Webinar Series

Managing Finances During COVID-19 Pandemic—Part II

Consultants Just For You, Inc.
“Because Getting It Right is Everything”
6108 Third Avenue
Brooklyn, New York 11220
Before we begin

- You are muted upon entry into the webinar
- Click the Q&A icon to submit your questions anytime.
- Like submitted questions to ensure they get asked
- Use chat for comments or to elaborate on surveys
- We will send you the recording

Consultants Just For You, Inc.
Ben Rodriguez is a seasoned executive with more than 25 years of senior leadership experience in operations, finance, development and strategic planning in the housing, youth, social services, health, and education sectors.

He has been an adjunct professor at Baruch College in New York teaching courses in Finance and Management.

Ben has also served on boards of various nonprofit and for-profit boards, including the Client Advisory Board of Merrill Lynch, the National Hispanic Housing Council, VIP Community Services Pension Plan, and Project Reach Youth, among others. With his deep experience in the housing sector, Ben has been a panelist at the NCSHA Housing Conference San Antonio, New Jersey Housing Conference, and Michigan Conference on Affordable Housing.

He received his Bachelor of Science in Corporate Finance from Fordham University and an MBA in Financial Management from Pace University.
Managing Finances During COVID-19 Pandemic—Part II
AGENDA
Managing Finances During COVID-19 Pandemic

1. Tools to Assist in Making Decisions and Forward Monitoring
   - Matrix Map
   - Dashboards
   - Triaging with Little Cash

2. The Board: An Invaluable Partner

3. Charity Navigator: Keep an Eye on It
Matrix Map

**Matrix Map: Four Steps**

- Identify your programs
- Assess relative mission impact
- Determine profitability (surplus/(deficit) for each
- Map the results
Matrix Map: Possible Criteria to Measure Impact

- Scale
- Depth
- Significant Unmet Need
- Community Building
- Leverage
- Contribution to intended impact
- Excellence in execution
The Heart Quadrant

Starting Point: Keep and contain costs

• Can you envision these programs achieving the same impact – or very close to it – with a different cost structure?

• Is there a different revenue strategy to consider?
The Chase $ Quadrant

Starting Point: Water and Harvest, increase impact

• Can the net surplus be increased and, if so, what investment will that growth require?

• Are there means to reducing the program’s cost and improve the margin?

• Are there ways to achieve greater impact by making the program stronger?

• Is it aligned with our brand?
The Stop Sign Quadrant

Starting Point: Close or give away

• Can we innovate this program to move out of this quadrant?
• How long will we give ourselves to move the stop sign?
• Is that the best use of resources?
The Star Quadrant

Starting Point: Invest and grow

• Do we understand the needs and motivations of stakeholders who make the star possible?
• Are there opportunities (i.e. new geography, new population, complementary programming) to expand the program’s impact and revenue?
Summary Building a Matrix Map

- Rate each program along the lines of Scale, Depth, Significant Unmet Need, Community Building and/or Leverage **(4 of the 5 should be sufficient)**

- Include multiple people involved with measuring mission impact. Have each chosen member fill out their own assessment and use a master copy to average each member's ranking - giving you a total average score to use on the final map.

- Who should be involved?
  - Executive Leadership
  - Program Directors
  - Board Members
  - Funders
  - Those being served
## 2020 Budget
### Jan-Dec 2020

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| Expenses Staffing       |       |       |       |       |       |
| Salaries                | $480,000 | $187,500 | $100,000 | $545,000 | $1,312,500 |
| Payroll Taxes & Fringes | $96,000 | $37,500 | $20,000 | $109,000 | $262,500 |
| Total Staffing          | $576,000 | $225,000 | $120,000 | $654,000 | $1,575,000 |

| Operating               |       |       |       |       |       |
| Rental Expenses         | $20,800 | $8,000 | $3,200 | $28,000 | $60,000 |
| Telephone/Internet      | $4,160 | $1,600 | $640 | $5,600 | $12,000 |
| Office & Program Supplies | $3,000 | $1,480 | $2,510 | $18,010 | $25,000 |
| Office Equipment        | $3,328 | $1,280 | $500 | $4,492 | $9,600 |
| Postage                 | $2,808 | $1,080 | $432 | $3,780 | $8,100 |
| Special Events          | $0    | $0    | $0    | $60,000 | $60,000 |
| Travel/Entertainment    | $8,662 | $4,000 | $1,600 | $15,738 | $30,000 |
| Professional Fees/Consultants | $12,500 | $5,000 | $0 | $54,500 | $72,000 |
| Printing & Copying      | $1,250 | $640 | $350 | $2,560 | $4,800 |
| Insurance               | $3,744 | $1,440 | $576 | $5,040 | $10,800 |
| Other                   | $500 | $480 | $192 | $2,428 | $3,600 |
| Total Operating         | $60,752 | $25,000 | $10,000 | $200,148 | $295,900 |

| Total Expenses          | $636,752 | $250,000 | $130,000 | $854,148 | $1,870,900 |
| Net Surplus/(Deficit)   | $13,248 | $0 | $(30,000) | $20,852 | $4,100 |
The Matrix Map

- Program A
- Program B
- Program C
- Program D

Profitability Impact

($50,000) ($40,000) ($30,000) ($20,000) ($5,000)

$5,000 $15,000 $25,000 $35,000 $45,000
The Board: An Invaluable Partner

• Engage the Board early
  • Key Partner in overseeing organization’s finances
  • Leverage their expertise and experience
  • They can assist in making difficult financial decisions
    • Implications to overall strategic plan
    • Implications for program offerings

• The Board may be able to provide their gifts earlier than planned
  • Perhaps more than planned

• Perhaps they can share important contacts and share their networks
  • Even in the face of this hailstorm there are opportunities to raise funds
    • Local Recovery Funds
    • Federal Stimulus Package
Staying the Course but Staying Preemptive

- Regular Reviews- Key to “course correct”
- Be Prepared to make difficult choices (these are unusual times)
- Identify Organizational Priorities—And stick to them
- Understand Funder Obligations/Meet Donor Intent
- Plan to pursue private funds/diversify funding
- Be Conservative with your Estimates (And Realistic)
- Right Size expenses to Anticipated Revenue
- Team Approach—Frequent communication required
Suggestions on Setting Goals
Apply **SMART** methodology

- Specific
- Measurable
- Achievable with Stretch
- Relevant
- Time bound
Dashboards

- Dashboards provide various gauges of how the organizational "engine" is performing. It helps to answer whether your Covid19 plans are working.

- Laser focus on main drivers, key performance indicators, and measurable numbers that determine success and failure.

- Figure out what is important to measure.

- Define your monitoring process and determine what data is valuable and what you want to track. Now more than ever tracking data is critical.

- Using Dashboards is a continuous improvement process that requires regular evaluation and refinement. This is particularly important given the uncertainty of the times and how your organization may have to keep changing.
Creating an Effective Dashboard

1. Review and identify key metrics
2. Develop commitment
3. Develop Key Metrics
4. Track Metrics
5. Maintain flexibility

Revise existing dashboard or begin anew

Consultants Just For You, Inc.
**Net Cash: Operating Cash Less Accounts Payable**

**Accounts Payable**

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**Account Receivables**

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**Client Complaints**

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**Vendor Expense Reduction Plan: Target vs Actual**

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<th>Category</th>
<th>Target</th>
<th>Building</th>
<th>Utilities</th>
<th>Bank Notes</th>
<th>Credit Cards</th>
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**Applications for Funding: Submitted vs. Awarded**

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Concept of “Triage”

**Triage Hierarchy:**
1. Payroll, Benefits
2. Insurance, Utilities, Rent
3. Clients, Employee Reimbursements
4. Consultants
5. Others

**Factors/Considerations:**
- Age of Invoice
- Available cash
- Anticipated future cash
- Fundraising impact
- Programmatic impact
- Timing of activity
- Timing of request
- Large vendors vs. small vendors
- Late fees
An independent charity watchdog organization that evaluates charitable organizations in the United States. Its stated goal is "to advance a more efficient and responsive philanthropic marketplace in which givers and the charities they support work in tandem to overcome our nation’s and the world’s most persistent challenges".
<table>
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<tr>
<th>No. of Stars</th>
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<th>Description</th>
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<tr>
<td>🌟🌟🌟🌟🌟</td>
<td>Exceptional</td>
<td>Exceeds industry standards and outperforms most charities in its Cause.</td>
</tr>
<tr>
<td>🌟🌟🌟🌟</td>
<td>Good</td>
<td>Exceeds or meets industry standards and performs as well as or better than most charities in its Cause.</td>
</tr>
<tr>
<td>🌟🌟🌟</td>
<td>Needs Improvement</td>
<td>Meets or nearly meets industry standards but underperforms most charities in its Cause.</td>
</tr>
<tr>
<td>🌟🌟</td>
<td>Poor</td>
<td>Fails to meet industry standards and performs well below most charities in its Cause.</td>
</tr>
<tr>
<td>0-Stars</td>
<td>Exceptionally Poor</td>
<td>Performs far below industry standards and below nearly all charities in its Cause.</td>
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<tr>
<td>CN Advisory</td>
<td>No Rating</td>
<td>Serious concerns have been raised about this charity which prevents the issuance of a star rating (See <a href="#">how we decide to post a CN Advisory</a>).</td>
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Managing Finances During COVID-19 Pandemic
Charity Navigator looks at the following:

**Financial Efficiency Performance Metrics**
- Performance Metric One: Program Expense Percentage
- Performance Metric Two: Administrative Expense Percentage
- Performance Metric Three: Fundraising Expense Percentage
- Performance Metric Four: Fundraising Efficiency
- Allocation Adjustments

**Financial Capacity Performance Metrics**
- Performance Metric Five: Program Expenses Growth
- Performance Metric Six: Working Capital Ratio
- Performance Metric Seven: Liabilities to Assets Ratio
“There is no time for ease and comfort. It is time to dare and endure.”

-Winston Churchill
Thank You!

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Questions?
Thank You!

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APRIL 2020