



Budget Planning Workshop

Reach Out and Read - MN

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Public Sector Group – CliftonLarsonAllen, LLP

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About CliftonLarsonAllen LLP

CLA is a national Top-10 consulting and accounting firm with offices in 90 cities across the country. The Public Sector practice at CLA is the firm's largest industry group with over 500 dedicated professionals and nearly 10,000 nonprofit and government clients. The firm's primary services include audit and tax; outsourced accounting; wealth management; and management consulting services.

Our Public Sector Group works closely with clients, like you, to provide custom solutions in the areas of:

- Audit, assurance, and 990 preparation
- Financial analysis and due diligence
- Operational, governance and organizational assessments
- Strategic, business, and capital planning
- Board and Staff training and facilitation
- Outsourced financial management



Agenda

Welcome

Part 1

Revisiting Our Strategic Objectives

1:10 – 1:30

Budget Philosophy and Growth Trajectory

Part 2

Budget Components

1:30 – 2:05

Fundraising/Revenue Generation

2:05 – 2:40

Staffing

2:40 – 3:00

Operations

Part 3

Tying It Together

3:00 – 3:50

Building the Budget and Annual Finance Plan

Wrap-Up



Meeting Purpose

Ground ourselves in our growth goals as laid out in our strategic plan, discuss our budget philosophy to create a draft budget that will be refined by the finance committee and presented to the board for approval.



Mission Statement

Reach Out and Read gives young children a foundation for success by incorporating books into pediatric care and encouraging families to read aloud together.



Annual Budgeting Checklist (Nonprofit Assistance Fund)

1. Determine timeline
2. Agree on goals
3. Understand current financial status
4. Agree on budget approach
5. Develop draft expense budget
6. Develop draft income budget
7. Review draft budget
8. Approve budget
9. Document budget decisions
10. Implement budget





Part One:

Strategic Objectives

Annual Budgeting Checklist - Timeline

Determine timeline

- Set target date for board approval
- Allow time for each step and for review and discussion
- Approve before beginning of fiscal year



Annual Budgeting Checklist - Goals

Agree on goals

- Prioritize program delivery goals
- Set organizational financial goals
- Clarify annual goals from strategic plan



Strategy Focus Areas

Proactive Rather Than Reactive

- A proactive stance involves bolstering business structures and identifying board and staff roles needed to maintain a productive organization both during and after the structural transition.

Board and Staff Development; Succession Planning

- Staff must be (hired), trained, and supported to implement the activities that move the organization toward its identified goals.
- Organization must invest in capturing the institutional knowledge and practices of the executive director prior to retirement.

Fundraising

- Continuous exploration and development of additional funding opportunities to enhance ROR MN financial viability.
- Manage costs to expected revenues.

Pillars

These Focus Areas Build Upon the Following Pillars:

- Human Resources
- Operations and marketing
- Finance
- Development



1: Proactive Business Practices

Goal #1: Create appropriate organizational structures and processes

| Outcomes | Strategic Actions |
|---|---|
| Yearly financial work plan outlining planned steps to make progress toward finance outcomes established by the Board. | <ul style="list-style-type: none"> Create a finance work plan — to establish financial policies and a financial plan (included would be insurance, policy for reserves, liquidity, bank accounts needed/managed) |
| Work plan listing prioritized steps to establish a strong organizational infrastructure | <ul style="list-style-type: none"> Transition to a 501c3 |
| Gaps and needs are identified | <ul style="list-style-type: none"> Analyze organizational processes to assess gaps, needs, etc.: HR, finance, and operations |
| HR plan established that meets desired outcomes set by the Board | <ul style="list-style-type: none"> Ad hoc committee identifies the pros and cons and makes a recommendation to the board about structure. Establish an interim and then more permanent plan: employees vs. contractors, policies, determine if we will manage ourselves vs. hiring a firm or hiring out certain tasks |
| Work plan established to develop the policies and processes Operational policies and processes needed for day-to-day operations are identified | <ul style="list-style-type: none"> Develop operational policies and processes — for day-to-day functioning, developing budgets, evaluation, etc. |
| Organizational readiness process developed | <ul style="list-style-type: none"> Develop a process for evaluating organizational readiness to address new strategic priorities |
| Screening tool developed | <ul style="list-style-type: none"> Develop a process for assessing programmatic opportunities/partnerships Determine how to/who evaluates programmatic opportunities now |
| Advocacy Policy/Guidelines developed | <ul style="list-style-type: none"> Develop a process for evaluating partnerships and strategies associated with state funding Determine how to/who evaluates advocacy opportunities now |



2: Board/Staff Development, Succession

Goal #2: Maximize the effectiveness of staff

| Outcomes | Strategic Actions |
|---|---|
| Staff roles established | <ul style="list-style-type: none"> Determine staff roles |
| Staffing plan completed and approved by the board | <ul style="list-style-type: none"> Develop staffing plan; review and revise job descriptions and needed skills as future needs are anticipated |
| Revised job descriptions approved by the board | |
| Documents of Standard Work developed | <ul style="list-style-type: none"> Create documents detailing Standard Work for: Application Process, Walk-throughs, Site Visits, Progress Reports, Bookend Communities, Customer Relations Management (CRM) |
| Volunteer program developed and evaluated | <ul style="list-style-type: none"> Document current volunteer practices/Develop a volunteer program and policies, including recruitment, training, support, evaluation and recognition Establish annual outcomes for volunteer program <p>Annually evaluate progress toward volunteer outcomes and report progress to the board</p> |
| Staff roles established | <ul style="list-style-type: none"> Determine staff roles |

Goal #3: Help ensure a smooth transition to a new Executive Director

| Outcomes | Strategic Actions |
|--|---|
| Documentation completed for identified critical management processes | <ul style="list-style-type: none"> Manage knowledge : document processes, etc., develop transition protocol |
| Completed transition plan | <ul style="list-style-type: none"> Research other ROR MN Executive Director's transitions Draft transition plan |



3: Fundraising

Goal #1: Develop fundraising plan and train board members on their role

| Outcomes | Strategic Actions |
|--|--|
| Fundraising goals and methodology for achieving them established; balance of sources is determined | <ul style="list-style-type: none"> • Develop fundraising plan, including dissemination of strategic plan |
| Annual board fundraising goals achieved | <ul style="list-style-type: none"> • Establish board fundraising goals • Train board members in fundraising • Secure grant for training |
| 100% of board members contribute money to ROR | <ul style="list-style-type: none"> • Encourage all board members to contribute |
| Grant management system developed and implemented | <ul style="list-style-type: none"> • Identify and implement a grant management system |
| Fundraising event plans are documented | <ul style="list-style-type: none"> • Document 2016 fundraising events, roles and responsibilities, and timeline |
| Plan for upcoming event is planned within one month of completing event | |
| Evaluation strategies established | <ul style="list-style-type: none"> • Assess effectiveness of fundraising activities |
| Fundraising goals and methodology for achieving them established; balance of sources is determined | <ul style="list-style-type: none"> • Develop fundraising plan, including dissemination of strategic plan |



Annual Budgeting Checklist – Financial Status

Understand current financial status

- Review current year income and expense and compared to budget
- Forecast to end of the year
- Analyze and understand any variances





Part Two:

Budget Components

Annual Budgeting Checklist – Approach

Agree on budget approach

- Assign roles and responsibilities
- Agree on authority to make decisions
- Agree on how much uncertainty can be included (how many unknowns)



Annual Budgeting Checklist – Revenues

Develop draft income budget

- Project income based on current fundraising and revenue activities
- Project new income based on new activities



Annual Budgeting Checklist – Expenses

Develop draft expense budget

- Determine costs (expenses) to reach program goals
- Determine costs to reach organizational and strategic goals





Part Three:

Drafting the Budget

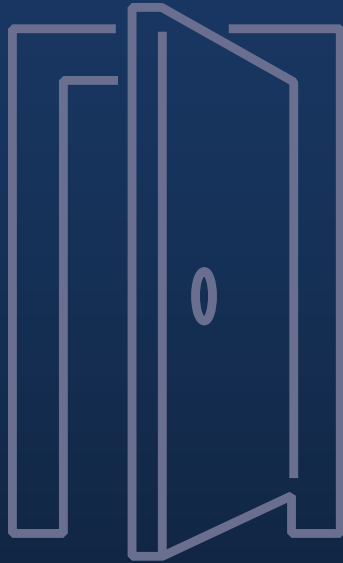
Annual Budgeting Checklist – Total Budget

Look at all components together

Review draft budget

- Verify that the draft meets program and organizational goals
- Review and discuss all assumptions
- *Make adjustments, based on goals and capacity, to match income and expenses*
- *Review final draft for all goals and objectives*





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