

NONPROFIT *Fiscal Fitness*



your newsletter about issues in the nonprofit business world

Blackbaud.

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Editor's Note

This month's issue of *Nonprofit Fiscal Fitness* tackles the unpleasant, but necessary topic of making tough financial choices in a down economy -- you'll find ideas for cutting and controlling costs when faced with cutbacks. Not every idea may be right for your organization, but hopefully you can use these suggestions as a starting point for your own brainstorming. Insight into this topic has been provided by Sandy Jacobsen and Alexis Cress of the [Fieldstone Alliance](#), which has a 26-year history of providing consulting, publishing, training, and research, as well as demonstration projects, that help nonprofits, funders, networks, and communities achieve greater impact.



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Educational Program Presented by AFP and APRA

If you have plans to attend [APRA's 22nd Annual International Conference](#) in Boston on July 29, you might be interested to learn about a session being hosted jointly by APRA and AFP. Titled AFP/APRA Summit: Organizational and Skill Evolution for Changing Times, this educational program will be held the day before the conference officially starts and will offer fundraising and development professionals a way to come together and share solutions on fundraising in today's changing times.

Program Highlights:

- Economic assessment and overall outlook
- Re-tool and broaden staff skill sets
- Create organizational efficiencies and economies of scale
- Communicate organizational change to donors and clients
- Gain management tips from seasoned professionals to enrich your organization's research area
- Learn how to adjust and progress with organizational budget limitations

You'll also get a chance to hear David Lamb, one of Blackbaud's prospect research experts, on *Prospect Research for the Fundraiser*. You can download the [brochure and registration form here](#). You do not have to attend the conference to attend this event.





Cost-Cutting Ideas for Nonprofits

Start by Understanding the Big Picture

If you're facing a financial crisis, first determine the nature and size of the problem. Is this a cash flow or balance sheet issue? Is it temporary or long term? Are you facing a 10% or 40% budget shortfall? Assemble a crisis management team. This team should be made up of board, staff, bankers, auditors, and perhaps a representative of the people you serve. Use them to: strategize your reaction to the crisis, run cash flow projections, and create best-case, medium-case, and worst-case scenarios.

Seek Discounts

Negotiate with current providers for better prices or terms — especially on the products you use the most. Get group discounts by combining orders with other organizations. Even simple coordination with companies in the same building can bring better terms or prices. Join a nonprofit association for special membership discounts. If you haven't reviewed your member benefits recently, give them a second look. You may be passing up discounts you already qualify for.

Slow the Outflow of Payables

Negotiate payment schedules with your suppliers. Offer smaller but regular payments, or offer to be a consistent, loyal customer. Call your major suppliers to talk about payment schedules. Don't dodge them if you're having trouble paying the bill. Be proactive and up front.

Reduce the Cost of Your Office Space

Can your lease be renegotiated? Don't just assume that what's done is done. Your landlord may rather give you a better deal than try to rent out an empty space in today's real estate environment. Can you rent out unused or underutilized space, such as your conference room? Can you move to a cheaper space? Can staff work from home?

Ask your attorney to review the lease. Or, meet with professional property managers to consider re-negotiation options for current or different space. Often their services will be paid for by the landlord.

Reduce Salary Expense

Cutting staff is often one of the first things organizations do to quickly reduce their expenses. Following are a few options you may not have considered. However, we recommend reading the resources listed to the right first. Ask staff for suggestions. Some may move up retirement plans, prefer to work part-time or on a contract basis, or take an extended unpaid leave. Temporarily cut wages and defer payment of the balance to a later date. If your nonprofit is faced with making job cuts, it is critical to get good counsel, plan the process, and articulate a clear message to all concerned. These steps will not make a layoff easy, but they can minimize damage and maximize the likelihood of a solid recovery.

You can [view the complete list](#) of cost-cutting ideas online.



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



in the news

[Independent Sector Seeks Changes in White House Lobbying Restrictions](#)

Independent Sector has asked the Obama administration to rescind or modify rules the White



resources

[Blackbaud Launches Nonprofit Central for Community Foundations](#)

Blackbaud, Inc. today announced the availability of Blackbaud Nonprofit Central, a solution created

provides the reports and analyses you need to effectively support decision making.

[June 18, 2:00 p.m. ET](#)

Advanced Budget Management

For Financial Edge clients only. Reduce the time, hassle, and expense of your next budgeting cycle with Advanced Budget Management™.

[June 26, 2:00 p.m. ET](#)

House issued in March that restrict contacts between lobbyists and federal officials.

[Read the entire article.](#)

Why Nonprofits Need Software as a Service

This paper identifies the foundational selection criteria for nonprofits to consider when choosing their SaaS partners.

[Download the white paper.](#)
(PDF 1707K)

specifically for community foundations that enables them to connect nonprofit organizations with donors of similar philanthropic interests.

[Read the entire article.](#)

The Baudcast: Episode 26

2009 NTC, Day of Service, social media campaigns, branding, online fundraising ROI, Facebook® Causes, virtualization, losing control of your message, YouTube®, Google®, and more

[Download episode 26.](#)

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