









Best Practices for Nonprofit Boards

6) Think Full Cost



Nonprofits Need Profits to Cover the Full Cost of Doing Business

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

Crisis Tips

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