

NONPROFIT *Fiscal Fitness*



your newsletter about issues in the nonprofit business world

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Editor's Note

You've probably heard about the recently enacted American Recovery and Reinvestment Act (ARRA) of 2009, which was signed into law by President Obama on February 17 -- but you may not be so sure what it means for your nonprofit or grantees.

In this month's issue of Nonprofit Fiscal Fitness, Tom Triplett of [Fieldstone Alliance](#) provides an overview of the Act and examines the purpose of the law, the funding categories that are most applicable to nonprofits, and resources for assessing the funds.



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Registration is Now Open for Blackbaud's 2009 Conference for Nonprofits

You don't want to miss Blackbaud's 2009 Conference for Nonprofits. [Register Now!](#) With more than 100 sessions covering topics such as development, financial management, donor prospecting, and technology, this year's Conference is *the* place to learn and network with your nonprofit peers. Program details are available on the [Conference website](#) — your “go-to” resource for all Conference information.



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Want Stimulus Money? Act Fast!

Tom Triplett, Principal Consultant, Fieldstone Alliance

The Stimulus Package in a Nutshell

The ARRA, more commonly known as the "stimulus package," provides new spending and tax cuts totaling \$787.2 billion. It's the largest single appropriation bill in U.S. history. It aims to:

- Preserve and create jobs and promote economic recovery
- Assist those most impacted by the recession
- Provide investments needed to increase economic efficiency by spurring technological advances in science and health
- Invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits
- Stabilize state and local government budgets in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases

Stimulus monies are designated as temporary, one-time funding. Recipients are encouraged to see the money as helping them through the recession and not as an ongoing governmental assistance program. (However, many predict that Congress will find it difficult to rescind some of the assistance — particularly for programs like Medicaid and special education.) All stimulus money is scheduled to expire in fiscal year 2011.

Funding Available to Nonprofits

From our review of ARRA, we found that many of the Act's funding components will be available to nonprofits. Major categories of eligible programs that have strong nonprofit applicability include:

- Arts and humanities
- Education and Internet access
- Employment and job training
- Energy
- Housing and community development
- Human and social services
- National service

In addition to providing direct funding for nonprofit organizations, ARRA contains many provisions to help individuals and families who are served by nonprofits. Examples include unemployment compensation, supplemental nutrition assistance (food stamps), and Medicaid.

How the Money Will Be Distributed

Some of the stimulus funds will be redistributed by federal agencies. Most, however, will first go to state and local government agencies for redistribution to governmental, business, and nonprofit entities in their jurisdictions. Some money will be distributed according to existing formulas and contracts. In other cases, qualifying applicants must apply through a competitive grants process. In some instances, the receiving agency is placing limits on who can apply. For example, the National Endowment for the Arts (NEA) has reportedly said that it will only consider requests from arts organizations that already have received an NEA grant.

Act Now!

Federal legislation calls for quick distribution of the stimulus money. Unless nonprofits act quickly, these one-time funds will go to entities better able to use the resources right away. And, as mentioned earlier, all stimulus money is scheduled to expire in fiscal year 2011. To help you act fast, see the websites listed below.



Other Legislation

Congress and some state legislatures are enacting additional laws that can benefit nonprofits and the people they serve. For instance, on March 11, President Obama signed legislation related to the normal federal budgeting process. The omnibus spending bill appropriated another \$410 billion, this time directed at traditional federal spending programs. The bill also contains some 8,500 earmarks, totaling more than \$7 billion, many of which will benefit individual nonprofits.

Within the next few months, Congress is also expected to pass targeted budget bills which include funding for affordable housing, energy, and natural resource protection.

In today's economy, we need to remember that Americans have always stepped up to help each other. Those of us who work in nonprofits really are doing the work that makes a difference in our communities. As the year progresses, Fieldstone Alliance will continue to publish updates and helpful information on legislation that can help you sustain your organization and your community. You can view a [list of helpful websites here](#).

About Tom Triplett

Tom specializes in helping nonprofits develop financial strategies for long-term sustainability. He helps organizations evaluate potential revenue sources that fit their unique situations, mission, and values. He also guides nonprofits to sustainable financing as major funding ends. He also knows about government finance and legislation, having been commissioner of three different Minnesota state agencies: Finance, Revenue, and Planning. Tom can be reached at triplett@fieldstonealliance.org or at  **651.556.4504** .



Latest and Greatest



web seminars

[The Financial Edge®](#)

Looking for new nonprofit accounting software? Join us to learn about The Financial Edge – our mission critical accounting information system that provides the reports and analyses you need to effectively support decision making.

[July 16, 2:00 p.m. ET](#)

[F9 for The Financial Edge](#)

(For Financial Edge users) F9 is an easy-to-use financial reporting tool that dynamically links The Financial Edge General Ledger data to Microsoft Excel®.

[July 8, 2:00 p.m. ET](#)

[July 9, 2:00 p.m. ET](#)



in the news

[USPS Smacks Nonprofit Mailers Again](#)

Charities that use premiums to fundraise have again taken it on the chin from the United States Postal Service with percentage increases ranging from almost 10 percent to 50 percent, according to analysis from the Direct Marketing Association.

[Read the entire article.](#)

[IRS Official Stresses Agency's Role in Governance Matters](#)

The new top charity regulator at the Internal Revenue Service has made clear she will continue the tax agency's efforts to promote good governance by charities.

[Read the entire article.](#)



resources

[The Baudcast](#)

This episode's panel discusses the Facebook® pages vs. groups, causes, Facebook® application development, FreeCause, social media engagement, Facebook® Insight Portal, Wofram Alpha, Bing®, Google Wave®, and more.

[Download episode 27.](#)

[Nonprofit White Papers](#)

These white papers are written by nonprofit industry experts and cover a variety of nonprofit-specific topics. You'll find papers on fundraising, financial management, online fundraising, website management, prospect research, business intelligence, nonprofit management, and more.

[View all white papers.](#)

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Blackbaud, Inc. | 2000 Daniel Island Drive | Charleston, SC 29492 | 800.443.9441

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