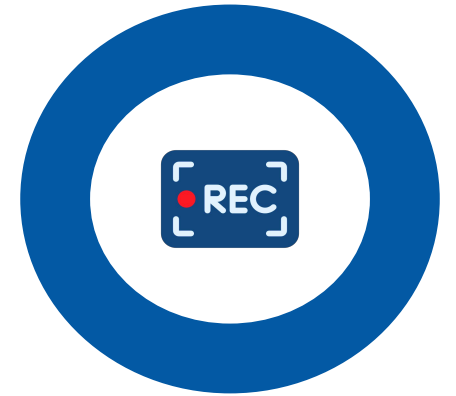




# Nonprofit Finance Resiliency & Funding Diversification 101

August 7th 2025

# Housekeeping



You are  
muted upon entry.

Add your questions  
to the chat box.

This is  
being recorded.



# LIFT Academy

# The LIFT Academy Website

<https://shgadvisors.com/lift-academy-resources/>



## Bookmark This Page!

Any and all resources that are shared throughout the LIFT Academy will be posted here. Check back regularly to see the tools, frameworks, and other products that are shared via the Virtual Assemblies, Learning Circles, and in-person convenings.

## Stay Connected!

Many of the LIFT Academy participants asked to share contact information with each other. We encourage all participants who want to connect to [share their info on this google sheet](#). Please note that this is a public sheet that can be viewed by anyone who has the link.

## Virtual Assemblies & Learning Circles

**July 23rd, 2025: The Intersection of Medicaid & Homelessness.** Medicaid can be a game-changer when it comes to financing your programs, and it can feel like a complex maze that is impossible to navigate and administer. We will be joined by several members of the Colorado Department of Health Care Policy & Financing (HCPF) to discuss how



# Today's Schedule

- Welcome!
- Nonprofit Finance Resiliency
- Funding Diversification 101
  - Public Funding
  - Corporate
  - Foundations
  - Individual Giving
  - Earned Revenue
- Individual Earned Revenue Exercise
- Survey
- Coming Up



# Presenter Bio



**Michelle Obert** is a Consultant with Nonprofit Finance Fund. In this role she partners with a range of nonprofit clients delivering customized financial management consulting services, including financial analyses, training, and workshops.

Prior to joining NFF in 2007, Michelle worked in program for a small nonprofit in the upstate of South Carolina, and before entering the nonprofit sector spent 15 years in corporate accounting/finance roles with firms in Philadelphia and New Jersey. She received an MBA from La Salle University and a BS in Accounting from Penn State University.

# Let's Build a More Just and Vibrant Society

A nonprofit lender and consultant with 45 years of national and hyperlocal experience, NFF helps mission-driven organizations adapt, thrive, and drive positive change.



## Financial Stability



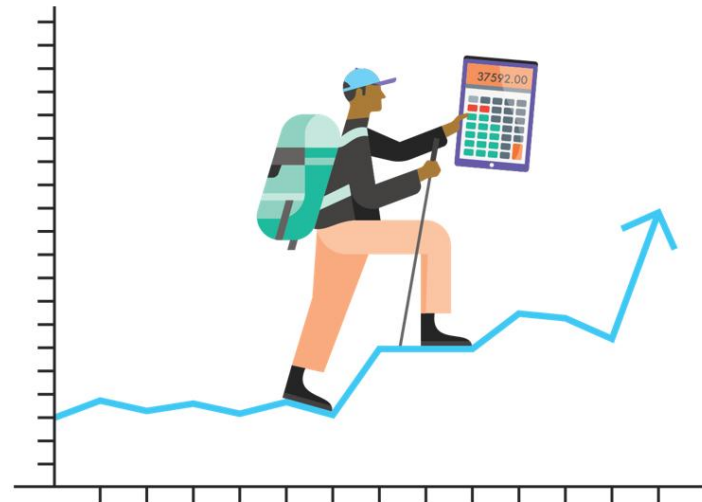


# Nonprofit Budgeting Basics

## Why?

1. Organizations have limited resources with which to carry out mission – often leaving a need for a plan that reflects how to spend these resources for a stated period of time
2. A budget serves as a road map, a guide, or financial plan
3. A good budget is a versatile, often under-utilized tool that can help to:
  - Allocate resources
  - Monitor progress
  - Increase focus
  - Set realistic goals
  - Implement strategy
  - Communicate priorities

\*See [NFF Budgeting blog series](#) for additional tips.



# Nonprofit Budgeting Basics

## How do I get started?

### 1. Who creates the budget?

- Board, Advisory Team, Senior Program Staff

### 2. What information do I need?

- Strategic Plan, Financial Info (current year budget, past operating results, 6-month results, YTD results), funder data

### 3. Where do I put this information?

- Excel or a similar spreadsheet-software system that allows you to organize, format and calculate data with formulas

### 4. When do I start the budgeting process and how long does it take?

- At least 3 – 6 months before the end of the fiscal year
- Finance committee (or executive committee/internal affairs committee) review & discuss
- Presentation to full board for approval

# Advanced Budgeting Concepts

## Budget is approved ... now what?

1. Monitor actual progress against budget on regular basis throughout the year (e.g. quarterly)
2. Ensure budget presents:
  - Contributed revenue with donor restrictions: Are we matching expenses with revenues in the appropriate time period?
  - “To-be-raised” revenue: Consider discounting method to capture uncertain revenue sources
  - Full Cost Budgeting:  
Below-the-line budgeting
3. Reforecast



# NPO Example Budget

## Monitoring & Tracking Variances

		Forecast	Budget	Variance
			Total	Total
		FY 2017	FY 2018	
<b>Revenue</b>				
Total earned revenue		75,100	85,100	10,000
Total contributed revenue		662,000	815,000	153,000
→ Total Revenue		737,100	900,100	163,000
<b>Expenses</b>				
Subtotal salaries		367,000	389,700	22,700
Subtotal benefits		57,633	65,971	8,338
Total personnel		424,633	455,671	31,038
Total consultants/contractors		122,500	134,500	12,000
Total occupancy		22,500	24,437	1,937
Total support		107,975	125,025	17,050
→ Total Expenses		677,608	739,633	62,025
→ Operating Surplus / Deficit		59,492	160,467	100,975

# Presenting Contributed Revenue with Restrictions

	Forecast	Budget	Variance
		Total	Total
	FY 2017	FY 2018	
<b>Revenue</b>			
Total earned revenue			
Total contributed revenue			
<b>Total Revenue</b>			
<b>Expenses</b>			
Subtotal salaries			
Subtotal benefits			
Total personnel			
Total consultants/contractors			
Total occupancy			
Total support	107,975	125,025	17,050
<b>Total Expenses</b>	677,608	739,633	62,025
<b>Operating Surplus / Deficit</b>	59,492	160,467	100,975

Include only portions of revenue and expense that “belong” in this fiscal year

e.g. foundation support “without restrictions” (unrestricted)

e.g. portion of multi-year foundation grant designated for this year

# Tips for Navigating External Economic Uncertainty

Sound financial planning is important in all economic situations, but in uncertain times it becomes even more vital.



# Performing a Quick Check Up

## Basics of Financial Self-Assessment

1. **Revenue:** predictability and reliability
2. **Expenses:** budgeting for 'full cost' coverage
3. **Profitability and Savings:** nonprofits need profits!
4. **Health of the Balance Sheet:** assets, liabilities & net assets
5. **Liquidity:** 'availability' of assets
6. **Financial Planning:** ability to access timely, accurate data



# NFF Fundamental Self-Assessment Worksheet

## Business Model (Statement of Activities/Income Statement)

Core Areas of Nonprofit Finance	Y	N	Not Sure	N/A	Priority- High, Med, Low	Brainstorming What is our current strategy for handling the concern? What's the next step towards a solution?
<b>Revenue: How might the reliability of revenue streams continue to be affected in the current economic climate?</b>						
Is our revenue mix (earned AND contributed) relatively predictable and reliable over time?						
Are our government contracts stable and relatively unaffected by state/local budget cuts?						
Will our foundation giving and/or corporate support remain stable or grow?						
Are our major donors still reliable? Can we count on their support at current levels?						
Can we rely on our Board to help cover any funding losses?						
Have we identified additional sources of support to make up for funding declines elsewhere?						
Have we updated our fundraising message to include the strongest, most urgent case for success?						
If in the midst of a capital campaign, are we still meeting fundraising targets? (If not, have we considered phasing the campaign or a Plan B?)						
<b>Expenses: Will costs have to be cut? If so, which costs?</b>						
Have we identified where we can cut costs without harming critical programs and operations?						
Can we still maintain our existing staff numbers and salaries?						
<b>Profitability: How might changes in revenue streams or expense dynamics affect the bottom line?</b>						
Are we generating operating surpluses on a relatively consistent basis?						
Are we developing and approving budgets that keep expenses in line with our new revenue reality?						
Are our surpluses big enough to cover depreciation, meet debt obligations, and contribute to savings?						
Are we raising revenue to cover new expenses and/or higher service demand?						



See [NFF's Self-Assessment Worksheet](#)



# Indicators of Strength & Areas of Inquiry

## Business Model (Statement of Activities/Income Statement)

---

### Indicators of Strength

- Consistent unrestricted surpluses
- Revenue is reliable and repeatable
- Surpluses occur consistently on an **unrestricted operating** basis
- Surpluses are sufficient in size to cover "full costs" needs:
  - Contribution to savings / reserves
  - Investment in new fixed assets
  - Depreciation
  - Debt principal payment



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### Areas for Further Inquiry

- Steadily declining operating results or operating deficits over multiple years
  - What may be driving these trends (changes in revenue or expense, or both)?
  - How has the organization tried to manage through these results? What kind of support is needed?
- Significant swings in revenue or expense composition from year to year
  - What may be driving these changes?



# NFF Fundamental Self-Assessment Worksheet

## Capital Structure (Statement of Position/Balance Sheet)

Core Areas of Nonprofit Finance	Y	N	Not Sure	N/A	Priority- High, Med, Low	Brainstorming What is our current strategy for handling the concern? What's the next step towards a solution?
Health of the Balance Sheet: How might changes in operating results affect your organization's balance sheet?						
Are we making loan payments on schedule?						
If struggling with debt, have we spoken with our bank about renegotiating terms?						
Are we paying our vendors on time?						
Are we planning for and meeting maintenance needs of our facility (or other fixed assets)?						
Are our investments safe and stable?						
Liquidity: What cash is readily available for routine and emergency needs?						
Do we have enough cash on hand to manage the cyclicalilty of our daily operations?						
Do we have reserves that we can draw on to manage any shortfalls?						
If reserves have been used, are we on a replenishment plan?						

# Indicators of Strength & Areas of Inquiry

## Capital Structure (Statement of Position/Balance Sheet)

---

### Indicators of Strength

- Cash of at least three month's expenses
- Available net assets without restrictions of at least three month's expenses
- Current assets exceed liabilities
- Evidence of reinvestment in fixed assets
- Evidence of ability to manage debt



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### Areas of Inquiry

- Low or declining liquidity, as measured by months of cash
- Low or declining availability, as measured by months of available net assets
- High amount of liabilities (e.g., debt, payables) relative to total assets



# Initial Financial Health Assessment

	Vulnerable	Fluctuating	Steady	Durable
<b>Business Model Performance</b> (Surplus/ Deficit)	Regular or sizable deficits	Variable operating results that include deficits or breakeven	Small surpluses, not able to save much for longer-term needs	Consistent operating surpluses sufficient to cover longer-term needs
<b>Liquidity</b> (Cash & Available Net Assets)	Low to negative liquidity (<1 mo) & trending downward. No reserves. Lots of obligations.	Limited liquidity (1-2 mo). Little to no reserves. Resources barely cover obligations.	Access to liquidity (2-5 mo) but insufficient reserves.	Positive liquidity plus reserves sufficient for business model (typically 6+ mo). Resources to adapt
<b>Management Implications</b>	No room for error, nimble decision-making should focus on ways to avoid deficits while maximizing mission impact.	Vulnerable to financial risks and setbacks (e.g, loss of major funder). Opportunities can be risky for stability.	Likely able to withstand small financial setbacks but not significant shocks. Limited ability to pursue opportunities.	Can tolerate risk and take advantage of opportunities.
<b>Investment of Capital Needed</b>	General operating support, capital to support cash flow, recovery, business model change	General operating support, capital to support cash flow, business model change, reserves	General operating support, reserves to strengthen balance sheet, capital to innovate	General operating support, capital to innovate, reserves to navigate unexpected events

*Note: the above **is not** an absolute benchmark, but rather provides a jumping off point and guide for further dialogue & inquiry with an organization.*

# Liquidity and Availability

## Cash

Ability of an organization to cover short term obligations and day-to-day expenses

## Available Net Assets

An organization's safety net, ability to navigate risk, and pursue opportunities

$$\text{Months of Cash} = \frac{\text{Total Cash}}{(\text{Total Expenses} / 12)}$$

$$\text{Months of Available Net Assets (ANA)} = \frac{\text{Total Net Assets Without Restrictions} - (\text{P\&E} - \text{P\&E Debt})}{(\text{Total Expenses} / 12)}$$

# Key Takeaways

- **Nonprofits need profits** to reinvest in the organization.
- Understanding the **systemic and structural context** of a nonprofit is necessary to understanding its financial story and needs.
- Financial data, considered in context, can provide insights into an organization's **business model**, **capital structure** and related management implications.
- A central element of mission success is a healthy business model that generates **sufficient surpluses** to cover the full cost of producing positive outcomes for the community.
- A healthy capital structure with **sufficient available and liquid resources** helps an organization adapt, reinvest in its business, manage risks, and take advantage of opportunities.



# NFF Fundamental Self-Assessment Worksheet

## Financial Planning

Core Areas of Nonprofit Finance	Y	N	Not Sure	N/A	Priority- High, Med, Low	Brainstorming What is our current strategy for handling the concern? What's the next step towards a solution?
<b>Financial Planning: Have you incorporated contingency planning into decision-making?</b>						
Have we developed best, probable, and worst case revenue /expense scenarios?						
Do we project, track, and monitor cash flow on a monthly basis?						
Is our Board regularly reviewing our financial condition and encouraging rapid response to change?						
Have we considered collaboration as an opportunity to further mission and/or save costs?						



See NFF's resources for [Building Resilience in Uncertain Times](#)

...a collection of our most practical financial planning tools, guides, and webinars for nonprofit leaders who want to prepare for uncertain times ahead.

# Thank You!







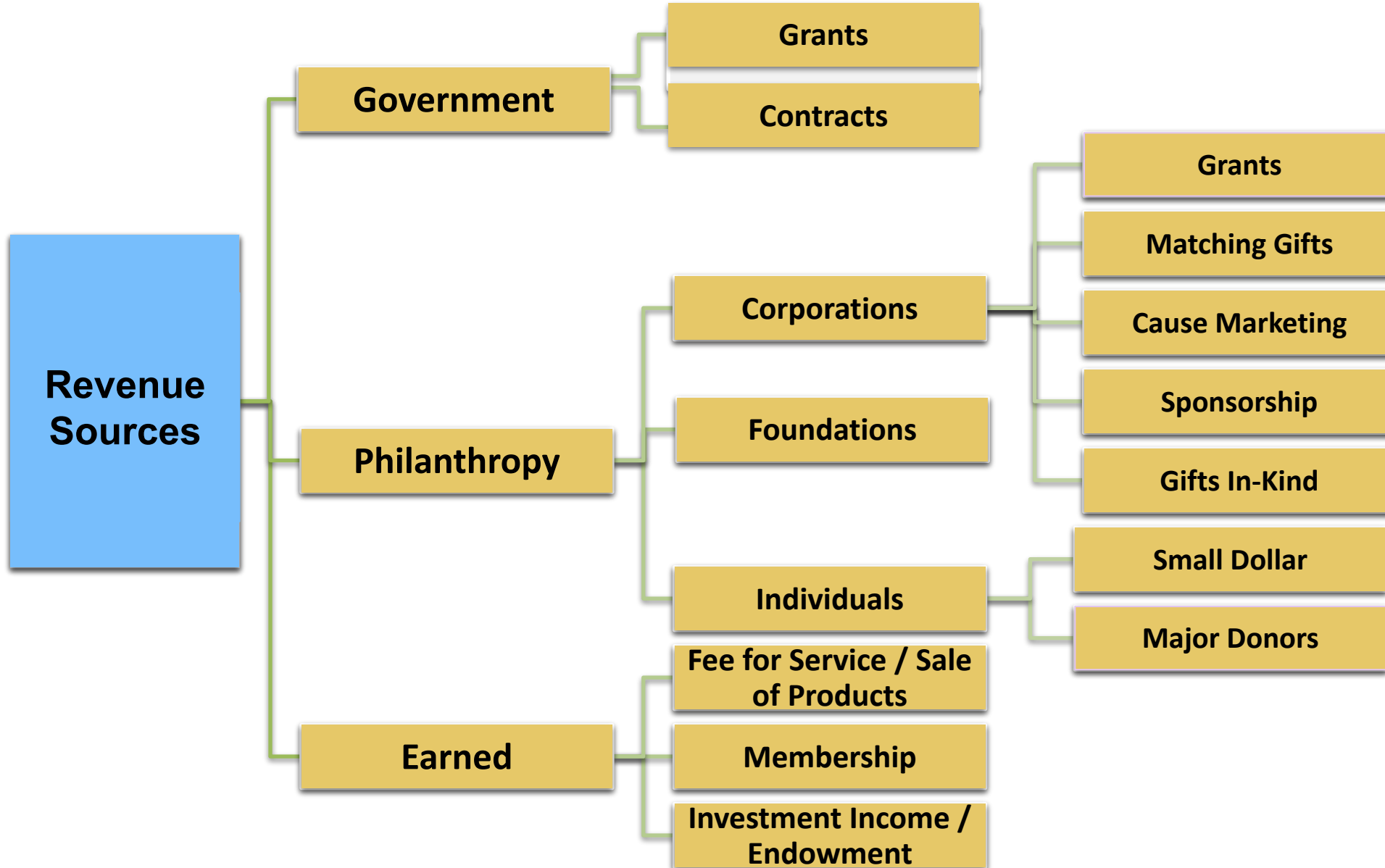
# Funding Diversification 101

# Planning for financial sustainability

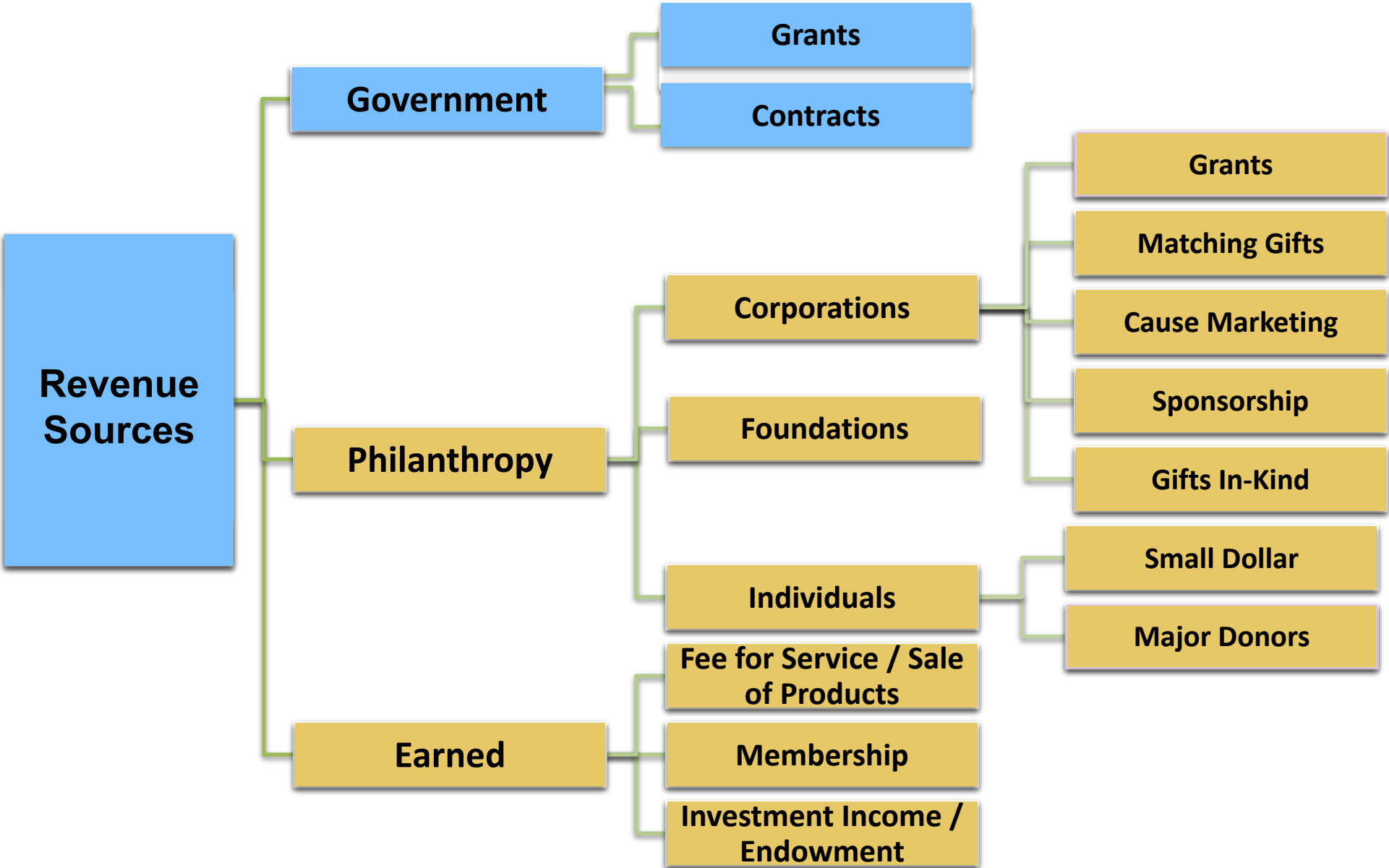
- **Determine where you are**
  - Financial Self Assessment Process
- **Evaluate what is available**
  - Revenue
    - Defining the Landscape
- **Determine the path forward**
  - Revenue
    - Prospecting the Landscape



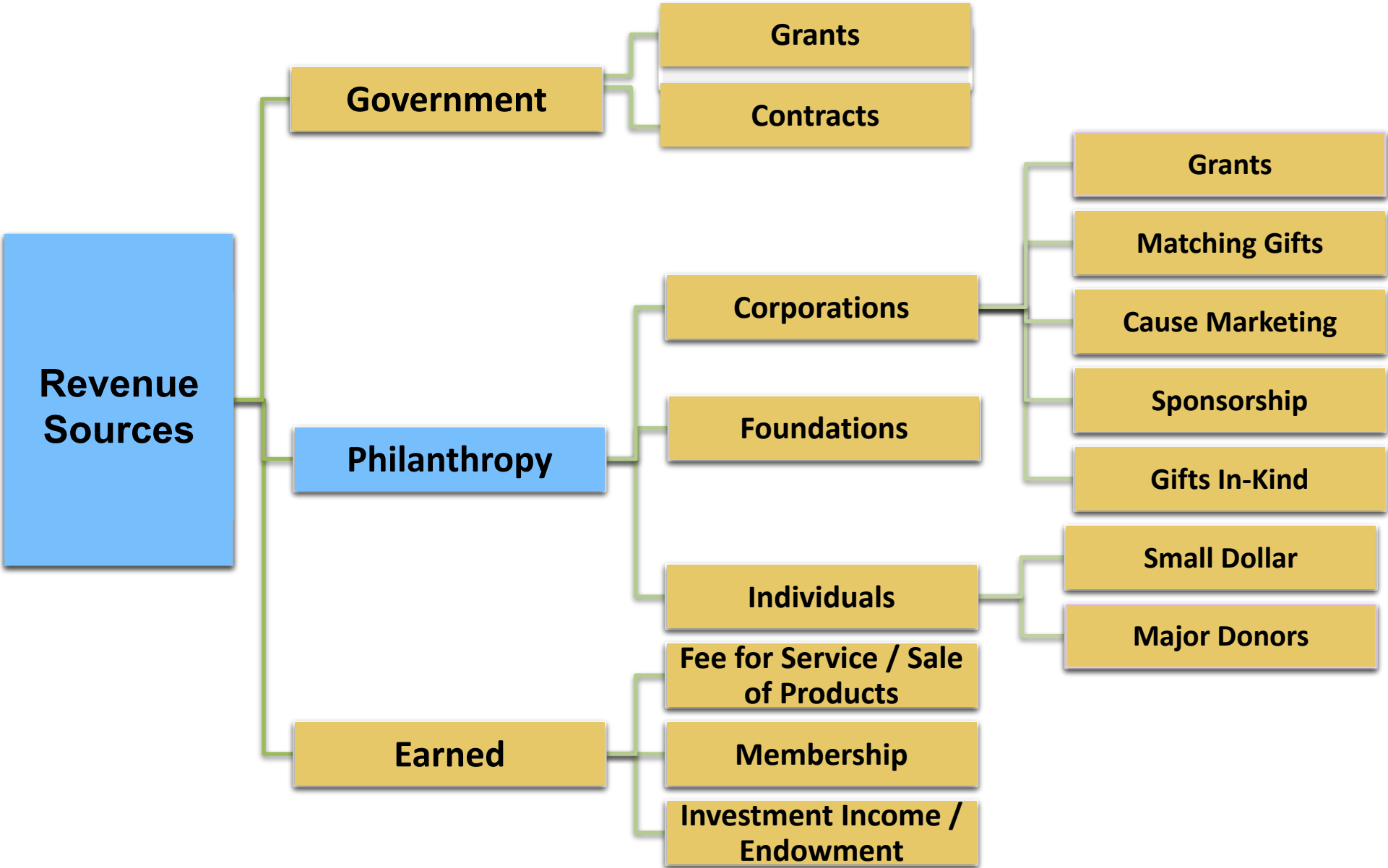
# The funding landscape is wide ranging



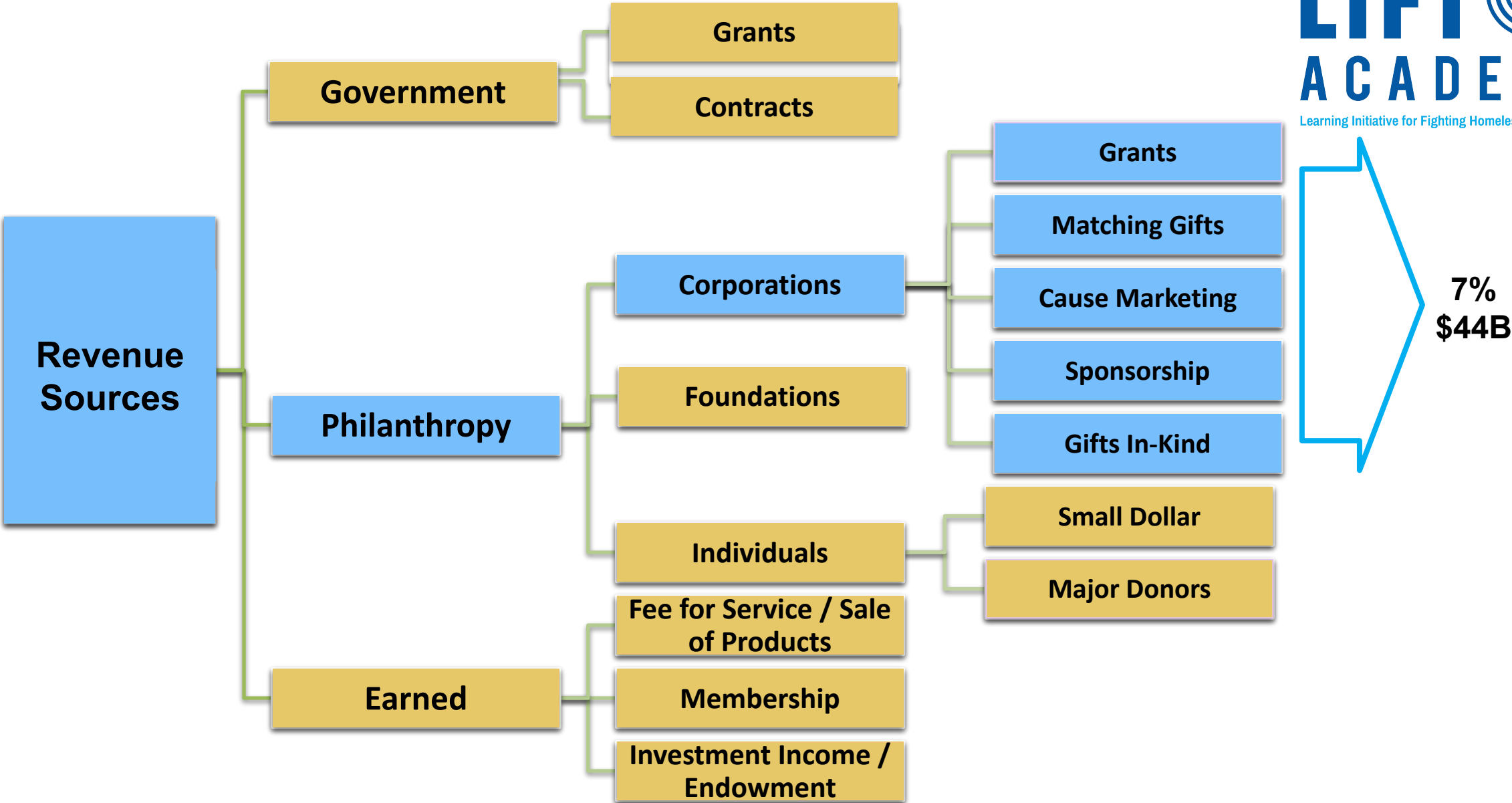
# Public funding leads the way



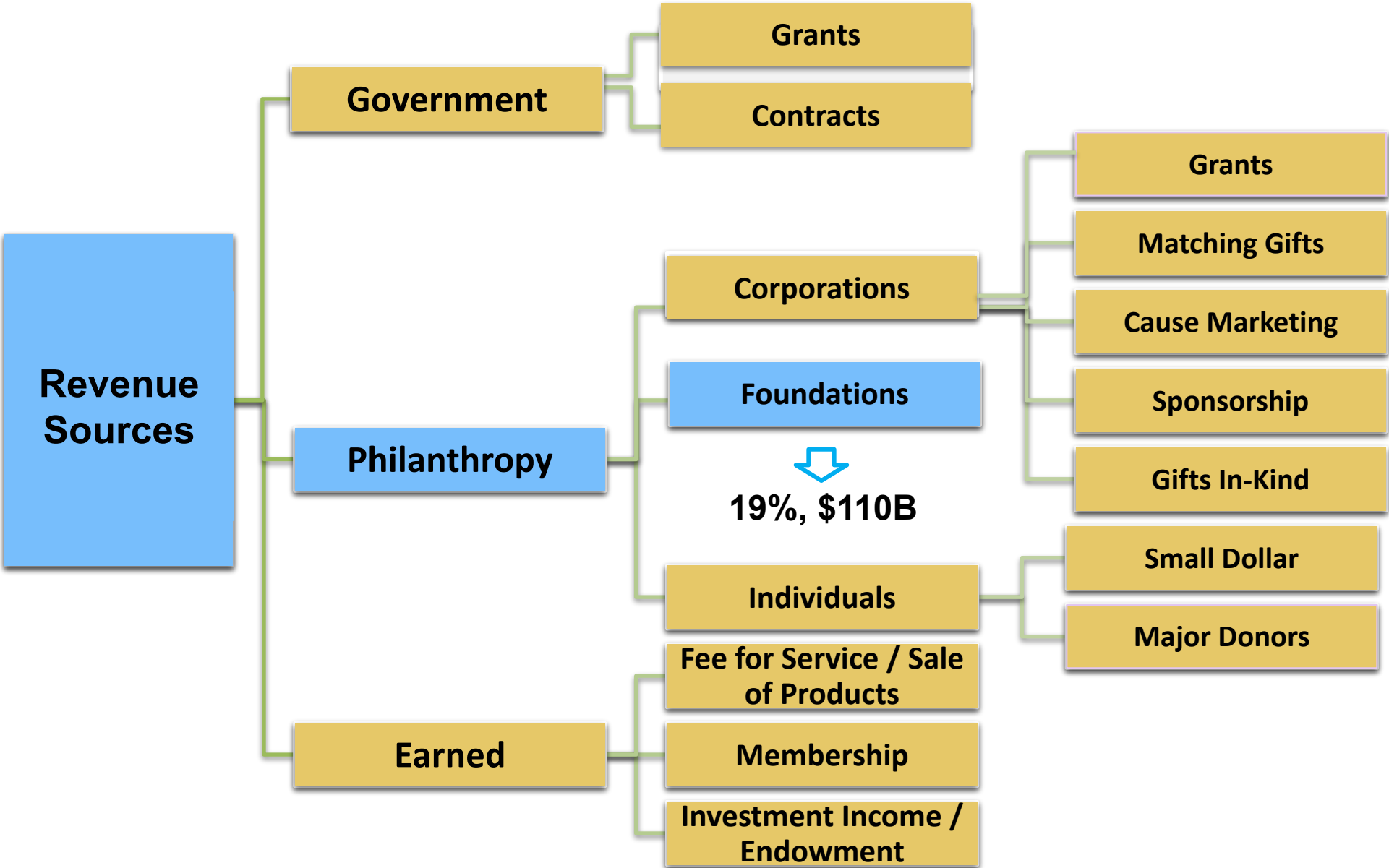
# Philanthropy contributed \$592 Billion in 2024



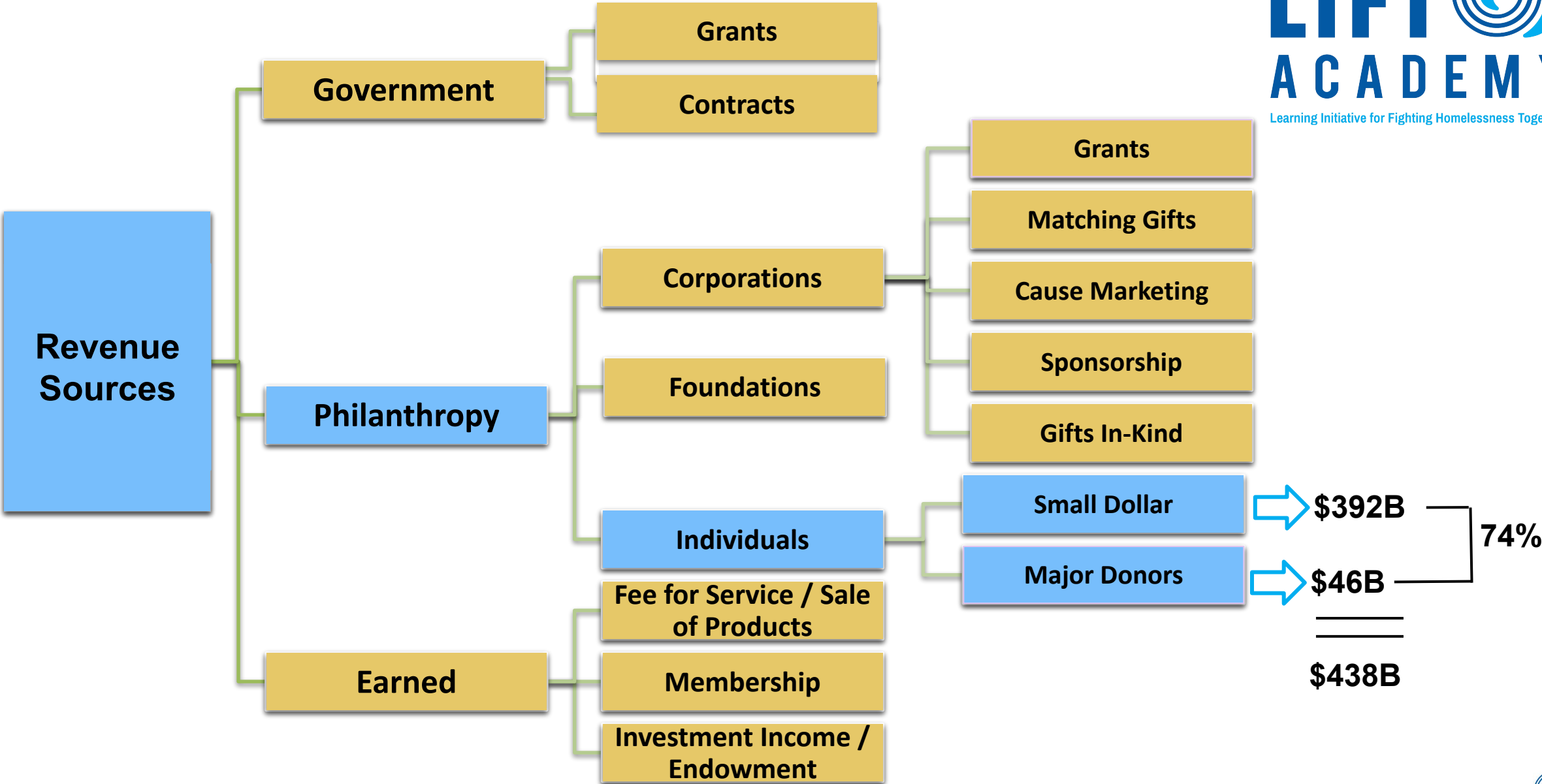
# Corporations contributed the least amount



# Foundations contributed over \$100 Billion

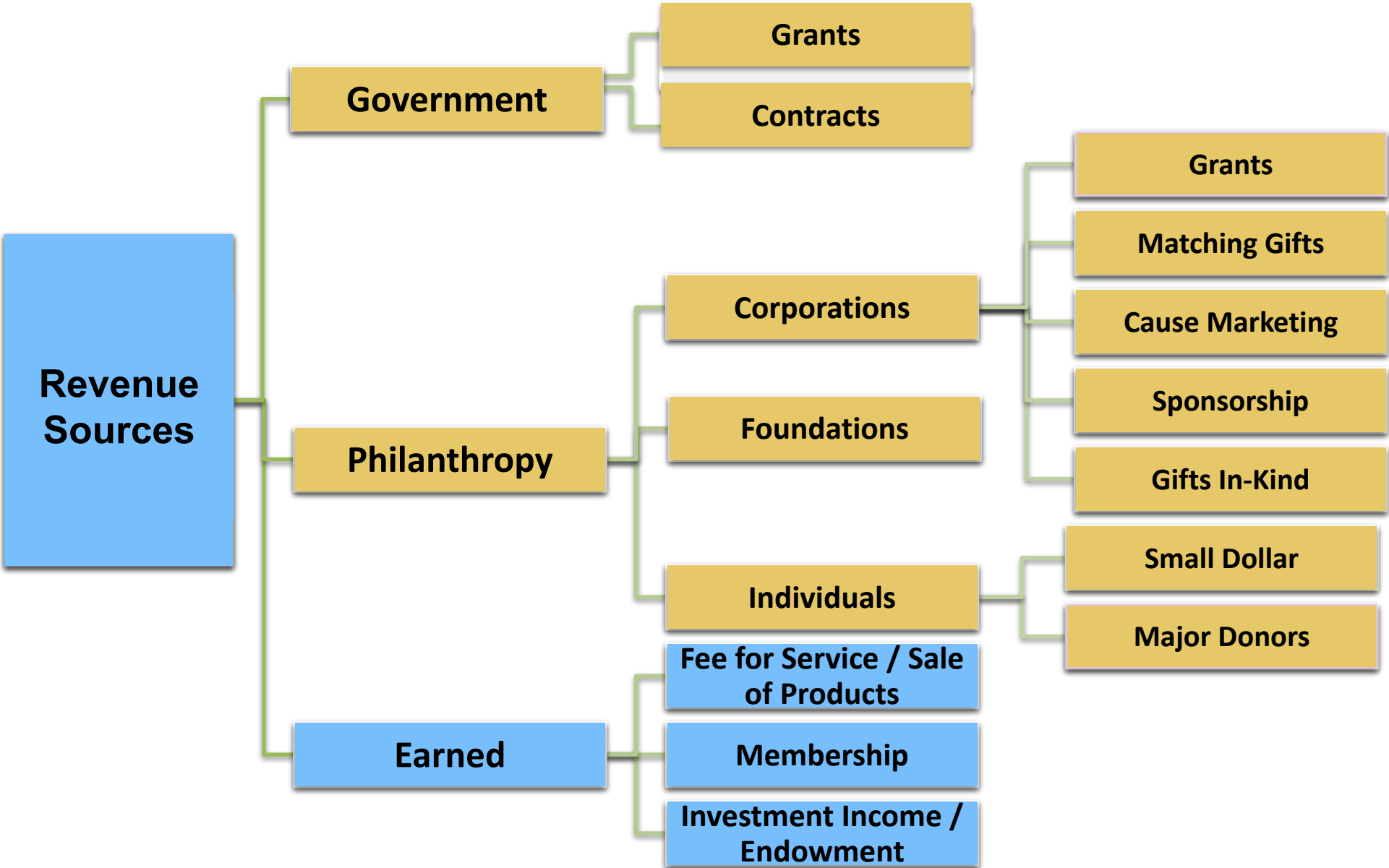


# Individuals contributed the lionshare

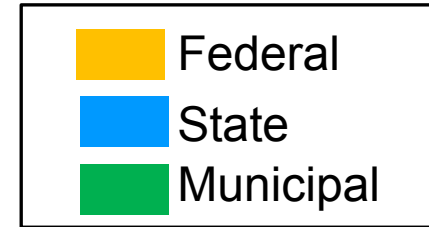




# Earned revenue can be a powerful attribute



# Public Funding is currently volatile



**States**

**Nonprofits**



**Municipalities**



# Corporate funding connects to customers (\$ sales)



- “*The business of business is business*”
  - Milton Friedman
- Like Real Estate
  - Location, location, location
- .... ARE customers
  - employees, suppliers, community members, volunteers, etc.



**Resource:** 1. Colorado Company List

# Being 'mutually beneficial' is key

- Focus on a deal vs. the appeal
  - Cause marketing / sponsorship
  - Ex. Roundups, etc.
  - Ensure alignment of priorities
    - Not all money is good money
- Reactionary to critical needs and/or challenges
  - Political environment
    - Executive orders, DEI, tariffs, etc.
  - Natural Disasters
  - Social media / environment



# Foundations exist to support nonprofits

- 100,000+ foundations exist in America
- 4 Types hold over \$1.5 Trillion in assets
  - Private / Family Foundation
    - Most\* are small (few/no staff, under \$1m, grants ~\$50K)
    - Unsolicited applications are hard (research, 6 degrees of separation)
  - Operating Foundations
    - Primarily fund their own programming (ex. university, museum, hospital)
  - Community Foundations
    - Mainly geography focused (some demographic)
    - Relationships are key - DAFs live here
  - Corporate Foundations
    - Align to corporate priority - separate from corporate giving (mash up)
- 90% don't have a website
  - Search [www.candid.org](http://www.candid.org) and [www.projects.propublica.org/nonprofits](http://www.projects.propublica.org/nonprofits)



**Resource:** 2. Foundations of Colorado PDF

# How to find foundation matches



## Step 1:

projects.propublica.org/nonprofits

PROPUBLICA [Donate to ProPublica](#)

### Nonprofit Explorer

By [Andrea Suozzo](#), [Alec Glassford](#), [Ash Ng](#) and [Brandon Roberts](#). Updated June 30, 2025

Browse millions of annual returns filed by tax-exempt organizations with ProPublica's Nonprofit Explorer. See details like executive compensation, revenue, expenses and more. Search for an organization or a person, or search the full text of filings.

Nonprofits Search for a nonprofit, keyword, city or EIN

Examples: [ProPublica](#), [university of Minnesota](#) or [14-2007720](#) [Advanced](#)

Looking for filings for political nonprofits? [Try the new 527 Explorer.](#)

## Step 2:

projects.propublica.org/nonprofits/search?q=Community+Foundation+Serving+SouthWest+Colorado

PROPUBLICA [Donate to ProPublica](#) [Email Alerts](#)

Nonprofits

### Results for "Community Foundation Serving SouthWest Colorado"

Nonprofits (1) People (0) Filings (1,809)

<b>Community Foundation Serving Southwest Colorado</b> Durango, CO • Philanthropy, Voluntarism and Grantmaking Foundations - Community Foundations	Revenue (2023) <b>\$6,139,653</b>
---	--------------------------------------

Sort by: Recent Year Revenue (High-to-Low)

Nonprofit Category   
State   
Recent Annual Revenue   
Subsection   
Audits   
Other Filters

Result

Resource: 3. Foundation 990 Research



# Find the tax filing...

PROPUBLICA

Nonprofit Explorer > Colorado

Donate to ProPublica

Nonprofits

Search for a nonprofit

## Community Foundation Serving Southwest Colorado

Durango, CO • Tax-exempt since Oct. 1999 • EIN: 84-1474900

Subscribe

Receive an email when new data is available for this organization.

### Type of Nonprofit

Designated as a 501(c)(3)

Organizations for any of the following purposes: religious, educational, charitable, scientific, literary, testing for public safety, fostering national or international amateur sports competition (as long as it doesn't provide athletic facilities or equipment), or the prevention of cruelty to children or animals.

Category: Philanthropy, Voluntarism and Grantmaking Foundations / Community Foundations (NTEE)

Donations to this organization are tax deductible.

### Details

According to its Dec. 2023 tax filing, this nonprofit:

Operated a donor-advised fund

Organization maintained a donor-advised fund or similar account through which donors could direct the distribution or investment of funds. Details are reported on Schedule D.



Source: Form 990 tax filings from 2010 to 2023

## Tax Filings by Year

Form 990 is an information return that most organizations claiming federal tax-exempt status must file yearly with the IRS. [Show more](#)

Fiscal Year Ending Dec.

2023

Revenue	\$6,139,653		
Expenses	Net Income	Net Assets	
\$5,762,323	\$377,330	\$9,035,222	
Notable Sources of Revenue		Percent of Total Revenue	
Contributions		\$5,308,784	86.5%

See an issue with the data?

Contact Us

990  
Filed on Nov. 1, 2024  
Primary tax return for a nonprofit's activities, finances, and governance

View Filing

Schedules

XML



Community Foundation Serving Southwest Colorado • Full Filing • Nonprofit Explorer • ProPublica

Office Public Visual Reader Object ID# 20241106534950023 • Submission# 2024-11-01 • TIN: 84-1474900

Form 990

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations). Do not enter social security numbers on this form as it may be made public. Go to [www.irs.gov/Form990](https://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

2023

Open to Public Inspection

For the 2023 calendar year, or for the year beginning 01-01-2023, and ending 12-31-2023

1. Name of the organization: COMMUNITY FOUNDATION SERVING SOUTHWEST COLORADO

2. Address: 500 S. DURANGO ST. DURANGO, CO 81304

3. DBO: 500 S. DURANGO ST. DURANGO, CO 81304

4. EIN: 84-1474900

5. Telephone number: (970) 255-5007

6. Does the organization have a website? Yes ☒ No ☐

7. Website: WWW.SWCOMMUNITYFOUNDATION.ORG

8. Form of organization: Corporation ☒ Trust ☐ Association ☐ Other ☐

9. Year of formation: 1999

10. State of legal domicile: CO

11. Is this a group exempt for: a. Subchapter S? b. 529(c)(2)? c. 529(c)(3)?

12. Briefly describe the organization's mission or most significant activities: To develop and increase charitable giving that connects donors to community needs in Southwest Colorado and to support the nonprofit sector through year-to-year and endowment support activities.

13. Check this box if the organization is a: a. 501(c)(3) b. 501(c)(29) c. 501(c)(28) d. 501(c)(27) e. 501(c)(26) f. 501(c)(25) g. 501(c)(24) h. 501(c)(23) i. 501(c)(22) j. 501(c)(21) k. 501(c)(20) l. 501(c)(19) m. 501(c)(18) n. 501(c)(17) o. 501(c)(16) p. 501(c)(15) q. 501(c)(14) r. 501(c)(13) s. 501(c)(12) t. 501(c)(11) u. 501(c)(10) v. 501(c)(9) w. 501(c)(8) x. 501(c)(7) y. 501(c)(6) z. 501(c)(5) aa. 501(c)(4) ab. 501(c)(3) ac. 501(c)(2) ad. 501(c)(1) ae. 501(c)(0)

14. Total revenue: 6,139,653

15. Total expenses: 5,762,323

16. Total assets: 9,035,222

17. Total liabilities: 4,657,349

18. Net assets or fund balances: 4,377,873

19. Total revenue: 6,139,653

20. Total expenses: 5,762,323

21. Total assets: 9,035,222

22. Total liabilities: 4,657,349

23. Net assets or fund balances: 4,377,873

24. Total revenue: 6,139,653

25. Total expenses: 5,762,323

26. Total assets: 9,035,222

27. Total liabilities: 4,657,349

28. Net assets or fund balances: 4,377,873

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32. Total liabilities: 4,657,349

33. Net assets or fund balances: 4,377,873

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83. Net assets or fund balances: 4,377,873

84. Total revenue: 6,139,653

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102. Total liabilities: 4,657,349

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104. Total revenue: 6,139,653

105. Total expenses: 5,762,323

106. Total assets: 9,035,222

107. Total liabilities: 4,657,349

108. Net assets or fund balances: 4,377,873

...and find the funding outflow



efile Public Visual Render

ObjectId: 202413069349300021 - Submission: 2024-11-01

TIN: 84-1474900

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

Schedule I  
(Form 990)

Grants and Other Assistance to Organizations,  
Governments and Individuals in the United States

Complete if the organization answered "Yes," on Form 990, Part IV, line 21 or 22.  
▶ Attach to Form 990.  
▶ Go to [www.irs.gov/Form990](https://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

2023

Open to Public  
Inspection

Department of the  
Treasury  
Internal Revenue Service

Name of the organization  
COMMUNITY FOUNDATION SERVING SOUTHWEST  
COLORADO

Employer identification number  
84-1474900

Part I

General Information on Grants and Assistance

1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☐ Yes ☒ No

2

Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II

Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
(1) 4 THE CHILDREN 129 CR 250 DURANGO, CO 81301			5,500	0			
(2) 9R SCHOOL DISTRICT 201 E 12TH STREET DURANGO, CO 81301			100,000	0			
(3) ALTERNATIVE HORIZONS PO BOX 503 DURANGO, CO 81302			5,300	0			
(4) AMERICAN RIVERS 1101 14TH STREET NW STE 1400 WASHINGTON, DC 20005			15,000	0			
(5) ANIMAS HIGH SCHOOL 271 TWIN BUTTES AVE DURANGO, CO 81301			101,000	0			
(6) BERRY COLLEGE 2277 MARTHA BERRY HWY NW MT BERRY, GA 30149			5,500	0			
(7) BIG BROTHERS BIG SISTERS PO BOX 2154 DURANGO, CO 81302			19,700	0			
(8) BOYS AND GIRLS CLUB 2750 MAIN AVE DURANGO, CO 81301			24,500	0			
(9) CAN DO MS PO BOX 5860 SUITE 200 AVON, CO 81620			8,000	0			

You can find out:

- Number of grants
- Size of grants
- Locations funded
- Type of orgs funded



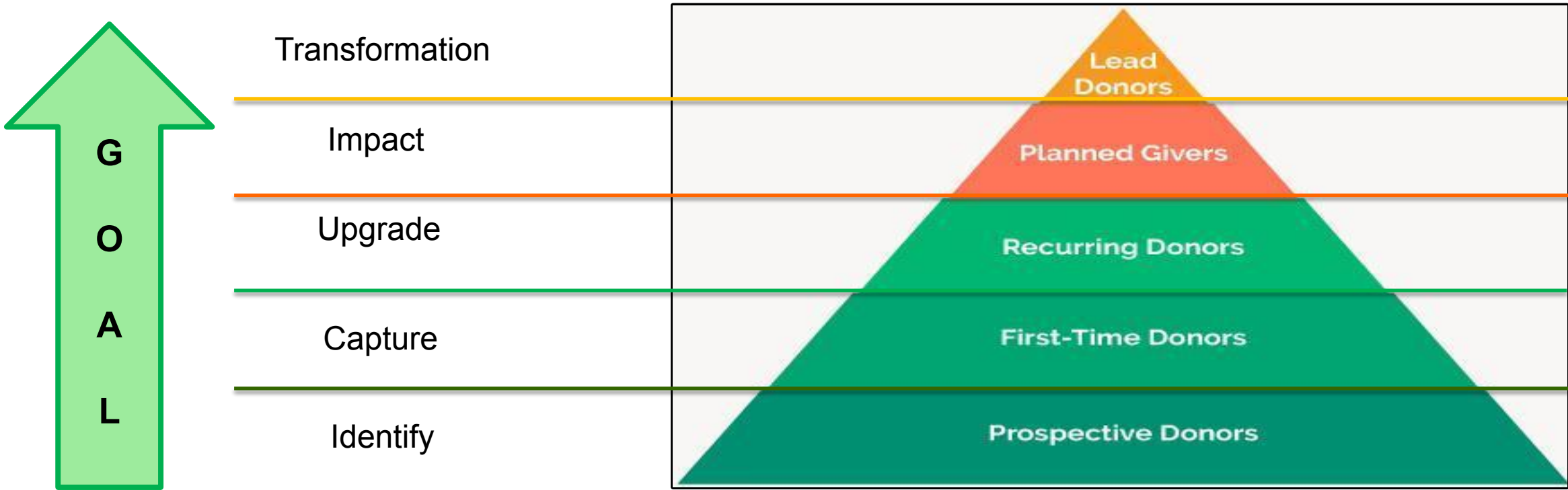
# Individual Funding is all about relationships

- Sustains most nonprofits
- Everyone – Everywhere
  - Donors, Board, Community, Neighbors, Clients, Volunteers, Staff, etc., etc., etc.
- Money flows as interest flows
  - Keep Up
  - Keep 'em informed



# Relationships with individuals culminate in layered relationships with your organization

The Fundraising Pyramid



# The Who and the How of individuals giving



- **The US Population**

- 26% Millennials (30s/early 40s)
- 24% Baby-boomers (60s/70s)
- 21% Gen X (late 40s/50s)
- 12% Greatest Generation (80s+)
- 4.5 – Average number of nonprofits individual support

- **Mobile Phones**

- Preferred method of donations for Millennials
- 64% of mobile donations come from women

- **Direct Mail**

- 11% of Americans change their address each year

- **Email**

- Most influential way to reach Gen X

- **Text-to-give**

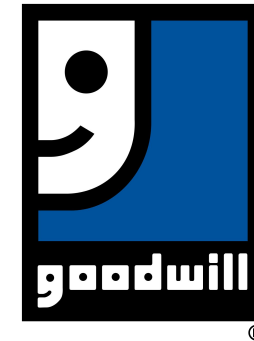
- The Average donor – 49 to 59, female, married, college graduate



# What is Earned Revenue?



**unrestricted** earnings  
from fees charged for a product or service that  
offers a social benefit



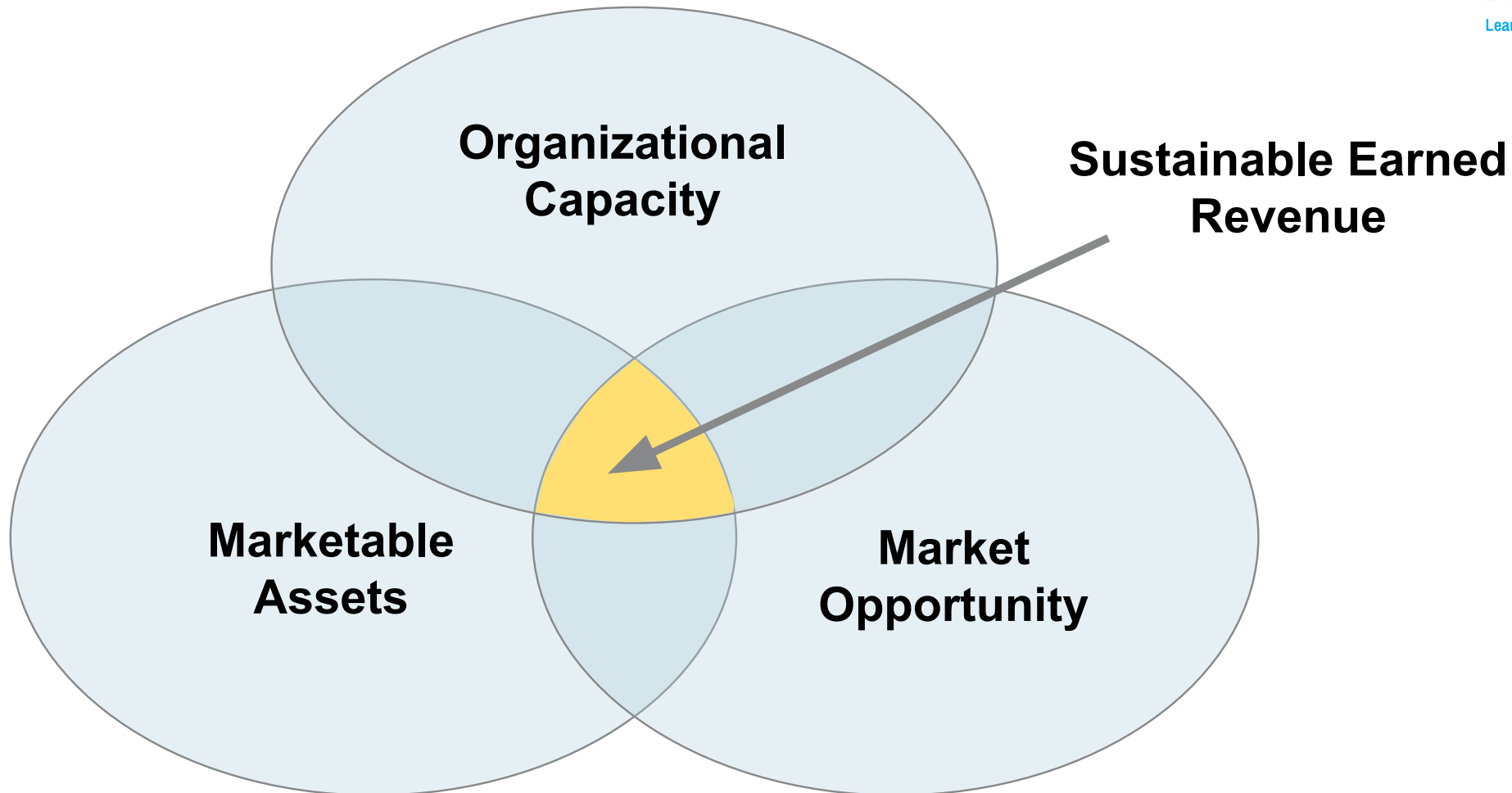
# Getting Started/Expanding: Is now the right time?



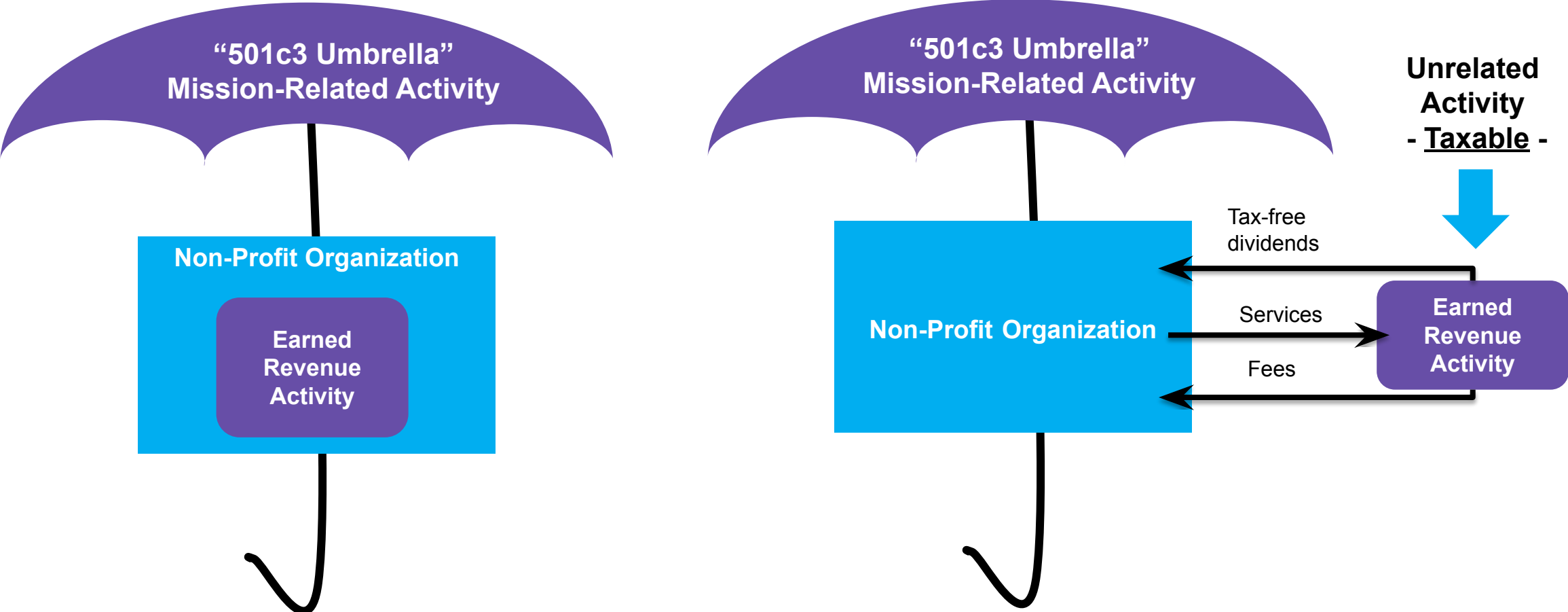
- Your goal is **longer-term sustainability** (vs. short-term cash)
- Your venture is **mission-related**
- You **already have the product/service in house** (i.e., you would not need to create something new)
- It would require **minimal financial investment** to pilot



# What factors are necessary for success?

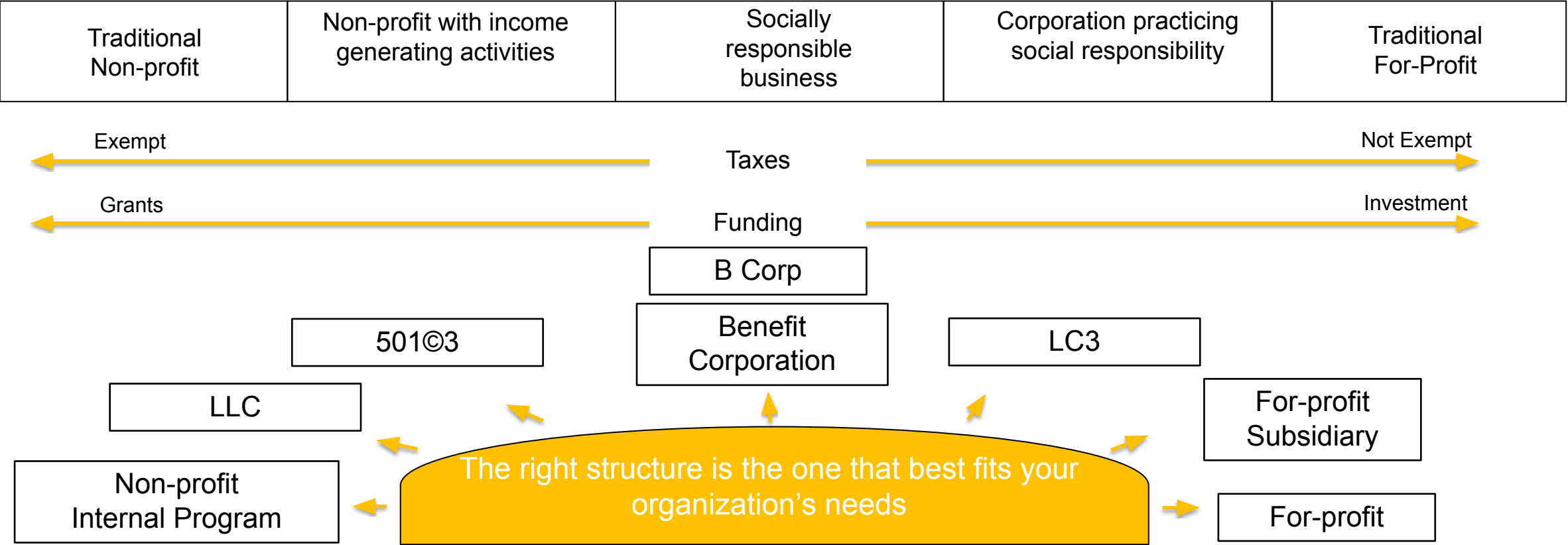


# How do we protect our nonprofit status?



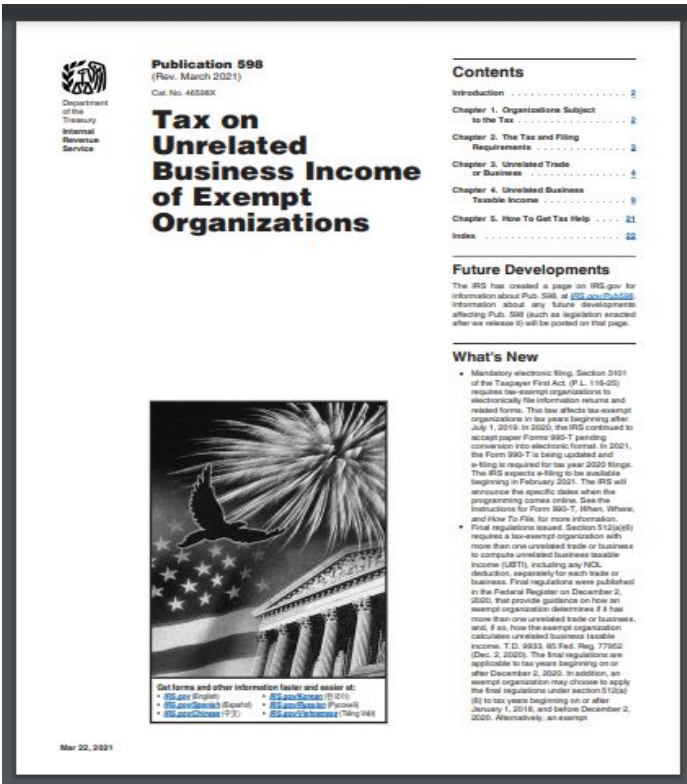


# Legal structures vary widely and often change over time

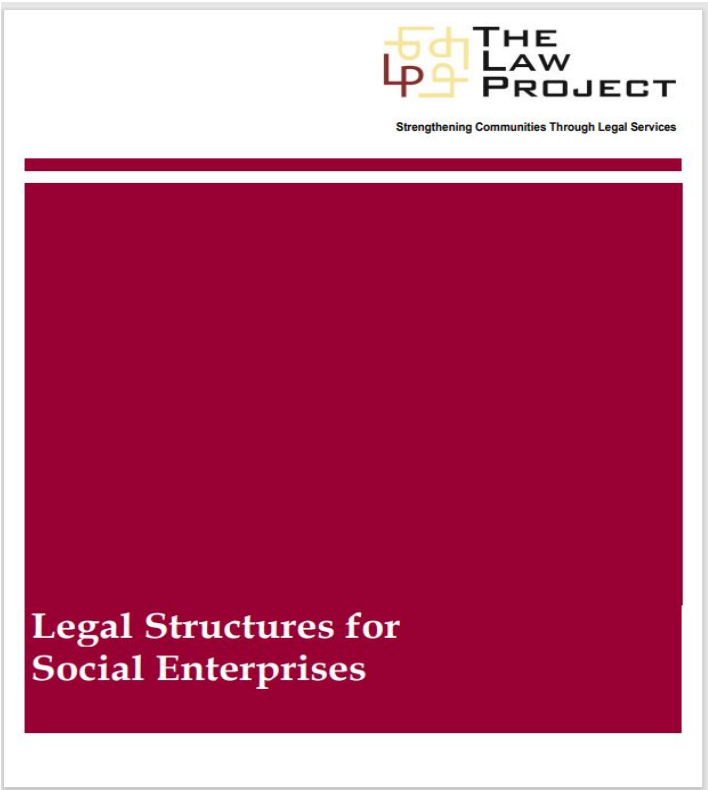




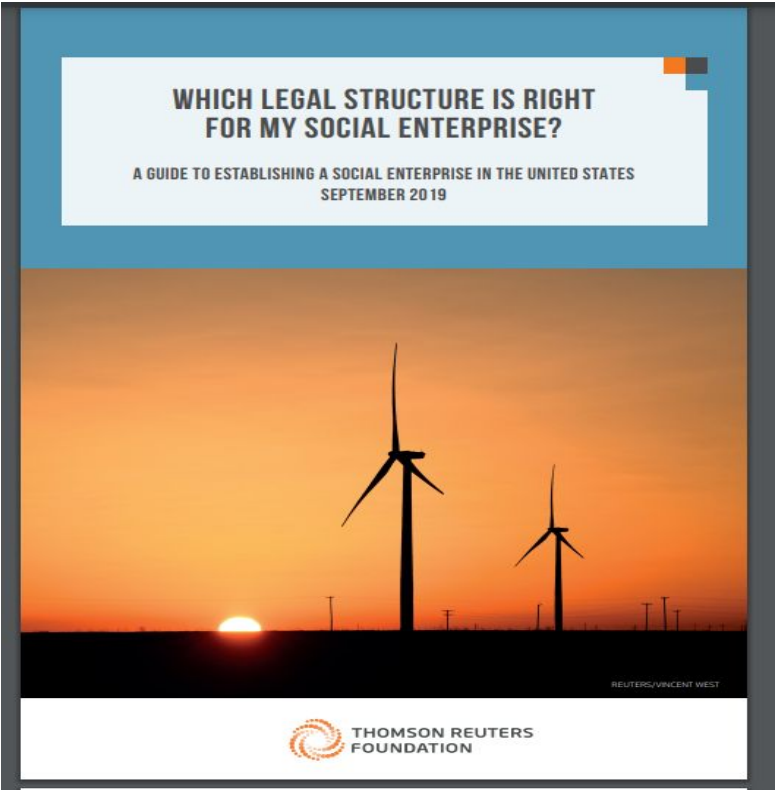
# Organizational Structure Matters



US IRS,  
UBIT Pub 598



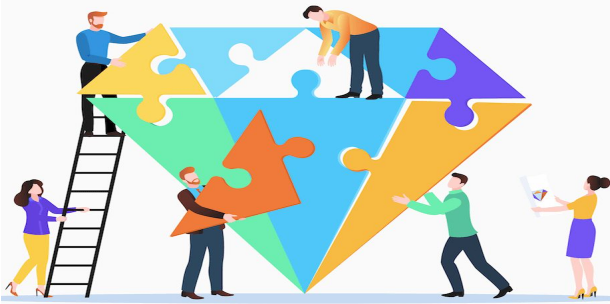
The Law Project



Reuters Foundation Report

**Resources:** 4. IRS Pub 598, 5. Legal Structures for Social Enterprises, 6. Reuters Foundation Report

# There are risks involved with earned revenue



## Organizational

- Divert attention
- Increased complexity and skill needs
- Culture shift
- Staff and board resentment



## Financial

- Venture may lose money
- Opportunity cost – resources could have gone elsewhere
- Traditional funders may decrease funding

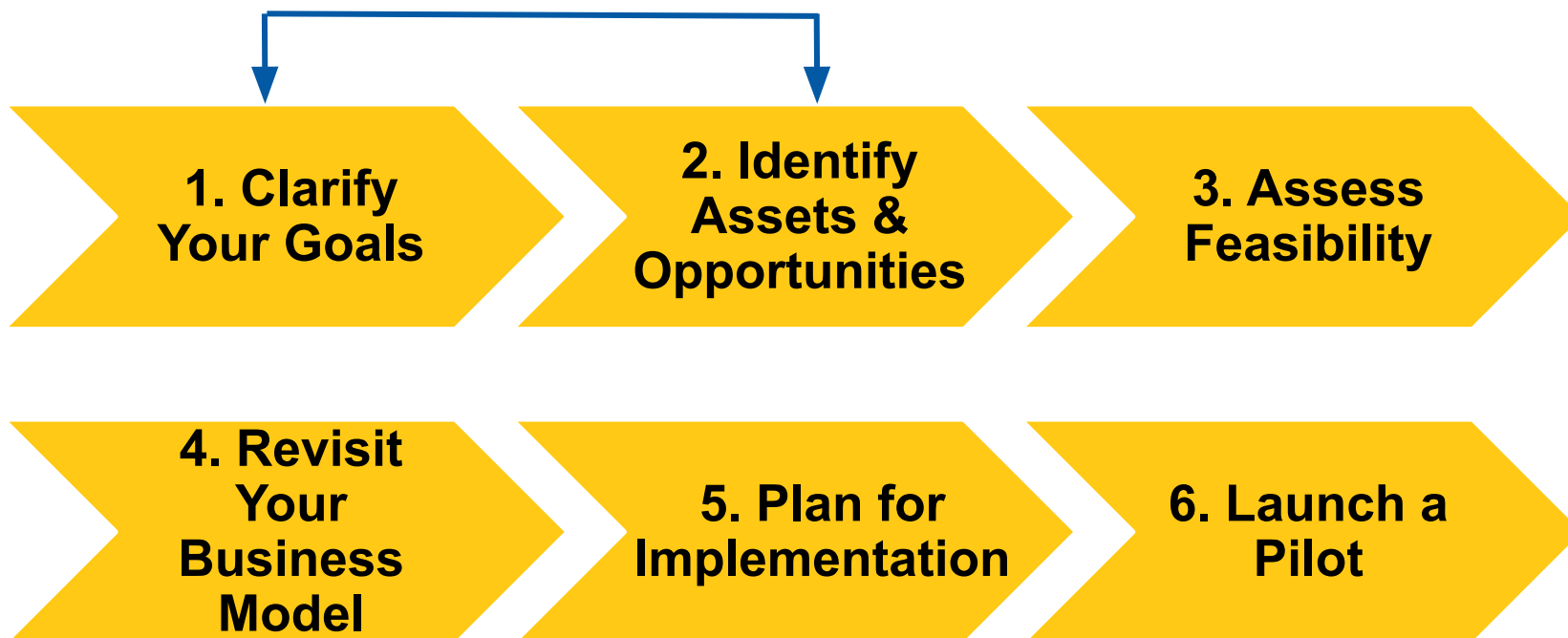


## Reputational

- Compromised brand
- Negative effect on reputation if venture fails

# Process for Developing/Expanding Earned Revenue

## Today's Focus



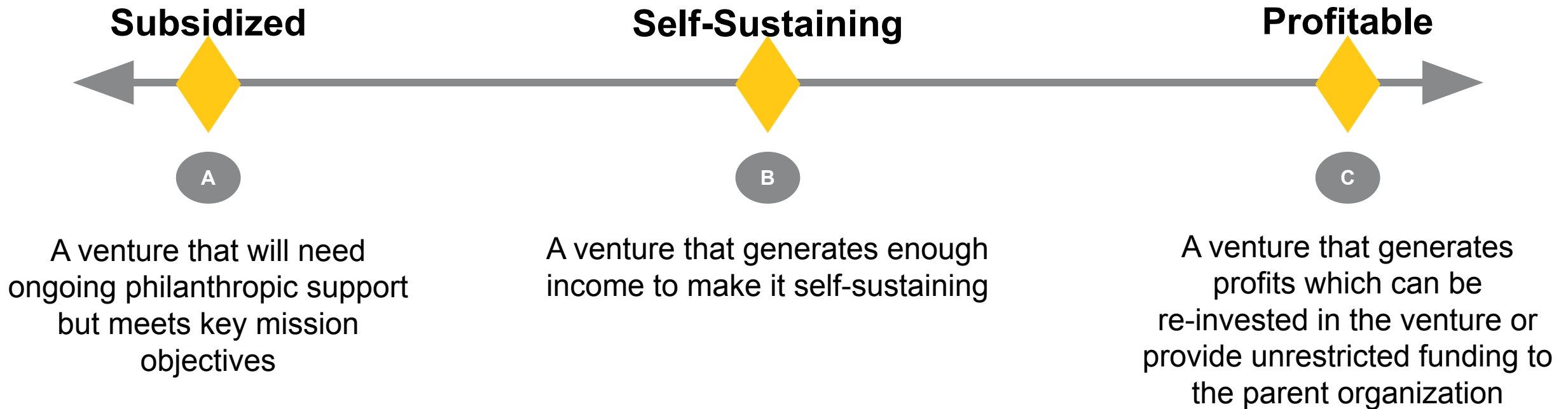
## Example Case



**Pine Street Inn  
Boston, MA**

# Clarifying Your Goals:

## Financial goals fall across a spectrum



# Assets can be things you have, do, or know



## HAVE

- Physical Assets
- Location/Space
- Distribution/ Sales Network
- Brand/ Reputation
- Patent
- Assessment Tools

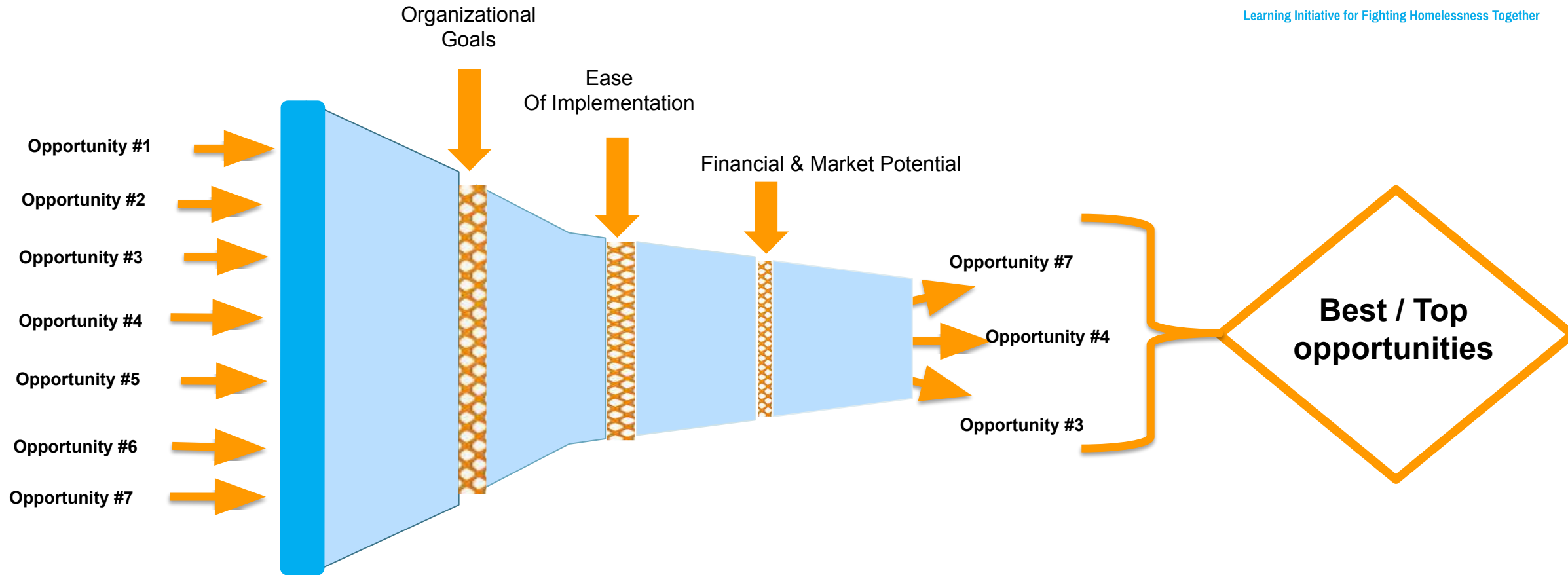
## DO

- Provide counseling
- Manage Information
- Produce low-cost goods
- Assess performance or impact

## KNOW

- Understanding of specific issue
- Process expertise
- How to build/leverage partnerships
- People/key decision makers

# The purpose opportunity screening is to choose the best/top ideas for further analysis

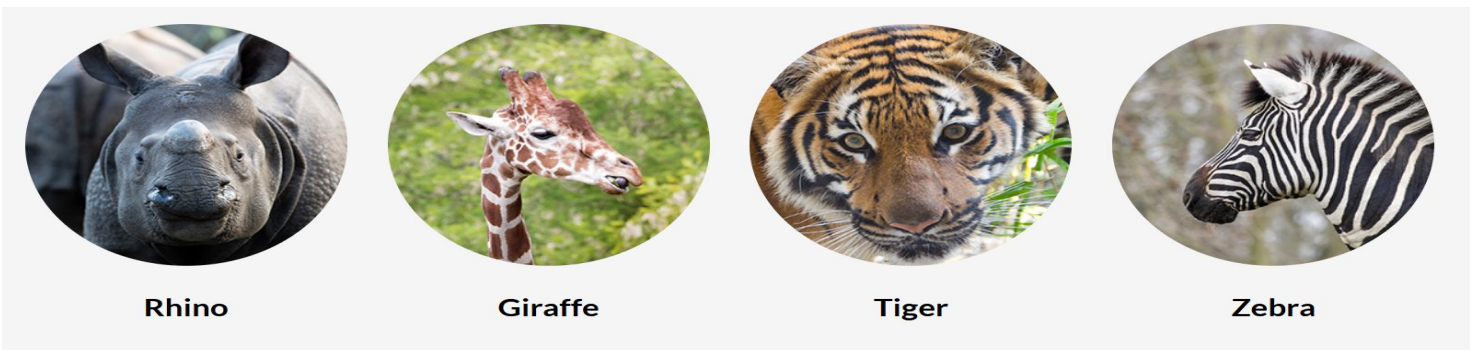




# Assets – Think outside of the box

## ZOO DOO COMPOST

The most “poopular” compost in the Pacific Northwest



All the non-primate herbivore (plant eater) animals are happy to doo their part. These animals include giraffe, oryx, hippos, gazelles, and zebras among others. Woodland Park Zoo creates nearly 1 million pounds of compost each year saving \$125,000 per year in disposal costs.



For any questions about Zoo Doo, please call 206-625-POOP.

### What is Fecal Fest?

Get your hands on the most desired compost in Seattle. The annual event invites local gardeners to enter a bid to purchase the exotic, highly coveted Zoo Doo and Bedsread that Dr. Doo, also known as the “Prince of Poo”, the “GM of BM” or the “Grand Poopah” has been piling all season.



# Exercise: social enterprise process practice



*How: Individually*

*Time: 5 minutes*

Be creative  
Remember Zoo Doo!



- **Step 1: Brainstorming Assets on Handout #1**
  - Brainstorm some of your organization's assets.
  - Keep in mind: Assets can be things you: have, do, or know and are often a matter of perspective.
- **Step 2: Identify Opportunities on Handout #2**
  - Brainstorm any earned income opportunities you could develop from your list of assets





# Virtual Assembly Survey

05:00



## Virtual Assembly - Nonprofit Finance Resiliency & Funding Diversification 101

SHG Advisors hosted a Virtual Assembly on Nonprofit Finance Resiliency & Funding Diversification 101 on August 7th from 11:00 am - 12:30 pm. During this meeting, we examined key foundational elements that support long-term financial health, including budgeting, forecasting, and planning.

This survey is a follow up to this session. Survey responses will be shared with the SHG Advisors team members and will be used to evaluate the effectiveness of the virtual assembly and for continuous opportunities to provide the most effective learning opportunities moving forward. Aggregate and de-identified data may be shared with OHI for reporting on the LIFT Academy.

1. Name

First name

Last name



# Coming Up

- **Before Today**

- Slides and Recording posted on LIFT Academy Resource Page
  - May 20 Academy Lift Off
  - July 23 Medicaid Webinar

- **From Today:**

- Slides and Recording posted on LIFT Academy Resource Page
  - August 7 Financial Stability Virtual Assembly

- **Going Forward:**

- September 3, Financial Learning Circle
- September 23, Financial Virtual Assembly
- October 23, Earned Revenue Shark Tank



<https://shgadvisors.com/lift-academy-resources/>

