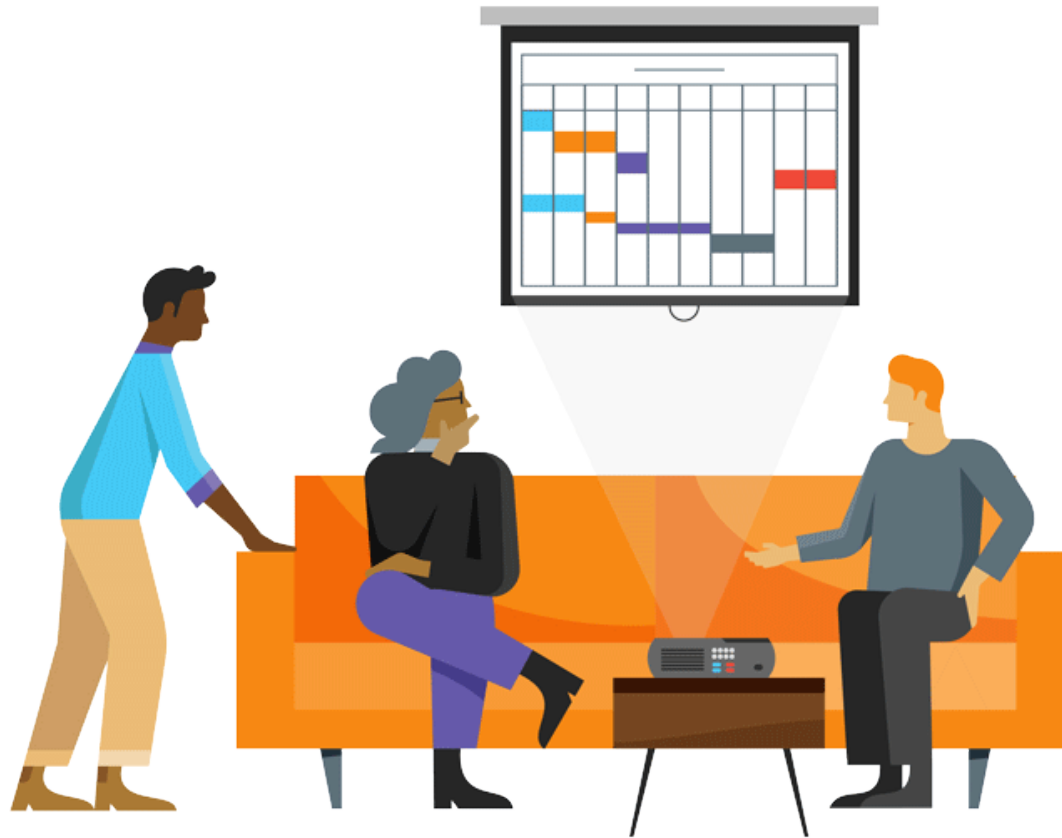


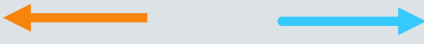
Best Practices for Nonprofit Boards

4) Understand Financial Health and Performance



Understand Financial Health and Performance

Business Model and Capital Structure

Business Model		Capital Structure
How an organization makes and spends money in service of its mission	Definition	The nature, distribution, and magnitude of balance sheet items
The income statement	Reflected On	The balance sheet
Do you have the revenue to meet and exceed expenses?	Guiding Question	Do you have enough of the right types of resources to accomplish your strategy?
Consistent surpluses; impactful programs	Measure of Success	Mitigate risk, support innovative programs; reinvest in business model

Crisis Tips

- ✓ Reassess immediate business model and capital structure goals
- ✓ Examine scenario plans for how to mitigate changes to the business model and /or capital structure