
Switch to Six Training Series

Diversified Funding & Sustainable Program Operations

May 16, 17, & 18, 2023
10 a.m. - 3 p.m.





DHCD is committed to creating safe, affordable and prosperous communities to live, work and do business in Virginia.

As a Main Street America™ Coordinating Program, Virginia Main Street helps to lead a powerful, grassroots network consisting of over 40 Coordinating Programs and over 1,200 neighborhoods and communities across the country committed to creating high-quality places and to building stronger communities through preservation-based economic development.



Switch to Six Training Series

**Broad-based
Community
Commitment to
Revitalization**

[Mini-Video Explanation](#)

**Inclusive
Leadership and
Organizational
Capacity**

[Mini-Video Explanation](#)

**Diverse Funding
and Sustainable
Program Operations**

[Mini-Video Explanation](#)

**Strategy-Driven
Programming**

[Mini-Video Explanation](#)

**Preservation-Based
Economic
Development**

[Mini-Video Explanation](#)

**Demonstrated
Impact and
Results**

[Mini-Video Explanation](#)

2023 VMS Event Calendar

Diverse Funding & Sustainable Program Operations

- May 16, Rev Up, Fredericksburg
- May 17, Rev Up, Altavista
- May 18, Rev Up, Bristol

Strategy-driven Programming

- July 15, Webinar

Preservation-based Economic Development

- Sept 11, Rev Up, Location TBD
- Sept 13, Rev Up, Location TBD
- Sept 14, Rev Up, Location TBD

Demonstrated Impact & Results

- Nov 9, Webinar

[Event Calendar](#) & [DHCD Workshop Registration](#)

Standard 3:

Diversified Funding and Sustainable Program Operations

Demonstrate priority for ensuring the community is investing in the Main Street organization and programming efforts through diverse revenue streams that fosters successful and sustainable revitalization efforts

Key Areas of Focus

1. Balanced Funding Structure
2. Strategic Revenue Development and Fundraising
3. Budget and Work Plan Alignment
4. Financial Management & Best Practices

Today's Speaker



Jennifer E. Goldman

Nonprofit Management Consultant



Jennifer E. Goldman

The Gold Standard in Nonprofit Consulting

I help nonprofit leaders learn new tools, set and achieve new goals, determine stronger methods of sustainability, and direct their organization onto a mission-driven path to success.

MONEY MATTERS

CREATING AN **UPSTANDING** **DOWNTOWN ORGANIZATION**



In this workshop participants will gain a deeper understanding of how to:

- create a funding structure with a diverse mix of public and private sources
- incorporate program budgets into the fundraising plan
- restrict single source reliance
- foster organization-wide commitment to the fundraising process
- design policies for financial oversight

Presented by:



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Your turn

Please tell me about you.

What's your name?

What's your organization?

What's your role with that organization?

What do you consider to be your organization's biggest challenge regarding money?

OR

Tell me one thing you hope to walk away with today

BUDGETING



FUNDING PLANNING





Ch...Ch...Ch...Changes

COMPARING BUDGET V ACTUAL (aka Variance Report)

Three Columns:

- the most recent full year's actual income/expense report (P&L Statement)
- that year's approved annual budget
- column of changes by comparison (either in % or \$)

Now what?

- How do your income variances compare to your expense variables?
- Which income categories exceeded your expectations? Which ones fell short? How short?
- Overall, would you consider your approved annual budget to be meeting your goals?

Budget Forecasting

Which of your income streams should be adjusted?
Are there any new income streams that should be considered?



- Grant Funding
- Local Government Funding
 - Private Contributions
 - Events
- Annual Sponsorships or Membership *
 - Local Civic Organization Donation
 - Merchandise/Online Sales
 - Community Partnerships
 - Special Taxing District



Small Group Exercise

Funding Streams: Best Practices

**KEY 1:
PROGRAM DESCRIPTION**



KEY 2: THE NEED



Program Development

**KEY 3:
TIMELINE & METRICS**



KEY 5: THE BUDGET



KEY 4: PARTNERS



Hands Up!

How many of you have formal programs, written out and well-defined in a way that would allow you to apply for a grant tomorrow?

A woman with long dark hair, wearing a white t-shirt and glasses, stands in a meeting room pointing at a whiteboard. The whiteboard is covered with numerous colorful sticky notes (pink, yellow, orange). Several other people are seated around a table in the foreground, looking towards the whiteboard. The room has large windows on the left side.

DIRECT & INDIRECT COSTS

Direct Costs: Expenses incurred specifically for the benefit of supporting one particular program, activity or project.

Indirect Costs: Expenses incurred for the benefit of multiple programs or for the overall success of the organization.

How does this affect your funding plan?

Grants: typically only fund direct program costs; indirect costs (like paying your Executive Director, who will be managing the program but also the entire organization) will need to be funded from another source.

Earmarked funds: some donors or partners may require funding they contribute to be used in a defined manner.

Knowing which funding streams support which aspects of your organization is essential to ensure you cover it all!

REVIEWING THE NUMBERS

THE BIG PICTURE

Click to Edit Paragraph Text

BALANCE SHEET

Click to Edit Paragraph Text

- Current snapshot of your financial position
- Accounts for all transactions from the beginning of time
- Shows your organization's net worth
- Indicates how well (or not) your organization can pay its debts/liabilities

A photograph of a wooden sign for 'MISSION PIE' with pink 3D lettering. A large metal fork is stuck into the sign. To the left is a large, glowing, dome-shaped light fixture. The background is a clear blue sky with some power lines and a palm tree visible in the distance.

MISSION PIE

Now that you have a better idea of the funding needed to carry out your mission over the next year (or few years), it's time to define your "slices of pie".

COMMON FUNDING SOURCES: Private/Individual/Family Donations
Grants/Foundations
Corporate Contributions

WHAT ELSE?

What other types of funding streams would be appropriate for your organization and your programs, projects and activities? Can you come up with anything unique or new?

GROW YOUR BUSINESS



Business Model: a company's core strategy for profitability.

Speaking of new and unique types of funding AND profitability for your organization, the next few slides have been included, compliments of Jane Bowling-Wilson and the Northern Piedmont Community Foundation.



Strengthening Our Communities Through Philanthropy



Organizational Fund

Nonprofit organizations can create an *Organizational Endowment Fund* to protect charitable dollars and provide a stable, predictable source of income for the organization. Such funds can provide annual support for the organization.

Donor Advised Fund

Donor Advised Funds offer maximum flexibility because you can add to your fund, recommend grants from your fund at any time, and support multiple nonprofits.

Field of Interest Fund

These funds focus on a broad area of interest. Donors select these *Field of Interest* funds to support areas of interest, such as the arts, child-care and/or environmental issues.

Designated Fund

A *Designated Fund* allows you to choose a charitable group to benefit from your fund. This type of fund ensures that the organization you select will receive support regularly over a long period of time.

Scholarship Fund

Scholarship Funds are often created in memory of someone and can be used to support a variety of educational opportunities.



Organizational Endowment Fund

- Created by nonprofits who are interested in growing their assets.
- Fund opens with \$10,000.
- Funds are pooled and invested with funds under management (\$23 million)
- NPCF's benchmark for return is 6.5%
- Nonprofits can only grant to themselves from an Organizational Fund.

The goal of an Organizational Fund is to have another organization manage the investment, returns and accounting, which is what NPCF does, and your organization grows their assets. Our funds are managed by three different investment companies with oversight through an NPCF Investment Committee.

www.npcf.org 540-349-0631
jbwilson@npcf.org



GROW YOUR BUSINESS

Business Model: a company's core strategy for profitability.

Current Ratio: how well your organization could pay off current (short-term) obligations if need be.

Reliance Ratios: how reliant is your organization on one particular funder or income stream?
How risky is it to rely on this funder or income stream?

A close-up photograph of a person wearing black-rimmed glasses, using their fingers to measure the width of a thick, light-colored wooden block. The person's face is partially visible on the right side of the frame, looking intently at the measurement. The background is blurred, showing other wooden blocks stacked in a grid pattern.

GAUGING RISK

- What level (%) of reliance is your organization comfortable with?
- What are the risks to each funding stream?
- What risks are there to receiving continued support by your current funders?
- How do the answers to these questions affect your budget and your funding plan?

Group Activity

Incentives

What can you offer to
ensure continued support?





Leading Critical Funding Conversations

Why?

- Share institutional knowledge
- Gain organizational buy-in
- More brains for brainstorming
- More hands for implementation

What?

- Financial statements: Balance Sheet, Business Model/Ratios
- Risk assessment chart
- Ideas for improvement
- Confirm risk comfort level; assess risks



MISSION IMPACT

versus Financial Sustainability



Finishing the Funding Plan

- Review budgets; adjust as needed
- Add/adjust funding streams as needed
- Match funding streams to program/activities
- Look for profit/reserves (funding pie should be larger than program pie!)
- Part graphic, part narrative
- Be specific about:
 - How much money from each stream
 - Who is responsible for securing it
 - What time of year it's expected
 - Alternative plans
 - How will the funding be applied

Presented by:



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The Gold Standard in Nonprofit Consulting





JENNIFER E GOLDMAN LLC
JENN@JENNIFEREGOLDMAN.COM
540.454.6511

Small Group Activity

Budget / Workplan Alignment

FULL GROUP ACTIVITY

~~EVERY ORGANIZATION NEEDS
A NUMBERS PERSON
PROCESS~~



TRIVIA
TIME

thank
you

Community Vitality Office | Virginia Main Street



mainstreet@dhcd.virginia.gov

dhcd.virginia.gov/vms

virginiainmainstreet.com

[Courtney Mailey](#), Program Manager

Program Administrators

- [Blaire Buerger](#) (Northern)
- [Nicole Childress](#) (Southwest)
- [Ellie Dudding-McFadden](#) (N. Shenandoah)
- [Kyle Meyer](#) (Eastern)
- [Zachary Whitlow](#) (Southern)

Economic Development & Community Vitality

[Sara J. Dunnigan](#), Deputy Director
[Rebecca Rowe](#), Associate Director
[Tory McGowan](#), Program Manager
[Liliana Tingler](#), Executive Assistant

dhcd.virginia.gov

(804) 773-1322

cvo@dhcd.virginia.gov



Community Business Launch, [Jessica Hartness](#)

GO Virginia

- [Cody Anderson](#)
- [Andrea Devening](#)
- [Billy Gammel](#)
- [Annie Conte](#)

Industrial Revitalization Fund

- [Brandon Archer](#)
- [Annie Arnest](#)
- [Joseph Dennie](#)

Virginia Enterprise Zone, [Kate Pickett](#)

Virginia Individual Development Accounts, [Sabrina Blackett](#)

Virginia Main Street (see previous slide)