

# Diversifying Funding: Innovative Strategies for Fiscal Sustainability



Healthy Teen Network  
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# Facilitator & Guest Speakers



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# Healthy Teen Network

MAKING A DIFFERENCE IN THE LIVES  
OF TEENS AND YOUNG FAMILIES

- ✓ Networking & information sharing
- ✓ Research & evaluation
- ✓ Capacity-building assistance
- ✓ Public policy



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National membership organization focused on adolescent sexual & reproductive health

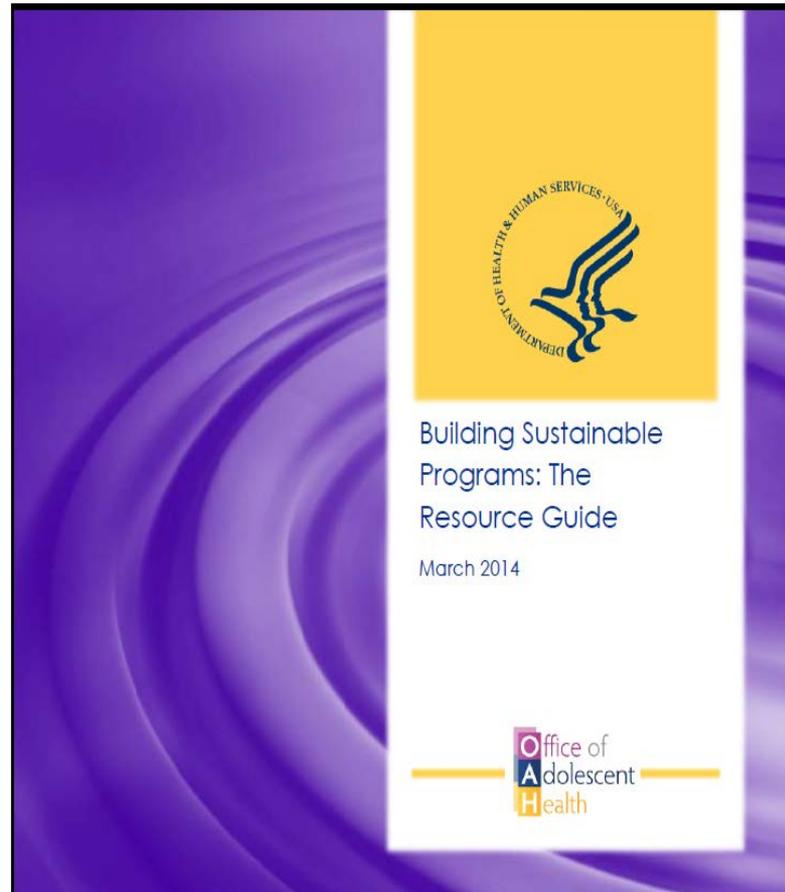
At the conclusion of this webinar, attendees will be able to do the following:

1. Explain their current funding model;
2. Describe at least three (3) types of revenue generating strategies that diversify funding;
3. Summarize how at least one (1) organization has diversified their funding; and,
4. Identify at least one (1) funding strategy not currently in their funding model to explore further in an effort to build their fiscal sustainability plan.

“Costs of organized fund raising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions are unallowable, regardless of the purpose for which the funds will be used.”

(Office of Management and Budgets Cost Principles for State, Local, Indian Tribal Governments, Non-Profits and Educational Institutions)

For today's webinar...



<http://www.hhs.gov/ash/oah/oah-initiatives/assets/sustainability-resource-guide.pdf>

- Polls
- Q&A box



In the Q&A box, please type your response to the following question:

**What one word best describes your fiscal diversity planning process?**

# **SUSTAINABILITY & NON-PROFIT FUNDING MODELS**

***Information presented during the webinar cannot be construed as business, tax or legal advice.***

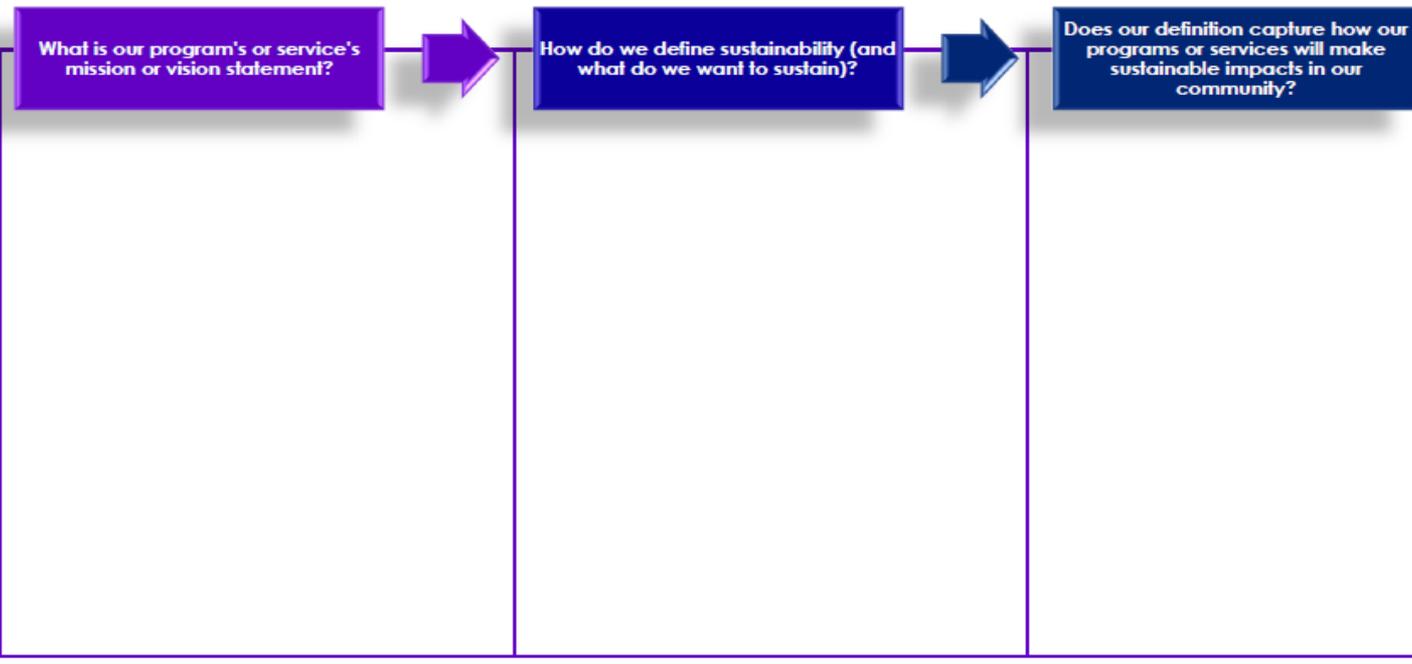
***Recommendation:  
Seek sound legal counsel.***



## SECTION II: MEASURING SUCCESS | ACTIVITY 1: DEFINING SUSTAINABILITY

Instructions: Using the space below, work with your staff and outside partners, where appropriate, to create your own concept or definition of sustainability. Think about OAH's concept of sustainability and how it relates to your definition. At OAH, the concept of sustainability was developed in the context of its vision and mission and occurs when:

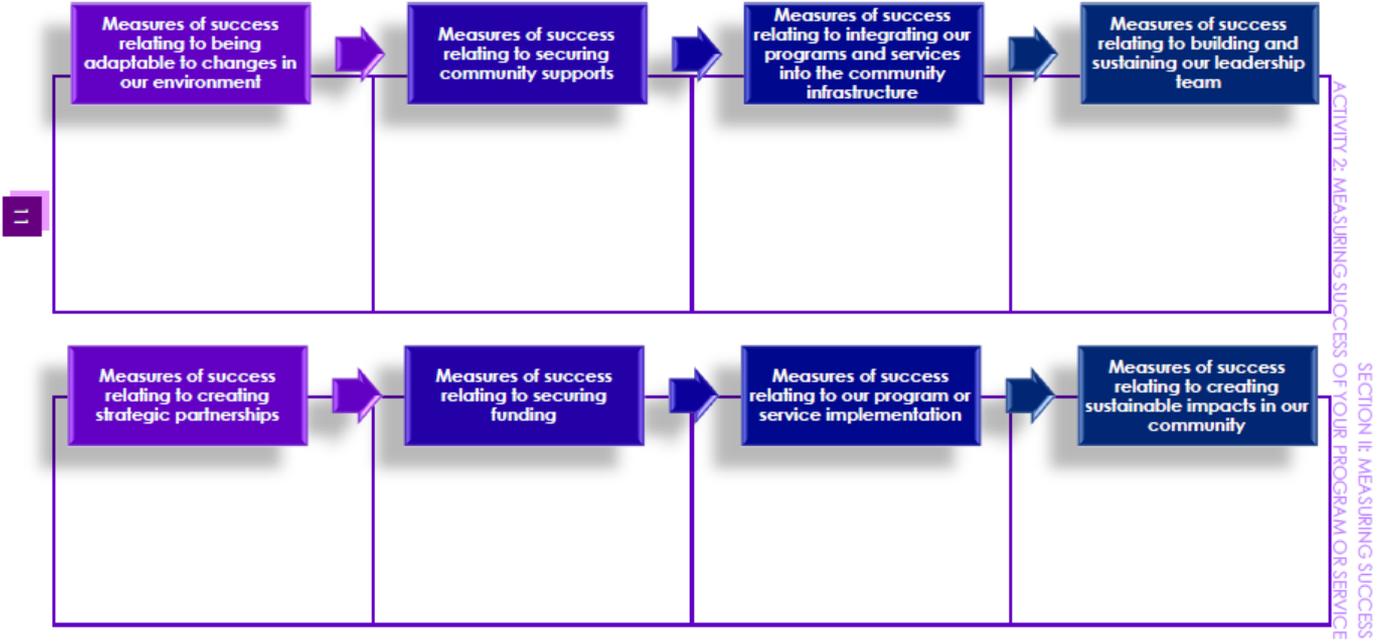
*Adolescent health programs are positioned to achieve sustainable impact by effectively leverage partnerships and resources to continue programs, services, and/or strategic activities that result in improvements in the health and well-being of adolescents.*



# Measuring Success

## SECTION II: MEASURING SUCCESS | ACTIVITY 2: MEASURING SUCCESS OF YOUR PROGRAM OR SERVICE

Instructions: Complete this activity to help you identify the indicators or measures you will use to determine whether your program or service has been successfully sustained. The areas listed below refer to many of the factors of sustainability discussed in this guide, but also allow you to consider your measures of success more expansively. You may want to refer to the examples in Figure II-1: Measures of Success to help guide your thinking or approach. Activities throughout the guide will help you build your sustainability plan and ensure it meshes with the success measures you have identified in this activity. Some may find it useful to complete this exercise before going through each section of this guide to help identify goals and objectives in planning for sustainability. Others may prefer to complete this exercise later in the process. It will be up to each grantee to determine when it makes sense for them to complete this activity.



“Sustainability is effectively leveraging partnerships and resources to continue programs, services, and/or strategic activities that result in improvements in the health and well-being of adolescents.”

U.S. Department of Health and Human Services, Office of Adolescent Health. (2014). Building Sustainable Programs: The Resource Guide. Washington, D.C.: author, p. 1.

Non-profits cannot make a profit.

MYTH or FACT

If a for-profit entity goes out of business, all its assets are liquidated.

MYTH or FACT

Non-profit organizations must pay taxes on profits.

MYTH or FACT

grow, Grow, GROW!



# Eight Sustainability Factors

FIGURE I-2: OAH'S EIGHT SUSTAINABILITY FACTORS



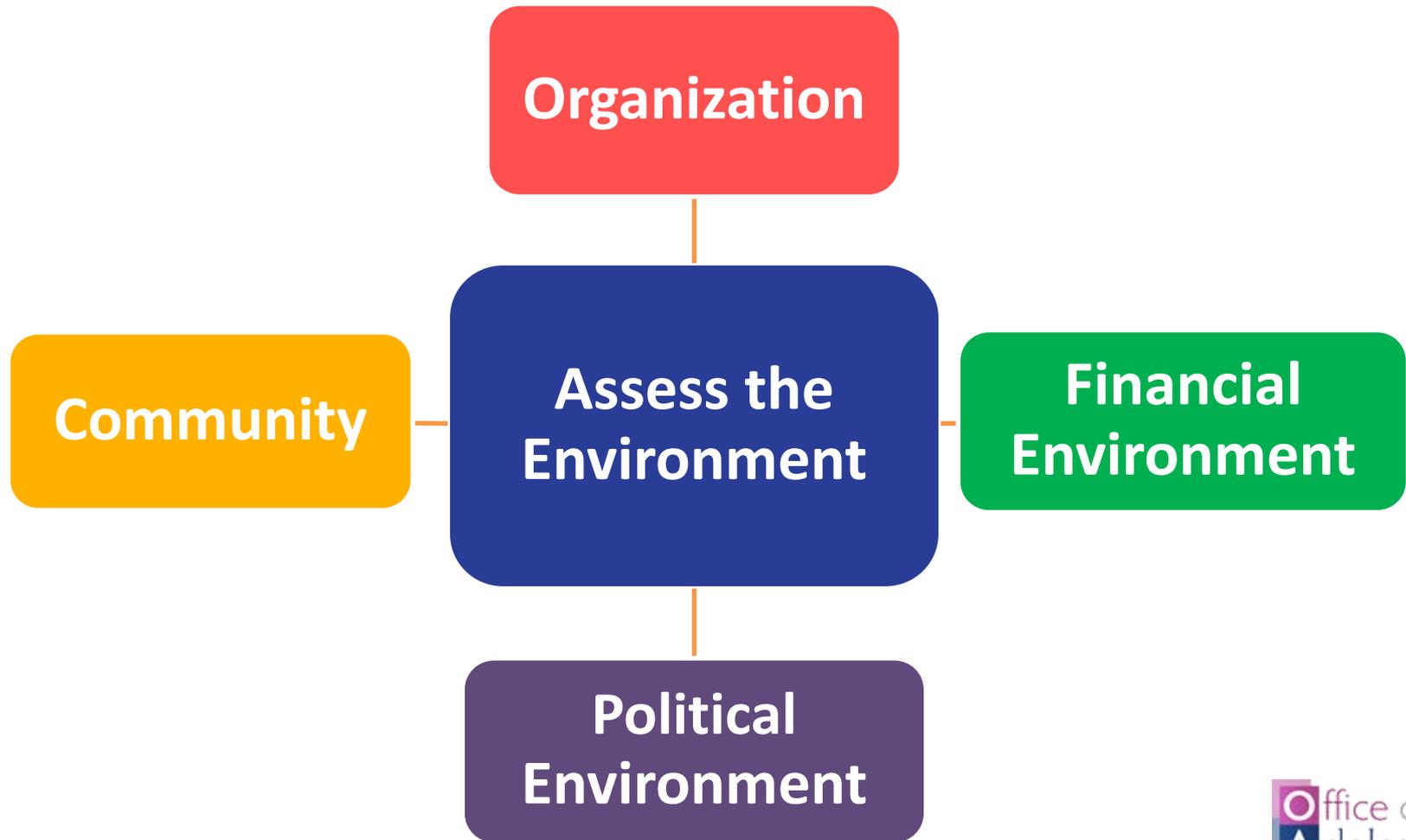
# Non-Profit Funding Models: Lots of Options!

- Heartfelt Connector
- Beneficiary Builder
- Member Motivator
- Big Bettor
- Public Provider
- Policy Innovator
- Beneficiary Broker
- Resource Recycler
- Local Nationalizer
- Market Maker

[http://www.ssireview.org/articles/entry/ten\\_nonprofit\\_funding\\_models](http://www.ssireview.org/articles/entry/ten_nonprofit_funding_models)

# **SUSTAINABILITY PLANNING**

- ✓ Read OAH's Building Sustainable Programs: The Resource Guide (2014)
- ✓ Know the Eight Sustainability Factors and how to use the accompanying tools
- ✓ Determine the Action strategy for sustainability planning
- ✓ Evaluate the process
- ✓ **Stay motivated!!!!**



**SUSTAINABILITY FACTOR 8:  
SECURE DIVERSE FINANCIAL  
OPPORTUNITIES**

1. Establish a goal for securing diverse funding
2. Identify core activities and services
3. Review the program budget
  - a. Current costs vs. core costs
  - b. Line-item for sustainability planning
4. Identify diverse funding opportunities
5. Seek Funding

## Which Factor 8 action steps have you accomplished?

- We have a goal.
- We have identified core activities and services.
- We have compared our current costs with core costs.
- We have dedicated a line-item for sustainability planning.
- We have identified diverse funding opportunities.
- We are seeking funding.

- Grants & Contracting Mechanisms
- In-kind resources
- Events, Donors & Sponsors
- Strategic investments
- Reductions in expenditures
- Increases in efficiency
- Earned income
- Hybrid

- Federal, state and local government grants
- Public charities or private foundation
- Government contracting mechanisms
  - General Services Administration (GSA)
  - Indefinite Deliverable, Indefinite Quantity (IDIQ)

- Partnerships
- Collaborations
- Coalitions



- Major gifts
- Donations
- Workplace giving
- Special events



- Corporate sponsorships
- Giving circles
- Donor-advised funds
- Crowdsourcing



Photo credit: : The Good Men Project

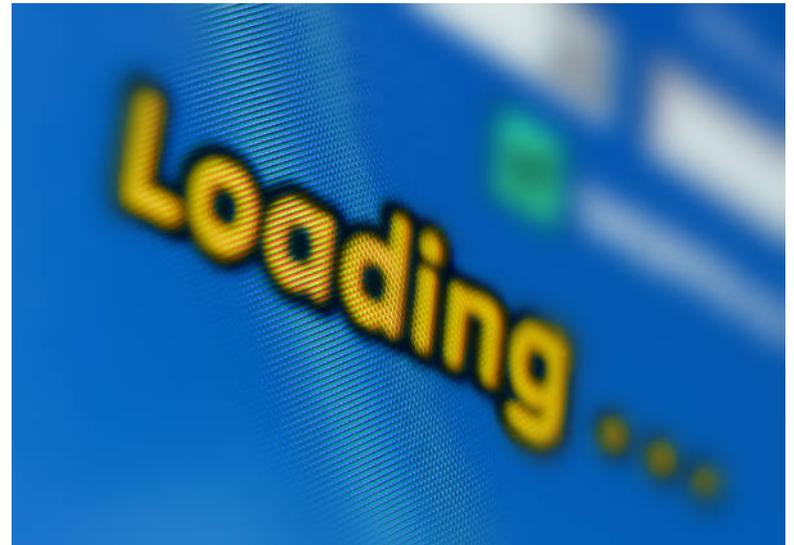


- Bridge loan from banking institutions
- Borrowing from endowment funds
- Program-Related Investment (PRI)
- Social Impact Bond (SIB)

- Travel expenses
- “Going Green”
- Downsizing
- Rethinking office space
- Using volunteers and interns



- Outsourcing
- Streamlining processes
- Switching suppliers/vendors
- Investing in more efficient technology



The Girl Scouts of the USA sell cookies to generate revenue as one way to financially support the organization.

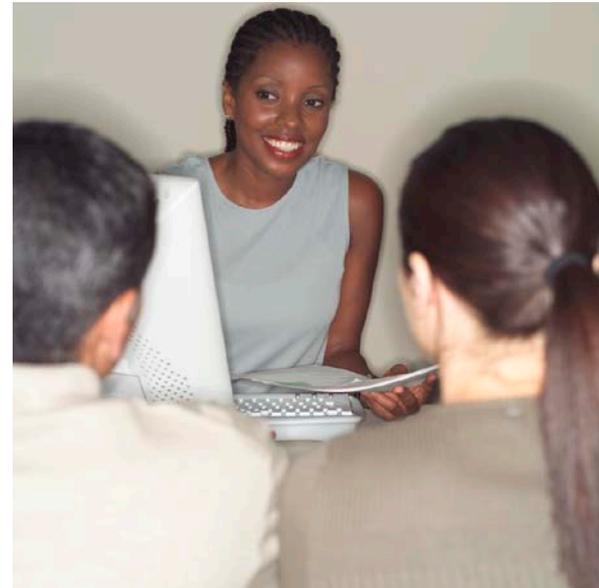


Photo credit:  
Girl Scouts of the United States  
of America.

- Fee for service
- Selling products



Photo credit: Planned Parenthood of Metropolitan Washington, DC, Inc.



# Identifying & Seeking Funding

## Funding source

**FACTOR 8: SECURE DIVERSE FINANCIAL OPPORTUNITIES | ACTIVITY 2. IDENTIFYING AND SEEKING FUNDING**

Instructions: Use the following path to begin identifying potential funding and financing opportunities. This activity should help you explore where you can begin looking for funding opportunities. In the following activity, you will develop a plan for how to reach out to the organizations and individuals you identify in this activity.

Identify potential funding opportunities using your current partners, potential future partners, and online resources

→

Consider sources for both in-kind and monetary support as well as alternative financing models

→

Complete a thorough analysis of each opportunity's expectations (use the table below to assess each opportunity)

Funding source	Contact information	Program, service, or activity	Request	Giving cycle	Assigned to	Personalized appeal	Status	Results
Name of organization, individual, corporation, foundation, or government entity	Name of the contact person, address, phone, and email for applications and questions	What you are asking them to fund	Amount of your request or the specific in-kind service you are requesting	Date the application is due, dates awards are given, dates any reports or follow-ups are due	The lead person of your team assigned to manage this opportunity	Message should emphasize the services that you provide that have the greatest appeal to each opportunity	Stage in the funding process with this funder (to be updated periodically)	Whether the support was received and what you learned from the process

Determine the best strategy for connecting with and applying for the funding and financing options that are best for your program

→

Use the template in the following activity to develop a plan for implementing your sustainability strategy

ACTIVITY 1: IDENTIFYING AND SEEKING FUNDING OPPORTUNITIES  
 FACTOR 8: SECURE DIVERSE FINANCIAL OPPORTUNITIES

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# Identifying and Seeking Funding

Assigned to

Status

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ACTIVITY 1: IDENTIFYING AND SEEKING FUNDING OPPORTUNITIES

FACTOR 8: SECURE DIVERSE FINANCIAL OPPORTUNITIES



Results



- Develop a strategy for securing funding
  - Increase staff capacity
  - Collaborate with partners who have capacity

# Developing A Strategy

**FACTOR 8: SECURE DIVERSE FINANCIAL OPPORTUNITIES | ACTIVITY 3. DEVELOPING A STRATEGY FOR SECURING FUNDING OPPORTUNITIES**

Instructions: Use this template to develop a plan for reaching out to the organizations and individuals you identified in the previous activity.

<b>Goal</b> • Identify your goal	<b>Activity / Task</b> • Identify the activities or tasks required to achieve the goal	<b>Person responsible</b> • Identify the person responsible for completing the activity or task	<b>Timeframe</b> • Identify the timeframe that each activity or task should be completed within	<b>Resources</b> • Identify the resources needed to complete each activity or task
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ACTIVITY 3: DEVELOPING A STRATEGY FOR SECURING FUNDING  
FACTOR 8: SECURE DIVERSE FINANCIAL OPPORTUNITIES

- Who is involved in seeking the funds?
- Who is your “closer”?



Practical Application

# **CORE PROGRAMS AND SERVICES, INC.**

1. Convened a work group.
2. Completed Factor 2: Assessment of Environment.
3. Established a Sustainability Goal: *To sustain an integrated approach of preventing teen pregnancy, supporting expectant and parenting teens and providing low or no-cost health care, including LARCS.*

4. Determined core programs and services.
  - Teen pregnancy prevention education
  - Parenting classes for expectant and parenting teens
  - Reproductive health care, including prenatal care, for all clients
5. Identified budget needs for core programs and services.
  - Estimated budget \$500,000 annually

6. Develop a sustainability plan.
7. Identify diverse funding streams.
  - Crowdfunding
  - Fee-for-service
  - Seek funding from foundations & federal agencies focused on early childhood education and health
8. Determine who will research each funding opportunity.

- Crowdfunding campaign raised \$186,000 in 3 months.
- James mentions it at a summer BBQ.
- Gloria was a teen mother.
- Making a connection over lunch with Maggie.

1. Gloria never calls CORE.
2. Gloria kindly declines to fund CORE.
3. Gloria donates \$500 to CORE.
4. Gloria offers CORE a PRI.

- CORE Board of Directors approves the PRI.
- Local foundation commits \$50,000 every year for 4 years for early childhood education and health services.
- Local Foundation also offers space only if CORE commits to “green” practices.
- Rent is minimal.

## Poll: Can CORE do it?

- Absolutely!
- I am not sure.
- No way!

- BOD and Maggie notify the local foundation.
  - CORE announces new endeavors via Twitter, Facebook, websites, and new outlets.
  - Everyone celebrates!
- 
- **When the fanfare is over...**

# POLL: Which funding sustained CORE?

1. Donations
2. Efficiency
3. Crowdfunding
4. PRI
5. All of the above

# What Could Happen Next: Reality



# **EXPLORE ONE**

- Which funding stream are you most likely to explore?
- What intrigues you about that funding stream?

Example: “crowdsourcing- it seems really hip and innovative”?

Thank you!

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<https://www.surveymonkey.com/s/B6FJP63>