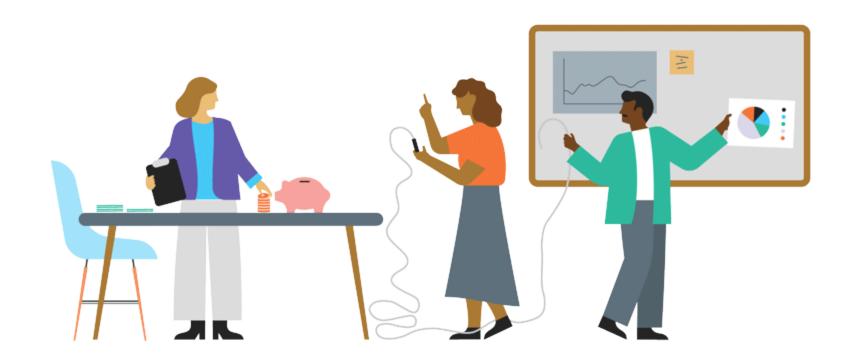
## **Best Practices for Nonprofit Boards**

## 6) Think Full Cost



## Nonprofits Need Profits to Cover the Full Cost of Doing Business

	Total Expenses Operating, non-operating, and unfunded expenses
Q <sub>o</sub>	Working Capital Access to cash for day-to-day needs
7	Reserves Savings, a "rainy day" fund
\$\$\$\$	Debt Principal Repayment Mortgage, line of credit, etc.
	Fixed Asset Additions  Money to purchase a truck, forklift, or server
· Sep	Change Capital Resources to adapt, grow, and/or expand

'Must haves' for all organizations

Sometimes needed by some organizations

## **Crisis Tips**

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