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KRIEGER SOLUTIONS LLC

Present

Financial Sustainability

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for Victim Assistance Programs Funded by:
New York State Office of Victim Services

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The OVS Resilience Webinar Series

April 30	1:00 p.m.	Psychological First Aid: Supporting Others in Managing Stress
May 5	1:00 p.m.	Building and Managing Teams Remotely
May 7	10:00 a.m.	Creating Trauma-Informed Environments for Children
May 13	11:00 a.m.	Managing Performance Remotely

Visit ovs.ny.gov/training to register!

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Training and Technical Assistance

FREE individual and group coaching opportunities!

Individual Coaching	30 min sessions	Provides participants access to one-on-one, tailored support for: <ul style="list-style-type: none"> • Facing new leadership and management challenges • Learning new strategies and support techniques • Developing realistic problem-solving measures
Group Coaching	60 min sessions	Leverage the power of peer wisdom and support discussing a wide range of leadership challenges. Sessions provide confidential: <ul style="list-style-type: none"> • Access and connection to agency and program leaders you may not know • Opportunities to share challenges and successes you are facing in this unique new working environment • Facilitation by a skilled leadership coach



Visit calendly.com/ovs-ttarp to sign up today!




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Sustainability – why now?



- Sustainability is always pertinent
- Planning for the future is an important part of program management
- Especially now, programs are being asked to work in different ways and to creatively remain resilient in difficult times
- Looking to the future, the funding landscape may change – it's important to plan ahead

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What are the numbers?



- OVS 2019 VOCA Victim Assistance Program RFA was record-breaking:
 - Funding levels for many programs are the highest they've ever been
 - Over \$281M in total awards
 - 220 funded programs, 41 of which were NEW
- OVS commitments under this RFA are guaranteed through FY 2020-21
- Looking ahead though, the landscape may change

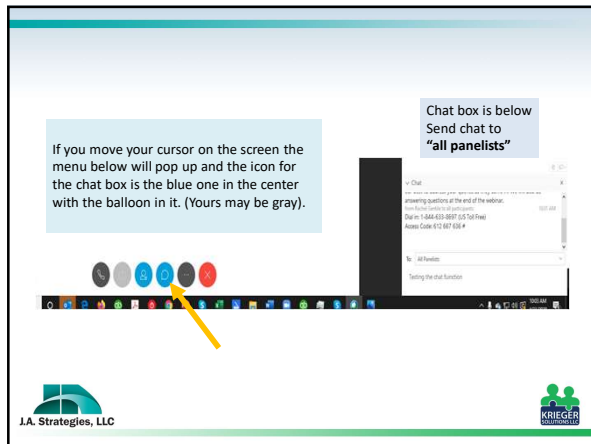
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What's coming?

- VOCA revenues have steadily declined over the past 3 years
- There is an expectation of reduced funding from the federal government
 - 2018: \$199,383,453
 - 2019: \$132,000,250 (34% decrease)
 - 2020: \$96,706,562 (27% decrease)
 - 2021: ???
- What could this mean for your programs?
 - If these cuts continue, future RFAs will be far less robust
 - 2021 RFA instead of contract extensions

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Workshop Objectives:

This workshop will give you the *tools* to:

- Understand components of financial sustainability
- Assess risk based on current funding and staffing model
- Explore development of long-term sustainability plan, including:
 - Options for saving costs
 - Evaluating board and staff readiness for resource development

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Sustainability

Sustainability is the active process of:

- Establishing your initiative
- Developing relationships, practices and procedures

That become a lasting part of the community.

Adapted from University of Kansas, Community Toolbox.

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Sustainability

Sustainability encompasses both *financial sustainability* and *programmatic sustainability*





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Financial Sustainability

The ability to generate resources to meet the needs of the present without compromising the future.

Program Sustainability

The ability to develop, grow, and transition programs over time to be responsive to constituencies and changing environments.




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Components of Financial Sustainability

- Programmatic rigor
- Dependency awareness and risk analysis
- Fiscal ownership by the Board
- Timely and effective financial reporting and management
- Sources of flexible or unrestricted revenue
- Vitalness to and support from the community






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Poll

Answer the following questions about your organization:

- Our leadership and board regularly review our dependency on certain funding streams and analyze our risk.
- Our board “owns” their role in the fiscal sustainability of our organization.
- Our organization has sources of flexible and/or unrestricted revenue that help us fill gaps and underwrite unfunded tasks and expenses.

Please answer as “Yes”, “Somewhat”, “No”, “Don’t know”, “Not applicable” (if your agency is a public agency without a board of directors).

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PROGRAMMATIC RIGOR





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Programmatic Rigor



- Evaluate the effectiveness of your services on a program by program basis
- Consider the relationship of each program to your mission
- Consider how valued each program is by your community

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DEPENDENCY AWARENESS AND RISK ANALYSIS

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5 Steps of Risk Assessment

Identify the hazards

→

Assess consequences:
Decide who might be harmed and how

→


Evaluate the risks and Decide on Precautionary Actions

→

Record your Findings and Implement them

→



Review your risk assessment and update when necessary

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Identify the Hazards: *"Internal Audit"*

- What are your most important programs/services?
- How strongly are these programs linked to specific funding streams?
- How much your revenue is unrestricted?
- What programs or services are at greatest risk? Lowest risk?
- How are your staff funded?

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Assess Consequences

If you lost some, or all, of any one grant:

- What would be the consequences?
- How would you need to adjust staffing patterns?
- What would be the impact on the programs most important to your mission?
- How you would replace funding over time? Do you know?



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Evaluate the Risks and Decide on Precautionary Actions

- How will you maintain the programs/staff members that are integral to implementing the mission of your program or organization?
- What are your options for mitigating risk?
 - Cutting Costs?
 - Reorganization?
 - Increasing other Revenue?



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Record and Implement: Sustainability Plan

A Sustainability Plan is a roadmap for achieving long-term goals.

The plan may include actions such as:



- Changing the program/staffing model
- Implementing steps to secure new resources
- Developing partnerships/collaborations to create cost savings



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Review and Update

- 2-3 times a year review your analysis, prioritization and precautions/strategies with senior leadership and board
- Adjust/update as needed
- Present to the board annually as part of strategic plan discussion

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FISCAL OWNERSHIP BY THE BOARD






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Fiscal ownership by the Board

- Board recognizes role in fiscal sustainability of organization
- Board reviews and understands revenues and expenses of organization
- Board “owns” their fiduciary responsibility

Fiduciary = being bound ethically to act in the agency's best interests

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TIMELY AND EFFECTIVE FINANCIAL REPORTING AND MANAGEMENT




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Financial Reporting and Management

- Accurate, up to date fiscal system
- Monthly reports - revenue and expenses by program and compared to budget
- Active board oversight and annual budget development
- Annual financial audit or review and board review
- Separation of duties to provide good control
- Program staff understanding enough to monitor reports
- Access to cash (or credit) for 3-6 months of operation




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Financial Management: Sustainability Strategies



- Cost Cutting:
 - Eliminate expenses
 - Reduce expenses through collaboration/shared Services
- Increased Fundraising/Revenue Development




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Cost Cutting – Eliminate Expenses



- Review past 3 years financial statements:
 - Have costs increased dramatically?
Can you reduce?
 - Expenses (staff or OTPS) you don't really need or no longer need?
 - Expenses that could be cut with minimal impact on program delivery?
 - Ways to use technology to reduce costs?

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Collaboration / Shared Services

- Excess space? Capacity?
- Who could use this?
- If you need more capacity – who has excess?
- Are services you provide provided by another local agency? Or services that closely overlap?
- Can collaboration maintain services & decrease costs?
- Contract out services more cheaply?
- Competitive bidding reduce expenses?






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Stop and Share

Type into the chat box.

- *What are things you are doing now?
That you have thought about?*
- *What have you heard from other organizations?*

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DIVERSE AND FLEXIBLE SOURCES OF REVENUE




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Why Fundraise?



- Reduces dependency on single source
- Unrestricted income can be used where necessary
- Allows for continuation of services as single sources decline
- Funders like to see a diversified base
- Increases opportunities
- Creates sustainable programs

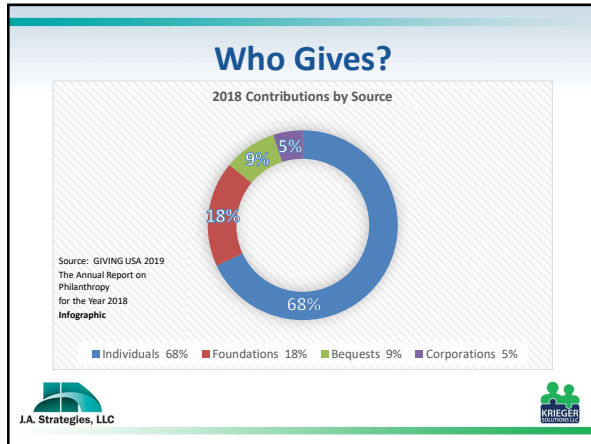
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Lessons Learned from Past Crises

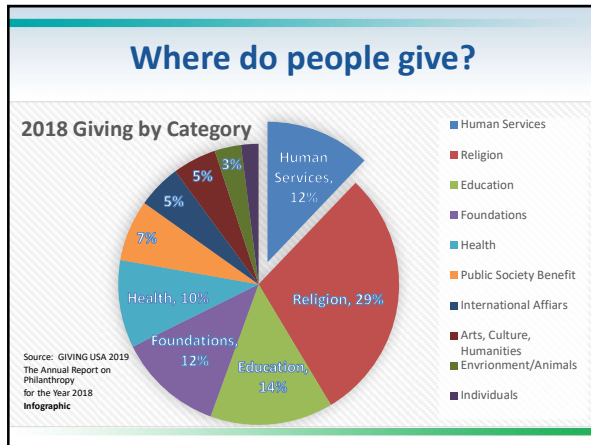
- Don't wait for the crisis to end to begin or continue fundraising. Re-engage solicitation as soon as the situation stabilizes.
- Philanthropy is resilient. In 2008-2009, when market dropped 40%, charitable giving only dropped 4%.
- Foundations will still be required to give.

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Board Readiness

- Has your board embraced a fund development role?
- Do you have board members with connections?
- Do 100% of your board members make direct donations as well as support your events?
- Are all your board members prepared to be an “ambassador”?
- Do you have a fund development committee? Fund development plan?




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Poll

How strongly has your board embraced their fund development role?

Very much, somewhat, very little, don't know, not applicable

What percent of your board members have connections to local foundations, local corporations, and wealthy members of your community?

0-25%, 25-50%, 50-75%, 75-100%, don't know, not applicable






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Staff Resources

Fundraising takes dedicated time!

- Assess the state staff workload. Who has the time to take on different fundraising roles?
- Be specific about fundraising roles, tasks and objectives for each person.
- Donor data management and stewardship is vital!



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and to find out about Individual and Group Coaching

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Questions & Concerns?

Type them into the Chat Box

Or Email us later:

- jennifer@JAstrategies.com
- alan@KriegerSolutions.com




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Thank You

for your time and participation!

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