

DEVELOPING A COMMITTEE TO HELP WITH FINANCIAL SUSTAINABILITY

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Most of us, in our personal lives, have experienced the headache of trying to pay our bills when the checkbook is dry, or making that small paycheck go a long way. We wonder how we will pay for Kim's braces and a new transmission; and we try to decide if we should cash in a CD or just eat spaghetti all month.

Financial difficulties, unfortunately, are often part of our organizational lives as well. If your group is like many community organizations, finding the money to reach your goals is a constant struggle. Do we cut staff or programs? What will we do when the grant ends? Where else can we get support?

Fortunately, at work, at least, you don't have to be alone dealing with your financial woes. Others are there who can take care of the money, so that other members of the organization can breathe easier and focus on the work they were hired to do, such as increase immunizations, fight the death penalty, or clean the environment. The people who can help manage your finances may be on the Board of Directors, hired grant writers, or - our suggestion - *members of your financial sustainability committee*.

WHAT IS A FINANCIAL SUSTAINABILITY COMMITTEE?

What do we mean by a financial sustainability committee? In simplest terms, it is a group that helps you raise money or obtain goods for your project. Generally, such a group is made up of people in your community that have, or can get money or goods. People who have experience dealing with legal or financial issues, such as lawyers and accountants, may also be members. That's because they can help you with the many legal issues that can affect you financially, such as becoming tax exempt.

"Wait a second," you might think, "these people are already represented on our Board of Directors." If so, fantastic - you probably don't need to form another committee. Or the financial sustainability committee you create might be a subgroup of the Board. These possibilities are especially likely for smaller organizations.

WHY SHOULD YOU DEVELOP A FINANCIAL SUSTAINABILITY COMMITTEE?

Although for some organizations such a committee may be unnecessary, for many organizations, it can be a very good idea.

A financial sustainability committee can:

- **Help get resources to help your organization survive** - and thrive
- **Ease the transition from one source of funding to another**, such as at the end of a grant period
- **Help find money or goods from many different sources** - a financial committee that has members with many connections will help lead to a diverse funding base for your organization, which is one of the most effective ways to ensure sustainability.
- **Meet some funders' requirements** - sometimes, the existence of a committee for financial sustainability is a requirement for receiving a grant.
- **Allow members of your group to focus their time and energy on the jobs they were hired for.** Too often, members of organization spend so much time trying to find resources for the organization they are unable to spend time doing what they were hired to do. A community mobilizer may spend all of his time mobilizing the community around the need for money to keep the organization going, instead of the real issue of child hunger. for example. By having a committee of experts taking care of the finances, you allow the mobilizer to do what he knows best, not something he (potentially) knows little about.

WHEN SHOULD YOU DEVELOP A FINANCIAL SUSTAINABILITY COMMITTEE?

So, when is the right time to develop a financial sustainability committee? Ideally, the committee should be formed during the first year of your project.

Remember: It's never too early to start thinking about sustainability. Many groups start thinking about it when their grant is almost out - and find themselves out of luck as well.

For established groups, other good times to form a financial sustainability committee include:

- When future funding is uncertain for your organization
- When your group does not have all the resources it needs to carry out desired activities

WHEN SHOULDN'T YOU DEVELOP A FINANCIAL SUSTAINABILITY COMMITTEE?

Despite all of the advantages, there are times when forming such a committee isn't necessarily a good idea, times when your "person power" can be better used elsewhere, such as:

- **When your organization has a guaranteed**, continuous influx of resources
- **When the resources coming in to your organization** cover all desired goals

- **When your organization was developed as a short-term** organization, and has no plans to remain active in the future
- **When members of the Board of Directors** are already doing the work that would be done by a financial sustainability committee

HOW DO YOU DEVELOP A FINANCIAL SUSTAINABILITY COMMITTEE?

So, if you have decided that now is the time - that you're going to create a financial sustainability committee - how do you do it? The following steps will take you through the process.

BRAINSTORM POSSIBLE COMMITTEE MEMBERS

First, think about the people in your community who might be helpful:

- *Who has access to resources, or knows how to get that access?*

For example, bankers, lawyers, the Chamber of Commerce, and business owners probably know how to get money in your community. You may already have people representing these groups on your Board or staff, or as members of your coalition. If not, who among these groups might be interested in your project and think your goals are important? Write down a list of the possibilities.

- *Who knows about the laws that might affect you? Are there lawyers, judges, accountants, or elected officials in your community you believe might be sympathetic to your cause? Write them down!*
- *What parts of the community are not represented on your list? Your committee should be made up of people from different agencies or organizations, such as businesses, health organizations, and the local United Way. Having a diverse membership on your committee will help you ensure that your organization gathers resources from the widest variety of sources possible.*

DETERMINE HOW LARGE YOU WOULD LIKE THE COMMITTEE TO BE

Is there an approximate size that might be ideal for your group? There is no absolute "right" size; for some groups, a committee of five will work well; other groups may have 20 members. A lot will depend on the size, purpose, and goals of your organization. It will also depend on who the members of your committee are, and what they resources they can bring (if you have one person you know will raise a million dollars a year, then there's your committee!).

RECRUIT MEMBERS

Think about who among your staff, family, or friends knows the people on your list. Ask them to invite the people on your list to be part of your committee. Using personal or professional connections is one of the best ways to involve people.

If there are people in town who you would like to be on the committee with whom you don't have any connections, don't give up! You can still ask for help - after all, you have nothing to lose! The request

should be made by the organization director or by a member of your organization who is powerful in the community. For example, if a state representative serves on your Board of Directors, don't hesitate to ask her to make the request.

If, while brainstorming, you have come up with many more potential members than necessary (and you should - some people will always decline your invitation), you might consider asking people in tiers. That is, ask the people you want most first, then others. Let people know that you are interested in their ideas, and that this does not have to take a lot of time.

SET A DATE FOR THE FIRST MEETING

Let people know where and when the meeting will take place with a postcard or phone call. If more than a week or two passes before the meeting takes place, you might send out a reminder!

TAKE CARE OF THE LOGISTICS FOR THE FIRST MEETING

Make sure the room where you will be meeting is open (don't forget the key!), accessible, and has the equipment you need, such as a projector.

Consider the tone the meeting will set. Remember, you will be asking these people to go raise money for you - that's a pretty large request. How do you want to handle these relationships?

One example is a director of a teen pregnancy prevention project in the Midwest, who opted to treat the members of her financial sustainability committee more as friends than as business associates. Their meetings were held as luncheons, and although business was discussed and material was presented professionally, she made an effort to keep the luncheons casual, friendly, and enjoyable. The result? The group worked well and productively together, opening doors and obtaining resources the project never could have gotten otherwise. It's always a good idea to have a plan for how the first meeting, and the committee interactions overall, will be conducted, because everyone else will be taking their cues from you!

Additionally, you'll probably want to have the following materials ready to give committee members:

- General organizational information (e.g., the group's history and membership information)
- Your goals and successes
- Why the project should be maintained
- Your operating budget
- A list of current and former funders and donations with contact persons, phone numbers and addresses
- Other information you find relevant
- Any marketing materials you have created, such as posters or brochures. This is important because it lets committee members know what materials they have to work with right now.

These materials help people on your committee know what your project is about, what you have done, why it is important, and what your needs are. They can use this information when getting money and in-kind donations for your organization. You might even want to have all of these materials together in Retrieved from <http://ctb.ku.edu/en/table-of-contents>.

a folder that your committee members can take with them and refer to on an as-needed basis. If you have more than five pages, consider color-coding the sheets for easy access.

For example, financial information might go on green paper, general organization information on blue, and marketing on yellow.

HOLD THE FIRST MEETING

You may want to have the following items on the agenda:

- Introductions of committee members and project staff
- A description of the project
- A description of the project's needs
- An explanation of what you would like members to do, which might mean:
 - Asking everyone to think about the types of resources available in the community and how they can be used
 - Asking everyone to think about different ways of getting money and in-kind donations from different parts of the community
 - Putting all the ideas into a plan and decide who will do what by when
- A discussion of how often and when the committee will meet. The committee should meet regularly, but not so often that the time commitment becomes overwhelming. Many such groups will meet every other month.
- A discussion of training for those who will be asking for resources, if any such training has been planned. Although members of the committee are usually chosen for their expertise in such matters, this is often not the case for staff members who might also be active in obtaining resources. If your staff will be given specific training on how to approach donors, let members of the committee know about it. This can serve to reinforce the methods you would encourage them to use, as well as to help keep communication clear throughout the group.
- Task assignment. Give each person something to do before the next meeting! It's very important to maintain momentum at this point, and to be sure that members don't go home and forget what was discussed. The best way to do this is to give them something tangible to do to keep them focused.

For example, you might ask each of them to call or speak with three potential donors before the next meeting.

CONGRATULATE YOURSELF FOR COMPLETING THE FIRST MEETING!

You've accomplished a lot of good work already. Now, it's time for follow through. Begin to carry out any actions the committee has planned.

CONTINUE HOLDING REGULAR MEETINGS

At each meeting:

- Discuss each member's successes and challenges getting money or goods for the project or organization
- Distribute a list of all the contributions you get, including goods such as equipment or supplies
- Continue to discuss other things the project needs and ways to get them

MAINTAINING A FINANCIAL SUSTAINABILITY COMMITTEE

KEEPING THE ENERGY UP AFTER THINGS GET GOING CAN BE HARD TO DO, BUT THESE TIPS CAN HELP:

- **Hold meetings on a regular basis, such as every other month.** This helps keep everyone on track and updated about the project. Also, remind members of upcoming meeting dates. One coalition coordinator we know sends out the next meeting time with the minutes from the last meeting. She then sends a Day-Glo postcard as a reminder a week before the meeting. Then, she follows up again with a phone call from her administrative assistant the day before! Although she doesn't really enjoy having to constantly remind members, she's found that this is what works best for her organization.
- **Ask members to talk about what they have done for the project during committee meetings.** This helps make sure that they will do something before the meeting so they have something to talk about. You might want to hand out a donor request form such as the one found in Tools, so members will have all of the important information in front of themselves at meetings.
- **Thank members when they help get money or goods for the project, and thank them for their effort when things don't pan out.** It's human nature to want to feel valued - always let your volunteers know you appreciate what they are doing. Remember, too, to thank people publicly, not just in private.
- **Send a thank you note to the people who give the project money or goods.** This will help encourage them to give even more, and make your financial committee that much more effective.

IN SUMMARY

Many of us are hesitant to form yet *another* committee and ask community or organization members for more of their time. It's particularly difficult for many of us to ask for money or help in getting it. Always remember, though, that you're not asking for you, you're asking on behalf of a cause you believe in. By forming a financial sustainability committee, you develop a group of professionals who believe in your group and who can save you a lot of time and energy by handling the monetary challenges. And by working carefully with these experts, your organization could continue working for a long time to come.