



Final Report – January 2012
Open Society Foundations and Nonprofit Finance Fund
Technical Assistance and Regrant Initiative to Strengthen Field and Grantee Capacity

OVERVIEW

The Nonprofit Finance Fund is pleased to provide this final report to Open Society Foundations for the \$1,300,000 grant and \$511,500 contract awarded in 2010 to provide advisory services to sustain and strengthen grantees in fields of social justice. NFF provided a range of assessment and financial planning services that addressed aspects of financial health that will drive sustainability. The initiative provided both individual and collective technical assistance support and peer learning opportunities in the areas of financial planning/management and fundraising to support key fields/sub-fields of concern to U.S. Programs. NFF also served as the manager and fiscal agent for administering \$1 million in grants to the 41 organizations selected by NFF and OSF to participate in the initiative. These \$25,000 grants were used to cover the selected organizations' expenses associated with participation in the initiative.

In total, this initiative enabled OSF's U.S. Programs grantees to apply financial understanding and planning to the sustainable management of their organizations. Because of this initiative, now leaders of these organizations have an enhanced capacity to tell their financial story to stakeholders and greater expertise in making decisions that strengthen their operations and the missions that are critical to our society.

FINANCIAL LEADERSHIP CLINICS

NFF organized leaders from 41 grantee organizations to participate in one of five, one and a half day, Peer Learning Clinics held in Boston, New York, Philadelphia, San Francisco, and Washington DC. Grantees learned how to analyze and apply nonprofit financial data to make strategic decisions and articulate their financial stories to different audiences. Learning was facilitated through the use of real-life case studies and the participants' specific audited (if available) financial information. Participants learned how to identify their organization's core capacities, underlying business dynamics and financial condition. Leadership left the Clinic with new ways to analyze and interpret financial assessments and language and tools to articulate the organization's resource needs to staff, board members, potential funders, and other stakeholders. Highlights from the clinics included:

- 5 Cohort Clinics; an average of 8 grantees in each (41 in total); 1.5 days of learning.
- Day 1: Educational symposium; lectures, individual and group-based financial exercises, peer-based learning, and one-on-one consultations.
- Day 2: "Telling Your Financial Story" presentations by each organization to an audience selected by each participant.
- NFF provided each organization with a multi-year financial diagnostic to establish a common understanding of the financial trends and drivers of the organization. The diagnostic revealed trends and insights in revenues, expenses, profitability, balance sheet composition and liquidity.
- Training focused on core financial concepts including: reading financial statements, identifying business model drivers, creating and maintaining internal financial documents and systems, and using financial data to articulate the financial story to internal and external stakeholders.
- The training included a comparable financial view of the eight participating organizations, to highlight variations in business models and business dynamics.

Clinic Location	Details	Organizations Attended	
New York	<ul style="list-style-type: none"> Conducted June 29th and 30th 2011 16 participants from 7 orgs 	<ul style="list-style-type: none"> Campaign Legal Center Justice Policy Institute Juvenile Law Center 	<ul style="list-style-type: none"> National Domestic Workers Alliance The Sentencing Project Third Wave Foundation United for a Fair Economy
Washington DC	<ul style="list-style-type: none"> Conducted Sep 14th and 15th 2011 17 participants from 7 orgs 	<ul style="list-style-type: none"> Campaign for Youth Justice (CFYJ) Center for Political Accountability Correctional Association of New York Justice At Stake Campaign 	<ul style="list-style-type: none"> National Legal Aid and Defender Association (NLADA) NEDAP - Neighborhood Economic Development Advocacy Project Youth Communication
San Francisco	<ul style="list-style-type: none"> Conducted September 20th and 21st 2011 11 participants from 9 orgs 	<ul style="list-style-type: none"> BAN - Border Action Network EFF - Electronic Frontier Foundation Ella Baker Center for Human Rights National Association for Urban Debate Leagues (NAUDL) 	<ul style="list-style-type: none"> National Housing Law Project (NHLP) FIERCE Beloved Community Center of Greensboro National Coalition to Abolish the Death Penalty VotoLatino
Boston	<ul style="list-style-type: none"> Conducted Oct 6th and 7th 2011 20 participants from 9 orgs 	<ul style="list-style-type: none"> Bill of Rights Defense Committee Center for Media and Democracy City Life/ Vida Urbana Equal Justice USA FFLIC - Family and Friends of Louisiana's Incarcerated Children 	<ul style="list-style-type: none"> Grassroots Leadership Hip Hop Caucus Poverty and Race Research Action Council Texas Criminal Justice Coalition
Philadelphia	<ul style="list-style-type: none"> Conducted Nov 15th and 14th 2011 22 participants from 9 orgs 	<ul style="list-style-type: none"> Black Alliance for Just Immigration (BAJI) Center for Participatory Change Critical Resistance LEAP - Law Enforcement Against Prohibition 	<ul style="list-style-type: none"> Justice Strategies Texas Fair Defense Project (TFDP) Rabbis for Human Rights - North America Prison Legal News V.O.T.E.
Totals	86 Leaders Participated	41 Organizations Participated	

Strategic Financial Coaching

Based on the financial assessments conducted as part of the peer learning clinics, program participants received a customized work plan for strategic financial coaching to help them develop a plan for organization sustainability. Each organization received a total of 9 hours of individual coaching, starting with an in-person coaching session at the close on the Financial Clinic. Depending on organizational needs, this one-on-one support included assistance with one or more of the following:

- **Cash Flow Analysis:** NFF offered guidance on how to produce and use monthly cash flow projections. A cash flow analysis provides visibility into the timing and reliability of cash.
- **Program Profitability Model (PPM):** The PPM helped nonprofit management understand the revenue and expense dynamics of each major program and determine which programs are operating at a profit or loss. NFF worked with managers to use this information in the planning process and to apply it to both financial and mission-based decisions.
- **Scenario Planning:** Planning for the unexpected becomes particularly critical in times of heightened uncertainty. We started by assessing historical and current financial conditions. We then worked with senior management to evaluate the organizational and programmatic impacts of unanticipated or worse-than-expected shortfalls in contributed and earned revenue and explore opportunities for new revenue and/or cost savings.
- **Financial Reporting Assistance:** NFF assessed the organizations' internal management reporting tools-such as cash flow projections, budget vs. actual reports, program analyses, and revenue and expense projections. NFF helped the organizations develop and maintain reports to meet their needs, whether those reports were internal, for the board or for funders or other stakeholders.
- **Financial Dashboard Creation:** NFF consultants worked closely with organizations to develop a customized Metrics and Performance (MAP) Dashboard, an analysis and communications tool that helps track progress over time. We collaborated with Board members, executives and program staff to identify meaningful metrics of programmatic, capacity, and financial success and set realistic quarterly or annual goals for each metric.

Summary of Strategic Financial Coaching

Clinic	Organization	Description of Coaching NFF Delivered
Boston	Bill of Rights Defense Committee	<ul style="list-style-type: none"> ▪ Reviewed budgetary process, current budget, and advised on budgeting best practices going forward ▪ Advised on basic cash flow tips
Boston	Center for Media and Democracy	<ul style="list-style-type: none"> ▪ Reviewed audited financials for 2010 and YTD 2011 ▪ Provided components and updated slides for understanding three key comparative graphs
Boston	City Life/ Vida Urbana	<ul style="list-style-type: none"> ▪ Drafted a multi-year budget spanning 2012-2015
Boston	Equal Justice USA	<ul style="list-style-type: none"> ▪ Conducted Scenario Planning for various budget conditions
Boston	FFLIC - Family and Friends of Louisiana's Incarcerated Children	<ul style="list-style-type: none"> ▪ Reviewed budgetary process, assessed 2012 budget ▪ Advised on budgeting best practices going forward.
Boston	Grassroots Leadership	<ul style="list-style-type: none"> ▪ Advised on budgeting best practices, reviewed 2012 budget and created a customized budgetary tool ▪ Condensed overly long current budget into easily digestible and understandable document
Boston	Hip Hop Caucus	<ul style="list-style-type: none"> ▪ Created a new budget format for organization ▪ Created a new budget format for single program
Boston	Poverty and Race Research Action Council	<ul style="list-style-type: none"> ▪ Updated financial analysis deck ▪ Presented financial findings to senior management
Boston	Texas Criminal Justice Coalition	<ul style="list-style-type: none"> ▪ Added the audited financials from 2011 to update slide deck ▪ Conducted conference call with leadership to discuss updated slides ▪ Conducted webinar with leadership to practice telling TCJC's financial story with newly updated slides
SanFran	BAN - Border Action Network	<ul style="list-style-type: none"> ▪ Reviewed historical trends and current position of the organization with new Executive Director
SanFran	EFF - Electronic Frontier Foundation	<ul style="list-style-type: none"> ▪ Advised on the process of developing a budgeting and managing the budget throughout the year

		<ul style="list-style-type: none"> Shared ideas for improving the presentation of their budget Discussed the role of a CFO and what their financial capacity needs are moving forward
SanFran	Ella Baker Center for Human Rights	<ul style="list-style-type: none"> Developed multi-year budgets using the PPM/SP template Examined 2011 budget and looked at each program to determine what could change for 2012 and 2013. Developed a draft for the budgets for the next two to inform the current strategic planning process
SanFran	National Association for Urban Debate Leagues (NAUDL)	<ul style="list-style-type: none"> Coached on budgeting and scenario planning process for different funding scenarios Worked with staff to make sure their Cash Flow template is clear and simple to use
SanFran	National Housing Law Project (NHLP)	<ul style="list-style-type: none"> Updated financial analysis deck and advised on scenario planning
SanFran	FIERCE	<ul style="list-style-type: none"> Reviewed current budgetary process and assessed 2012 budget Advised on budgeting best practices and other internal financial processes going forward
SanFran	VotoLatino	<ul style="list-style-type: none"> Updated financial analysis deck and advised on scenario planning
SanFran	Beloved Community Center of Greensboro	<ul style="list-style-type: none"> Reviewed financial history and trends with organizational leadership.
SanFran	National Coalition to Abolish the Death Penalty	<ul style="list-style-type: none"> Updated financial analysis deck, presented findings and oral presentation
DC	Campaign for Youth Justice (CFYJ)	<ul style="list-style-type: none"> Updated deck, financial story Financial advising on budget, scenario testing with budget and audit
DC	Center for Political Accountability	<ul style="list-style-type: none"> Updated financial analysis deck with observations and recommendations
DC	Correctional Association of New York	<ul style="list-style-type: none"> Updated financial analysis deck with observations and recommendations
DC	Justice At Stake Campaign	<ul style="list-style-type: none"> Created customized cash flow projections and advised on cash flow best practices going forward
DC	National Legal Aid and Defender Association (NLADA)	<ul style="list-style-type: none"> Created a customized trend analysis to accurately reflect the organization's business model Advised on best practices for creating and building reserves, Educated on debt acquisition and reviewed internal financial documentation
DC	NEDAP - Neighborhood Economic Development Advocacy Project	<ul style="list-style-type: none"> Worked closely with management to implement improvements to internal financial reporting systems focusing on budgeting, cash flow projections
DC	Youth Communication	<ul style="list-style-type: none"> Updated the financial analysis deck with historical data from 2003 and educated management on trends Reviewed financial reporting to improve internal communication; One on one financial education about Department of Education compliance and resource sharing
New York	Campaign Legal Center	<ul style="list-style-type: none"> Created a financial story document and educated management on relevant trends
New York	Justice Policy Institute	<ul style="list-style-type: none"> Revised financial analysis deck and presented findings to senior management and board of directors
New York	Juvenile Law Center	<ul style="list-style-type: none"> Revised financial analysis deck in preparation for fundraising meetings

New York	National Domestic Workers Alliance	<ul style="list-style-type: none"> Created a highly-customized document that connects a newly formatted, multi-year budget, with staff allocation model, cash flow projections, and fundraising goals
New York	The Sentencing Project	<ul style="list-style-type: none"> Revised customized financial analysis deck and reviewed current Budget
New York	Third Wave Foundation	<ul style="list-style-type: none"> Refined the financial diagnostic deck Discussed scenario planning and use in strategic decision making Created a customized cash flow template
New York	United for a Fair Economy	<ul style="list-style-type: none"> Developed a customized Cash flow template and advised on best practices for managing cash flow throughout the year
Philadelphia	Black Alliance for Just Immigration (BAJI)	<ul style="list-style-type: none"> Review budget and cash flow reporting structure Develop a clear financial narrative for internal and external stakeholders
Philadelphia	Center for Participatory Change	<ul style="list-style-type: none"> Customized and conducted 90-minute training for the CPC finance committee Development of pricing worksheet/template for earned income contracts
Philadelphia	Critical Resistance	<ul style="list-style-type: none"> Advised on best practices of creating and managing reserves Created a customized financial metrics dashboard Conducted an in-depth review of organization's financial documents with senior management
Philadelphia	Justice Strategies	<ul style="list-style-type: none"> Developed FY12 budget with multiple funding scenarios
Philadelphia	LEAP - Law Enforcement Against Prohibition	<ul style="list-style-type: none"> Conducted a thorough review of budget as a document and tool for decision making and created a new template Educated senior managers around contributed revenue, projections, and connections to the budget
Philadelphia	Texas Fair Defense Project (TFDP)	<ul style="list-style-type: none"> Revised current budget format and advised on budgeting best practices Created a customized tool for scenario planning
Philadelphia	Rabbis for Human Rights - North America	<ul style="list-style-type: none"> Presented a refined version of the financial diagnostic Advised on capitalization needs and goals and collaborated to update current budget format
Philadelphia	Prison Legal News	<ul style="list-style-type: none"> Advised on budget best practices and developed a customized budget template
Philadelphia	V.O.T.E.	<ul style="list-style-type: none"> Developed cash flow projections and mini-dashboard

ONE-ON-ONE ENGAGEMENTS BY ORG AND CORRESPONDING TOPIC

Building on what participants learned from the Financial Leadership Clinics and follow-up coaching, ten organizations were chosen to receive in-depth, one-on-one, continued technical assistance from NFF consultants. This gave the organizations a chance to receive extensive analysis, board presentations, and/or customized financial reporting tools. Below are selected examples from the extended engagements:

Third Wave Foundation

Three senior organizational leaders and board members from Third Wave Foundation took part in the New York Financial Leadership Clinic. Following the clinic, NFF worked with Third Wave over a series of months to restructure and refine their budgets and cash flow documents. We provided feedback on internal decision making processes, developed and refined their financial diagnostic deck, and presented at Third Wave's November Board meeting. NFF worked closely with staff to develop a 'transition model' of budget projections through 2014 that will help solidify fundraising and growth goals for the organization's strategic plan. Throughout the engagement NFF worked to not only provide tools and analysis, but also build the internal financial literacy skills and knowledge of staff and board members. Leadership commented at the end of the engagement "Though 2011 was a financially challenging year for Third Wave, we have been able to emerge from it armed with a solid set of data and planning tools that will enable us to make smart, informed decisions about the future of the organization."

Voto Latino

Two senior leaders from Voto Latino attended the NFF Financial Leadership Clinic in San Francisco, after which they were paired with consultant Michael Kass for follow-up coaching. The coaching was focused on assessing Voto Latino's financial infrastructure, setting long-term financial goals, building a customized cash flow template, and developing strategies for building organizational reserves. As a result of the engagement, Voto Latino leadership has realized the need to create stronger internal financial management capacity and has decided to hire a Chief Financial Officer. Voto Latino has also created a strategic plan for financial health and sustainability moving forward. Leadership from the organization commented "The resources and technical assistance provided by the Nonprofit Finance Fund came at exactly the right time to ensure that our growth will be sustained with solid financial practices and a plan for our future."

National Legal Aid Defenders Association

Two senior managers from National Legal Aid Defenders Association (NLADA) attended the NFF Financial Leadership Clinic in Washington DC. Afterwards they worked closely with NFF to conduct a thorough five year trend analysis, develop new procedures to improve financial reporting, and to develop strategies for building organizational reserves. As a result of the coaching NLADA has already started to incorporate NFF's tools into their internal budgeting procedures and will formally alter organizational financial policies in 2012 to reflect the lessons learned. At the end of the engagement leadership from the organization commented "NLADA is grateful for the opportunity to have received financial coaching from NFF and is confident that the instruction received has lent itself to strong fiscal and operational efficiencies."

One-on-One Technical Assistance Engagements	
Organization	Scope of Work
The Sentencing Project	Developing and customizing a Mission and Program Dashboard (MAP Dashboard)
Third Wave Foundation	Identifying future capitalization needs and plan for financial stability in the midst of a shifting funder landscape
National Legal Aid Defenders Association	Program Profitability Modeling and Board Education
National Housing Law Project	Scenario Planning and Best Budgeting practices
VotoLatino	Program Profitability Modeling, creating cash flow projections, and education on implementing reserves
National Coalition to Abolish the Death Penalty	Identifying capitalization needs and additional training for leadership on financial concepts
City Life/Vida Urbana	Multi-year budgeting, scenario planning, and identifying future capitalization needs
Equal Justice USA	Analysis and advice on identifying the highest and best use of the accumulated surplus to ensure long term financial stability

Justice Strategies	Developed a customized budget template and conducted Scenario Planning for various potential funding situations
Prison Legal News	Developed a customized budget template and provided coaching and education around budgeting best practices

SELECTED IMPACT STATEMENTS

NFF’s work under this initiative was received very highly from the participating organizations. NFF collected feedback from groups after each clinic and following the one-on-one coaching. We received overwhelmingly positive responses from participants that NFF’s consultants were extremely knowledgeable and effective, and that the coaching increased their own financial awareness for better planning and decision making. Below are selected comments from the clinic and coaching:

”The clinic provided a unique space to collaborate with and hear from several other similarly-sized organizations facing a variety of challenges. We were able to gain deeper insight into our own financial position and get inspiration for new approaches by hearing from other organizations. As a result, we have transformed the ways in which we talk about the organizations finances to staff, board, and donors.”

“We are incorporating the tools and information from each of the coaching sessions into practice, including translating the information into our financial statements and internal budgeting materials starting in 2012, and revising our written polies and protocols”

“Fantastic. Met multiple and different needs of our organization, presenters were competent and engaging.

“Thank you so much for the clinic and the coaching. The levels of professionalism towards, and understanding of, small nonprofits and their staff, was just superb. We are so grateful to you and your staff for the experience and opportunity of working with you”

“The NFF staff were well prepared with their presentations, very knowledgeable and open to addressing all questions.”

“We appreciated the session very much. Your input has already influenced how we approach and depict our financial picture.”