

# Nonprofit Financial Managers

A Resource for the areas of Finance, IT, Human Resources, and Office/Facilities Management

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For information, go to [npfm.org](http://npfm.org), or contact Mitzi Fennel at 617-547-1063 x235 or Jessica Zander at 617-956-0215

## **Mark Your Calendars**

All of our meetings take place on the **last Tuesday** of each month. **No pre-registration required.** Upcoming dates:

- **November 27: Evaluating your Fundraising Department's Efficiency**

## **NPFM Membership Information**

The annual membership fee of \$100 covers monthly mailings and other operating expenses. The membership period is from September to August. A part-year membership for \$60 is offered for those joining after January 1, which covers membership through August. Full-time students are welcome to join at any time without paying a fee.

In addition to attendance at monthly meetings, members receive a monthly newsletter and access to the NPFM e-mail forum. Lunch is provided for all attendees at meetings. There is a \$20 meeting fee for non-members, and since membership is by organization, there is no limit of individuals from any one organization who may attend the meetings.

## **RSVPs for the meetings are not required.**

For renewals or new membership fees, please make your check out to:

Nonprofit Financial Managers  
C/O Child Care Resource Center  
130 Bishop Allen Drive  
Cambridge, MA 02139

Contact Mitzi Fennel at 617-547-1063, x235 for more information.

## **The Next Meeting**

**Topic: Nonprofit Starvation Cycle**  
**Date: October 30, 2012**  
**Location: United South End Settlements**  
**566 Columbus Ave., Boston**  
**Time: 12:00 PM – 1:30 PM**

The Nonprofit Starvation Cycle dangerously undermines nonprofits' ability to deliver on their missions. The cycle starts with funders' unrealistic expectations about how much running a nonprofit costs and often results in nonprofits misrepresenting some of these costs while skimping on vital functions. Overhead and its role in enabling (or, in the view of some, limiting) social impact has gotten much attention recently. Sam Levine, from Bridgespan, will help make sense of recent developments—both good and bad—and suggest ways of turning a vicious cycle into a virtuous one.

## **Recap of September Meeting**

### **The State of the Nonprofit Sector**

Whitney Robbins Griffin, Manager, Nonprofit Finance Fund, joined us to review the findings of the 2012 State of the Nonprofit Sector 4<sup>th</sup> annual survey, shed light on some of the broader conversations happening within the sector and answer questions from the group. Earlier this year the [Nonprofit Finance Fund](#) (NFF) released the results of its 2012 State of the Nonprofit Sector survey. More than 4,500 nonprofits across the country responded sharing information about how they are managing within current economic conditions. Nonprofits reflected on their actual experiences in 2011 and expectations for 2012. The results are a sobering reminder of what many nonprofits face on a day-to-day basis. Antony Bugg-Levine, CEO of Nonprofit Finance Fund, had this to say "Nonprofits are adapting to continued economic pressure in all sorts of creative and substantive ways, but for many, these are stop-

gap measures that won't make up for the bigger forces at play: decreasing government support, the unwillingness of some private foundations to evolve funding practices, and a lack of necessary support from some boards. We must rethink the way we fund solutions to our most pressing social problems."

According to Whitney, the effects of the 2007/2008 recession will last much longer than the recession itself. There continues to be a widening gap between the increasing need for services and the resources available to provide those services. Demand for social services continues to increase with little increase in the ability of non profits to pay for any increase. In New England, about 50% of the nonprofits who responded to the survey receive substantial government funding. Problems with depending too much on government funding are: 1) it often does not cover the full cost of providing the service; and 2) there is often an issue with timely payments from government sources, leading to cash flow problems for the organization. It is becoming increasingly clear that the pool of government funding available to nonprofits will not be expanding any time soon and any nonprofit that is very reliant on that funding will face increasing challenges in providing services and maintaining fiscal stability.

Whitney recommended that nonprofits try to build up annual surpluses (even if small) so that they get to the point where you have at least a 6 month cash reserves on hand. Personnel expenses are by far the largest category of expense for nonprofits and are usually the first line item to get cut when times are tough. However, there are some positive signs in the sector. More organizations are growing their programs in 2012 than they did in 2011 and fewer nonprofits are contracting. One constant is that nonprofits are the most comfortable talking to funders about program expansion and less so about working capital needs, operating reserves, facility reserves, cash flow concerns, and debt. Nonprofits are feeling more comfortable in approaching funders about facility needs. For 19% of those who responded to the

survey, there was no open dialog between the nonprofit and the funding community at all.

### ***Job Openings...***

The NPFM group has a section on their website for job postings. Check out our website at [www.npfm.org](http://www.npfm.org) for a complete list of jobs. Contact David Richardson at [dr44@verizon.net](mailto:dr44@verizon.net) with questions or postings.

### ***NPFM E-mail Forum***

One of the benefits of membership in NPFM is a subscription to our e-mail listserv. We encourage members to post questions, announcements and new developments in finance and administration. All new members who provide e-mail addresses are automatically subscribed. To post messages send to [npfm@topica.com](mailto:npfm@topica.com). If your membership is current and you do not have access to the listserv, please contact Karen Kelley Gill, at [kgill@cedac.org](mailto:kgill@cedac.org).

### ***NPFM Steering Committee***

The Steering Committee consists of several members who are responsible for the meeting topics, speakers, and other details surrounding the group. If you are interested in joining the steering committee, or in submitting ideas for future sessions, please contact any of the existing members, by e-mail or in person at a meeting.