

# Webinar **Telling Your Financial Story**



Facilitated by  
Nonprofit Finance Fund

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June 24, 2021



# Acknowledgment of Indigenous Territories



**"To recognize the land is an expression of gratitude and appreciation to those whose territory you reside on, and a way of honoring the Indigenous people who have been living and working on the land from time immemorial. It is important to understand the long-standing history that has brought you to reside on the land, and to seek to understand your place within that history." (Northwestern University Native American and Indigenous Initiatives, Land Acknowledgement).**

**<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...



## Goal: Position community organizations to sustain and adapt

- Better understand financial dynamics of the 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

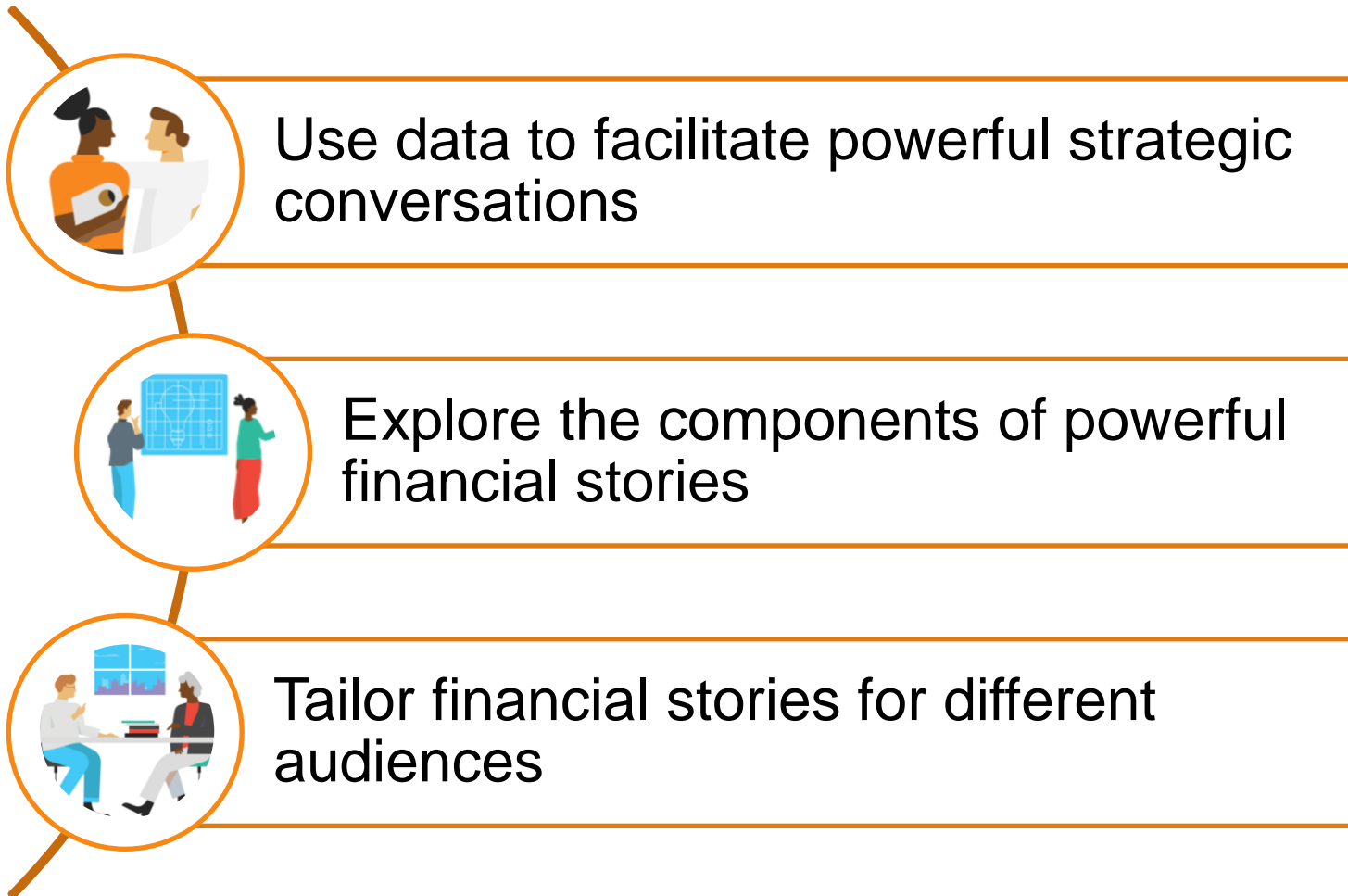
*The Rising Together Initiative is funded by Morgan Stanley*

# Meeting Agreements

## Contribute to a meaningful learning experience

- Every experience is valid; we are here as peers to learn from each other
- Invitation to share freely and candidly, and ask questions
- Take care of your needs first

# Today's Learning Goals



# Laying Out Scenarios to Focus Decision-making

Criteria	Decision: New Online Program for Youth	Decision: Pause Youth Sports Program
Mission Impact	<b>Positive, High</b> (connect with students)	<b>Negative, High</b> (program is core to mission)
Staffing Impact	<b>Minimal</b> (existing staff has capacity)	<b>Moderate</b> (affects 4 staff)
Time Horizon	<b>Immediate</b> for Fall Implement	<b>Immediate</b> for Fall Implementation
Risks	<b>Low</b> (have experience in online pgms, curriculum built, funding identified)	<b>Low</b> (peer pgms also pausing, funders supporting GOS, families in alt. pgm)
Financial Impact	<b>Neutral Budget Impact</b> (\$5000 in startup costs + teacher salaries (already in budget))	<b>Moderate Savings</b> (10% of overall budget, uncertain revenue, more costly to deliver in FY21)

# Prioritizing Opportunities and Decisions

Criteria	Focus first on these opportunities:
Mission Impact	Positive, High
Staffing Impact	Low
Time Horizon	Immediate/Urgent
Risks	Low
Financial Impact	Positive

## Prioritization will inevitably involve:

**Trade-offs:** No scenario or opportunity can be on top for all of these considerations, so trade-offs happen when you prioritize high mission impact over easily met capacity requirements for one option, or when you take a chance on a strategy that provides high financial impact over low risk.

**Iteration:** When you get new information or begin selecting some opportunities over others, you may need to revise certain considerations.



# Decision Making in Times of Crisis

When the stakes are high, so are emotions

1. Acknowledge the emotion and everyone's interest in the situation
2. Clearly articulate everyone's role (board, management, staff)
3. Agree on the goal
4. If you can't agree on the goal, agree on the guiderrails
5. Sleep on it

# Why Focus on Storytelling?

Stories influence people, their emotions, behaviors, and actions. Stories find their way to human hearts and heads in a way that very few (if any) other communication methods can.

## Stories can...

- Create context
- Provide meaning and purpose
- Create connection, helping us relate on a personal level
- Move others to act

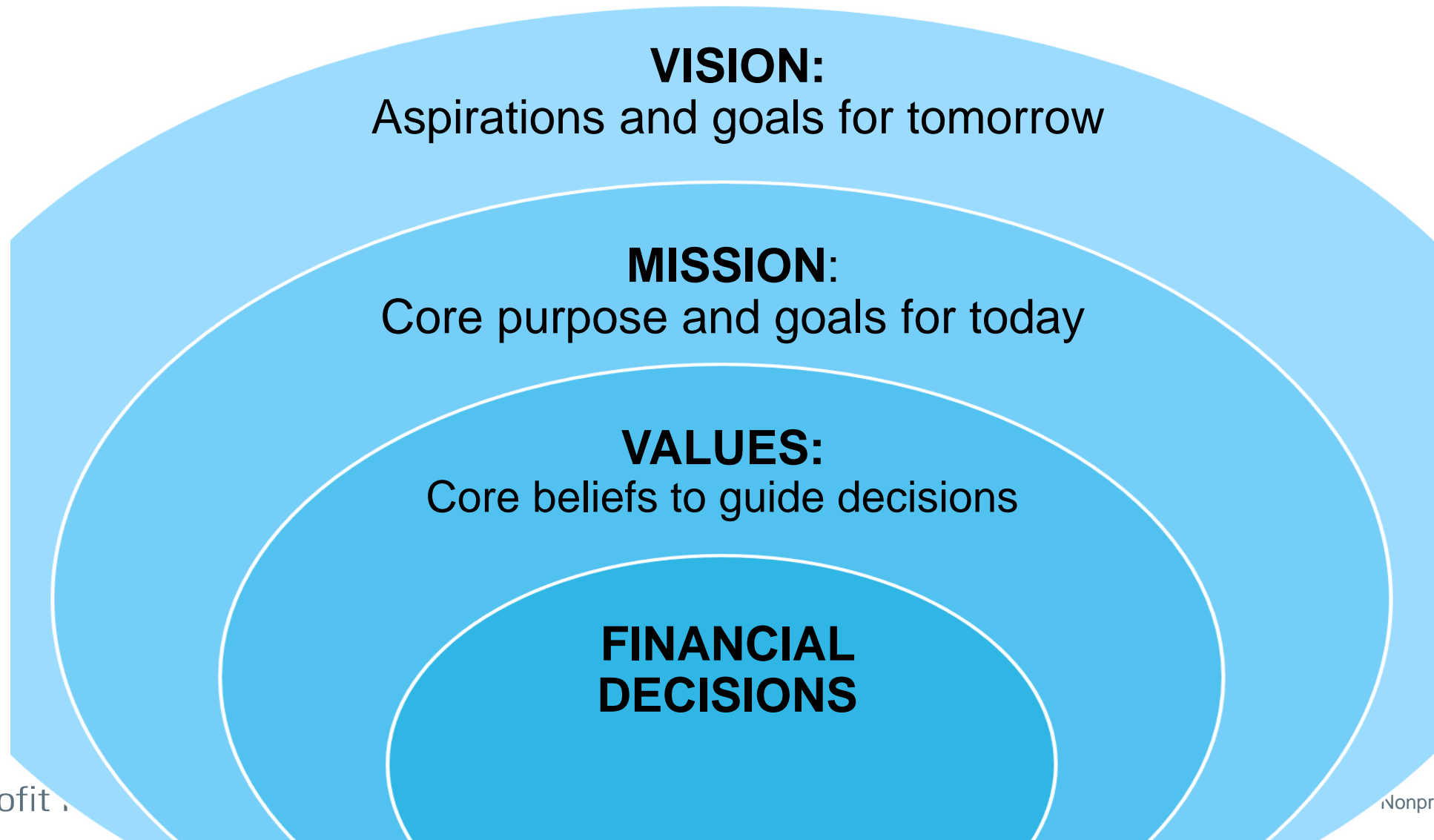


Source: <https://donorbox.org/nonprofit-blog/nonprofit-storytelling-guide/>

# What is a Financial Story?



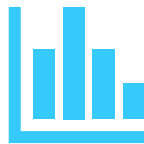
# Telling the Story of How Money, Mission and Values Align



# Three Financial Stories We Could Tell

## Trends

- What were the trends?
- What was the response?
- What effect were you aiming for?



## Business Model

- How do you make and spend money in support of your mission?
- How does [insert audience] fit into this business model?



## Evolution

- How is the organization and its business model evolving?
- What will you need to realize the vision for the future?



**A Comprehensive Narrative Captures All Three Stories**

# The Financial Part of the Story: Where To Find The Data

		The Past	The Present	The Future (3, 6, 9 months)
Questions to Address:		<ul style="list-style-type: none"><li>• What have been the biggest events or changes (positive or negative) in the past 1-2 years?</li><li>• Effect of events on your financial health?</li></ul>	<ul style="list-style-type: none"><li>• What is your current business model?</li><li>• How are you addressing COVID-19?</li><li>• What has been the impact of social distancing on your organization?</li></ul>	<ul style="list-style-type: none"><li>• What are your future needs?</li><li>• How will changes affect your income statement or balance sheet?</li></ul>
		Past income statements, past balance sheets	Current/revised budget, cash flow projections, most recent balance sheet	Future projected budgets, scenario budgets

# Know Your Audience



## Internal Audiences: Board, Staff, Volunteers

- Focuses everyone on the priorities
- Transforms culture and practice
- Increases confidence in management



## External Audiences: Clients, Funders, Partners

- Demonstrates need and context
- Supports reporting and compliance
- Increases confidence in management

# What Conversations Are You Having? What Questions Are You Asking? Being Asked?

## Talk to your funders and donors:

- Understand the financial impact of today's evolving reality on your business model and share the specific needs you have

## Talk to your board:

- Outline organizational priorities
- Discuss how you might use reserves or debt to support short- and long-term needs

## Talk to your staff:

- Discuss personal and professional impact
- Keep everyone up to date on response and recovery efforts

## Talk to your community/ partners:

- Discuss how your services and collaboration may need to change to respond to community needs





# From / To / Think / Do

## The From / To / Think / Do Matrix

*Great Tool. Terrible Name*

From-To Think-Do Matrix		
	FROM	TO
THINK		
DO		

# Sample Rubric: A Foundation

Audience: Family Foundation

Situation: After many years of support, Foundation has declined support.

From-To Think-Do Matrix		
	FROM	TO
THINK	<ul style="list-style-type: none"><li>• If an organization has more than 6 months of reserves, it does not need grant support</li></ul>	<ul style="list-style-type: none"><li>• Understand that the reserves function as an internal line of credit during cash flow dips through the year</li></ul>
DO	<ul style="list-style-type: none"><li>• Declining grant requests after many years of consistent general operating support</li></ul>	<ul style="list-style-type: none"><li>• Release funds / approve grant</li><li>• Revisit Foundation giving policies</li></ul>

# Financial Storytelling



# Telling Your Financial Story

## Funder Example: Flexibility

- |                         |   |
|-------------------------|---|
| 1) Lead with mission    | Since 2000, Awesome Organization has demonstrated improvements in classroom behavior and attendance through arts and cultural programming during school. We have also successfully advocated for more public spaces, which has transformed the Corridor.  |
| 2) What happened?       | City-mandated Covid-19 closures interrupted programs. This, combined with the cancellation of our gala, resulted in a 50% loss in revenue.  |
| 3) How did you respond? | Education programs are now online. We have translated Covid-19 materials for local communities. We've asked gala attendees to convert advance commitments into donations and have changed it into a giving drive, which closed the gap by 25%. We've secured the PPP loan.  |
| 4) Effect on mission?   | We've deepened our connections to our community. However, without the PPP loan and giving drive, we would have had to reduce operations by almost at least one-half. We wouldn't have been able to pivot quickly. Even now, the restrictions on our grants are making it challenging for us to consider necessary adaptations to the way we deliver services. |
| 5) What do you need?    | Given the uncertainty, we need flexibility. Can you release the restrictions on the ABC grant? Based on what we know right now, that will allow us to meet safety guidelines to deliver that program.   |

# Telling Your Financial Story

## Board Example: Relationships, Contributions, Input

- |                         |   |
|-------------------------|---|
| 1) Lead with mission    | Since 2000, Awesome Organization has demonstrated improvements in classroom behavior and attendance. We have also successfully grown our mission in advocacy, transforming the Corridor.  |
| 2) What happened?       | City-mandated Covid-19 closures interrupted programs. This, combined with the cancellation of our gala, resulted in a 50% loss in revenue.  |
| 3) How did you respond? | Education programs are now online. We have translated Covid-19 materials for local communities. We've asked gala attendees to convert advance commitments into donations and have changed it into a giving drive, which closed the gap by 25%. We've secured the PPP loan.  |
| 4) Effect on mission?   | We've deepened our connections to our community and are having good conversations about our future. However, based on our worst case scenario, we anticipate a cash flow gap of \$50K in November. Year-end giving should put us back on track in terms of managing cash flow by January, and we're making a bigger push this year. |
| 5) What do you need?    | I'd like to take a multiprong approach. First, do you have any connections to local banks to help us apply for a line of credit? Second, would you consider increasing and/or expediting your year-end giving to October? Lastly, do you have any other suggestions for us to consider?   |

# Telling Your Financial Story

## Staff Example: Specific Action

- 1) Lead with mission  
Since 2000, Awesome Organization has demonstrated improvements in classroom behavior and attendance. We have also successfully grown our mission in advocacy, transforming the Corridor.
- 2) What happened?  
City-mandated Covid-19 closures interrupted programs. This, combined with the cancellation of our gala, resulted in a 50% loss in revenue.
- 3) How did you respond?  
We worked quickly to put education programs online. We translated Covid-19 materials for local communities. We asked gala attendees to convert advance commitments into donations and have changed it into a giving drive, which closed the gap by 25%. We secured the PPP loan.
- 4) Effect on mission?  
Your quick actions allowed us to deepen community relationships and avoid drastic reductions in our operations. I think we've gotten closer as a team. I have heard great ideas from you on how we can build. I really appreciate how adaptable you've been.
- 5) What do you need?  
We need to ask ABC Foundation to release restrictions on the grant. Could you share the budget progress to-date for XYZ program, based on what we know today? Without a release, we may need to give some of the funds back or be unable to spend it until next year. This will also help me with scenario planning.

# Communicate & Advocate

- **Communicate early and often!**
- Maintain a dialogue with **staff, board, partners** and **constituents** about what's known, unknown and options
- Stay in front of **funders** — don't pull back
- Share your experience and insights with the **network** and **stakeholders**
- **Advocate** for a more equitable and effective system and supporting policies



Download [Financial Storytelling](#) Resources at NFF.org

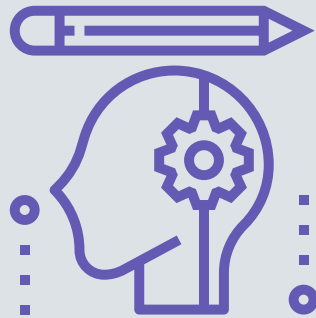
# Check-Out

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

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## Head

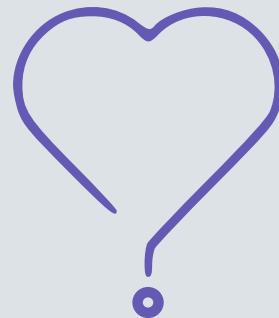
What did you **learn** from today's session?



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## Heart

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



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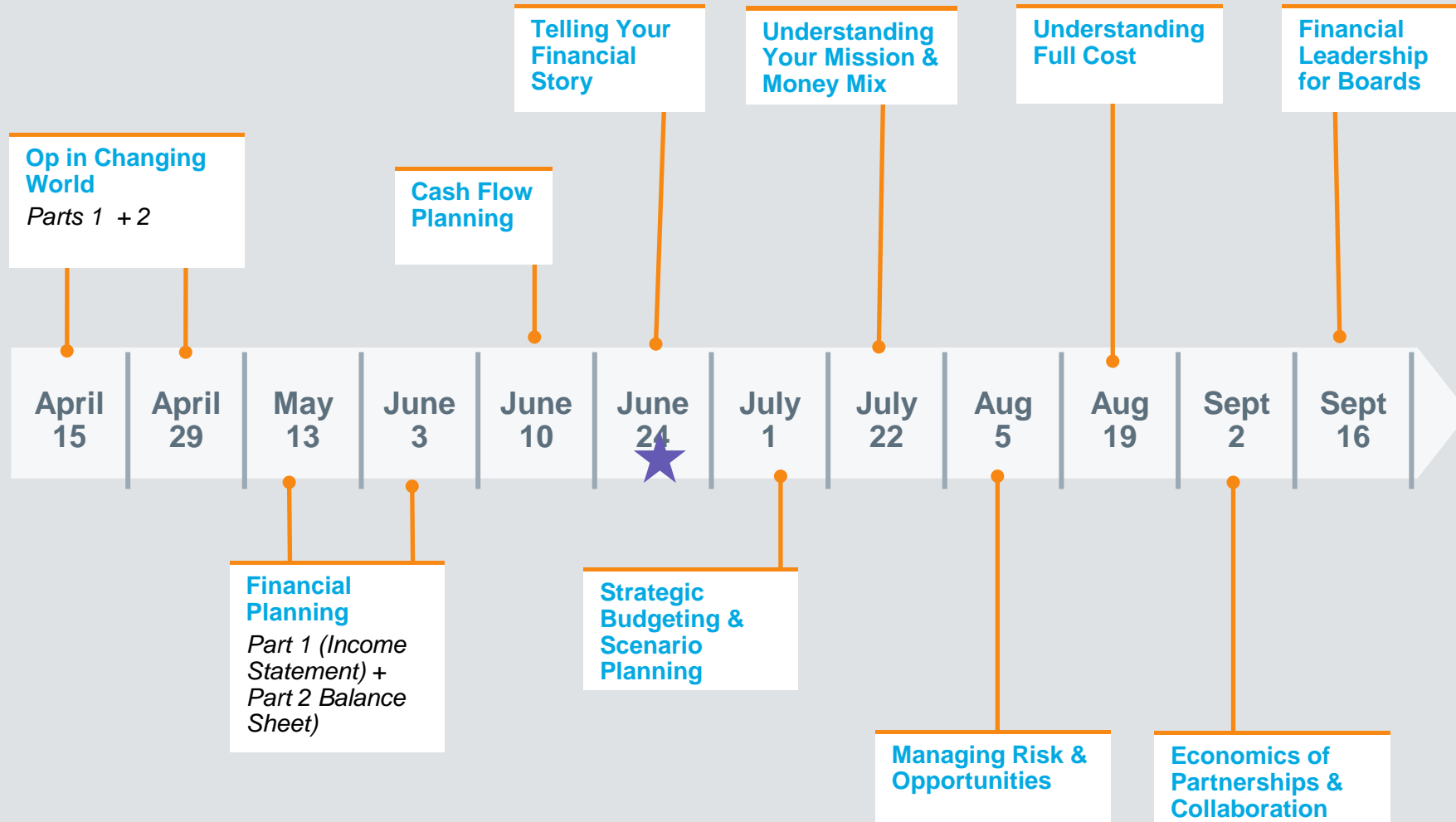
## Feet

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





# Upcoming Sessions



# Thank You!

[nff.org](https://nff.org)

[investinresults.org](https://investinresults.org)

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# Thank You!

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