

## 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#*

The image shows a screenshot of the Zoom mobile app interface. At the top, there is a black bar with several icons: a microphone with a red slash (labeled 'Unmute'), an up arrow (circled in orange), a video camera with a red slash (labeled 'Start Video'), a person icon (labeled 'Invite'), a group of people icon (labeled 'Participants'), a green screen icon (labeled 'Share Screen'), a speech bubble icon (labeled 'Chat'), a circular arrow icon (labeled 'Record'), and a red 'Leave Meeting' button. Above the 'Unmute' and 'Start Video' icons is a box containing 'Dial In: (408) 638-0968' and 'Meeting ID: 817-5437-3897'. To the right of this is a red-bordered box with the text 'We are recording the main sessions, not the breakout groups'. Below the Zoom panel, there is a section titled 'Zoom Group Chat'. It shows a dropdown menu set to 'NFF' and '(Privately)', with a 'More' button to the right. An orange arrow points from the 'Chat' icon in the Zoom panel to the 'Zoom Group Chat' section. The text 'type message here' is visible at the bottom of the chat window.

**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.

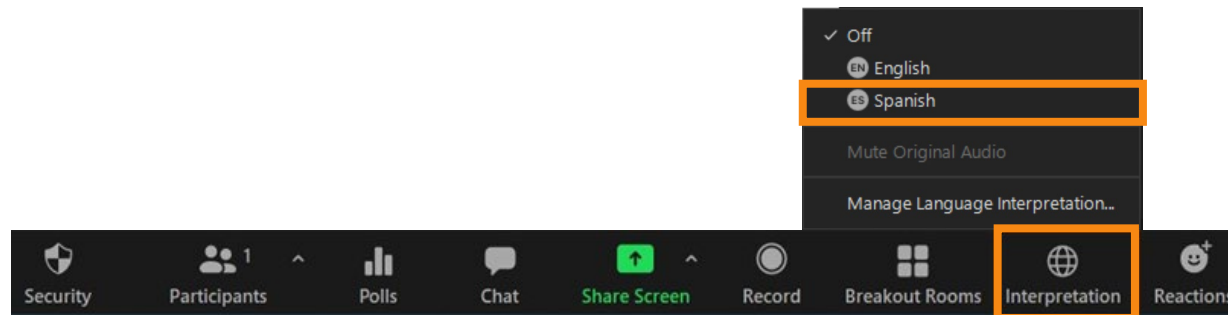
We will answer your questions as you ask them, so please do ask! **If you have a questions, it's likely someone else is wondering the same thing, too.**

## 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.



# Webinar

## Understanding the Mission-Money Matrix




Facilitated by

Alice Antonelli, Director  
Nonprofit Finance Fund

July 22, 2021  
1 pm ET



# Acknowledgment of Indigenous Territories



*“Land acknowledgments are a stepping stone to honouring broken treaty relationships.”*

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

<https://native-land.ca/>

# Nonprofit Finance Fund

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

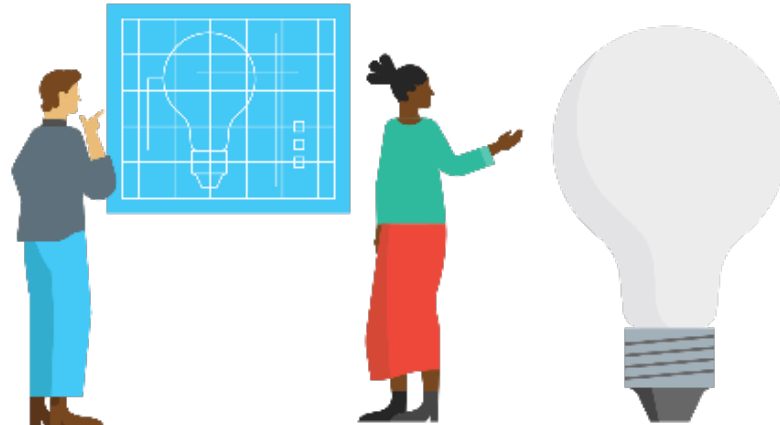
Combines mission data and financial information

# 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

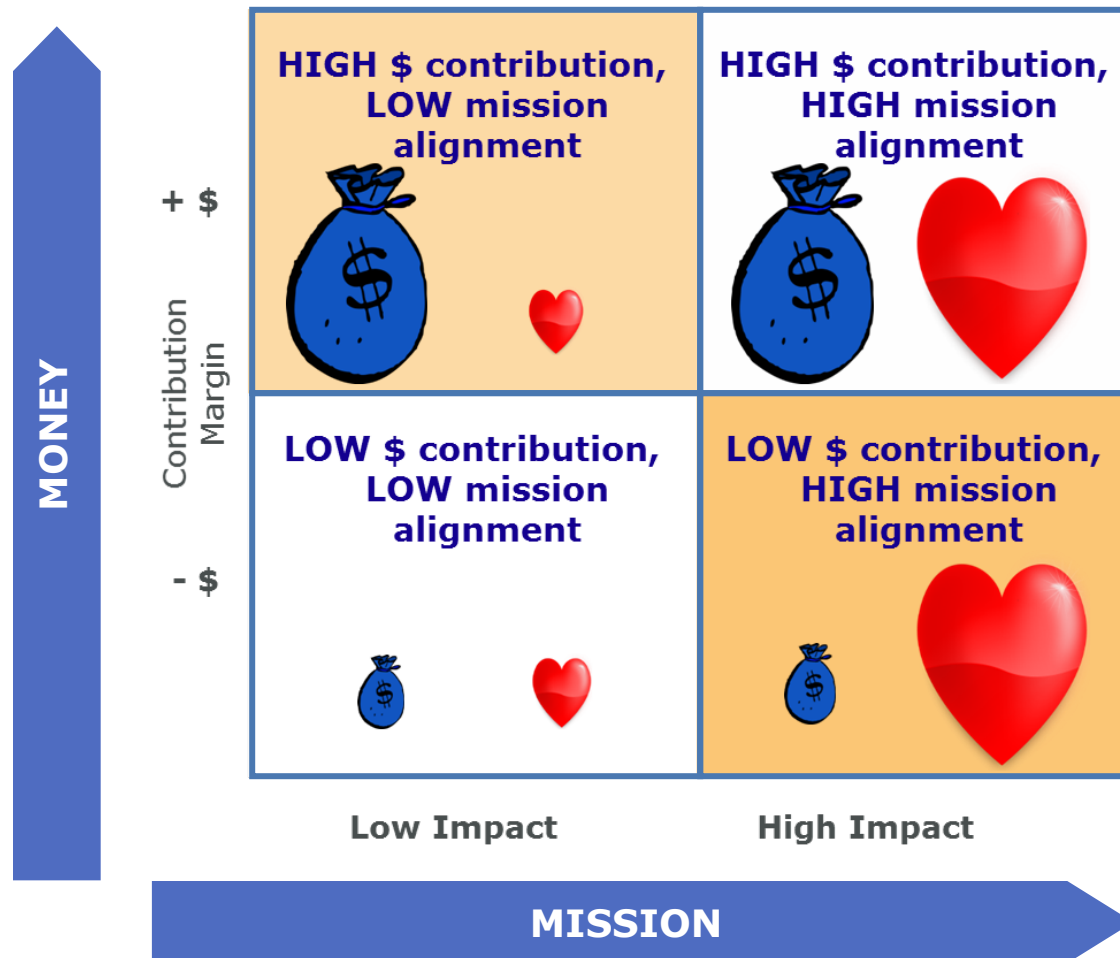
Aids in the understanding of each program's contribution to

- Mission
- Profitability



# Mission-Money Matrix 2x2 Grid

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...**

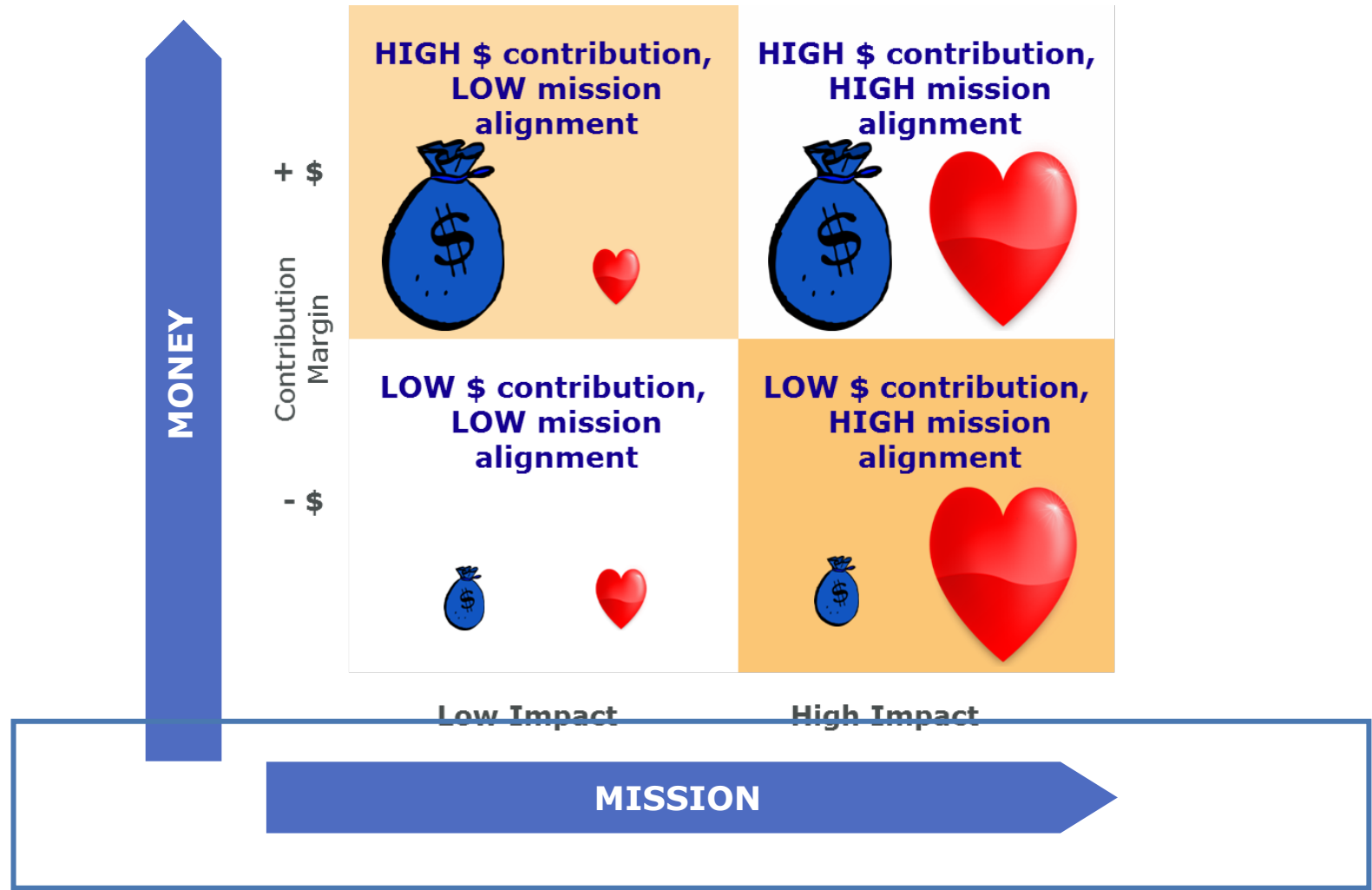
# What if You Were to Undertake a Mission-Money Matrix?

Reflection time (1-2 minutes)

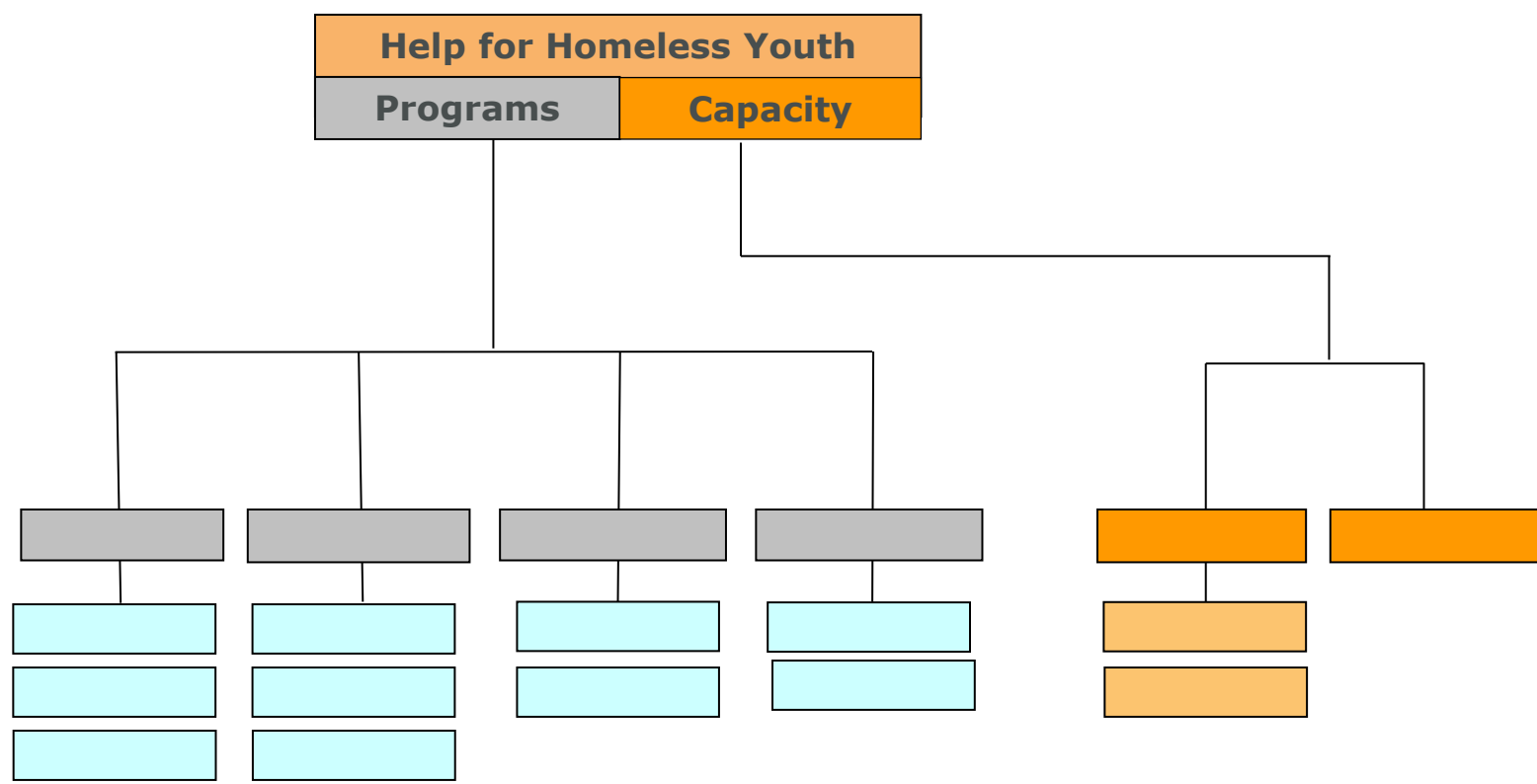
1. What question(s) would you like to answer?
2. Is data available?
3. How do you see the analysis being useful?



# Mission-Money Matrix

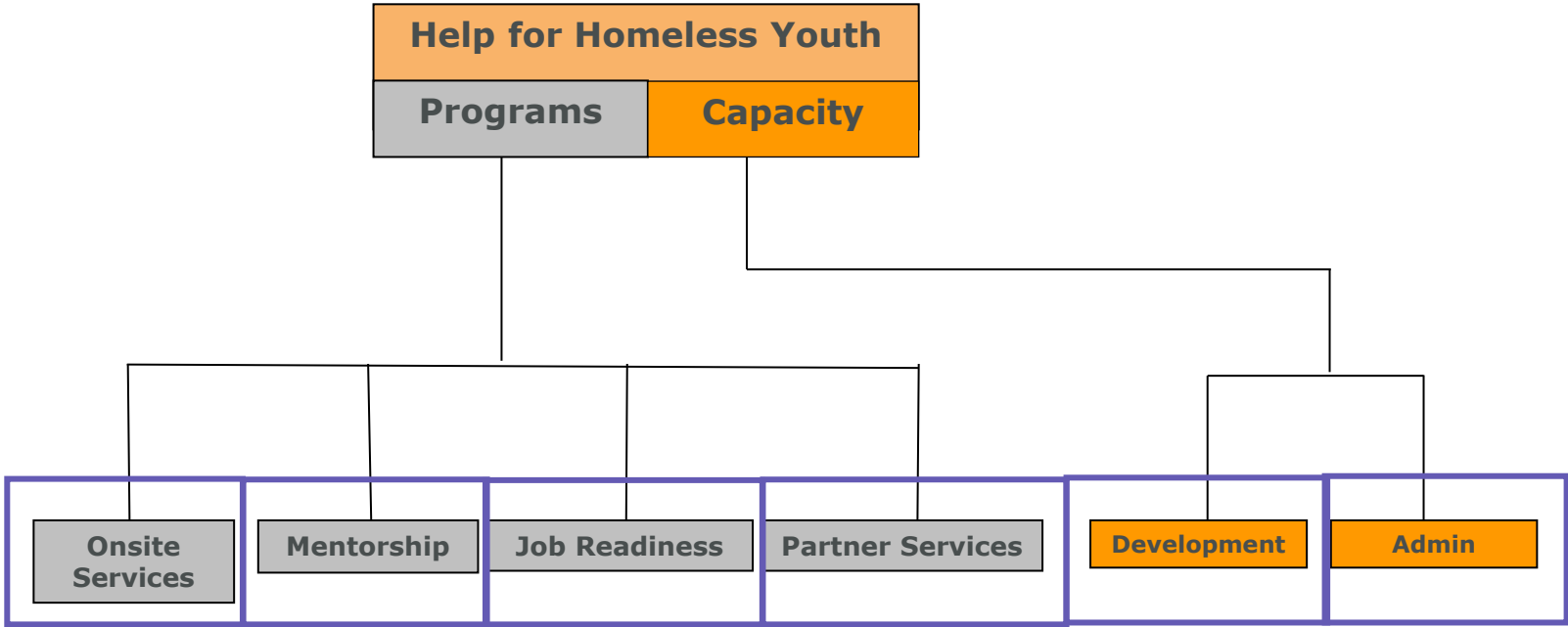


# First: Identify the Programs / Activities





# HHY's Programs / Activities



# 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)*

	5	4	3	2	1	Not sure
Onsite Services						
Mentorship						
Job Counseling						
Partner Services						

# Rank Mission Impact

## Some Additional Survey Questions

**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)*

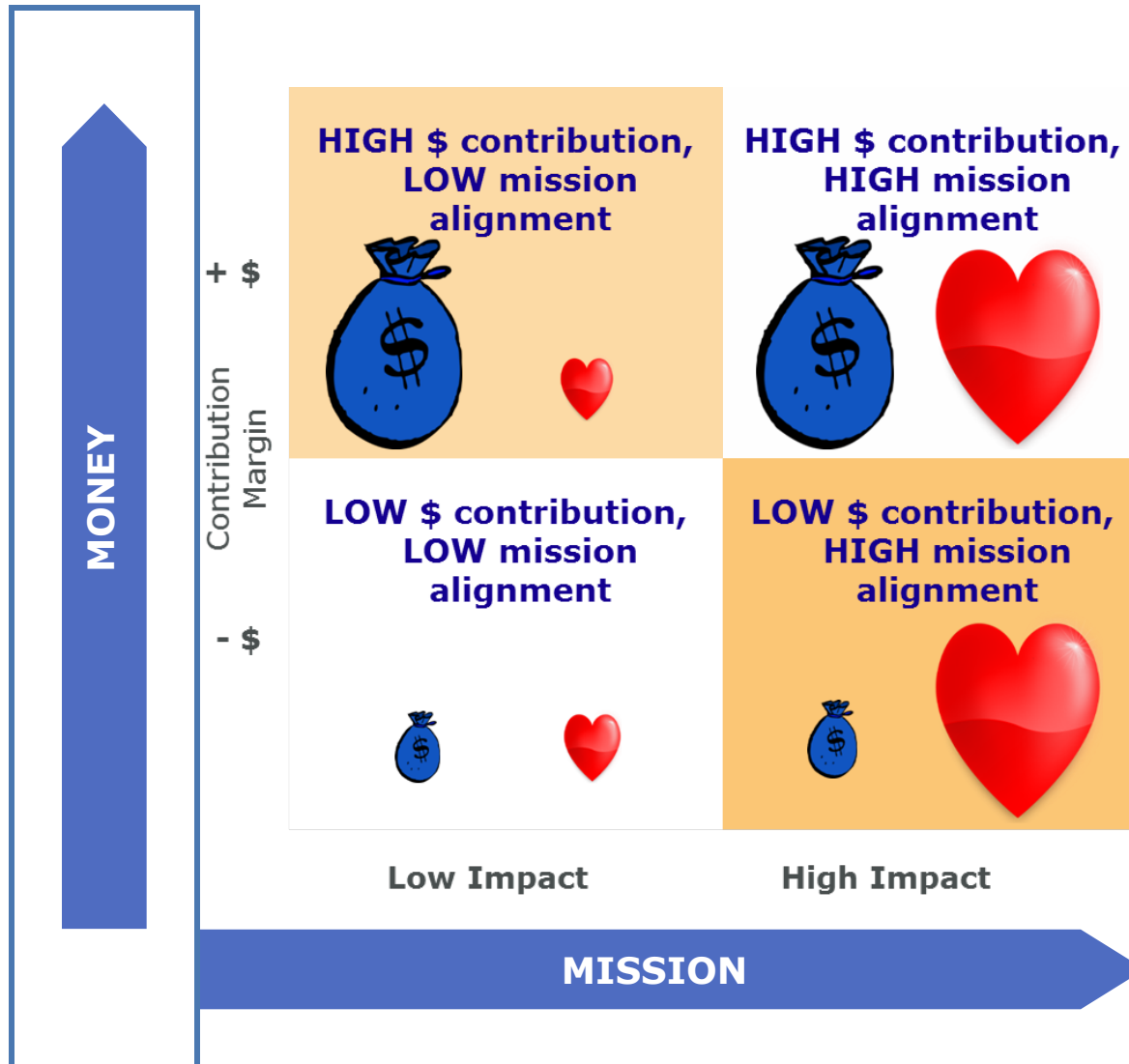
	5	4	3	2	1	Not sure
Onsite Services						
Mentorship						
Job Counseling						
Partner Services						

# Quantifying Mission Impact

## Sample survey results

Question	1	2	3	4	5	6	
	Alignment	Implementation	Scale	Cultivation	Fill Gap	Funding	Average
Onsite Services	5	4	5	3	3	4	4.0
Mentorship	2	3	3	5	3	2	3.0
Job Counseling	4	4	3	4	4	3	3.7
Partner Services	2	5	3	3	5	3	3.5
Weighted Average	30%	20%	10%	20%	15%	5%	100%
Onsite Services	1.5	0.8	0.5	0.6	0.5	0.2	4.1
Mentorship	0.6	0.6	0.3	1.0	0.5	0.1	3.1
Job Counseling	1.2	0.8	0.3	0.8	0.6	0.2	3.9
Partner Services	0.6	1.0	0.3	0.6	0.8	0.2	3.4

# Mission-Money Matrix



# Financial Methodology

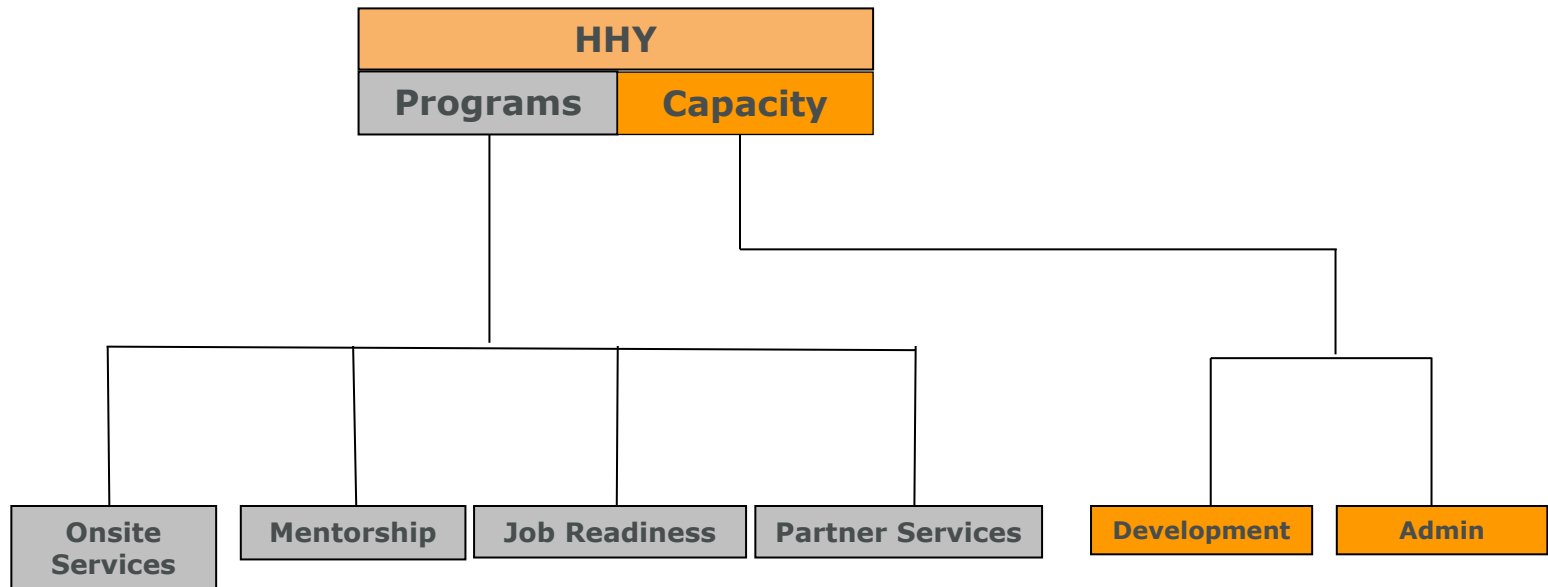
The *Money* part of the Matrix

## 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





# Quantify Program Economic Impact

## Help for Homeless Youth

Forecast for 2021

Fiscal year end: Dec 31

\$ in Thousands

	Programs						Capacity			
	Onsite Services	Mentorship	Job Counseling & Readiness	Partner Services	Program Management	Program Subtotal	Development	Admin	Capacity Subtotal	Total
<b>Revenue</b>										
<b>(A) Earned</b>										
Fee-for-service						-	-	-	-	-
Contract income						-	-	-	-	-
Program income						-	-	-	-	-
Interest Income						-	-	-	-	-
<b>Subtotal Earned</b>	-	-	-	-	-	-	-	-	-	-
<b>(B) Contributed</b>										
<b>Total foundations</b>	-	-	-	-	-	-	-	-	-	-
<b>Total government</b>	-	-	-	-	-	-	-	-	-	-
<b>Total corporations</b>	-	-	-	-	-	-	-	-	-	-
Special event(s)	-	-	-	-	-	-		-	-	-
Individuals	-	-	-	-	-	-		-	-	-
Board	-	-	-	-	-	-		-	-	-
In-kind revenue			-	-	-	-		-	-	-
Net assets released from restrictions			-	-	-	-	-	-	-	-
<b>Subtotal</b>	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	-	-	-	-	-	-	-	-	-	-
<b>Expenses</b>										
<b>Total personnel</b>	-	-	-	-	-	-	-	-	-	-
<b>Total consultants/contractors</b>	-	-	-	-	-	-	-	-	-	-
<b>Total occupancy</b>	-	-	-	-	-	-	-	-	-	-
<b>Total support</b>	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	-	-	-	-	-	-	-	-	-	-
<b>Surplus/Deficit</b>	-	-	-	-	-	-	-	-	-	-

# Filling in the Numbers

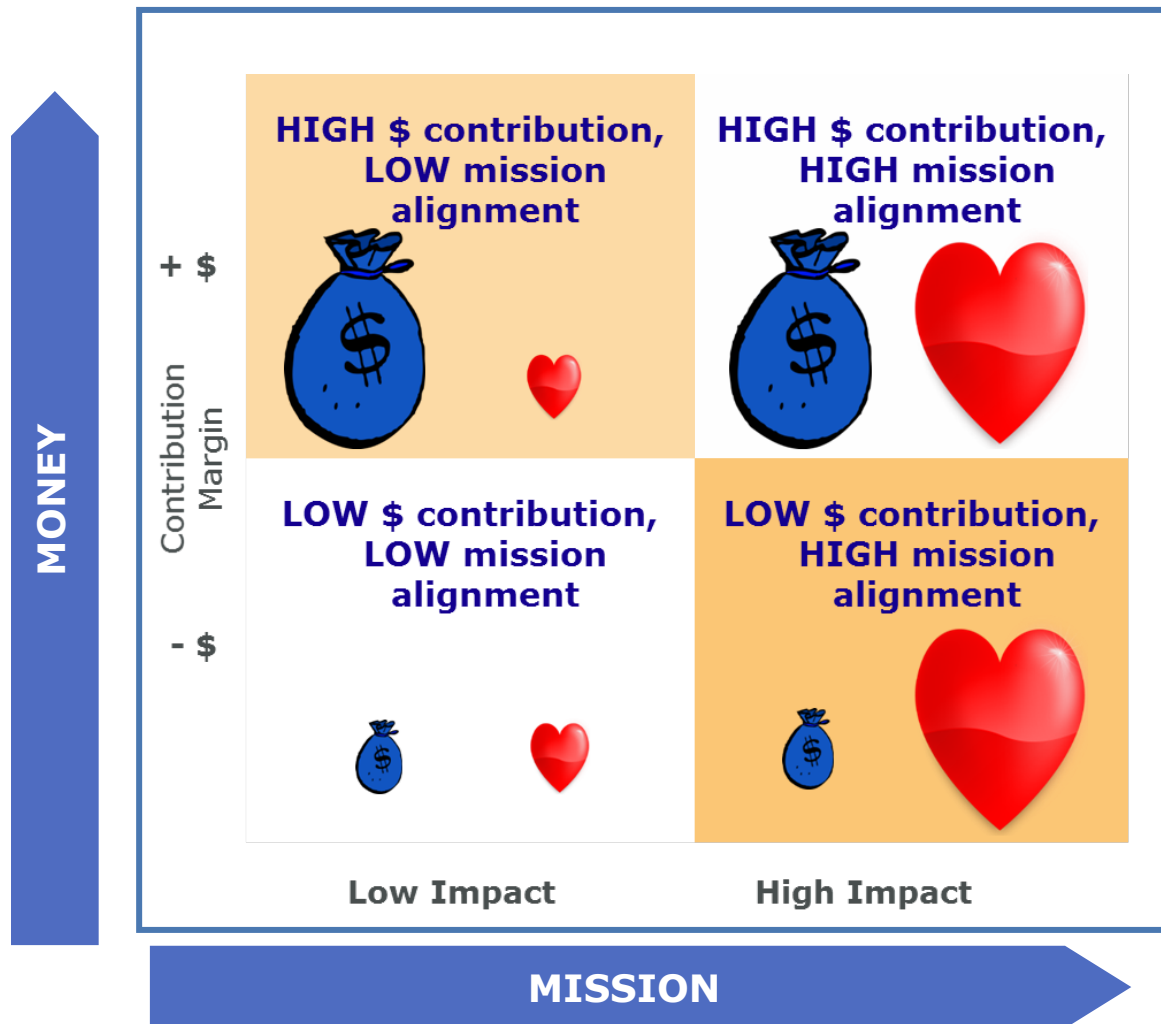
## Help for Homeless Youth

Forecast for 2019

Fiscal year end: Dec 31  
\$ in thousands

	Onsite Services	Mentorship	Programs Job Counseling & Readiness	Partner Services	Program Management	Program Subtotal	Capacity Development	General Operations	Capacity Subtotal	Total
<b>Revenue</b>										
<b>(A) Earned</b>										
Subtotal Earned	-	85,000	-	-	-	85,000	-	100	100	85,100
<b>(B) Contributed</b>										
Foundations										
Total foundations	65,000	-	135,000	-	-	200,000	165,000	-	165,000	365,000
Total government	-	-	50,000	30,000	-	80,000	-	-	-	80,000
Total corporations	-	-	-	-	-	-	10,000	-	10,000	10,000
Special event(s)	-	-	-	-	-	-	50,000	-	50,000	50,000
Individuals	-	-	-	-	-	-	10,000	-	10,000	10,000
Board	-	-	-	-	-	-	5,000	-	5,000	5,000
In-kind revenue	15,000	-	-	-	-	15,000	5,000	-	5,000	20,000
Net assets released from rest	-	120,000	-	-	-	120,000	-	-	-	120,000
Subtotal	80,000	120,000	185,000	30,000	-	415,000	245,000	-	245,000	660,000
<b>Total Revenue</b>	<b>80,000</b>	<b>205,000</b>	<b>185,000</b>	<b>30,000</b>	<b>-</b>	<b>500,000</b>	<b>245,000</b>	<b>100</b>	<b>245,100</b>	<b>745,100</b>
<b>Expenses</b>										
Total personnel	60,839	95,178	50,543	44,635	78,389	329,583	-	126,358	126,358	455,941
Total consultants/contractors	-	-	120,000	-	-	120,000	5,000	9,500	14,500	134,500
Total occupancy	-	-	-	-	-	-	-	21,287	21,287	21,287
Total support	55,500	46,175	450	1,550	3,300	106,975	25,975	14,625	40,600	147,575
<b>Total Expenses</b>	<b>116,339</b>	<b>141,353</b>	<b>170,993</b>	<b>46,185</b>	<b>81,689</b>	<b>556,558</b>	<b>30,975</b>	<b>171,770</b>	<b>202,745</b>	<b>759,303</b>
<b>Surplus/Deficit</b>	<b>(36,339)</b>	<b>63,647</b>	<b>14,007</b>	<b>(16,185)</b>	<b>(81,689)</b>	<b>(56,558)</b>	<b>214,025</b>	<b>(171,670)</b>	<b>42,355</b>	<b>(14,203)</b>

# Mission-Money Matrix



# Putting it All Together

## Mission-Money Matrix

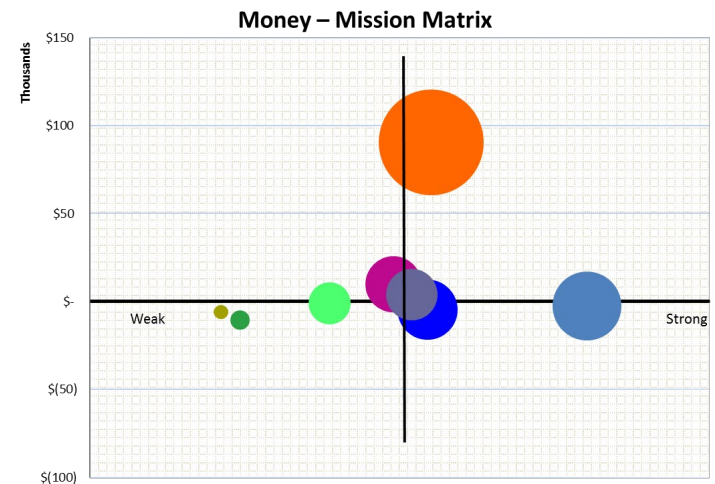
### Mission is located on the horizontal axis

- Programs with high mission would sit over on the right
- Those with lower mission would be closer to the left

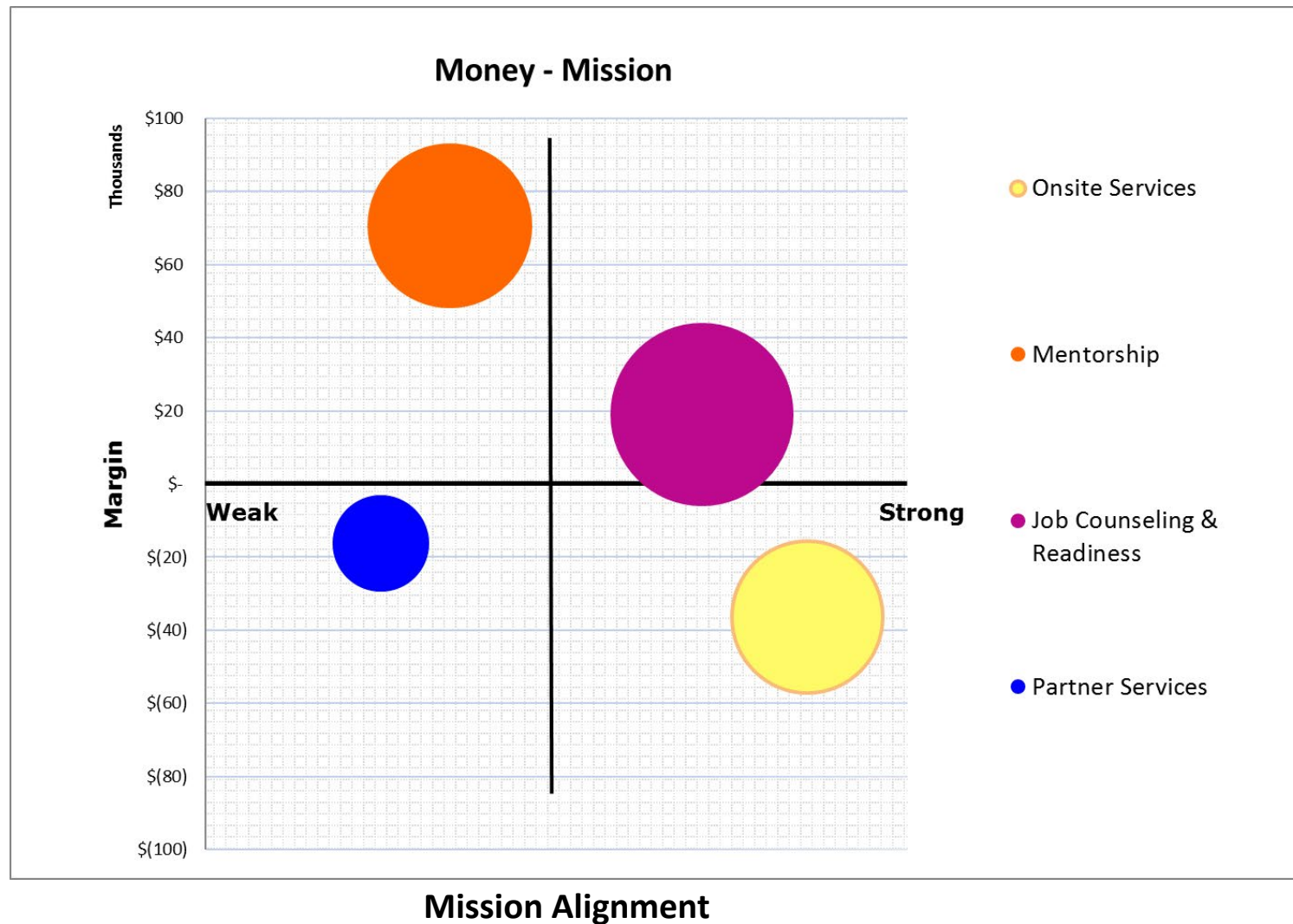
### Money is located on the vertical axis

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

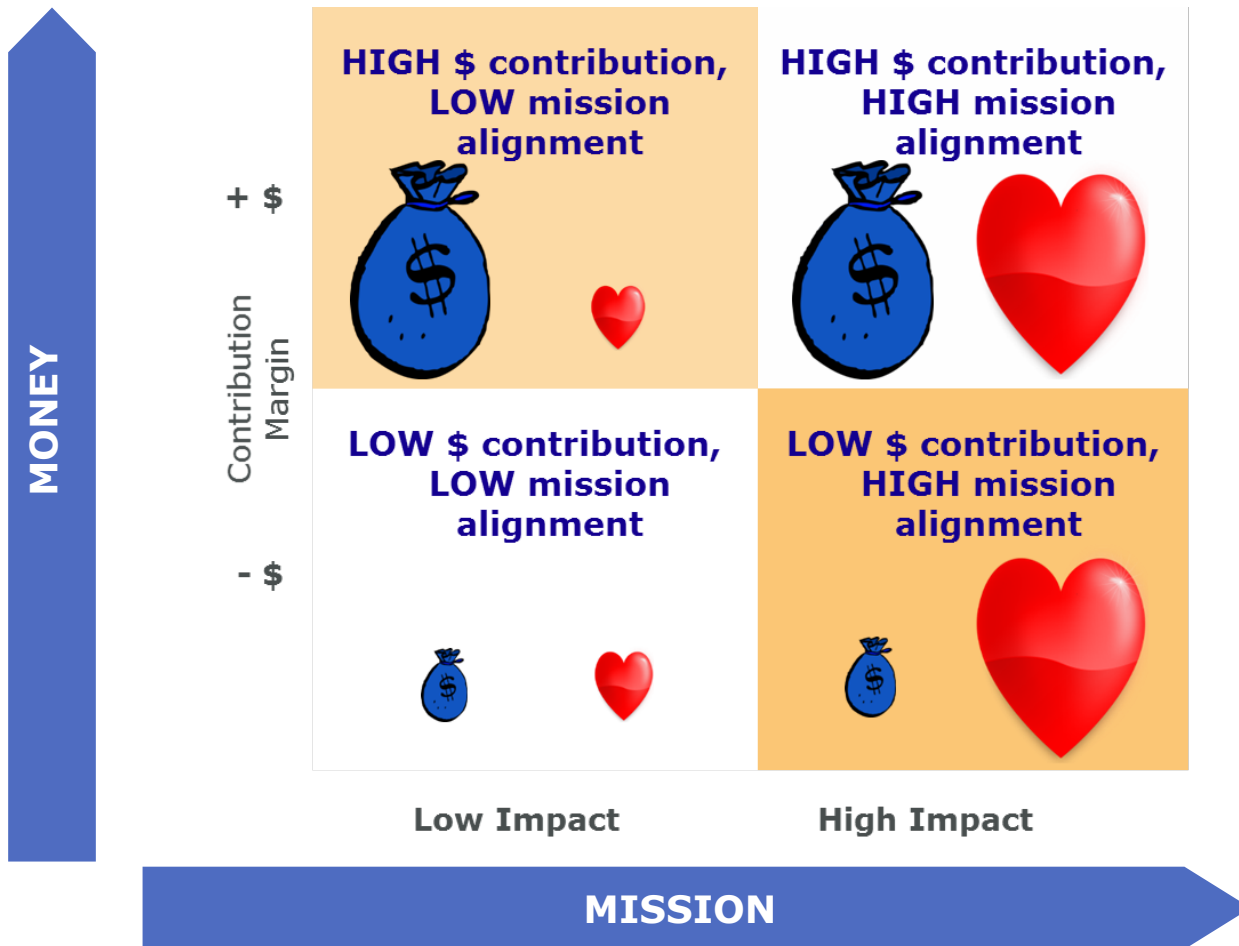
**The size of each circle represents the budget size of each program**



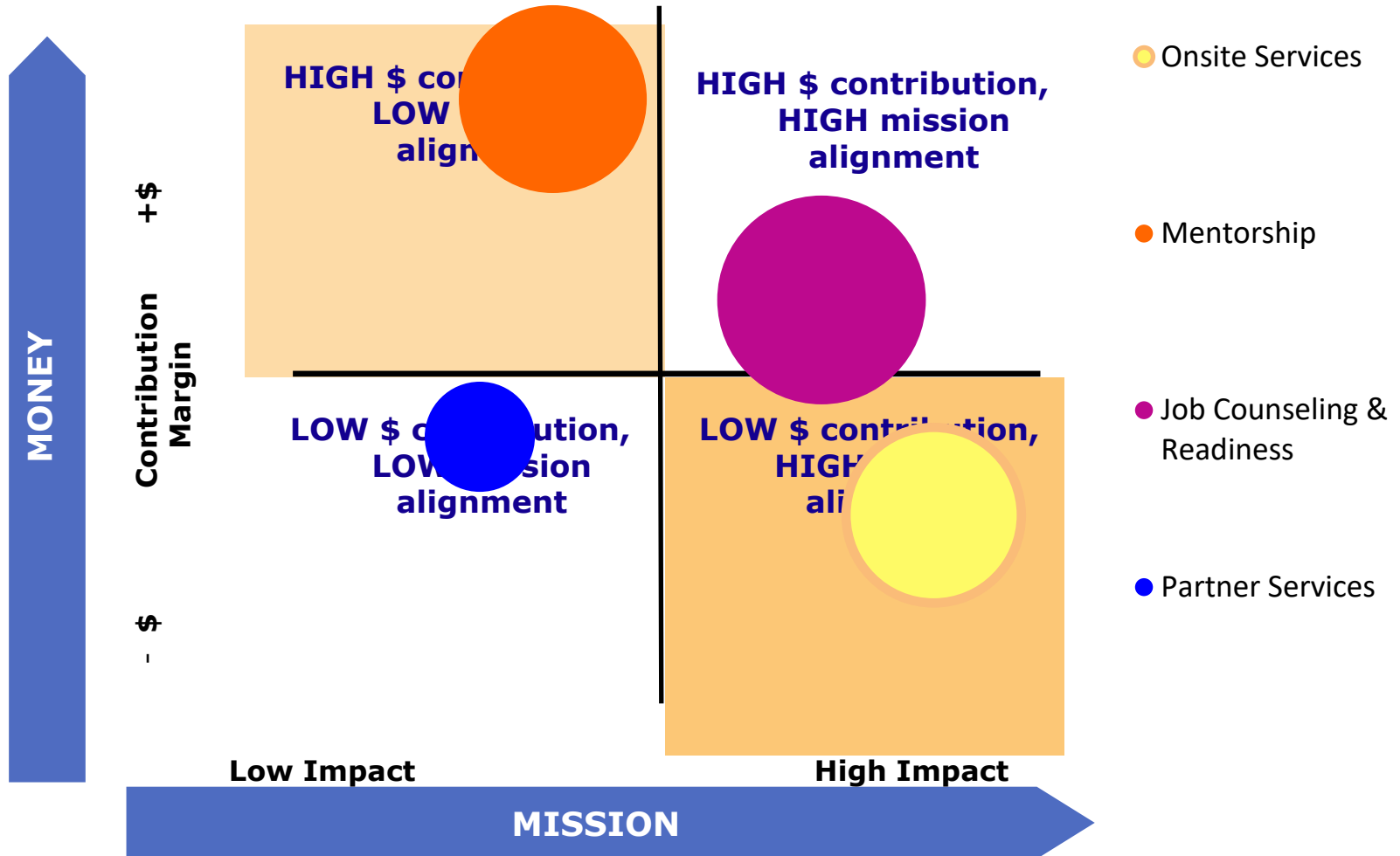
# ABC's Mission-Money Impact Matrix



# Mission-Money Matrix



# Mission-Money Matrix



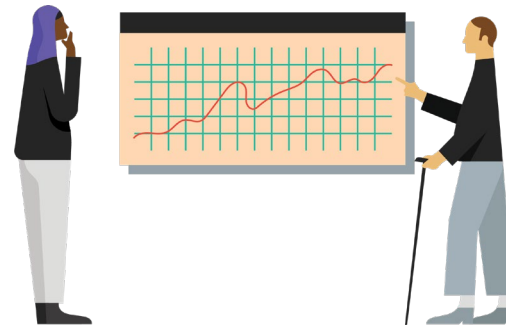
# Mission-Money Matrix Helps Focus and Prioritize

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

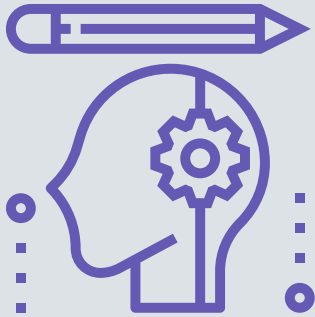
# Check-Out

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

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## Head

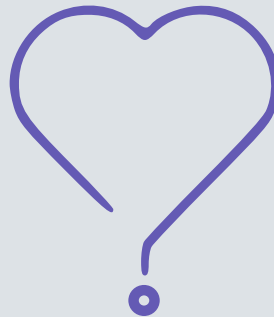
What did you **learn** from today's session?



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## Heart

How did today's session make you **feel**?



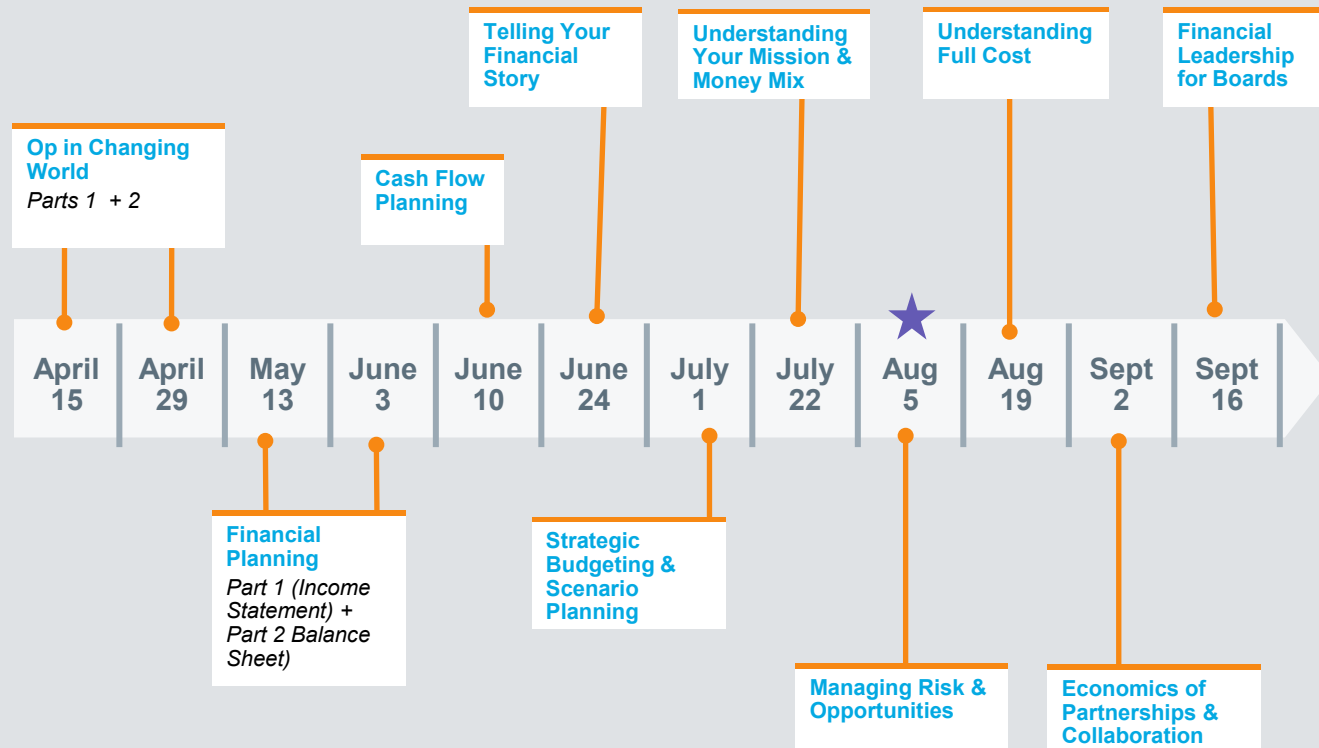
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## Feet

What **actions** will you take to bring this back to your organization and community?



# Upcoming Sessions



# Up Next

## Managing Risk and Opportunities

August 5, 2021, 1 – 2 pm EST

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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