Welcome to the NFF Workshop!
Below are a few housekeeping items to review before we get started:

Please try dialing in using your phone if you’re having trouble connecting to audio on your computer.

Find the microphone icon in your Zoom panel → click the ‘up’ arrow → select ‘switch to phone audio’ → dial in on your phone using the number and meeting ID → link your phone and video by dialing #participant ID#

Dial In: (408) 638-0968
Meeting ID: 817-5437-3897

If you are able, please share your video by pressing ‘Start Video’ in your Zoom panel (shown above)

You are currently muted to ensure the best possible sound quality. As questions/comments arise, please unmute yourself using the microphone icon in your zoom panel (shown above) or by pressing *6 on your phone. You may also reach out using the question box at any time.

We will answer your questions as you ask them, so please do ask! If you have a question, it’s likely someone else is wondering the same thing, too.
Interpretation and Breakout Instructions

We are offering Spanish interpretation in this webinar series.

If you would prefer to listen to today’s session in Spanish, you can enable this interpretation by selecting the Interpretation in your bottom bar on your screen, and then select Spanish.

You will be able to move between the Spanish and English audio channels at your convenience, and please note that you will still be able to unmute to ask questions and send messages in the chat at any time.
Acknowledgment of Indigenous Territories

“We invite you to acknowledge the Indigenous Territory you are joining us from:

https://native-land.ca/
We are on a mission to support community-centered organizations led by and serving people of color, helping them access the investment capital and financial knowledge they need to realize their aspirations.
The Rising Together Initiative
NFF is partnering with…

Our Goal: Position community organizations to sustain and adapt

• Better understand financial dynamics of current operations as well as growth and change

• Identify, prioritize, and quantify financial needs

• Build capacity for strengthened financial management, resilience and data-informed decision making

The Rising Together Initiative is funded by Morgan Stanley
Meeting Agreements

Contribute to a meaningful learning experience

- We want to honor multiple perspectives
- This is a learning exchange, in a judgement-free zone
- Take care of your needs first
Learning Goals

- Learn to analyze programs in terms of both mission alignment and economic impact
- Introduce the Mission-Money Matrix
- Apply the Mission-Money Matrix using mission data and program financial information
Programmatic Decision Making

To make informed decisions, we must understand how our programs contribute to:

- mission objectives
- financial objectives

Is there a tool that we can use to help us toward this goal?
Yes! The Mission-Money Matrix!
What is Behind the Concept of the Mission-Money Matrix?

Provides a comparison of programs by
  • scale
  • mission alignment
  • contribution to the bottom line

Creates a visual representation of programmatic and financial data
  • Makes the conversation accessible to a wider audience

Combines mission data and financial information
What is the Mission-Money Matrix?

It’s a simple 2x2 grid to facilitate a discussion about the financial contribution and mission alignment of each of your programs.

Aids in the understanding of each program’s contribution to:

- Mission
- Profitability
All of the projects, programs, and activities of an organization must work together to post a combined surplus while meeting obligations and serving the mission.
Poll: Have you ever used a Mission-Money Matrix tool?

- Yes
- No
- I don’t know…
What if You Were to Undertake a Mission-Money Matrix? Reflection time (1-2 minutes)

1. What question(s) would you like to answer?

2. Is data available?

3. How do you see the analysis being useful?
Mission-Money Matrix

MISSION

High Impact

Low Impact

Money

- $   + $   Contribution Margin

LOW $ contribution, LOW mission alignment

LOW $ contribution, HIGH mission alignment

HIGH $ contribution, LOW mission alignment

HIGH $ contribution, HIGH mission alignment

Nonprofit Finance Fund®

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First: Identify the Programs / Activities
HHY’s Programs / Activities

Help for Homeless Youth

- Programs
- Capacity

- Onsite Services
- Mentorship
- Job Readiness
- Partner Services
- Development
- Admin
Survey Development & Process
Identify Stakeholders

Who will you survey?

Identify a representative sample

Stakeholders can include:
- staff
- board
- organizational partners or collaborators
- advisors
- program participants
- Community members (and neighbors)

You can use Zoomerang/Fluid Survey technology
Understand and Incorporate Mission Impact

The *Mission* part of the Matrix

1. **Alignment with Core mission**: Rate how well the following programs address and then achieve the core mission.

2. **Implementation**: How well does the organization implement each program?

3. **Scale**: Does the program reach the maximum number of participants?

*Scale: 5 (Aligned with mission)...4...3...2...1 (Not aligned with mission)*

<table>
<thead>
<tr>
<th></th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
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<td>Job Counseling</td>
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<tr>
<td>Partner Services</td>
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</tbody>
</table>
4. **Cultivation:** To what extent does the activity lead participants to other programs in the organization?

5. **Filling an Important Gap in Service:** Does the program provide a service that is not readily available?

6. **Importance to contributors:** To what extent do you believe the activity motivates funders to contribute to the organization?

*Scale: 5 (Aligned with mission)…4…3…2… 1 (Not aligned with mission)*
## Quantifying Mission Impact

### Sample survey results

<table>
<thead>
<tr>
<th>Question</th>
<th>1 (Alignment)</th>
<th>2 (Implementation)</th>
<th>3 (Scale)</th>
<th>4 (Cultivation)</th>
<th>5 (Fill Gap)</th>
<th>6 (Funding)</th>
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### Weighted Average

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<th>10%</th>
<th>20%</th>
<th>15%</th>
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<td>0.8</td>
<td>0.2</td>
<td>3.4</td>
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</table>
Mission-Money Matrix

- HIGH $ contribution, LOW mission alignment
  - Low Impact

- LOW $ contribution, HIGH mission alignment
  - High Impact

- LOW $ contribution, LOW mission alignment
  - Low Impact

- HIGH $ contribution, HIGH mission alignment
  - High Impact
Financial Methodology

The *Money* part of the Matrix

Create a spreadsheet that

- Uses the organization’s most recent budget or forecast
- Identifies and assigns all revenue and expense *directly* tied to each program
- Examines all supporting expenses (e.g., management, occupancy, fundraising, administrative, etc.) separately
Identify the Program / Activities

HHY

Programs  Capacity

Onsite Services  Mentorship  Job Readiness  Partner Services

Development  Admin
# Quantify Program Economic Impact

## Help for Homeless Youth
Forecast for 2021  
Fiscal year end: Dec 31  
$ in Thousands

<table>
<thead>
<tr>
<th>Programs</th>
<th>Onsite Services</th>
<th>Mentorship</th>
<th>Job Counseling &amp; Readiness</th>
<th>Partner Services</th>
<th>Program Management</th>
<th>Program Subtotal</th>
<th>Capacity Development</th>
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<td>Total occupancy</td>
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<td>Total support</td>
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<td>Surplus/Deficit</td>
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</table>

## Surplus/Deficit
- - - - - - - - - - -
### Help for Homeless Youth

**Forecast for 2019**

**Fiscal year end: Dec 31**

$ in thousands

<table>
<thead>
<tr>
<th>Programs</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Onsite Services</td>
<td>Mental Health &amp; Readiness</td>
</tr>
<tr>
<td>Mentorship</td>
<td>Job Counseling</td>
</tr>
<tr>
<td>Partner Services</td>
<td>Program Management</td>
</tr>
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<td>Program Subtotal</td>
<td>Capacity Development</td>
</tr>
<tr>
<td>General Operations</td>
<td>Total</td>
</tr>
</tbody>
</table>

#### Revenue

- **(A) Earned**
  - Subtotal Earned: $85,000

- **(B) Contributed**
  - Foundations: $65,000
  - Total government: $50,000
  - Total corporations: $120,000
  - Special event(s): $50,000
  - Individuals: $10,000
  - Board: $5,000
  - In-kind revenue: $15,000
  - Net assets released from rest: $120,000
  - Subtotal: $185,000

#### Expenses

- Total personnel: $60,839
- Total consultants/contractors: $120,000
- Total occupancy: $450
- Total support: $55,500
- Total Expenses: $116,339

#### Surplus/Deficit

- (36,339)
- (63,647)
- (14,007)
- (16,185)
- (81,689)
- (56,558)
- (214,025)
- (171,670)
- 42,355

#### Summary

- **Total Revenue**: $80,000
- **Total Expenses**: $116,339
- **Surplus/Deficit**: $36,339

---

**Nonprofit Finance Fund**

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Mission-Money Matrix

- HIGH $ contribution, LOW mission alignment
- LOW $ contribution, HIGH mission alignment

Low Impact        High Impact

MONEY

MISSION
Putting it All Together
Mission-Money Matrix

Mission is located on the horizontal axis
- Programs with high mission would sit over on the right
- Those with lower mission would be closer to the left

Money is located on the vertical axis
- Programs that generate the largest margins are towards the top
- Those that run deficits or require subsidy are located more toward the bottom

The size of each circle represents the budget size of each program
ABC’s Mission-Money Impact Matrix

Money - Mission

Mission Alignment

Onsite Services
Mentorship
Job Counseling & Readiness
Partner Services
Mission-Money Matrix

- **HIGH $ contribution, LOW mission alignment**
- **LOW $ contribution, LOW mission alignment**
- **LOW $ contribution, HIGH mission alignment**
- **HIGH $ contribution, HIGH mission alignment**

**Onsite Services**
- Mentorship
- Job Counseling & Readiness
- Partner Services
Mission-Money Matrix Helps Focus and Prioritize

Revisit your programs and mission:

- Which activities are core to your mission?
- Which are positive financial contributors?
- Which need subsidy from other sources?
- What are the non-negotiables in your budget?

Once you define what is core to your mission, then prioritize programs / activities as:

- What we **MUST** do
- What we **SHOULD** do
- What we **WANT** to do
Reflection (2 min)

How do you think the Mission-Money Matrix help you going forward?
Learning Goals

- Learning to analyze programs in terms of both mission alignment and program impact
- Introduce the Mission-Money Matrix
- Apply the Mission-Money Matrix using mission data and program financial information
Check-Out

Please share via voice or chat your response to any of all of the following questions:

<table>
<thead>
<tr>
<th>Head</th>
<th>Heart</th>
<th>Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>What did you <strong>learn</strong> from today’s session?</td>
<td>How did today’s session make you <strong>feel</strong>?</td>
<td>What <strong>actions</strong> will you take to bring this back to your organization and community?</td>
</tr>
</tbody>
</table>
Upcoming Sessions

- **April 15**: Op in Changing World Parts 1 + 2
- **April 29**: Financial Planning
- **May 13**: Cash Flow Planning
- **June 3**: Telling Your Financial Story
- **June 10**: Understanding Your Mission & Money Mix
- **June 24**: Strategic Budgeting & Scenario Planning
- **July 1**: Understanding Full Cost
- **July 22**: Managing Risk & Opportunities
- **Aug 5**: Economics of Partnerships & Collaboration
- **Aug 19**: Financial Leadership for Boards
- **Sept 2**: Telling Your Financial Story
Nonprofit leaders are most adaptable when they understand their organization’s financial risks and the resources required to manage them. NFF will cover how an organization’s capital structure supports financial resilience and how to strengthen capital structure during times of uncertainty. NFF will also introduce the concept of “full cost” – a concept that we will explore in greater detail in the following webinar.
Thank You!
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@NFFSocialImpact