



Nonprofit Financial Management

OPERATING IN A CHANGING WORLD, PART 2

Name: _____

Organization: _____

Nonprofit Financial Management

Operating in a Changing World, Part 2

Building on Part 1, this session will help nonprofit leaders take stock of where their organization stands in the face of compounding health and economic crises. After presenting a framework for understanding a nonprofit's strengths, NFF will provide tools for assessing your organization's position, setting priorities, communicating needs, and planning amidst uncertainty.

Learning Goals

- Explore the impact the pandemic has had on the not-for-profit sector
 - Deepen our understanding of capital structure and how it impacts our organizations' futures
 - Learn how to assess our organizations' financial health and align decisions with real-time data
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Celebrating Strengths, Addressing Challenges

In the last webinar, we spent time assessing the strengths we bring to the table: strengths in **relationships and reputation, people and skills, data and know-how, and financial capabilities**. Today, we're going to think through some of the challenges we've faced – especially since the beginning of the pandemic – and how we might leverage our strengths to address them.

First, let's take some space to breathe. The last few years have been tough. We recognize that returning to the challenges we've faced can be traumatic, and we invite you to slow down, check in with yourself, and take whatever space you need as we move through the next section of the workbook.

In NFF's annual nonprofit survey, we asked nonprofits to describe how COVID-19 has impacted their operations. We heard nonprofits express the following challenges:

- | | |
|---|--|
| ▪ Unable to provide essential services | ▪ Significant changes in demand |
| ▪ Cancelled revenue-generating programs | ▪ Destabilizing conditions |
| ▪ Reduced government, private, and earned funding | ▪ Challenges with staff and volunteer availability |
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Celebrating Strengths, Addressing Challenges (continued)

In the left-hand column of the table below, please list some of the challenges that your organization has faced over the past years. You may draw from the list on the previous page or list other challenges. In the right-hand column, return to the strengths you wrote down in the previous module, and identify which strengths may help you address the challenges you're facing.

If there are some challenges you're not sure how to address yet, that's okay! In the rest of this webinar and the sessions that will follow, we'll review core financial management concepts and offer tools that have helped nonprofits like yours problem-solve, grow, and thrive.

Challenges my nonprofit has faced	Strengths my nonprofit brings to the table

Reflection Questions

- What new strategies have you learned about managing cash flow for your organization?
- If you could choose an area to reinvest your surpluses, what would it be?

Key Takeaways and Follow-Up Activity

- A business model is how you spend and make money in service of your mission. Your capital structure is a snapshot of your overall financial health.
- An organization's ability to mitigate risk is influenced by how strong an organization's capital structure is.

Now, try applying some of the cashflow strategies you've learned in this session to your own organization! Here is a very simple example of a week-to-week cashflow projection.

	Week 1	Week 2	Week 3
Beginning Cash	\$5,000	\$3,000	\$41,000
Cash In	\$0	\$50,000	\$200
Cash Out	(\$2,000)	(\$12,000)	(\$2,000)
Ending Cash	\$3,000	\$41,000	\$39,200

While your cashflow will probably look more complicated, the same principles still apply. To create a cashflow projection for your own organization, you can use [NFF's cashflow tool](#).

Notes