

Securing Your Organization's Future: It's More Than Money

Presented by: Hilda Polanco, CPA, CCSA®
Founder and Managing Director

Fiscal Management Associates, LLC
Citi Nonprofit Day
October 28, 2010



Fiscal Management Associates, LLC
Professional Services to Not-for-Profit Organizations

the **f**mainstitute



Citi Foundation



Presented as part of the Citi Nonprofit Day in partnership with Donors Forum and the Alliance for Nonprofit Management

Where We've Been

Rapid change



Where We Should Be:

Six key management principles for strategic organizations





Key Management Principles

1. **Performance measurement guides organizational practices** – data managed strategically and dashboards track key performance indicators
2. Annual budgets are set from the lens of the organization's **balance sheet**
 - a. Assessment of the priority and relevance of all activities (zero-based budgeting)
 - b. Two to three year business plans
 - c. Multi-year, strategic budgets
 - d. Maintain operating reserves; plan for a surplus
 - e. Revenue diversification



Key Management Principles

- 3. Re-evaluate funding relationships** – seek to cover full cost of delivering programs

***Donors Forum and
Congresswoman McCollum are
leading the charge to improve***



Key Management Principles

- 4. Create an environment of Team Decision Making** – all senior management engage around the numbers and strategy
- 5. Ongoing assessment of business processes** – maximizing IT and automating toward maximum efficiency
- 6. Goal setting** – understand the strategic nature of time, and focus



Recommended Action Steps



Action steps



Steps 1, 2, and 3

- 1. Performance measurement strategy –**
develop one if you don't have one and review it if you do, making sure every aspect of the organization has the necessary information
- 2. Budgets and long term strategy –**
plan to increase unrestricted reserves over time
- 3. Methodology to identify full costs –**
identify indirect costs and assess costs of doing business with all funding sources, including government

Action steps

Steps 4, 5, and 6



- 4. Team Decision Making –**
all members of senior management gather to make critical strategic and operational decisions using real time data

- 5. Explore technology as a tool for maximum operating efficiency**

- 6. Annual goal setting process –**
your time is your staff's most precious commodity

Other resources

Reports

- *“Human Service Nonprofits and Government Collaboration Findings from the 2010 National Survey of Nonprofit Government Contracting and Grants”*, Urban Institute, October 7, 2010
- *“Nonprofit Sector: Treatment and Reimbursement of Indirect Costs Vary among Grants, and Depend Significantly on Federal, State, and Local Government Practices”*, Report to the Chairman, Committee on the Budget, House of Representatives. GAO-10-477, May 18, 2010

Other resources

Reports

- “*Operating Reserve Policy Toolkit for Nonprofit Organizations*”, sponsored by the National Center for Charitable Statistics, Center on Nonprofit and Philanthropy at the Urban Institute, and United Way Worldwide, September 15, 2010

Visit the FMA Websites



www.fmaonline.net



www.fmainstitute.net