

# The Sky is Blue: Is Your House in Order?

Session 4

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Enterprise Community Partners  
Southeast Resilience Academy



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# Be Prepared from the Inside Out

- Capacity Building Self Evaluation Checklist
- Risk Management Specific Best Practices
- Financial Health- quick check up



## NONPROFIT CAPACITY BUILDING INSTITUTE: MISSION AND VISION

CAPACITY ELEMENT	BEST PRACTICE	YES	NO	IN PROCESS	PLEASE ENTER ANY ADDITIONAL INFORMATION
Mission	Mission Statement is clear, strong, relevant and current. It is widely held throughout entire organization and the mission is incorporated into daily operations and is frequently referenced.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Vision	The vision is written, distributed to staff, and is frequently referred to and used to inform policy and set priorities. It is a clear, bold vision that is upheld by entire organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Goals and Strategic Planning	The strategic plan is clear, coherent and is written, adopted, and reviewed annually by the management, board, and staff. The strategic plan is revised, as needed, and contains clear goals with measurable outcomes. The plan is the driving force for policy decisions and goals are set and outcomes are frequently measured. The	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

	Outcomes are frequently measured. The organization's goals are directly linked to achieving its mission. The organization solicits feedback and input from various stakeholders, including consumers, when developing and updating these strategic planning documents.				
<b>Culture &amp; Shared Values</b>	The common set of values and beliefs that are held by board, staff, management and stakeholders provide a shared purpose and positive direction for the organization and community.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	<b>TOTAL:</b>				

**Maximum Points:**      4                      0                      2

\*NOTE: This is an interactive PDF. Place and click your cursor within the required field to check boxes or type in the required information. Be sure to save your changes.



# Mission and Vision

- Mission is strong, clear and relevant
- Written vision is distributed and understood by staff and board
- Strategic Plan is clear, coherent and current
- Culture and shared values are held by board, staff, management and stakeholders for a positive direction



## NONPROFIT CAPACITY BUILDING INSTITUTE: **BOARD**

CAPACITY ELEMENT	BEST PRACTICE	YES	NO	IN PROCESS	COMMENT
Board Commitment	<p>Dynamic and involved board whose members are frequently the catalyst for the agency's vision and success. Board members provide strong and meaningful support and expertise to the entire organization. Board vacancies are rare and are quickly filled when they occur. Most Board members are engaged, regularly attend meetings and often provide valuable guidance. Board members understand and are committed to the long-term stewardship responsibilities, the organization's mission, by-laws, policies, programs, and their roles and responsibilities as board members. The board members bring real expertise to the agency. The Board meets regularly, operates with a quorum, and records minutes of all meetings. The Board regularly</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

# Board of Directors

- Board members are dynamic, committed and a catalyst for action
- Board committees are active and relevant- risk management?
- Board meetings adhere to proper rules of conduct, noticed and reported
- Board composition- all members are recognized experts in fields relevant to mission. Conflict of interest policy is intact
- Board members and ED act in synchronicity with leadership, information and actions
- Board positions work within clearly defined procedures



## NONPROFIT CAPACITY BUILDING INSTITUTE: **SYSTEMS AND INFRASTRUCTURE**

CAPACITY ELEMENT	BEST PRACTICE	YES	NO	IN PROCESS	COMMENT
Technology Infrastructure	The organization's IT Team has access to latest technological advances. Technology equipment and programs are up to date, in place, and operational. System costs are frequently evaluated.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Technological Expertise	The IT department is fully staffed and available to keep systems operational. Staff are extremely skilled in all operating programs, computer literate, and able to operate systems and equipment relevant to their position. The organization provides additional or advanced training for database management and technology.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Database Management	The database systems in place perform basic and complex analysis. All software is licensed.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	





# Systems and Infrastructure

- Technology infrastructure is current and in operation.
- IT Department is fully staffed and available to keep systems operational
- Database Management – Systems perform basic and complex routines. Cyber security is a high priority
- Files and records are accessible and stored according to privacy protocols

## NONPROFIT CAPACITY BUILDING INSTITUTE: **ASSET MANAGEMENT**

CAPACITY ELEMENT	BEST PRACTICE	YES	NO	IN PROCESS	COMMENT
Capital Needs	<p>The organization understands the importance of maintaining their assets by identifying capital needs through an annual assessment. Funding for short term items is readily available through the budgeting process and a capital reserve account is regularly funded to address long term issues. The organization properly funds reserve accounts as required by funding agreements or other policies. There is an up-to-date written capital expenditures plan and a process for identifying capital needs. Policies related to capital needs are reviewed regularly by the Board and Senior Management to ensure cost effectiveness. As part of capital needs assessment, mitigation options are reviewed to ensure property protection and premium discounts.</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

# Asset Management

- **Capital needs** are assessed annually with appropriate reserves
- **Portfolio** properties are satisfactorily leased and in compliance
- **Insurance:** rigorous evaluation of coverage annually to ensure maximum protection. Policies and certificates are current and accessible. Appropriate coverages are in place.
- **Property Performance** is assessed monthly to identify issues; Annual evaluation of current market conditions; positive cash flow. Maintenance staff are qualified, professional and prompt.
- **Keep Safe Tools are Deployed! Building and Tenants**



## NONPROFIT CAPACITY BUILDING INSTITUTE: **PROGRAM MANAGEMENT**

CAPACITY ELEMENT	BEST PRACTICE	YES	NO	IN PROCESS	COMMENT
Policies and Procedures	<p>Excellent policies and procedures are in place and are regularly reviewed for efficiency, effectiveness, relevance, and are periodically updated to support funder requirements, best practices, and programmatic changes. The organization has developed and implemented clear and concise written policies and procedures for programs and are frequently referred to by staff. The organization has an Operations Manual containing policies and procedures manual or other program operating documents for most or all programs.</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

# Program Management

- Programs must be sustainable, valuable, and advance the nonprofit's mission.
- At times (like during a pandemic or hurricane), it is important to:
  - Discontinue existing ineffective and/or unprofitable programs
  - Launch new more effective and/or profitable programs
- Consider using an Impact/Profitability Matrix to evaluate programs



# Impact/Profitability Matrix

High Impact  
Low Profitability



High Impact  
High Profitability

Low Impact  
Low Profitability



Low Impact  
High Profitability

# Program Performance Measures

- Ensure that each program has explicit outcome measures that are tracked and reported regularly.



# Program Dashboard Example

Measure	Target	12 months ago	Current
Occupancy rate in rental units	90%	75% 	95% 
% HB Class attendees that purchased homes within 6 months of attendance	75%	35% 	50% 
% construction completed on new 18-unit townhome development	75%	N/A	85% 





## NONPROFIT CAPACITY BUILDING INSTITUTE: **FINANCIAL**

CAPACITY ELEMENT	BEST PRACTICE	YES	NO	IN PROCESS	COMMENT
Policies and Procedures	The organization always adheres to excellent and professional financial management policies and procedures ensuring extremely low potential for mismanagement. Cash flow is actively monitored and evaluated. The organization has adopted strong practices to manage the organization's finances and has and adheres to written fiscal policies.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Financial Management & Reporting	The organization has strong systems and controls in place to routinely scrutinize fiscal information. Reporting is used as a tool to evaluate organizational strength and identify areas for improvement. The organization has defined accounting practices that includes cash flow monitoring and evaluation according to the	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

# Financial Capacity

- Policies and Procedures are in place
- Strong Financial systems and controls to monitor cash flow
- Budgeting is integrated into all operations; staff are accountable for variations; Budget is scrutinized by the Treasurer
- Revenue sources are broad
- Diversity of funding sources



# Examples of Important Financial Statement Ratios

Ratio	Computation	Target Range	Notes
Current Ratio	Current Assets / Current Liabilities	At least 1.0	Generally, higher the better
Debt Ratio	Total Liabilities / Total Unrestricted Net Assets	Below 2.0	Generally, lower the better
Asset to Debt Ratio	Total Assets / Total Liabilities	At least 3.0	Generally, higher the better
Financial Distress Prediction Ratio	Total Net Assets / Total Revenue	At least 0.5	Generally, higher the better
Efficiency Ratio	Program Service Expenses / Total Expenses	75% - 85%	Generally, higher the better but should not exceed 90%
Dependency Ratio	Revenue from Specific Source / Total Revenue	Depends on funder	Generally, lower is better



# Enrollment in NPCBI Best Practices for Nonprofit Housing Developers

- ✓ Industry best practices and principles for successful nonprofit management
- ✓ Implementation of the applied knowledge will position your nonprofit for excellence in affordable housing development.

FHC Contact: [jones@flhousing.org](mailto:jones@flhousing.org)

<https://flhousingcoalition.thinkific.com/courses/best-practices-for-nonprofit-housing-developers>

