

February 25 & 27 | Virtual

# 2025 Nonprofit Finance & Sustainability Conference



**2025 Nonprofit Finance & Sustainability Conference**

**Welcome,  
Nonprofit Leaders!**



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# **CPE Tracking Word #1**

**MAP**

# ***Reliable Planning: Tying Strategic Planning to Your Budget***

**Finance & Sustainability Conference, 2025**

**Thank you to the *Minnesota Council of Nonprofits!***

**MCN Mission:** MCN works to inform, promote, connect, and strengthen individual nonprofits and the nonprofit sector.

**MCN Vision:** Nonprofit organizations accomplish their missions in a healthy, cooperative, and just society.

**<https://minnesotanonprofits.org/about/mission-vision>**



# Kathy Brock Enger, Ph.D.

## Background Information

- I often wonder about the qualifications of presenters.
- Ph.D. in Educational Leadership, Higher Education, the University of North Dakota; Master's in Library and Information Science from the University of Iowa; Undergraduate in Social Work from St. Catherine's University; MBA coursework.
- Executive Director of a nonprofit funded by the Minnesota Legislature, Northern Lights Library Network (NLLN). Manage the budget, audit, annual reports, governing board, programs and services, etc. 14 years to the present.
- Teach doctoral courses at Minnesota State University Moorhead (MSUM).
- Taught and advised doctoral students at Capella University, North Dakota State University, Northcentral University.
- I appreciate the opportunity to see a vision become reality through programs and services. I love managing a nonprofit, especially the financial and leadership aspects. I love to teach, especially doctoral students.
- ***What do you love to do? What is our impact?***

*As we begin, please remember your thoughts and ideas for our discussion at the end of the presentation.*





## What drives your organization?

“The establishment of a nonprofit organization should be based on a solid, distinct, and clear organizational mission that provides the foundational purposes for which the organization exists.” (Danna & Porche, 2008).

Danna, D. & Porche, D. (2008).  
Establishing a nonprofit  
organization: A venture of social  
entrepreneurship. *The Journal for  
Nurse Practitioners*, 10, 751-752.



# Who are we? What do we do? Why do we exist?

## 501.c3 Status

Clear vision, mission statement, strategic plan.

Bylaws.

Articles of incorporation.

Governing board.

Tax-exempt status.

Federal employer identification number.

Bank account.

Budget.

Accountant (balance sheet, income statement).

Legal counsel.





# ***Mission Based Budgeting (Goals based on Mission)***

## ***Expenditures based on Activity (Objectives)***

- The budget is based on the mission of the organization by setting goals.
- Financial statements and reports become activity-based, determined by the strategic plan.



# Resource Dependency Theory

- ▶ Dependent on sources of revenue such as funders, grants, donations, etc.
- ▶ Organic relationship between nonprofits and their environment.
- ▶ Nonprofits must be attuned to and adapt to the external demands of their environment in order to survive and thrive.



# A Scientific Approach to Developing a Strategic Plan

- ▶ **Qualitative Approach:**

Use open-ended questions to interview a select small group of stakeholders, such as your board.

- ▶ **Quantitative Approach:**

Based on the results from the open-ended questions of your group, design a survey, and send it to your entire population.

# Qualitative Approach

- ▶ Ask open-ended questions of your stakeholders that get to the meaning of what you do, who you are, and the problems you need to solve, such as:
  - ▶ What is foster care, why is it important, what are your thoughts about it, why does it exist?
  - ▶ Our questions at NLLN: What is a library? What do libraries do? What is your experience with libraries? Are libraries relevant today – why? Describe your favorite things about libraries. Do you think most people know how to use a library – why? How has the Internet or Google (search engines) and electronic resources replaced the physical library - why or why not? What is a book? Do books matter – why? What kinds of books do you read? What kinds of books do you need from the library you use? What kinds of book do your friends, family, or neighbors need? Have electronic books replaced paper books? Are journals, magazines, or newspapers important - why? What role does reading play in the well-being of individuals? Can you describe who a literate person is? How would you describe illiteracy? Does everyone have a right to read – why or why not? What role does technology play in libraries? How will Artificial Intelligence influence libraries? What is the future of libraries?
  - ▶ Ask open-ended SWOT questions leading to strengths, weaknesses, opportunities, threats.
- ▶ The questions can be asked through emails or Zoom recordings.

# Qualitative Approach

- ▶ Ensure stakeholder anonymity by moving the text from email or Zoom to Word and de-identify the respondents, ensuring protection from individualized identification.
- ▶ Bring all of the text together into one document for analysis.





# Qualitative Approach: Grounded Theory or Phenomenology

- ▶ Grounded Theory: Examine the text for themes. Look for commonalities across all areas of the text and separate the results into themes, keeping quotes that validate the themes.
- ▶ Phenomenology: Go through the text as often as necessary using meaning marks to denote each time meaning in the text changes. Meaning marks are simply a dash: ‘
- ▶ Using either approach, meaning will emerge, and you can use this information to design your survey.
- ▶ Surveys are intended for specific populations. If you use a survey that was developed for another population, you run the risk of unreliable or invalid data. Using qualitative data to form your survey, will be reliable for your population, and result in accurate results.




# If you plan to publish your results ...

... be sure to affiliate with an Institutional Review Board (IRB) to ensure the protection of your participants.



# **CPE Tracking Word #2**

# **FUTURE**



# Quantitative Approach: Survey

- Based on your understanding of the qualitative results, design a survey using a Likert Scale: 5 – 1: **Strongly Agree, Agree, Don't Know, Disagree, Strongly Disagree**. Harvard University suggestions for survey design:  
[https://psr.iq.harvard.edu/sites/projects.iq.harvard.edu/files/psr/files/PSRQuestionnaireTipSheet\\_0.pdf](https://psr.iq.harvard.edu/sites/projects.iq.harvard.edu/files/psr/files/PSRQuestionnaireTipSheet_0.pdf)
- Use Qualtrics (<https://www.qualtrics.com/> or
- Survey Monkey (<https://www.surveymonkey.com/>)
- Send the survey to your entire population.

**Once you have survey results, you can design a reliable strategic plan based on the needs of your population.**



## The Strategic Plan



- Vision
- Mission
- Values Statements
- Goals
- Objectives

# Goals and Objectives

- ▶ Limit your goals to five or six and make the objectives measurable. Objectives are only limited by funds available in the budget.



## ▶ GOAL I

### ▶ OBJECTIVE

- ▶ Activities
- ▶ Outputs, Results, Outcomes
- ▶ In-kind Support
- ▶ Expenditures
- ▶ Impact. (Measuring impact is challenging.) How do you measure impact?




## ***Link Your Strategic Plan to Your Budget.***

***Goals from the Strategic Plan become headings in your budget.***

***Goals are measured through Objectives.***

***Objectives are line items designated with numeric codes in your budget.***



## ***Use Goals from the Strategic Plan as Headings in your Budget***

## ***Use Objectives from the Strategic Plan as Measureable Outcome in Your Budget***

- Goal Headings from the Strategic Plan as Budget Headings.
- Line items in the budget as objective outputs from the strategic plan. Usually numeric notations in the budget.
- Results in measurable outcomes in terms of budget expenditures.



# **CPE Tracking Word #3**

**COST**



*The information you collect throughout the fiscal year by tying the strategic plan to your budget easily transfers to reports.*

# BUDGET Example from Northern Lights Library Network (NLLN)



NLLN Budget FY APPROVED JUNE		State Aid:				
PERSONNEL AND OFFICE ADMINISTRATION				Operating Grant	Reserve Funds	Total Funds
PERSONNEL	Account Numbers					
Salaries		Director's Salary		\$ -		
	5010	Staff Wages		\$ -		
	5015					
Total Salaries				\$ -	\$ -	\$ -
Benefits		Social Security - Employer		\$ -		
	5102/20	Medicare - Employer		\$ -		
	5103/21	PERA - Employer		\$ -		
	5105/22	Worker's Comp-Employer		\$ -		\$ -
	5106	Additional Compensation		\$ -		
	5107/23					
Total Benefits				\$ -	\$ -	\$ -
Total Salaries & Benefits				\$ -	\$ -	\$ -
OFFICE ADMINISTRATION		Governing Board		\$ -		\$ -
	5500	Rent		\$ -		\$ -
	5505	Supplies & Misc.		\$ -		\$ -
	5510	Accounting/Audit		\$ -		\$ -
	5516	Bookkeeping		\$ -		\$ -
	5517	Contents Bonding Insurance		\$ -		\$ -
	5525	D & O/EPLI		\$ -		\$ -
	5526	Total		\$ -	\$ -	\$ -
Total Office Administration				\$ -	\$ -	\$ -
Total Administration & Governance				\$ -	\$ -	\$ -
PROGRAMS AND SERVICES						
Long-range Planning for Cooperative Programs		Memberships & Subscriptions		\$ -		\$ -
	6005	Director Travel		\$ -		\$ -
	6010					
Total Long-range Planning for Cooperative Programs				\$ -	\$ -	\$ -
Communications System Among All Cooperating Libraries		Telephone & Internet Access		\$ -		\$ -
	6055	Print Communication		\$ -		\$ -
	6060	Electronic Communication		\$ -		\$ -
	6065					
Total Communications System Among All Cooperating Libraries				\$ -	\$ -	\$ -
Development of a Delivery System for Services and Programs		Educational Support				\$ -
	6110/6111	Educational Support				
	6111	John Wallace Ingersoll Fund				
	6112	eBook Collections				
	6115/6116	Special Programs				
	6116					
	6125/26					
	6126					
	6121	Ojibwe Library Support				\$ -
Total Development of a Delivery System for Programs and Services						\$ -
Share Resources Among All Participating Libraries						
	6142			\$ -	\$ -	\$ -
Total Share Resources Among All Participating Libraries				\$ -	\$ -	\$ -
Development of a Bibliographic Database		Regional Interlibrary Loan Services				
	6205			\$ -	\$ -	\$ -
Total Development of a Bibliographic Database				\$ -	\$ -	\$ -
Programs and Services Total				\$ -	\$ -	\$ -
GRAND TOTAL				\$ -	\$ -	\$ -

## Example of Tying the Strategic Plan to the Budget – NLLN

### ➤ **GOAL: Development of a Delivery System for Services and Programs**

**6110 Objective: Career development scholarships and library service funding** for staff and library board member participation in continuing education programs and events. Continuing education scholarships are awarded as incentive for individual growth and development in order to enhance library services throughout the NLLN region. BUDGET ITEM NUMBER: 6110.

**Activities** -- Fifteen approved scholarships including Minnesota Library Association Fall Conference, 10<sup>th</sup> IBBY Regional Conference, “Book Joy Around the World” in St Louis.

**Anticipated Outputs:** Library staff attendance at local, regional, national, and international conferences generates new ideas and best library practices among colleagues and constituents using libraries in the region.

**System In-Kind Staff Support:** \$5,000.00

**Expenditure:** \$4,200.00 budgeted; \$5,443.24 committed

**Impact:** Library staff attendance at local, regional, national, and international conferences generates new ideas and best library practices among colleagues and library constituents.

# From the Annual Report



- ▶ **NLLN Scholarships (15)** were given to member librarians to attend professional development opportunities. Funds for scholarships are now expended for this fiscal year. \$4,200 was budgeted and \$5,443.24 expended.
- ▶ One scholarship recipient had this to say about attending the MLA conference: “The recurring message I appreciated hearing [at the MLA conference] is that growth is often uncomfortable. This was a great reminder that I cannot become set in my ways, or assume that there is only one way to tackle an issue. Whether we are talking about societal, cultural, or procedural issues, we need to engage our customers and frontline staff, and talk with community experts in order to make informed and effective decisions that best meet the needs of those we serve.”



# Literature Review: Practice Based on Research

- ▶ I must note that the work I do is based on research. I scour peer reviewed literature on strategic planning and nonprofit organizations in order to integrate research into planning. This, too, is a scientific approach to strategic and financial planning.
- ▶ Research based practice.

# Best Practices:



- Monthly financial reports, especially Income Statement (including YTD), Balance Sheet, Check Listing by Bank Account.
- Transparent accounting procedures.
- NLLN has a bookkeeper on staff who submits weekly expenditures a CPA accounting firm for analysis, and has yearly audits from a CPA accountant.
- The NLLN Governing Board reviews all monthly financial statements at NLLN's quarterly meetings.
- Yearly reports submitted to the Minnesota Department of Education are analyzed by a designated staff member.
- Everything is carefully examined by the executive director on an ongoing basis. Nothing is overlooked.



# Best Practices:

- ▶ Does your website, marketing, and social media communicate your strategic plan in its presentation of your programs and services?





# Discussion

What are your ideas?

What is your experience?

Any and all conversation is welcome!

# **CPE Tracking Word #4**

## **GOALS**

# What's Next...

**See you Thursday for Day 2!**

Session recordings and materials will be available tomorrow on PheedLoop.

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