive for nonprofits to create and maintain building reserves. Nonprofits can use this tool to proactively address facility-related repair and replacement needs in a well-planned manner.

Additional Services for Funders

We offer a range of additional services for funders, from customized studies to re-granting services to funder workshops. To find out more about our range of funder-specific services, please contact your nearest NFF office.