









Best Practices for Nonprofit Boards

6) Think Full Cost



Nonprofits Need Profits to Cover the Full Cost of Doing Business

	<p>Total Expenses Operating, non-operating, and unfunded expenses</p>		<p>‘Must haves’ for all organizations</p>
	<p>Working Capital Access to cash for day-to-day needs</p>		
	<p>Reserves Savings, a “rainy day” fund</p>		
	<p>Debt Principal Repayment Mortgage, line of credit, etc.</p>		<p>Sometimes needed by some organizations</p>
	<p>Fixed Asset Additions Money to purchase a truck, forklift, or server</p>		
	<p>Change Capital Resources to adapt, grow, and/or expand</p>		

Crisis Tips

- ✓ Consider your hierarchy of need
- ✓ Use reserves as needed to fill in the gaps