ACLS Digital Justice Development Grant Program
Office Hours

Presented by

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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.

Trusted Partner

Advocate

Financial Educator

Investor

The Project Lifecycle
Questions for the Seed/Pilot Phase vs Development Phase

Seed/Pilot Phase

Is there a need for a new intervention and what issue or challenge is that intervention designed to address or solve ?

What resources, financial or non-financial, will be needed to implement the intervention at the scale necessary for the problem it tries to address?

Do you believe this pilot can help make the case to other for financial and/or non-financial support

Development Phase

What additional data do you need to continue refining and proving your intervention works and can scale?
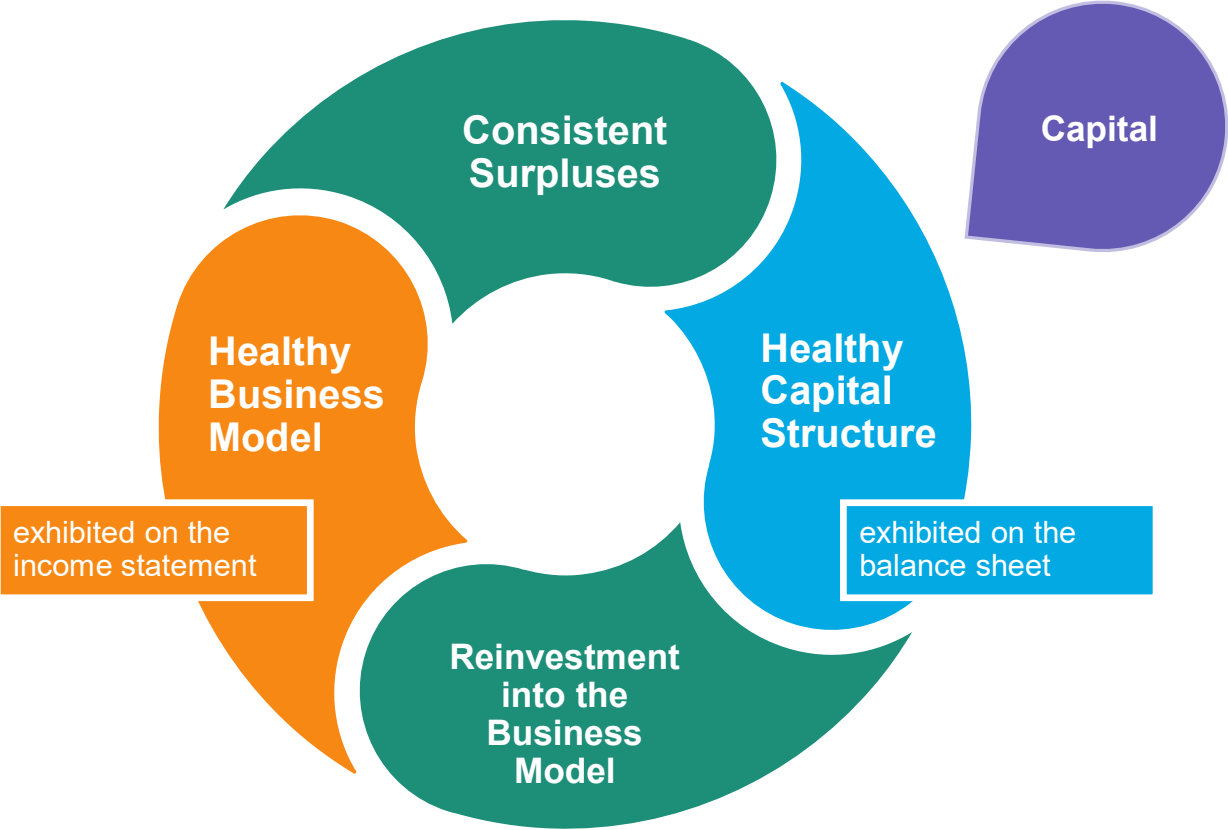
How have the resource needs for the intervention(s) changed as the intervention is scaled and refined?

Will current funders continue to pay? What are some potential and new funding sources that can be cultivated?

Revenue and Capital Dollars Work Together

Defining Two Different Types of Money
Nonprofits need both to thrive

Buy (revenue)

- Needed every year

- Reliable, repeatable, and/or replaceable

- Covers annual operating costs
  - Pays for services and programs
  - Pays for organization overhead

Build (capital)

- Episodic in nature

- Pays for extraordinary needs

- Supports enterprise health
  - liquidity
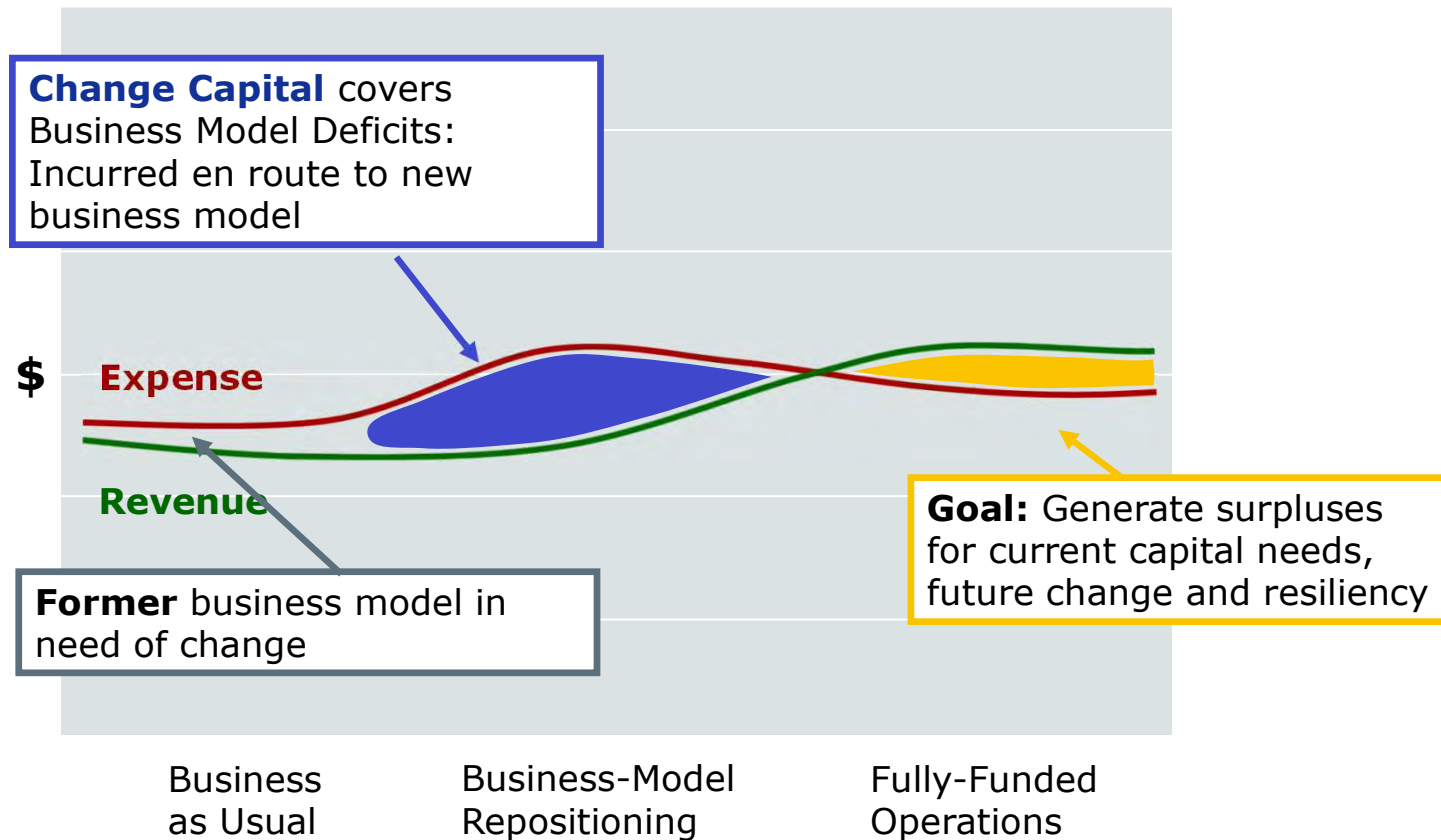 - adaptability
  - durability

Change Capital

What It **Is**	• Periodic reinvestment into the organization to change its business model (i.e., the size or reach of mission and/or how to make and spend money) • Typically large, flexible, multi-year funding from an external source
What It **Is Not**	• Organic growth

How to **Calculate**	• Detailed projections for a surplus-generating business model
	   • planning/up-front/startup costs for revenue generating activities, programs, and other infrastructure
	   • Timeline to secure new revenue and revenue sources

Goals to Consider	• Applying capital to change or build long term resilience and to modify or enhance business models toward field-wide change in the Digital Humanities • Covering up-front costs of change and deficits until new business model revenue exceeds new business model expenses • Bolstering coordination and collaboration between the various service provider and university centers within the Digital Humanities field

When Change Capital Is Helpful

Change Capital covers Business Model Deficits: Incurred en route to new business model

Expense

Revenue

Former business model in need of change

Goal: Generate surpluses for current capital needs, future change and resiliency

Business as Usual | Business-Model Repositioning | Fully-Funded Operations

What Is a Budget and Why Does It Matter?

A budget is an organizational plan for a stated period of time, expressed in dollars

A good budget is a versatile, often under-utilized tool that can help to:

- Allocate resources
- Provide a road map
- Allow the organization to monitor progress
- Increase focus
- Set and clarify goals and strategic priorities
- Test and Illustrate the feasibility of a project

ACLS Digital Justice Seed Grant
Sample Budget**

Category	Description	Time Period	Rate	Cost
Personnel Salary, Wages, Benefits				
	Dr. A. Yi, University of X (Project Director): 1 course release, 12.5% of salary @ 80000/yr	12 months	12.5% of salary @ $80000/year	$6,400
	Mx. G. Holder, University of X: Graduate Assistant for Fall 2022 semester	200 hours	$20/hour	$4,000
	Ms. A. Rodgers, University of X: Graduate Assistant for Spring 2023 semester	200 hours	$20/hour	$4,000
Total: Personnel Salary, Wages, Benefits				$14,400
Software Licensing & Fees				
	Audio Transcription Subscription	12 months	$50/ month for two users	$600
	WordPress WebHosting	18 months	$300/ year	$450
	Final Cut Pro X Video/Audio Editing Software			$300
Total: Software Licensing & Fees				$1,350
Equipment				
	HD Camera			$750
	External Microphone			$1,500
	Ring Lights			$350
	External Hard Drive			$150
	Tripod			$100
Total: Equipment				$2,850
Direct Costs				
	Interview Space Rental at API Community Archive	15 hours: October 2022; Febraury 2023	$75/hour	$1,125
	Interviewee Participation Gift Cards	October 2022; February 2023	$50/ participant for 25 participants	$1,250
	Reseach Carrels for Graduate Assistants	12 months	$100/month	$1,200
	Social Media ads for YouTube Channel	12 months		$500
Total: Direct Costs				$4,075
Travel & Lodging				
	Train tickets to interview site for PI and Graduate Assistants	October 2022; February 2023: 4 interview/recording sessions	$35/roundtrip ticket	$280
	PI and Graduate Assistants travel to Digital Humanities Symposium April 2023	April 17, 2023	$200/ roundtrip ticket	$600
	PI and Graduate Assistants accomodation for Digital Humanities Symposium April 2023	April 17-April 19, 2023	$125/night	$750

A Strategic Budget Helps to Quantify Risk

Use Conservative Assumptions

- For <u>revenue projections</u>, this means "less than planned"
  - Discount your revenue projections appropriately
  - Evaluate stability of donor relationships
  - Be clear about your revenue shortfalls
  - Have a plan of action for "To Be Raised" numbers

- For <u>expense projections</u>, this means "more than planned"
  - Include contingencies
  - Numbers should reflect 'known' internal and external realities
  - Considers full cost needs that reflect strategic priorities

Defining Unfunded Expenses

Unfunded expenses: expenses that are not currently incurred, but, if covered, would allow the organization to work at their current level in a way that is reasonable and fair

- "Sweat equity" – overworking and underpaying staff – is the most common example, such as:
    - The gap between current wages and fair wages *for the exact same amount of work*.
    - The cost to hire a 20hr/week assistant that would allow the ED to reduce her time from 60hr/week to 40hr/week.
- Other examples: unfilled positions, sub-par supplies, slow internet

Unfunded expenses are <u>not</u>:
    Expenses to expand or do more

Moving From Compliance to Strategy

Grant Budget	Includes only **expense** items related to the specific purpose of the grant
Enterprise/ Project Budget	Includes multiple **revenue** and **expense** items to demonstrate how the entire enterprise/project will be funded during a period **Demonstrates** how individual grants contribute to the total funding for the enterprise/project
Multi-Year Enterprise/Project Budget	Includes multiple **revenue** and **expense** items to demonstrate how the entire enterprise/ project will be funded for **multiple years**. **Models** how the project is expected to **grow/change** over time and what resources will be necessary to do so. **Clarifying and refining assumptions** is a key and iterative activity.
Multi-Year Enterprise/ Project Scenario Plan	Includes multiple **revenue** and **expense** items to demonstrate how the entire enterprise/ project will be funded for a period of time. **Tests** the financial implications of multiple "what-ifs" as the enterprise/project evolves. **Quantifies risk** of various strategies and circumstances

Additional resources on Multi-Year Budgeting and Scenario Planning can be found here

Thank You!

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