



## Supporting the Afterschool Field in Turbulent Times

### Roundtable Strategy Session January 30, 2009

#### Notes

**Location:** Independence Community Foundation  
45 Main St., Suite 409  
Brooklyn, New York

**Ken Andrichik, Senior Vice President, Director of Mediation and Business Strategies,  
Financial Industry Regulatory Authority**

1. Create a business case for proposals.
2. There is more scrutiny and oversight on agencies than ever before.
3. Pay attention to what you call your projects/programs. Funders need to be able to state the names of the projects that they are funding without long explanation or excuse. (No “cute” names.)
4. Investor’s surveys indicate that the common profile of the fraud victim is a married male, with a household, is financially literate, has a college education, and is optimistic.
5. There is a great need for financial literacy, for agency/program and personal purposes.
6. Resource: [www.saveandinvest.org](http://www.saveandinvest.org). This website allows you to assess your risk factors regarding the way you approach finances through the “risk meter” and to evaluate a proposal or pitch that someone gives you, through the “scam meter.”
7. Resource: Investor Education Foundation website, [www.finrafoundation.org](http://www.finrafoundation.org) (grant website.)

**Ben Esner, Deputy Director, Independence Community Foundation**

8. Most non-profits are underestimating the scale of this crisis.
9. People are being overly optimistic in their reliance on funding either being renewed or granted for new projects.
10. Most foundations stick to the 5% minimum. Because they use averages from multiple years to determine the average value on their endowments, there will continue to be less money given out over the next few years, regardless of how the market improves.
11. 90% of foundations will not increase giving from their endowments and will not exceed the 5% minimum.
12. Organizations need to have a plan for the possibility of losing 20%, 50%, even 70% of their funds, and at what point they might have to close their doors.
13. Some good news is that the money has not evaporated; foundations and organizations do still have money. But there is less money to go around.
14. The good news is the top programs will continue to succeed. The challenge is to show that your organization is the best, has the most impact, etc.

15. Program evaluation: you need to show the programmatic success. It is important to measure outcomes, demonstrate successes and use objective measures. There will be more scrutiny on this, and more pressure to demonstrate that what you do has an impact on those you serve.
16. Advocacy: Nonprofits have more power than they give themselves credit for. Working together, the field could put real pressure on government and have a real impact on the way government contracts are paid.
  1. Press government funders to pay on time. The effect of not getting paid on time can put programs/organizations under during these times. Non-profit organizations need to have a professional, adult, and contractual relationship with government funders.
  2. Full cost accounting is essential. Press government to pay full cost of the services they contract for.

**Emily Guthman, Associate Director, Non-Profit Finance Fund**

- The projections for recovery are slow and weak.
- Many organizations have already experienced 25-40% cuts.
- Many organizations usually function in recession-like and near-deficit conditions, so this may have prepared them for these tough times.
- The NPF website, [www.nonprofitfinancefund.org](http://www.nonprofitfinancefund.org), has recession-related tools, articles, and resources for non-profits.
- Recommendations:
  1. Organizations need to prepare for a sustained economic crisis (this will be a tough 2009). Need to assess, plan, reassess, and plan again. Try to get by on decreased revenue. This may mean eliminating programmatic functions.
  2. Increase financial literacy. Need to pay attention to the balance sheet. This lets you know at what financial level you are functioning, strength or weakness, and can determine reserve levels. Pay attention to multiple levels of liquidity: monitor cash flow regularly, at least monthly, even up to daily.
  3. Scenario planning: plan for the best case, worse case, and probable case scenario. Engage in program economics: analyze what each program costs, any deficits, which ones bring revenue.
  4. Keep stakeholders and public and private funders informed about your scenario planning and financial scenario. The board can also take the lead in communicating with stakeholders.
  5. Have a formalized organizational response. Demonstrate how you will respond to an increase in service need, such as plans for loans and/or lines of credit due to government delays in receivables.

**Lena Alhusseini, Executive Director, Arab-American Family Support Center**

- Arab-American Family Support Center is operating at a minimum budget level and is being extremely prudent.
- There is an increase in demand for services, such as youth, health, and preventive services.
- Have seriously thought out their preparations for their scenario planning and for restructuring. They have timeframes prepared, “if this, then this.”
- Collaboration: what the program cannot offer, they turn to other organizations that can offer that service. For example, one youth program is staffed by one full-time staff member, two AmeriCorps workers, and 70 volunteers (aided by NY Cares). Partnerships with other

organizations are key. They work with other agencies to have events for kids, and share costs.

- They order food from the Food Bank, as well as art and school materials.
- This program runs everything by themselves (i.e., buy, unload, and serve food, etc.). NYPD and other agencies received donated gifts for Christmas. Gift certificates were donated by Payless.
- Reviewed funding: 60% of their funding came from the city, and they were getting paid late.
- There have been no raises for staff; all of them understand the situation.
- They have an action plan so that they may anticipate what will happen.
- “Survival” is key.

### **Kwayera Archer-Cunningham, Executive Director, Ifetayo Cultural Arts**

- A funder asked their organization how is it that they could help. The funder asked agencies to fill out a survey/questionnaire. Ifetayo thoroughly filled out the questionnaire and used it to demonstrate the agency’s financial plans. This questionnaire went to the funder’s board, and resulted in an anonymous \$25,000 check to the agency.
- They demonstrated that the staff is doing more with less as well as stating what their successes were.
- With funding cuts, Ifetayo paid attention to the quality and level of the teachers and who is demonstrating an optimum level of performance. They had to cut those who needed a great deal of training in order to reach excellence. The reduced level of staff yielded more work and higher level of outcome expectations for the staff. In attempts to reduce cost and compensate for the inability to pay the staff more, they worked out a system that allows staff to work from home one day a week.
- To accommodate the staff working at home, they utilized Npower to gain higher levels of technology. With this increase in technology, the agency increases their efficiency.
- The smaller pot of their funding source is government, after individuals. Have heavily relied on government funding.
- They will be able to maintain program levels for the next two years with the money they projected. They planned for three levels of scenarios for the budget.
- In one instance, they needed more paper. An email was sent to the board and the paper was then donated.
- They expanded their board; eight were added to the original eleven.
- Eleven years ago, the agency was \$120,000 in debt. They got rid of a \$70,000 annual expense (reduced their overhead expense). They got out of their rental office lease and functioned out of public schools, put the rest of the supplies in storage and rented a small office space. They kept the programs that were most effective and serving the most kids. They utilized technical assistance providers.
- They were able to grow slowly from this. They were adamant about only creating programs that they had proof that the community “really needs” (i.e., financial literacy for youth after many were dropping out of college and becoming young parents).
- They “released their ego.”

### **Questions and Comments**

- Community approach of building alliances can produce an efficient, concentrated system of working with youth.
- Sharing resources: Ifetayo pays a \$100,000 annual membership to have access to three large consulting firms which offers them seven high level experts to help their programs. They would not be able to afford this high level work if they had to employ staff with these qualities. Using the consulting firms makes this affordable.
- Re-Serve (retirees) and AmeriCorps are great sources of volunteers.
- Be aware of affinity fraud. People sometimes use ethnic, religious, etc. ties to gain trust and then cheat people.
- Use youth as advocates for the programs. Although you might not be able to pay them, this empowers them and they can make a difference.