



THE FEDERAL RESERVE BANK OF RICHMOND

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SOUTH CAROLINA ASSOCIATION OF NONPROFIT ORGANIZATIONS

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SISTERS *of* CHARITY FOUNDATION
OF SOUTH CAROLINA



Making Cents in the New Economy: Business Strategies for Nonprofits

Conditions Impacting Groups in the Room

Charles C. Weathers Sr.

Presented By:

theweathersgroup

What is Your Position in Your Organization?

Answer Options	Response %
Board Member	10.5%
Executive Director/CEO	55.3%
Management Team	15.8%
Staff	18.4%
Other	10.5%

Describe Your Geographic Area of Service

Answer Options	Response %
Local Community	63.2%
Regional (i.e. Pee Dee, Midlands, Upstate, Low Country)	21.1%
Statewide	15.8%

What is Your Organization's Annual Budget?

Answer Options	Response %
Less than \$100,000	30.0%
\$100,000 - \$500,000	12.5%
\$500,000 - \$1,000,000	30.0%
\$1,000,000 - \$5,000,000	20.0%
\$5,000,000+	7.5%

How Did You Financially End the Last FY?

Answer Options	Response %
Surplus (in the black)	44.7%
Break-Even	23.7%
Deficit (in the red)	31.6%

How Did You Project to Financially End the This FY?

Answer Options	Response %
Surplus (in the black)	32.4%
Break-Even	35.1%
Deficit (in the red)	32.4%

What is Your Organization's Primary Source of Funding?

Answer Options	Response %
Individual Donors	31.4%
Federal Grants	22.9%
Fees for Service	11.4%

What is Your Organization's Secondary Source of Funding?

Answer Options	Response %
Individual Donors	18.2%
Foundation Grants	18.2%
Federal Grants	12.1%

Do You Have an Endowment?

Answer Options	Response %
Yes	18.4%
No	81.6%

Do Your Organization Have “Operating Reserve” Funds?

Answer Options	Response %
Yes	61.5%
No	38.5%

How Long Would Your Operating Reserves Sustain Your Organization?

Answer Options	Response %
1 month	8.6%
3 - 6 months	42.9%
6 months - 1 year	11.4%
1 - 2 years	5.7%
2 years +	8.6%
I Don't Know	22.9%

What Impact Has the Recession of the US Economy Had on Your Organization?

Answer Options	Response %
Very Positive	0.0%
Somewhat Positive	7.9%
No Impact	10.5%
Somewhat Negative	36.8%
Very Negative	36.8%
I Don't Know	7.9%

How Has the Recession of the US Economy Impacted the Governance of Your Organization?

Answer Options	Response %
The Board is more meaningfully engaged and strategic.	55.3%
No impact	23.7%
The Board is less engaged and strategic	21.1%

How Useful was Your Organization's Strategic Plan in Helping You Navigate the Recession?

Answer Options	Response %
Very useful	17.9%
Somewhat useful	20.5%
Useful	30.8%
Somewhat not useful	10.3%
Not very useful	20.5%

From January 2011 – June 2011 has Demand for Your Nonprofit Services:

Answer Options	Response %
Increased	68.4%
Stayed the Same	18.4%
Decreased	2.6%
I Don't Know	10.5%

What Obstacles Does Your Nonprofit Face When Forming Strategic Partnerships, Alliances, & Collaborations?

Answer Options	Response %
Clearly Defining Roles, Responsibilities, and Expectations	51.4%
Competition for Funding	45.9%
Turfism	35.1%



Thank You.

Let's Go to Work!!

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TENANTS

United Way of Greenwood and Abbeville Counties

Community Initiatives (free clinic)

The Greenwood Soup Kitchen

The Department of Social Services (DSS)

MEG's House

Lakelands Rural Health Network

YMCA tutorial program

The Food Bank of Greenwood County

The Greenwood County Community Foundation

Additional Services for the community

The Rotary Room

The Medical Equipment Program

The Monsanto Gymnasium



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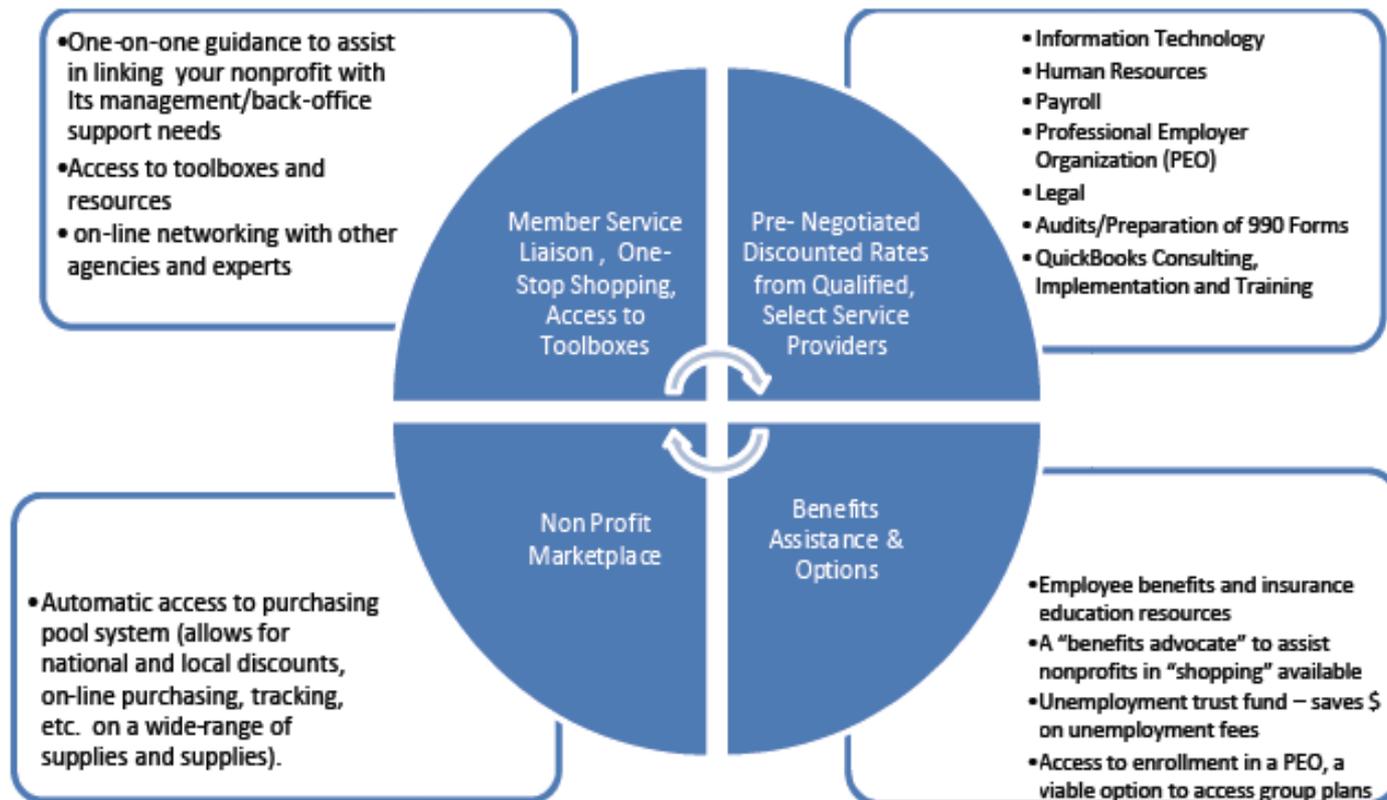
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Nonprofit Management Support Center

Proposed Services



Objectives

Proving the value of the model

- To provide Efficiencies
- To provide Compliance
- To provide Information Sharing
- To provide Training Assistance
- To provide Service Provider Discounts
- To reduce and stabilize Insurance

Membership Guidelines

What does it take to get on board?

- Initial Set Up Fee
- Membership Fees
- Current Administration Cost
- Group Insurance
- Enrollment Process
- Termination



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Children & Family Services Center, Inc.

The CFSC was created when nine agencies shared a common vision of finding decent and affordable office space due to growth in Charlotte.

The community supported this concept, *only* if the agencies would collaborate beyond shared space.

CFSC Governance

- CFSC, Inc. created to own the building and be the landlord and support the collaborative efforts
- CFSC Board comprised of 1 member from each 10 partner agency Boards plus equal number at-large members
- Agencies agreed to share space, technology, programs and administrative services.



**Children & Family Services Center
Charlotte, NC**

CHILDREN &
FAMILY
SERVICES CENTER

One Definition of Collaboration

Everyone brings all of their blocks to the party, puts them on the table, and then takes their hands away.

Savings

- Rent
- Technology infrastructure
- Technology Support
- Phone system and service
- AV Costs
- Room rental
- Mileage Costs
- Donations – furniture, art, special expertise

Savings – Shared Administrative Services

- Staff Costs
- Payroll costs
- Benefit costs
- Audit costs
- Exploring general liability/casualty insurance savings

Early Challenges

Differences in:

- Values
- Trust
- Power – real and perceived
- Need for Control
- Resources - Agency size

Ongoing Challenges

- Cost vs. Capacity
- Interests vs. Solutions
- How to define and document success
- Changing Leadership

Lessons Learned

Successful collaboration is based on:

- *A true* Shared Vision/Mission
- True Compromise – Relationships that allow all to share in Solutions and Success (Win/Win) with an understanding that at some point all must also give
- A leap of faith that it can really work!
- It helps to have a carrot and a stick

Lessons Learned

- The amount of time/effort increases exponentially with the number of collaborative partners – and everything takes longer than you think it will
- A facilitator is needed to keep the group moving forward
- You will not likely have all the skill sets you need in the group, so look outside for help

Lessons Learned

- Diversity of organizational size and services enriches the collaboration and at the same time makes it more difficult
- It is imperative to recognize and celebrate successes, both large and small
- Biggest challenge is having the collaboration be as important as the partner's own agency
- Every partner has an “interest” and the more clear everyone can be about those interests, the better.

Lessons Learned

- Every partner has a stake in process and outcomes.
- Compromise, Adaptability and Flexibility are imperative.
- Development of collaborative must be “paced”. (not everyone can lead)
- Tools exist for evaluation of collaborations – use them wisely!

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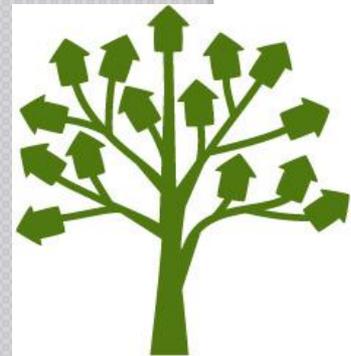


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Lowcountry Housing Trust



**Making ¢ents in the New Economy:
Business Strategies for Nonprofits**



**LOWCOUNTRY
HOUSING TRUST**

making housing happen

Lowcountry Housing Trust

- Non Profit community development loan fund
- Mission is to be an affordable housing advocate and lender
- Goal is to leverage local government funding with federal, state, and private market funds to finance affordable housing development
- Staff of 4
- 20 member Board of Directors
- 10 member Loan Review Committee



**LOWCOUNTRY
HOUSING TRUST**
making housing happen

Lowcountry Housing Trust Impact

94 loans to developers

100 loans to homebuyers

\$13.2 million in community development lending

\$101 million in affordable housing developments

750 affordable housing units financed

1,615 families and individuals served

2,125 jobs created



**LOWCOUNTRY
HOUSING TRUST**
making housing happen

LHT's beginning...



- Founded in 2004
- Provided forgivable loans (grants) to non profit, government, and for profit affordable housing developers
- Program Funding - State and Local Government
- Operating Funding – Local Government and Grants
- Most local housing trust funds across the country are funded through a state or local dedicated funding source
- No dedicated funding in SC, so organization relied on annual appropriations from local governments

LHT's transition...

- 2007 organization was at a crossroad
- Operating with a staff of 2 full time employees
- Service area consisted of 3 counties & 27 municipalities
- Each municipality had a different funding process
- Most municipalities ONLY provided program funding
- Economic conditions were beginning to change
- Our operating model was not sustainable
- Formed AD HOC CDFI Board Committee



LHT's evolution...

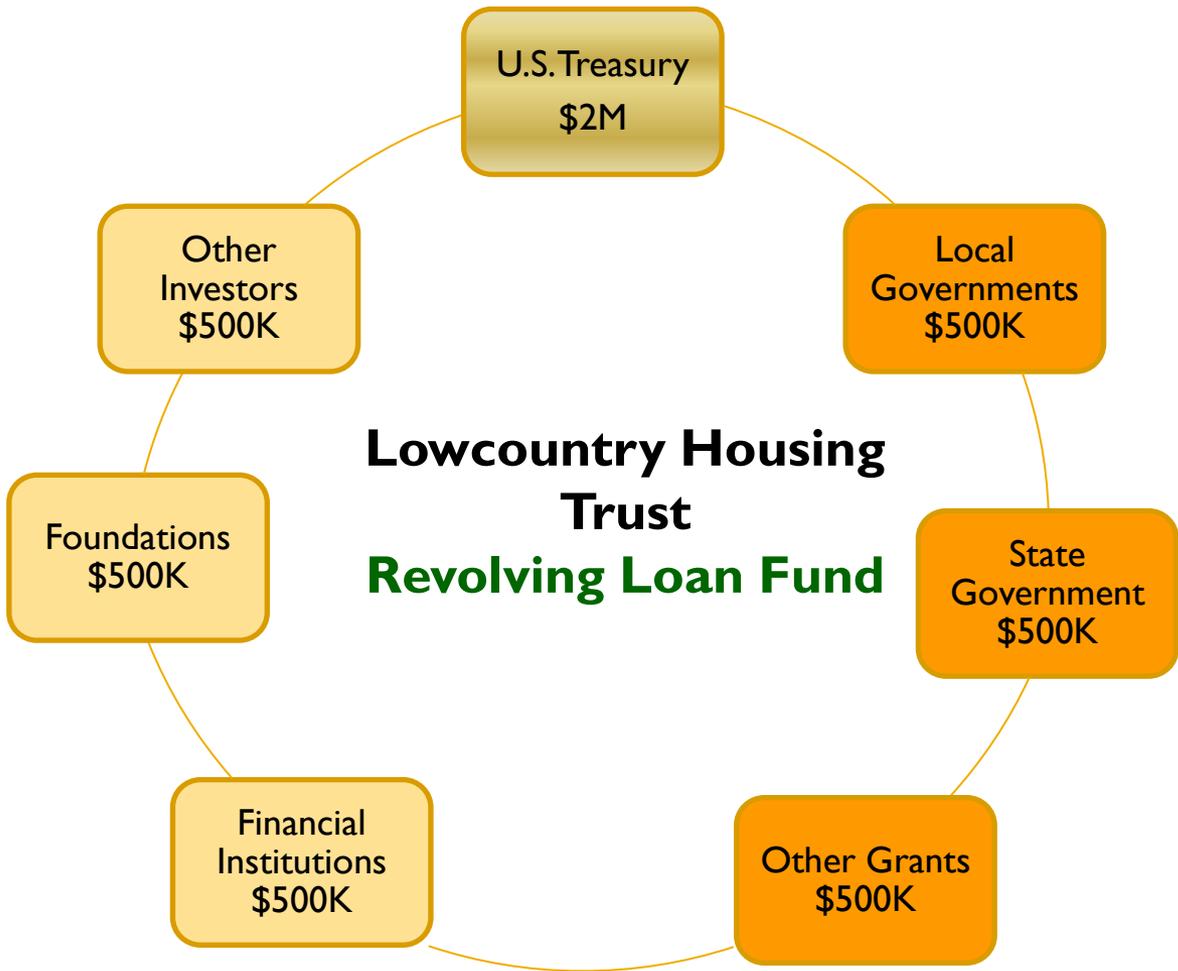
- “Walk – Talk – Look” like a FINANCIAL INSTITUTION
- 2007 LHT certified by U.S. Treasury
Community Development Financial Institution (CDFI)
- Program Funding - Equity & Debt
- Operating Funding – Earned Income & Grants
- PREPARATION
 - ✓ Market Analysis
 - ✓ Comprehensive Business Plan
 - ✓ Capitalization Plan
 - ✓ Human Resource Plan
 - ✓ Developed Loan Policies and Procedures



**LOWCOUNTRY
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making housing happen

LHT's Leveraged Funding Model

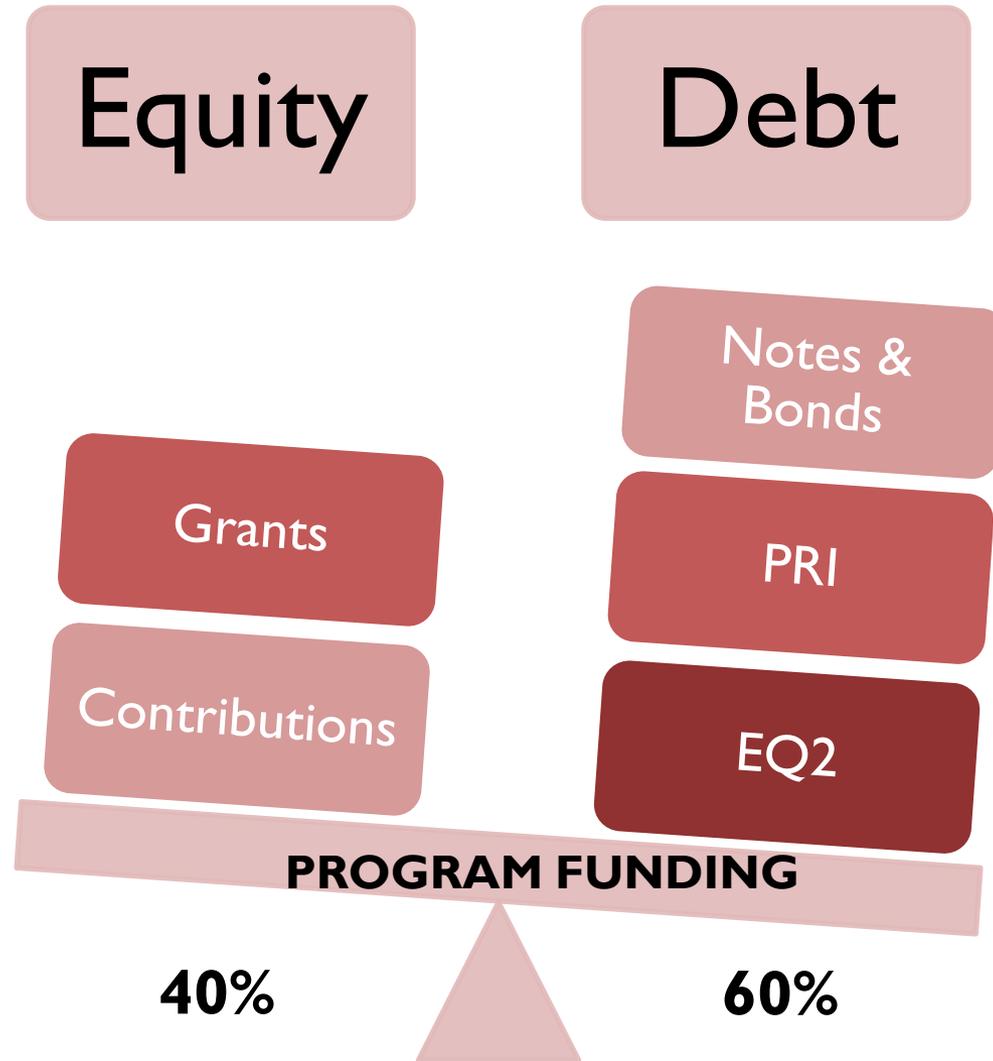
DEBT
(investments)



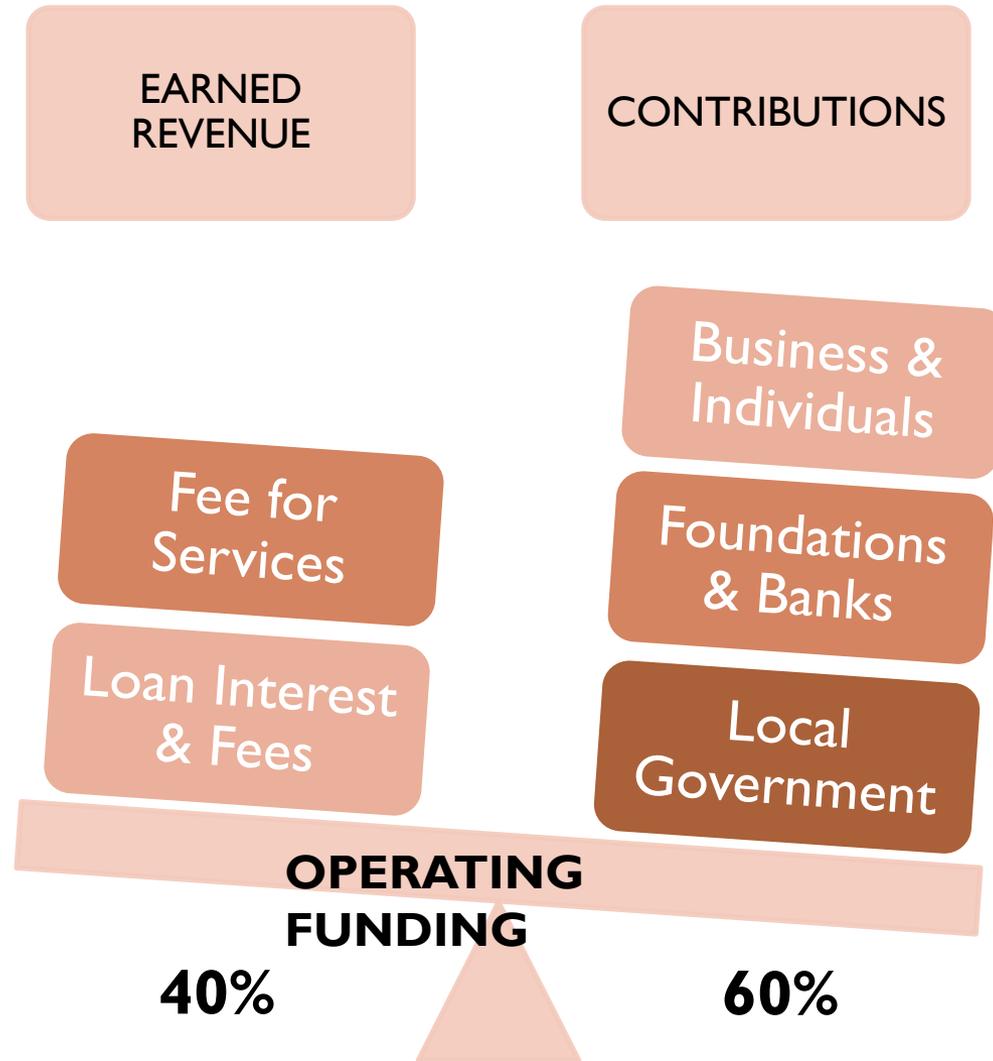
EQUITY
(grants)



LHTs Leveraged Funding Model



LHTs Operating Funding Model



LHT's Challenges

- Borrower transition from “forgivable loans” to loans
- LHT transition from grants only to grants & investments
- New organizational risks with debt capital
- CDFI was a new concept to SC banks & foundations
- Business & individual donors question giving to a “bank”
- Balance between mission driven & lending driven
- Housing market fell apart in 2008
- Continual need to diversify funding sources



Lowcountry Housing Trust Funding

Local

Municipalities	\$1,314,000
Counties	\$850,000

State

South Carolina State Housing Finance NSP	\$1,000,000 \$7,409,679
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Federal

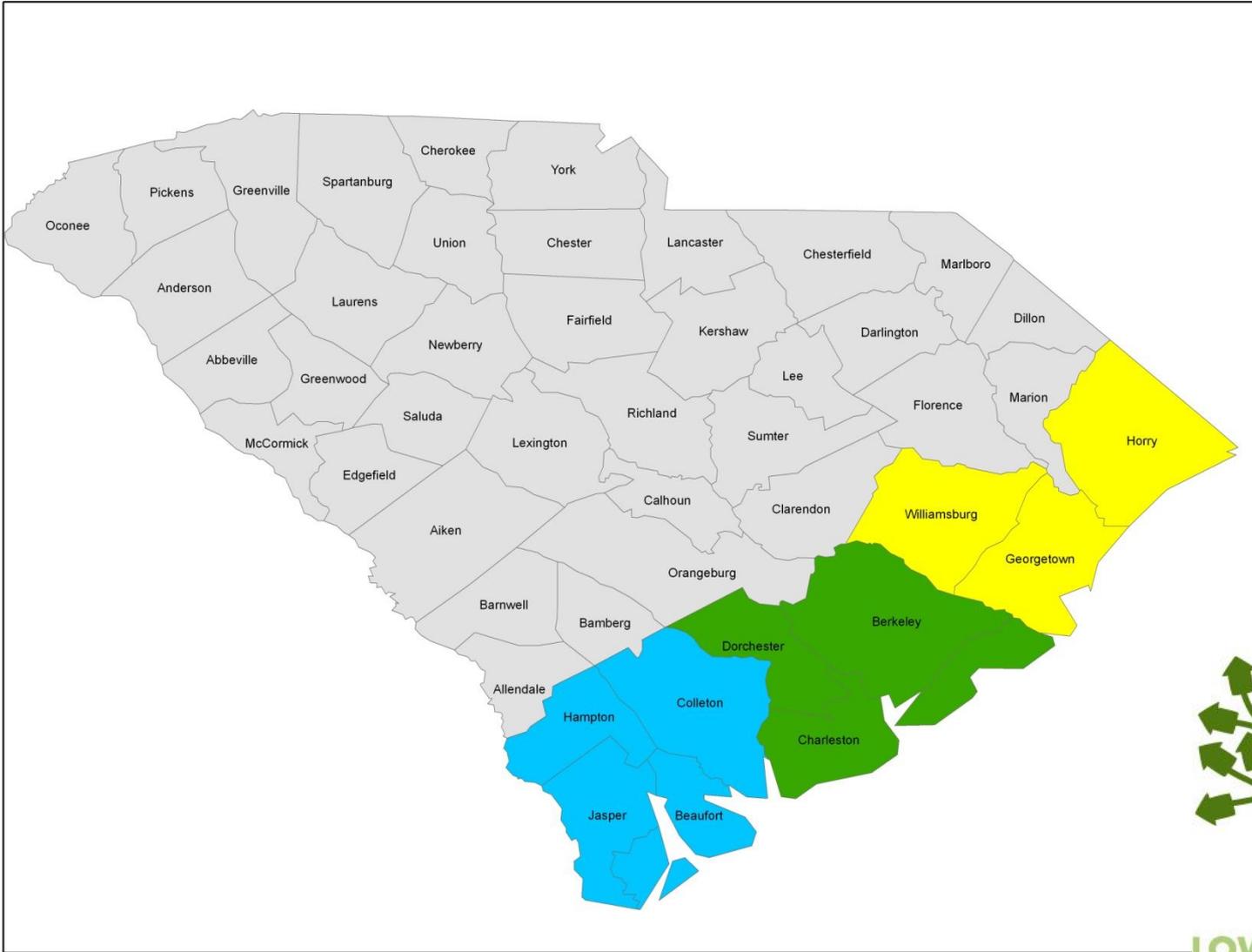
HUD	\$396,800
U.S. Treasury	\$3,742,000

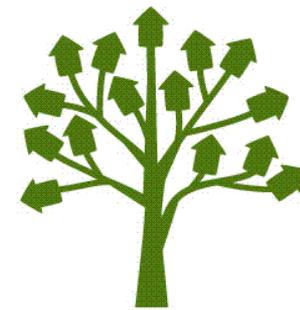
Private

Foundations	\$550,000
Financial Institutions	\$300,000
Business	\$25,000



LHT's Service Area Expansion





**LOWCOUNTRY
HOUSING TRUST**
making housing happen



LHT's Lessons Learned

▪ **What would we do differently?**

- Hire/contract with CPA
- Start donor cultivation early
- "Formalize" local government relationships

▪ **What would we do the same?**

- ❖ Form ad-hoc board committee
- ❖ Join industry trade association & find mentors
- ❖ PREPARATION!!!!

▪ **Advice**

- ✓ There is strength in numbers/replicate yourself
- ✓ Success can be counterproductive to fundraising efforts
- ✓ Aim for broad community impacts/systemic change
- ✓ **ADVOCACY** is critical!





**LOWCOUNTRY
HOUSING TRUST**

making housing happen

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Bon Secours Healthy Communities Initiative – Greenville , South Carolina

Bon Secours St. Francis Health System
Located in Greenville South Carolina

Healthy Communities Leader (HCL) – Maxim Williams
Initiative Launch – Summer/Fall 2008

Community of Focus – Sterling Neighborhood
Community Characteristics:

- 40% at or below poverty line
- 60% of Community within “gentrifying” city boundaries; remaining parts of community within neglected county boundaries
- Predominantly African American
- 1 out of 3 homes vacant or condemnable
- Named after historic Sterling High School (High School burned in 1967).
- Community has struggled through high crime, drug abuse, depressed housing, diminished economic development, neighborhood empowerment and all indicators of poor health.
- A 40+ year trend of decline before Healthy Communities Initiative



Healthy Communities Initiative Process & Focus Areas:

- HCL Leader door to door engagement/trust building/organizing (July – October 08)
- Relationship Building and Engagement of wider Greenville Community (Oct – Nov' 08)
- Public Initiative Launch (Nov' 08)
- Identified Areas of Focus presented based on community assessment/feedback (Nov'08)
 - Health & Wellness
 - Sustainability
 - Economic/Prosperity Development
 - Peace & Safety
 - Community Engagement/Empowerment
 - Housing
 - Youth Engagement
 - Senior Advocacy
- Myriad “projects” born out of these various areas with resident, stakeholder, and policy maker involvement!
- **Sterling Land Trust** identified as early strategic and imperative opportunity!
- Early supporters included Nehemiah Corporation and Bon Secours St. Francis Health System
- Bon Secours St. Francis providing initial seed funding, capacity building, facilitation, and Development support.



What is the Sterling Land Trust?

- The Sterling Land Trust is the developer that “never leaves” the community, with a board made up of a majority of residents from the community.
- The remaining board seats are occupied by Sterling High School Alumni who are professionals but remember the legacy of Sterling.
- The residents and alumni sit side by side to plan and steward the future of Sterling alongside community partners like Bon Secours St. Francis.
- Mission includes revitalization through historic preservation; housing and affordable home ownership; economic and commercial development at various levels; and neighborhood empowerment.



Neighborhood Engagement & Capacity Building



Liberate
CoCreate
Transform



Sterling Land Trust (501c3):

- Sterling home to first neighborhood land trust in South Carolina!
- **BSSFHS** early supporter through Capacity-Building, fundraising, and relationship building
- **Federal Reserve of Richmond** has invited SLT to two of their major events on Land Trusts In SC to use SLT as a model/case study!
- SLT plans to develop and steward land for: Historic preservation, farming, commercial, and residential development.

Sustainability & Economic Development

In Addition:

- Agreements **established** between Sterling Land Trust, Greenville County Redevelopment Authority, and Growing Up Green Organics to have Sterling house the Upstates first Urban Farm and Innovators Market
- Our local Health System has **facilitated the following supporters and relationships** thus far: Greenville Chamber; Redevelopment Authority; County Recreation; City of Greenville; Clemson University; Greenville County Planning; Furman University; Goodwill Industries; City Council; County Council; Senator DeMint; Senator Graham
- Federal Department of Health & Human Services Grant applied for to begin initial funding to begin land acquisition, job creation, and micro enterprise activity (announcement of awardees for \$800,000 slated for September 2011).

Sterling Innovators Market Design Completed:

- Location of Produce Market
- Microenterprise classrooms
- Greenhouse
- Roof Garden
- Green Energy Design
- **Identified location:** Dunbar Road & Calhoun Street up the street from Bon Secours St. Francis and between the City and County of Sterling.
- Sterling sits between multiple communities including a revitalized downtown Greenville!



Serving **WITH** our community!



For more general info

www.facebook.com/LiberateCoCreateTransform

follow us on
twitter

www.twitter.com/CoCreateHealth



Visit our Healthy Communities website:
www.bshsi.org/hci.sc or
<http://www.stfrancishealth.org/sterling>



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HEALTHY COMMUNITY
UNITED WAY
OF ANDERSON COUNTY

EXIT →

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