

Hispanic Unity of Florida

Funding Model & Board Member Roles

2017

Confidential Content. Do NOT share externally.





Goals

- Understand nonprofit funding terminology & concepts
- Understand HUF *Cost Structure*
- Understand HUF's *Funding Model*
- Understand our *respective roles* in funding HUF's mission



2017-2021 Strategic Plan



HUF Strategic Plan: 2017- 2021

- 18-month process with Board of Directors, Staff and two consultants
- Key: Grow HUF's infrastructure and capacity to do more mission by expanding footprint & growing funding
- Refinanced HUF mortgages - Currently owe **47% on properties valued at \$1.7M**
- \$500K - \$150K for credit line; \$350K for staff (Kept one position open - saving \$86K)



5-Year Strategic Plan Projections



HUF Strategic Plan:2017- 2021

Extensive 18-month process that included: analysis, debate and discussion by Finance Committee & BOD with two consultants.

Decision made to increase - *and invest in* - HUF capacity.

For the next three (3) years - HUF will have bottom line losses as the agency invests in capacity while growing footprint and revenues.



HUF Strategic Plan: 2017- 2021

Attachment for Grants

Doc distributed at Oct 2017 Board Meeting

Investing in HUF's Future: 2017-2021 Strategic Plan

During HUF's Strategic Planning process our Board of Directors and staff addressed a number of financial capacity challenges that would allow HUF to scale its mission. (Note: HUF has had very strong programmatic and financial performance for many years. And for the past 39 consecutive months, or for 3+ years, has had positive operating financial results.)

Planning Conclusions and Vision for the Future

- 1) HUF's reliance on one-year (foundation) grant cycles had led to variability of revenues and the need for smoothing of cash flows through revenue diversification (in particular multi-year government grants and large multi-year foundation grants), and
- 2) HUF needed to maximize its fundraising capacity (from restricted grants to unrestricted) which is limiting its ability to "do more mission."

The board and staff determined that HUF should hire additional Development, Program and Finance personnel to increase revenues and cash flows.

The HUF board decided to invest to scale HUF's work and add greater capacity.

The 2017 and 2018 budgets will both reflect the investment being made over this two year period. The five year projection also reflects growth for HUF after these two years of investments.

2017 Budget



Non-Profit Key Concepts & Terminology



**Every organization
(for profit or non-
profit) has its unique
funding model**



Contributing Factors To Nonprofit Funding Structure

- **Type of organization**
- **Mission & "Natural Audience"**
(built-in "members")
- **Geography**
- **Organizational History**
- **Access to Unique Tools & Resources**



Cost Structure of NPO's:

- **Direct (Programs)**
- **Shared**
- **Administrative**



Direct Costs (Programs)

Shared

Administrative



HUF unrestricted annual needs:

- **Now: \$450K annually**
- **2018 & Beyond:\$650-\$700K (Capacity growth)**



Funding Diversification

Main Sources:



- **Government Contracts**
- **Foundation Grants**
- **Corporate Grants or Marketing Funds**
- **Event Revenue**
- **Individual Donors**
 - **Annual**
 - **Major**
 - **Legacy**



Acquisition Costs: Industry Standards

- **Major Gifts** **5 cents**
- **Annual Fund** **25-30 cents**
- **Events** **50 cents**



		Source	
 Diversification		Direct Mail	Cost of Fundraising 
		Events	
		Annual Giving	
		Telemarketing	
		Sponsorships	
		Foundation Grants	
		Major Gifts	



HUF-Specific Data



HUF Annual Budget

- **Jan-Dec Budget Cycle**
- **\$5.3M Budget (2017)**
- **82-86% of funding secured in *the previous year***



Geography

County	Foundations	Revenues (Billions)	Assistance Per Capita
Miami-Dade	812	\$613.7B	\$327
Broward	486	\$173B	\$73
Palm Beach	1,382	\$530B	\$356

Source: Florida Nonprofit Alliance



HUF Funding History

5-Years	Event -Based Unrestricted Revenue	Annual Average
2009-2013	\$333,000	\$66K per yr.

3-Years	Limited Events* Unrestricted Revenue	Annual Average
2014 -2016	\$549,000	\$198K per yr.

*HUF currently produces one FREE event with donated space, annually.



HUF Funding History

- ***Strong* annual corporate giving - annual renewals (34-40%)**
- ***"Low" government funding - 40-50% (CSC is main & very stable) HUF research into top 10 Hispanic orgs revealed that "average" gov'm't spending was 85-100%***
- ***Virtually non-existent state funding - (Florida - one of the lowest quintile among all US states)***
- ***Low individual giving (Opportunity with Circle of Friends)***
- ***Low -event - In 2014 HUF strategically moved away from ticketed large events to focus on program funding and marketing. It decreased staff and generated significantly more funding for programs, as well as unrestricted funds.***



2017 Fundraising Goals

Raise: \$1,054,238* *(in 2017 budget)*

Corporate	\$200,000
Individual	\$135,000
Events	\$ 75,000
Grants	\$644,238

(Foundations, Corporate Foundations & Government)

* \$644,238 are restricted (all are grants)

* \$410,000 is unrestricted (individual, events, corporate grants)



Strategic Plan Implementation 2017 & Beyond

Two New Program Concepts

- **American Dream Institute *New & Expand***
 - Expand into Miami-Dade
 - Expand current funders into M-D
 - Grow new funders
- **Dual-Generation Concept *New***



Strategic Plan Implementation 2017 & Beyond

Funding Sources

- Grow National Foundations *Expand*
- Grow Government Funding - National & Local *New Sources*
- Launch Circle of Friends *New*



Roles in Development



HUF Development

**"Fundraising is
always a
team effort."**



HUF's Development Matrix

Matrix of Development Process			
			Legend: Person Responsible
			Legend: Overlap
Overall Funnel Responsibility	CEO + SVP Strategy & Programs		
Donor Category	HUF-Responsible	Responsibility/Role	Review Cycle
Individual (Major Gifts, \$1K+, Planned Giving, Annual Campaign, < \$1K, Circle of	CEO	Prospecting , presenting, proposing, closing/contracting, especially for major gifts. Relationship management .	Monthly
	Board	Prospect referrals and introductions. Relationship management .	Monthly
	Development Director	Overall Funnel Oversight, Strategy, Goal/Target setting, Internal tracking/reporting, life cycle and renewal management. Prospecting , presenting, proposing, closing/contracting. Relationship management .	Monthly
	CRM Associate	Impact Reports	
	Management Staff	Prospect referrals and introductions.	Ongoing
Government Grants (Local, State, Federal and Other)	CEO	Advocacy, Identifying, Presenting, Stewardship	
	SVP	Identifying , Outreach, Direct agency contact, cultivation, Presenting, Proposing, Stewardship	
	Director of Programs	Internal reporting, Contracting, Proposing	
	Management Staff	Networking, Research , Writing/Reviewing, internal reporting	
	SVP	Identifying, Research, Applying , Reporting,	



HUF Development Staff

- **Josie Bacallao**, President & CEO
- **Felipe Pinon**, SVP Strategy & Programs
- **Shani Wilson**, Director of Development
- **Jacqueline Gonzalez**, Grants Manager
- **Ashley Cevere**, Donor Relations Associate
- **Virginia Cielo**, Best Researcher
- **External Grant Writers**

In Partnership with HUF Board of Directors



CEO Role in Development

- **Primary Representative of Organization***
- **Cultivation of Major Funders* & connection to stakeholders and partners**
- **Event Producer**

***Shared role with Senior Vice President Strategy & Programs**



SVP Role in Development

- **Create Program Models**
- **Lead all grant research and applications**
- **Primary Representative with Foundations and government***
- **Cultivation of Major Funders* and connection to stakeholders and partners**

***Shared role with CEO**



Development Director Role

- **Coordination of Overall Fundraising Plan**
- **Work with and guide:**
 - **Internal Team**
 - **Board of Directors**
 - **CEO**
- **Create & Manage Donor Relations (Cultivation & Stewardship Activities)**
- **Handle Event Logistics**
- **Create and Manage Funder Communications**



Development Strategy

- ***Incremental*** dollars from existing funders
- ***Multi-year*** funding from existing funders
- ***Renew*** funding from existing funders
- ***New funders*** - Foundations, Corporations, State, Local and Federal Government
- ***Grow*** Individual Giving (Circle of Friends)
- ***Re-activate*** former funders
- **Want to launch:** Work with financial advisors



Board of Director Responsibilities

Ensure:

- Make personal gift(s) to organization
- Adequate Resources (Stable, Diverse)
- Agency has program plan & how to finance
- Ethical use of funds raised
- Fundraising tied to budget
- Set realistic fundraising goals



Board of Director Role in Development

It's simple as 1-2-3

- 1. Ambassador**
- 2. Connector**
- 3. Steward**



Board of Director Role in Development

"Be an ambassador, an advocate and an asker. Do all three, or one very well, to keep HUF moving forward." (Barbara Grevior)

- **Ambassador for HUF**
 - Make a personal gift
 - Inspire & ask others to make a gift
 - Support events – sponsor, speak, in-kind donation, volunteer



Board of Director Role in Development

Introductions

- Empowerment Tour
- Volunteerism – Committee Service, BOD
- Breakfast/Lunch/Coffee



Board of Director Role in Development

Stewardship

- Thank you calls when gift is made
- Thank you notes when gift is made
- General Thank YOU for the support calls and cards to donors & funders
- Visits with funders or donors



Recap

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Thank You

