Maintaining Your Mission In Tough Times

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KSC Solutions

Rules of the Road…

UNPLUG WHEN NOT IN USE

Do you have a question

Ask Me

Questions answered here

PRIZES

NO MARGIN ,
NO MISSION

Once-Robust Charity Sector Hit With Mergers, Closings

By SHELLY BANJO And S. MITRA KALITA

"I don't think it will ever be back to normal," Ms. McFadden says. "The economic climate has changed too significantly. We just can't rely on government the way we used to."

"It's a triple whammy," says Elizabeth Boris, director of the Urban Institute's Center on Nonprofits and Philanthropy. "Donations are down. Government funding is down. Need is up."

"We've had funding cut after funding cut, and we never know when the next shoe is going to drop," says May Shields, Hearth's chief operating officer.

Annual Budget Increases
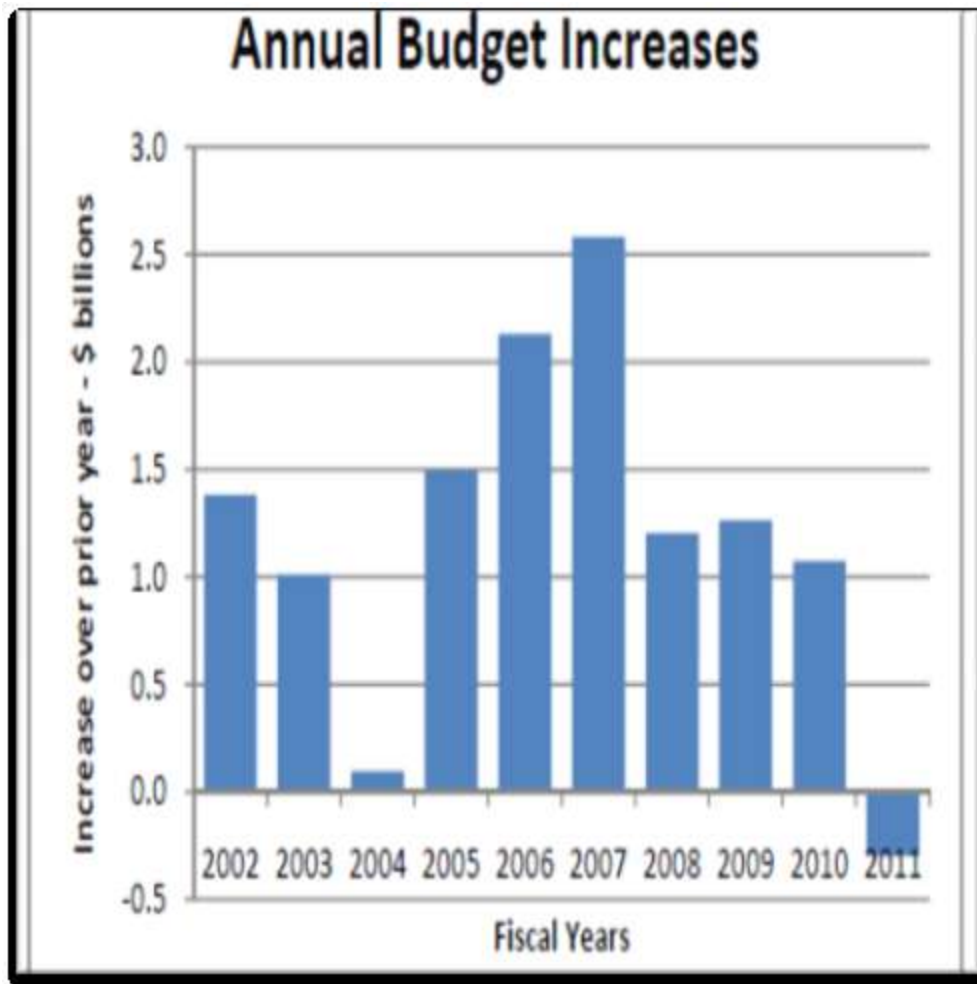
As a result, even with a recovering economy, projections showed persistent shortfalls in future years, exceeding $2 billion in each fiscal year for 2012 through 2015.

It's the Economy...

- Donors said that the economy, as well as other financial variables, negatively affected their giving.
- Forty-eight percent of donors said that unexpected household expenses had a negative effect on their giving.
- A third (35 percent) of donors said that changes in their household incomes had a negative impact on their giving.
- Thirty-one percent of donors said that declining home values had a negative effect on their giving.
- And twenty-nine percent of donors said that the performance of their investments (stocks, bonds, etc.) had a negative effect on their giving.

Anticipated Changes in 2010 Foundation Giving Compared to 2009

Don't Know 7%

No Change 50%

Increase 17%
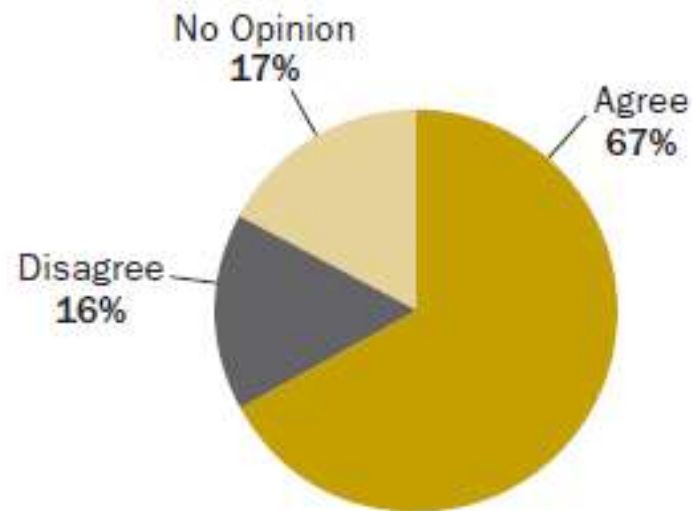
Decrease 26%

Percent of Respondents
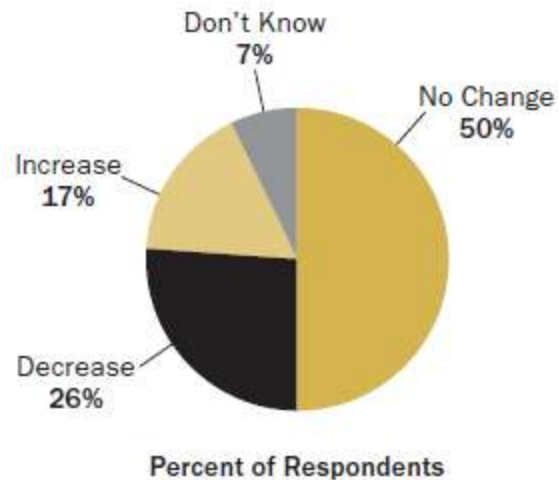
SOURCE: The Foundation Center, 2009. A total of 583 foundations responded to this question.

Key Findings

- New survey of leading grantmakers suggests a steeper than anticipated reduction in 2009 foundation giving.

- Indicators point to a continued reduction in foundation giving in 2010.

- More than two-thirds of respondents have reduced their operating expenses to shore up giving and for other purposes.

- Grantmakers expect that the field of philanthropy will become more strategic as a result of the economic crisis.

- Most funders expect the nonprofit community to emerge stronger from the economic crisis, although some express doubts.

The nonprofits that survive the economic crisis will emerge stronger than before

No Opinion
17%

Agree
67%

Disagree
16%

Percent of Respondents

SOURCE: The Foundation Center, 2009. A total of 568 foundations responded to this question.

Trends Today

- Grantmakers are becoming more interested in capacity building.
- Grantmakers seem to be narrowing their geographic scope in order to make an impact "at home".
- Although larger grants are being awarded, recipient organizations' programs are closer to grantmakers' missions.
- Site visits are on the increase.
- Full grant applications aren't always encouraged.

The number of 501(c)(3) organizations, 2000–2009

819,008 — 2000
865,096 — 2001
909,574 — 2002
964,418 — 2003
1,010,365 — 2004
1,045,979 — 2005
1,064,191 — 2006
1,128,367 — 2007
1,186,915 — 2008
1,238,201 — 2009
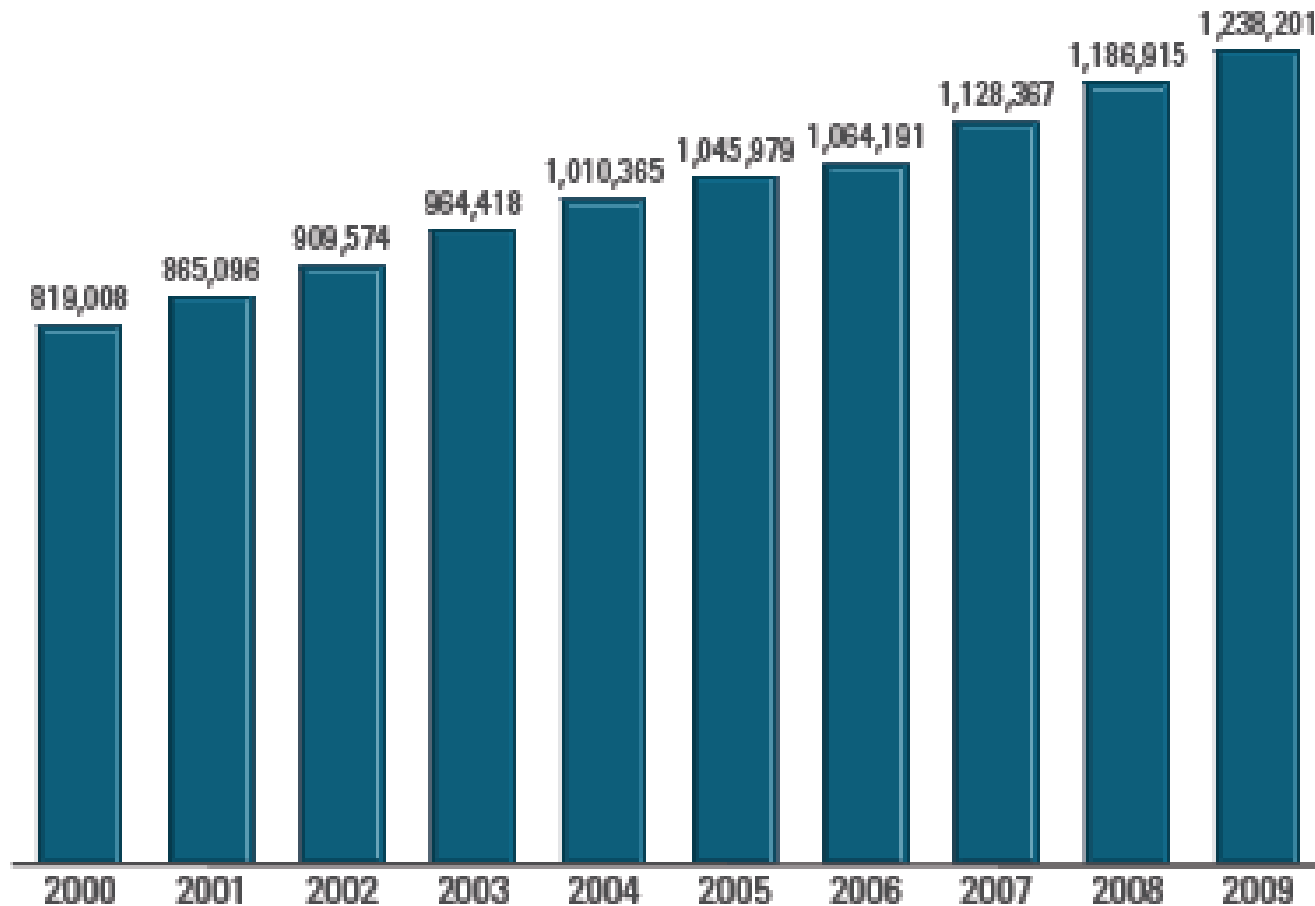
■ The Internal Revenue Service annually reports the number of nonprofit, charitable organizations registered under Section 501(c)(3) of the Internal Revenue Code.

Nonprofits in Maryland

Types of Nonprofits

The Internal Revenue Code recognizes twenty-six different categories of nonprofit organizations. These data sets reflect information maintained for the three most common types of nonprofits, 501(c)(3), 501(c)(4) and 501(c)(6) organizations

Designation	1999	2007	2009	2 Year Growth	10 Year Growth
501(c)(3) - Religious, educational, charitable, scientific, literary, testing for public safety, to foster national or international amateur sports competition or prevention of cruelty to children or animal organizations	15,178	21,759	24,094	11%	59%
501(c)(4) - Civic leagues, social welfare organizations and local associations of employees	2,190	2,117	2,008	-5%	-8%
501(c)(6) - Business leagues, chambers of commerce, real estate boards, etc	1,238	1,351	1,334	-1%	8%

Nonprofits by Service Delivery Area – 501(c)(3) Only

Service Area	1999	2007	2009	Growth 2 Year	Growth 10 Year
Animal Related	359	439	432	-2%	20%
Arts	1,283	1,615	1,702	5%	33%
Comm. Improvement	1,105	663	689	4%	-38%
Crime & Disaster	106	430	479	11%	352%
Education	2,072	2,591	2,799	8%	35%
Environmental	406	512	504	-2%	24%
Health	1,324	1,554	1,602	3%	21%
Human Services	2,138	3,011	3,421	14%	60%
Others	6,385	12,021	15,239	27%	139%

Nonprofits by County

County	Number of 501(c)(3)'s		Number of 501(c)(4)'s		Number of 501(c)(6)'s		501(c)(3)'s with Budgets over $1 Million	
	1999	2009	1999	2009	1999	2009	1999	2009
Allegany	194	273	65	54	10	13	15	15
Anne Arundel	1,008	1,627	222	215	124	160	81	113
Baltimore	1,782	2,937	281	249	168	180	139	223
Baltimore City	2,932	3,676	242	214	188	145	332	435
Calvert	122	276	38	40	6	9	5	12
Caroline	75	120	24	22	7	6	5	8
Carroll	274	520	67	67	21	29	22	40
Cecil	158	233	46	41	11	11	12	14
Charles	195	425	40	39	9	11	10	13
Dorchester	81	119	27	27	7	4	5	5
Frederick	516	868	121	115	40	39	25	44
Garrett	100	153	22	15	7	8	3	7
Harford	377	642	88	82	36	56	17	31
Howard	606	1,178	67	84	80	122	51	60
Kent	110	162	20	17	6	12	8	14
Montgomery	3,494	5,259	313	312	308	320	392	514
Prince George's	1,846	3,686	235	179	121	117	101	131
Queen Anne's	82	154	22	21	4	7	5	10
Somerset	49	71	15	13	2	2	3	6
St. Mary's	189	318	30	34	10	14	7	13
Talbot	177	239	27	21	15	14	23	36
Washington	433	569	77	68	25	19	40	56
Wicomico	261	385	62	49	19	20	20	32
Worcester	117	204	39	30	14	16	6	15
Maryland	15,178	24,094	2,190	2,008	1,238	1,334	1,327	1,847

What nonprofits are doing to Survive

Tactic	Small	Medium	Large
Reduce the level of activity across all programs	54%	33%	43%
Scale back or eliminate a subset of programs to free up resources for others	60%	39%	56%
Clarify key program outcomes and measure them	61%	53%	74%
Redesign programs to achieve outcomes in a less costly manner	73%	50%	82%
Lay off staff	45%	36%	43%
Cut staff salaries	25%	24%	18%
Cut overhead	47%	50%	72%
Consciously identify key positions and shift resources to keep these positions filled	52%	53%	79%
Examine opportunities to merge with or acquire other nonprofit organizations	27%	12%	26%
Actively look for newly-available talent	21%	18%	46%
Examine and improve key processes and structures (e.g. improve decision-making, cross functional teams) to increase organizational efficiency	53%	66%	82%

We'll Just Raise More Money...

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Source	Amount	Percentage
Federal grants and contracts	$	%
State grants and contracts	$	%
Private foundation grants	$	%
Community/ family foundation grants	$	%
Corporate grants and underwriting	$	%
Fundraising	$	%
Fees	$	%
Other	$	%
Total Annual Budget	$	%

MISSION MATTERS

"March or Die"

French Foreign Legion

A good mission statements can improve an organization's:

- sense of purpose
- communication
- decision-making
- resource allocation
- evaluation
- marketing

A Good Mission Statement

- Uses less than 100 words, sharply focused (so everyone knows it--clearly)
- Describes what functions the organization does (identify a *distinctive core competency*)
- Identifies for whom the functions are done (specify a specific market)
- Say show the organization fills the functions better/different than others (competitive advantage)
- Justify why the organization exists (the reason for being)
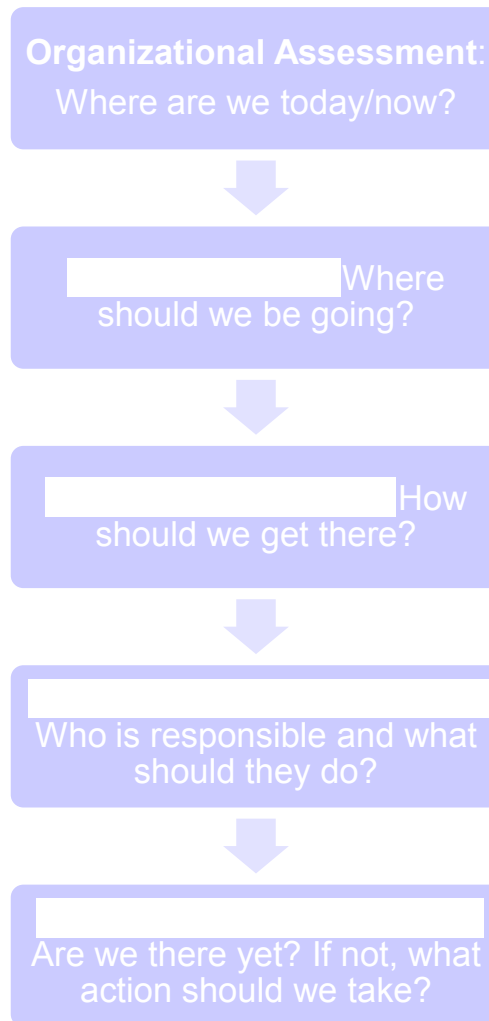
Just in Time Mission Statement

- We exist to (primary purpose and the business we are in):

- For (primary clients or customers listed in order of significance):

- In order to (core services);

- Believing that (critical values):

- So that (key outcomes that determine success):

Action Plan Vs. Strategic Plan

GRANDMA'S CHOCOLATE COOKIES

1 cup butter, softened
2 cups sugar
2 beaten eggs
4 squares melted unsweetened chocolate
1 tablespoon vanilla extract
2 cups sifted all-purpose flour
pinch of salt
finely chopped walnuts

Cream butter thoroughly. Add sugar, one cup at a time, mixing well between additions.
Add eggs, melted chocolate, vanilla, salt and flour, blending well after each addition.

Chill dough for about 30 minutes. Form into 1" diameter balls, place on an ungreased
cookie sheet. Flatten with a fork dipped in sugar (criss-cross pattern). Sprinkle a pinch of the
chopped walnuts on top. Bake at 350° for 8 to 10 minutes.
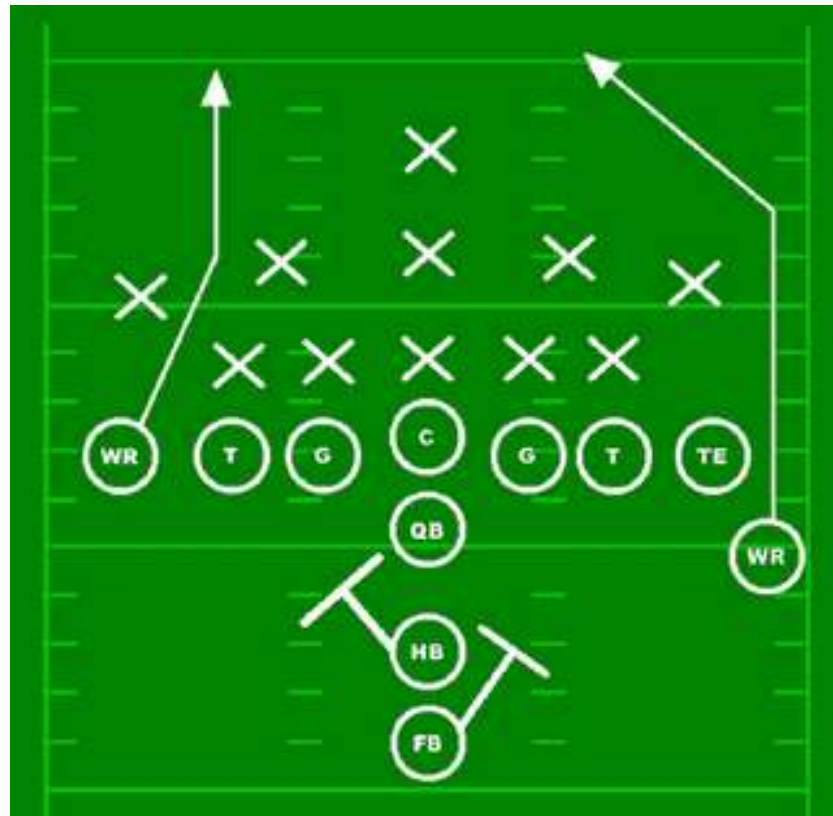
The Basic Steps of Strategic Planning

Organizational Assessment:
Where are we today/now?

⬇

Where should we be going?

⬇

How should we get there?

⬇

Who is responsible and what should they do?

⬇

Are we there yet? If not, what action should we take?

Strategy Pyramid

Organizational

Programmatic

Operational

"No plan survives contact with the enemy."

Colonel Tom Kolditz, U.S. Army
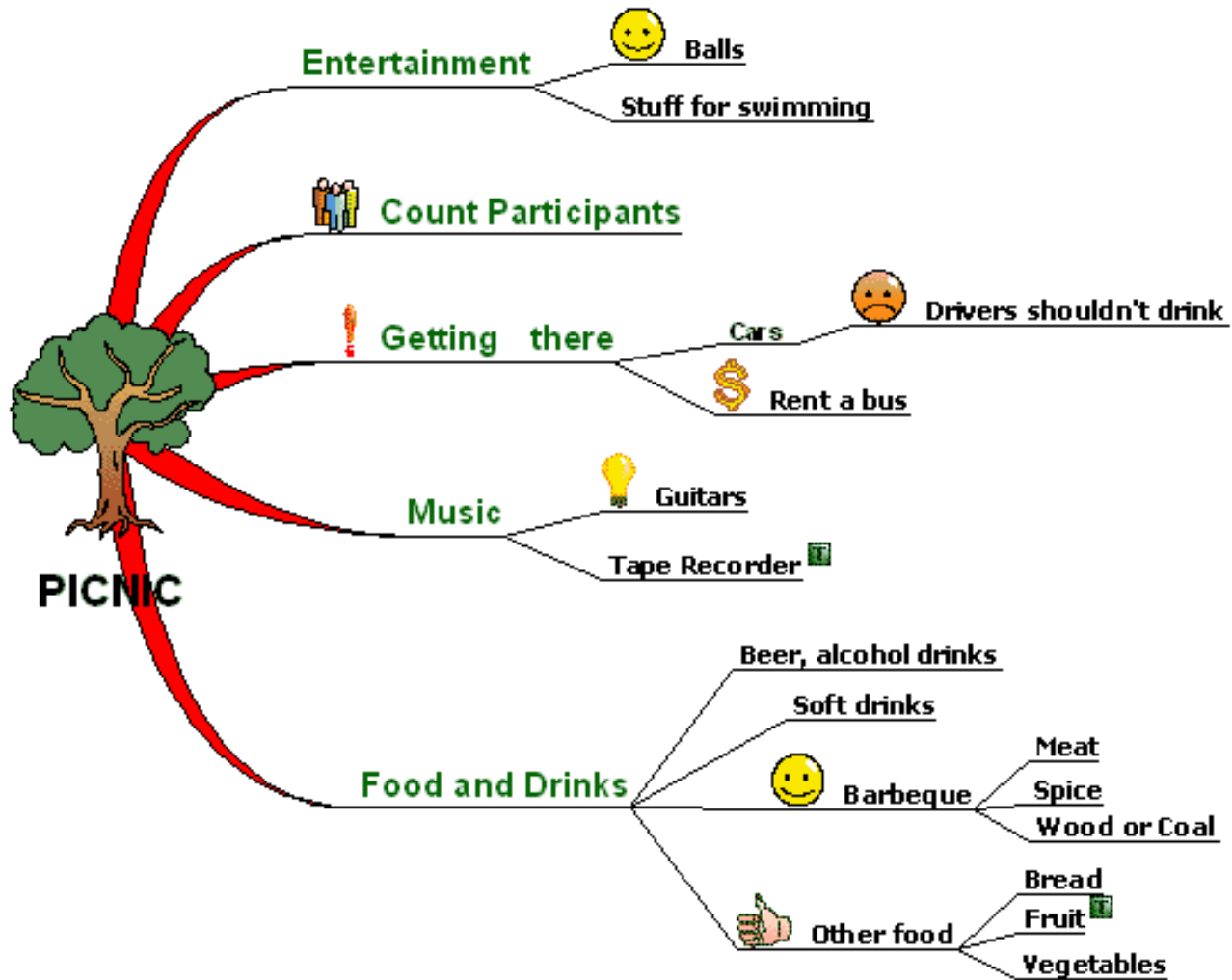
Aristotle could have avoided the mistake of thinking that women have fewer teeth than men, by the simple device of asking Mrs. Aristotle to keep her mouth open while he counted. [Bertrand Russell](#)

www.hdcentre.org

Objective

Eligibility

Serves community

Serves targeted population

Sufficient funds to meet need

Matching funds required

Administrative costs allowed

Adequate time to respond

Required outcomes achievable

Audited financials required

Project plan prepared

Partners required

Subjective

Relationship with grantmaker

Complements grantmaker's goals

Builds on organization's mission

Likelihood of award

Competition for award

Possess required competencies

Incidental Costs

Sustainability

Adequate staffing to implement

Adequate data collection mechanisms

Return on Investment

10 Helpful Tips For Your Next Grant Proposal

1. Be Thorough.
2. Read The Application Carefully.
3. Include Letters Of Support
4. Go Beyond The Norm.
5. List Your Stats.
6. Re-Read Your Answers.
7. Provide Everything Requested.
8. Be Detail Oriented.
9. Convey Your Enthusiasm.
10. Read It... Again.

Article adapted from *CheckItOut magazine, 10 Helpful Tips For*

Your Next Grant Proposal, Summer 2010 issue.

The Good and Bad News – You Got It!

- Don't start until you have a signed contract
- Read the contract very carefully
- Read the grant again – you'll be amazed at what you've forgotten
- Mark your calendar with all the due dates
- Make copies of your reporting forms
- Start a file for the grant – keep every scrap of paper especially receipts
- Make sure your accounting staff know what's happening so they can track accordingly
- If you hit a snag, contact the funder immediately – they will usually negotiate