




21 Strategies & 4 Models For a Killer Sustainability Plan


PowerPoint Slides: To Be Emailed With Replay Video






Sustainability Model 1


TMCC English for Amnesty Program 1988-1993




250/yr → 550/week




Child care
Bilingual Counselor
Tutoring Center
69% Beg & 20% Illit.
Driver's License
Life Skills & RICO
English & Citizenship
Pre-Literate Program
Pre-GED Classes

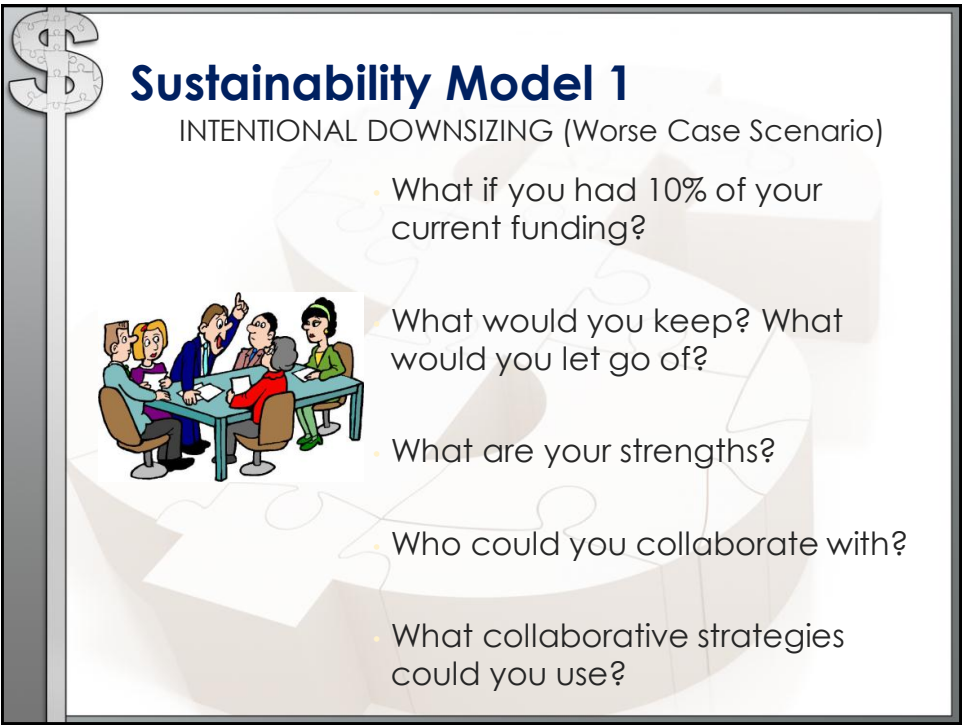
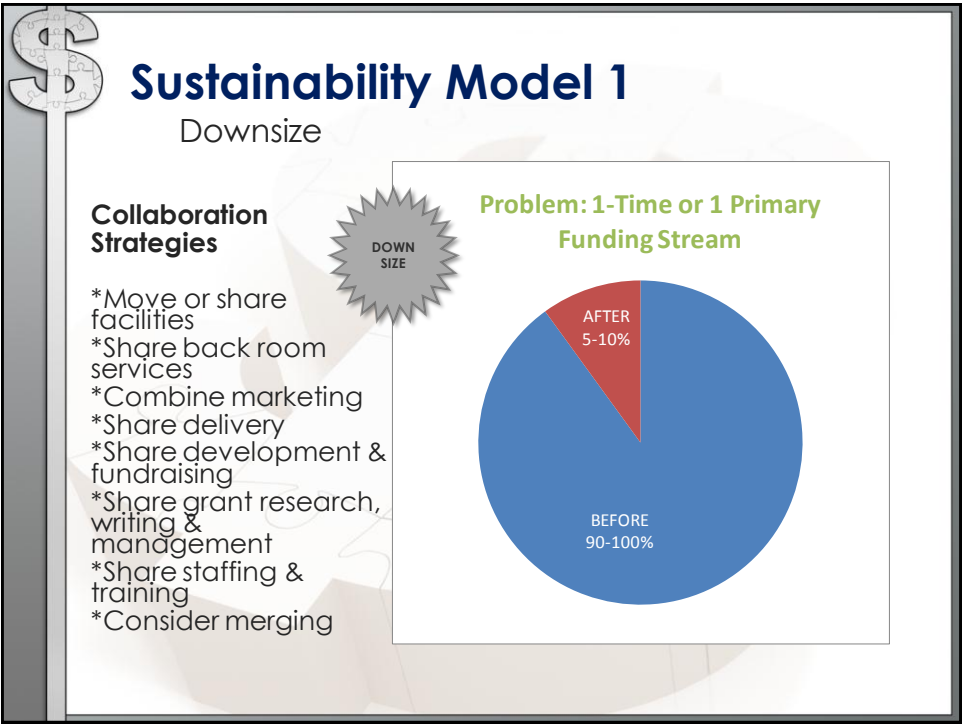


3,000+ Students
27 Instructors
400+ 60-hour classes
12 Bilingual Tutors
Award-Winning



\$2.5 Million 5 years





Sustainability Model 2

Self-Supporting

- 22% Tuition + 78% State Support
 - FTE-Generating & Growth-Controlled
 - Pay instructor a set rate
 - Leveraged federal grants
 - Change in decision-makers

- 100% Tuition (Fee-for-service)
 - Pay instructor a %
 - Scholarships + Paid Internships
 - Unlimited Growth Potential
 - 275 students, \$1.2 Billion generated

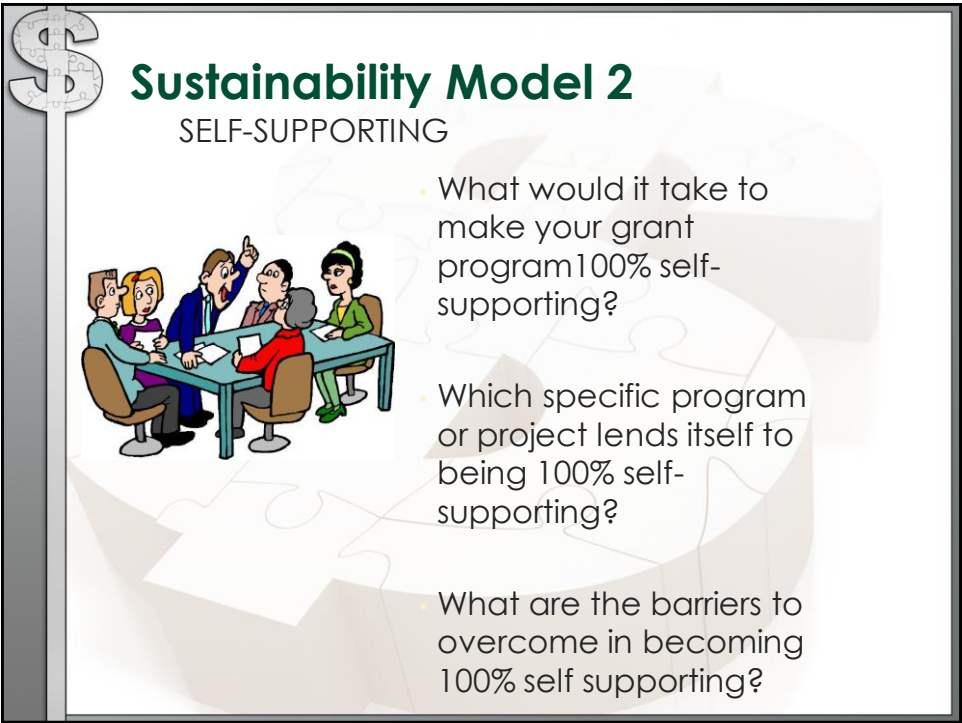
Sustainability Model 2

100% Self-Supporting

Self-Supporting Strategies


- Fee-for-service
- Enterprise
- Endowment

Self-Supporting



Sustainability Model 2

SELF-SUPPORTING



- What would it take to make your grant program 100% self-supporting?
- Which specific program or project lends itself to being 100% self-supporting?
- What are the barriers to overcome in becoming 100% self supporting?



21 Sustainability Strategies

Threshold = \$10,000/year



• SHORT-TERM	• MIDDLE	• LONG-TERM
• Fee-for-Service	• Grants	• Endowment
Fundraising Special Events	• Adopt/Sponsor an X	• Planned Giving
	• Matching	
	• Pledges	

21 Sustainability Strategies

Threshold = \$10,000/year

- SHORT-TERM
- Vendors
- Founder's Circle/Board Giving

- MIDDLE
- Enterprise
- Membership
- Consulting
- Products

- LONG-TERM
- Alumni & Pay It Forward

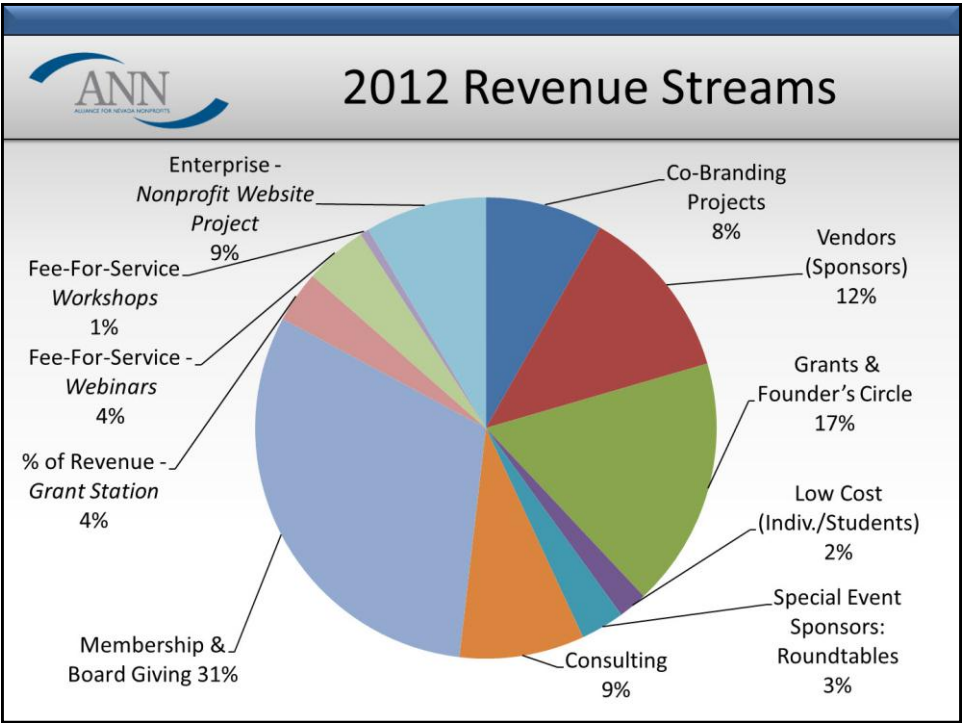
21 Sustainability Strategies


Threshold = \$10,000/year

- SHORT-TERM
- Special Campaigns
- Major Donor Giving X 3

- MIDDLE
- Co-Branding Projects
- % of Business Revenues
- Scholarships/3rd Party Subsidies

- LONG-TERM
- Federal & Tax Initiatives





“Future Funding” Section of Proposals


Future Funding = Sustainable Funding

THE GRANTSMANSHIP CENTER

- *Program Planning & Proposal Writing* by Norton Kiritz
- “Proposal reviewers realize that a ‘gilt-edged’ guarantee of future funding is mostly unlikely, but they hope you will have considered the future as you planned your new program. Remember: The more specific you can be in your proposal, the more confidence it will create in the funding source.” (p. 35)

CFDA.ORG

- CFDA = Catalog for Federal Domestic Assistance
- Section 7 - **Future Funding**
- **Long-Term Project Planning**
“Describe a plan for continuation beyond the grant period, and/or the availability of other resources necessary to implement the grant. Discuss maintenance and future program funding if program is for construction activity. Account for other needed expenditures if program includes purchase of equipment.” (CFDA.org)




Program Planning & Proposal Writing, Norton Kiritz, Page 35

Proposal Wording

A statement that **DOES NOT** elicit much confidence ...

- “To continue the program operations beyond the OCJP funding, the project will make every attempt possible to seek funds from other sources such as revenue sharing funds, fee-for-service, other grants, and any funding source for which this project may qualify.”



Program Planning & Proposal Writing, Norton Kiritz, Page 35

Sustainability Plans

Provide ...

1. Guarantees of continual funding independent of the grantor.
2. Proof that extensive contacts have been.
3. Demonstration of broad community interest in and support for the program.
4. Attachments that substantiate future funding support and also enhance the applicant's credibility like letters of support/endorsement:
 - View program as “demonstration project” and funding as “seed money”
 - Include at least 3 sources of funding support (revenue streams)
 - Include cash, assets and in-kind

Program Planning & Proposal Writing, Norton Kiritz, Page 35

Sustainability Plans

Sample Wording

1. Demonstration model
2. Continued and funded through ...
3. Funds viewed as "seed money"
4. Funding Support
 1. Presently involved groups and agencies
 - In-hospital staff time and space
 - Pledge to raise a minimum of \$_____ annually
 2. Local United Way
 - Special "non-member" grant funding
 - Develop a sliding scale fee-for-service schedule for 20% in 2nd year and 50% by 5th year
 3. Cooperative relationships with other local agencies
 - Assume certain responsibilities IF program demonstrated effectiveness over the first 12 months

Sustainability Model 3

Multiple Revenue & Multi-Year Streams

- Threshold: \$10,000/year
- Recurring Revenue vs. 1-Time Funding
- Example:

1. Members	\$10,000
2. Sponsors	\$10,000
3. Supporters	\$30,000
4. Grants	\$15,000
5. Enterprise	\$10,000
6. Fee-for-service	\$10,000

\$85,000 / year
A Sustainable Amount





Strategic Plan – Sustainability Model 3

Multiple Revenue & Multi-Year Streams = \$10,000+


- What is one revenue stream that could bring in \$10,000+ per year (low hanging fruit)?
- What is the goal you would have to set to get \$10,000+ per year? How many _____?
- What activities would you have to implement to reach your goal?



Story to Introduce Sustainability Model 4


Summer 2005

- \$500,000 Endowment Campaign
- \$750,000 -> \$1.2 Billion



Sustainability Model 4

Smart Giving vs 1-time



By federal law, foundations must give away 5% of the market value of assets or interest income each year, whichever is greater.

Example:

W.K. Kellogg Foundation
\$6 Billion in assets
Must give \$300 million/year


It's the law!

Ah hah moment ...

In order to give \$41.21 Billion, Foundations have approximately **\$824.2 Billion** in assets invested.


Funders	1-Time Funding	Assets
Corporations	\$14.50 Billion	
Foundations	\$41.21 Billion	\$824.2 Billion
Government	\$100+ Billion	
Individuals	\$183.96 Billion	
Individuals - Bequests	\$22.66 Billion	
TOTALS	\$362.33 Billion	

- \$ 41.21 Billion (Smart Giving)
\$321.12 Billion (1-Time)



Sustainability Model 4

Smart Giving (Recurring vs. 1-time)



What IF we invested ...

1% of \$321.12 Billion = \$3.21 Billion x 5% = \$160.5 Million/year

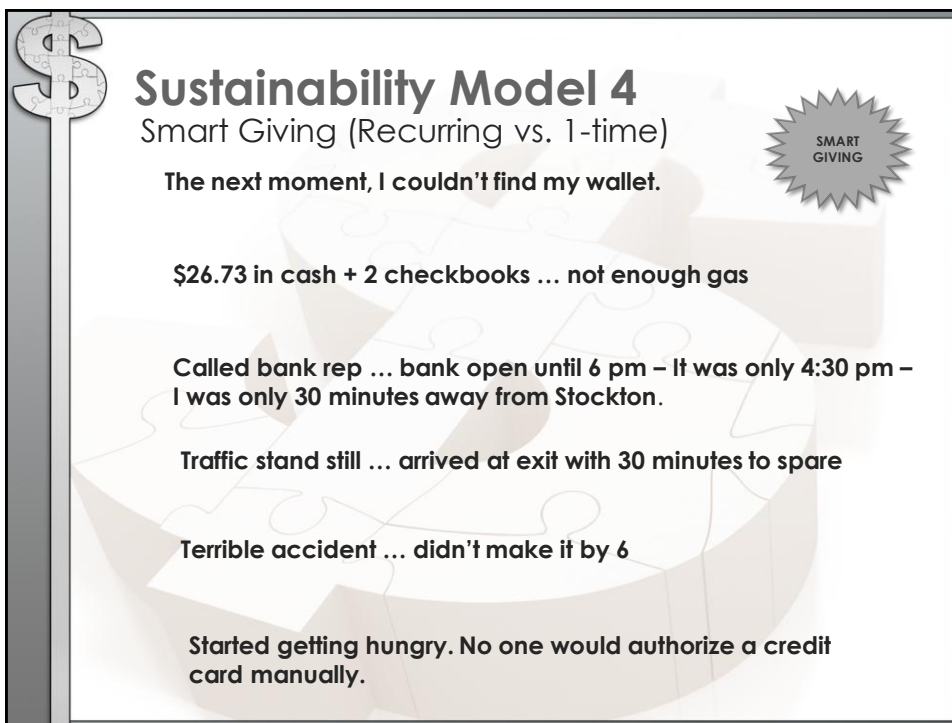
5% of \$321.12 Billion = \$16.06 Billion x 5% = \$803 Million/year

10% of \$321.12 Billion = \$32.112 Billion x 5% = \$1.6 Billion/year

YOUR SMART GIVING QUESTION: How big would your endowment have to be to generate \$250,000/year?

ANSWER: \$5 Million

Formula: \$250,000 divided by 5% = \$5 Million



Sustainability Model 4

Smart Giving (Recurring vs. 1-time)

The next moment, I couldn't find my wallet.

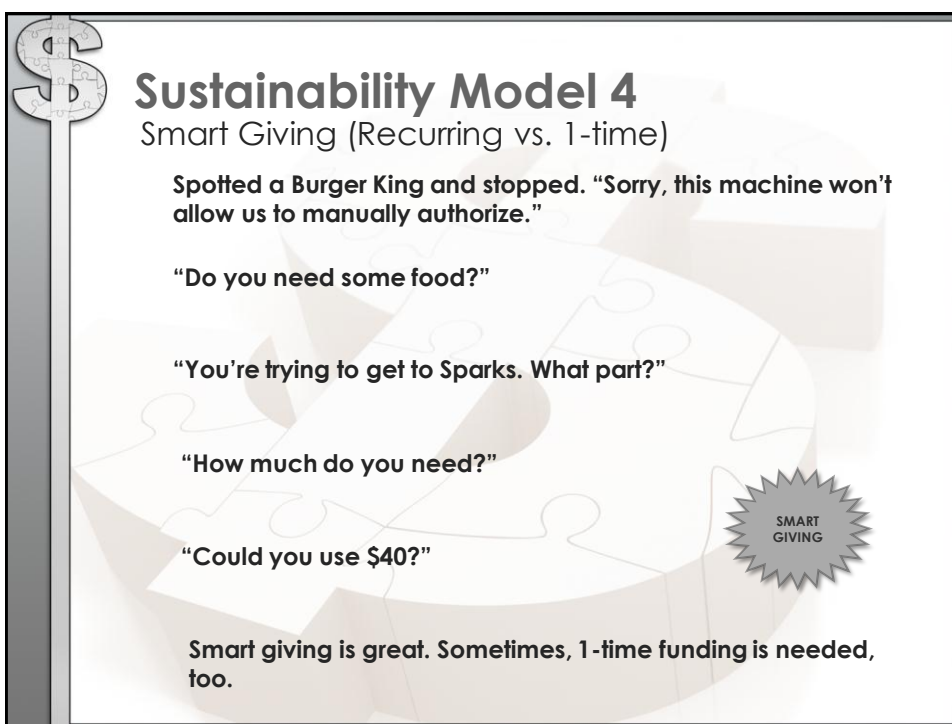
\$26.73 in cash + 2 checkbooks ... not enough gas

Called bank rep ... bank open until 6 pm – It was only 4:30 pm – I was only 30 minutes away from Stockton.

Traffic stand still ... arrived at exit with 30 minutes to spare

Terrible accident ... didn't make it by 6

Started getting hungry. No one would authorize a credit card manually.



Sustainability Model 4

Smart Giving (Recurring vs. 1-time)

Spotted a Burger King and stopped. "Sorry, this machine won't allow us to manually authorize."


"Do you need some food?"

"You're trying to get to Sparks. What part?"

"How much do you need?"

"Could you use \$40?"

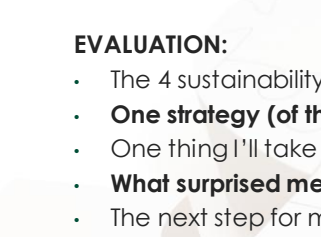
Smart giving is great. Sometimes, 1-time funding is needed, too.



\$ Sustainability Model 4

SMART GIVING

- Any experience with smart giving vs 1-time?
- How could you influence decision-makers about smart giving?
- What are the barriers to overcome to smart giving?
- What are strategies to overcome the barriers?



\$ Evaluation & Resources

EVALUATION:

- The 4 sustainability models are ...
- **One strategy (of the 18) that speaks to me ...**
- One thing I'll take away from this session is ...
- **What surprised me is**
- The next step for me is ...

WATCH FOR EMAILS ...

- Evaluation (above)
- **Resources: Replay video, PowerPoint slides, The Sustainability Formula & Handouts from Strengthening Your Nonprofit's Income Portfolio Webinar from Foundation Center**



Next ANN Webinars


February 6 – 9 am
Free Bonus Webinar (From FSPNN): *Affordable Transportation Alternatives for Low Income Nevadans*


February 12 – 9 am
Free: *How to Get the Most Out Of the 77th Session of the Nevada Legislature*

February 26 – 9 am
Free: *5 Things Every Nonprofit Needs to Know about WordPress & Internet Marketing & Launch of NWP 2.0*



Replay Videos in New Training Archive for ANN Members





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Pre-Webinar & During Webinar Q&A

