ACLS Digital Justice Seed Grant Program
Office Hours

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Nonprofit Finance Fund®

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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 Project Lifecycle
Questions for the 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 others for financial and/or non-financial support?
Revenue and Capital Dollars Work Together

Consistent Surpluses

Healthy Business Model

Reinvestment into the Business Model

Healthy Capital Structure

Capital

exhibited on the income statement

exhibited on the balance sheet
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
A Strategic Budget Helps to Quantify Risk

Use Conservative Assumptions

• For revenue projections, 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 expense projections, 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 not:**

Expenses to expand or do more
Thank You!

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