



FIRST 5 LA GRANTEE TECHNICAL ASSISTANCE INSTITUTE CUSTOMIZED CONSULTING 2009–2010

NONPROFIT FINANCE FUND: STRATEGIC FINANCIAL MANAGEMENT AND SUSTAINABILITY

Program Overview

Cutbacks in public funding at both the state and federal levels, combined with sharp decreases in contributions from foundations and individuals, have created a situation in which demand for safety-net services has increased, often forcing nonprofit organizations to do much more with much less. The current economic downturn has placed in dramatically high relief the need for nonprofit organizations to be able to revisit and/or improve financial planning and decision making, and create a healthier balance between earned and contributed income.

The Nonprofit Finance Fund (NFF) offers a comprehensive package of financial management and sustainability services for nonprofit organizations, regardless of size. The services are customized to meet needs based on factors such as mission, focus, financial condition, and goals for the future, and are designed to function in stable financial periods as well as in economic situations in which assumptions have changed or are difficult to predict.

NFF is partnering with First 5 LA to offer the Strategic Financial Management and Sustainability Program, with the intent of supporting nonprofit organizations in managing during difficult times and emerging stronger. The program assists organizations in balancing mission with financial realities, examining financial health, and developing options for courses of action to address weaknesses and build financial viability.

Program Components

The Strategic Financial Management and Sustainability Program, one of First 5 LA's Customized Consulting opportunities, involves an introductory information session, a competitive selection process, and a needs assessment of the selected participating organizations prior to implementation of one or more of the following diagnostic and planning approaches:

- **Nonprofit Business Analysis (NBA):** The NBA provides an assessment of an organization's financial health, strengths, and weaknesses in depth over a multiyear period and offers guidance on ways to connect financial decision making with organizational sustainability.
- **Situation Analysis and Cash Flow Analysis:** NFF reviews the organization's existing financial reporting materials and provides suggestions for additional or improved tools to inform financial management, communication, and decision making.

- **Program Profitability Model (PPM):** An important tool for managing through an economic crisis, the PPM helps nonprofit management understand the revenue and expense dynamics of each major program and determine which programs are operating at a profit or loss in order to inform financial decision making and planning, including financing strategies.
- **Scenario Planning:** NFF assesses historical and current financial conditions and works with senior management to evaluate potential organizational and programmatic impacts of unanticipated or worse-than-expected shortfalls in contributed and earned revenue.

At the conclusion of the analysis, NFF will generate a report providing financial management recommendations and tools appropriate to each participating organization.

Additional follow-on technical assistance may be available, including continued coaching in implementation of financial management strategies and tools and presentation support to internal and external stakeholders (e.g., boards and funders).

Intended Audience

Participants for the program are selected through a competitive application process, based on level of readiness and ability to compose an appropriate team and demonstrate commitment of the time and resources required to successfully meet program objectives. The program is open to current or former First 5 LA grantees in good standing and requires a modest participation fee.

Program Leaders

The Strategic Financial Management and Sustainability Program will be presented by the **Nonprofit Finance Fund**, a national leader in working with nonprofit organizations to strengthen their financial health and improve their capacity to serve their communities. Founded in 1980, NFF has evolved its services with the development of the sector, from its initial role in offering capital financing to nonprofit organizations to managing approximately \$40 million in loans and providing a range of financial management services, including assessments, training programs, and consulting.

Information Session

February 10, 2010

1:30-3:30 PM

First 5 LA

750 North Alameda Street

Los Angeles, CA 90012

Applying

Applications are due by March 15, 2010.

To reserve your space at the Nonprofit Finance Fund Information Session, please contact Heather Tunis, Program Officer, at htunis@first5la.org by February 8, 2010.