



Clearinghouse for Volunteer Accounting Services

a California Public Benefit Corporation

Fall 2003



The Glass Menagerie

...a message from Paul Glass, President of CVAS

What would fall be without back-to-school sales, Labor Day barbeques and hot tips and tricks for non-profits? What was that last one?

That's right. In this issue, our staff has endeavored to provide the non-profit community with articles of interest regarding the operations of their organizations.

As we at CVAS have expanded both our mission and our staff, we have also expanded our knowledge of success factors for non-profits. While some of these topics may not be new to you, we felt a review of these topics might provide some thought-provoking fodder for the fall.

In addition to welcoming new CVAS members in this issue, CVAS has:

- provided a simple blueprint for creating a basic business plan which will work for any organization
- interviewed local accounting professionals with the 5 most important questions a non-profit should ask their accountant
- written a charming, heart-warming story about Kids With a Cause

On tap for our next issue, which will be delivered exclusively via e-mail as a PDF enclosure, are tips for more effectively utilizing the web for non-profits. Check your e-mail for that issue, in December, just in time for your holiday reading.

As with any nonprofit organization, in addition to volunteers, we are in need of financial support. If your schedule doesn't allow you to dedicate your time or talents, perhaps a monetary contribution will allow you or the organizations you represent, to help CVAS continue its work. Checks can be sent directly to **CVAS at 920 Hampshire Road, #A-29, Westlake Village, CA 91361**, or we are able to accept donations *on-line* at www.cvas-usa.org using American Express, Discover, Mastercard, or Visa, via our secure Web site connection. Remember, Clearinghouse for Volunteer Accounting Services is a 501(c)(3) nonprofit corporation, so your donation is tax deductible. We are grateful for any and all support.

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CVAS Welcomes New Members

by Kelly Ablinger, CVAS Program Administrator

"We get to make a living, we give to make a life."

- Winston Churchill

Each and every day finds us pulled in many directions with life's little challenges. With fall upon us, chances are this includes getting kids off to school in the morning, sports practice in the afternoon with the requisite endless weekend games, sprinkled with fall fundraisers and social events. And of course, who could miss the Fall Baseball Classic and the ever present Sunday NFL season!

In spite of all of this activity, CVAS has managed to acquire some new nonprofits needing help, financial specialists volunteering services and a new match!

Some recent nonprofit registrants needing help:

- Texas Jack Association (North Carolina)
<http://www.texasjack.org/>
- Little Lights Urban Ministries (Washington D.C.)
<http://www.littlelights.org/>
- Maryland Community Connection (Maryland)

CVAS welcomes the opportunity to assist you in finding the best CPA for your needs.

Additionally, CVAS recognizes those volunteers who have just registered and are eager to be matched with an NPO needing assistance. CVAS welcomes:

- Steven Berkowitz
- George Ghitsa
- Uma Basso

And welcome to our latest match:

- Janine Pendley with Sustain of Washington, D.C.

If you haven't already registered as a volunteer or an NPO, please do so at:

www.cvas-usa.org

It is important for you to register with CVAS through our web site for us to properly evaluate our services and resource allocation. We request that your match is made through our services to help us ensure everyone is working toward the CVAS goal of matching. These matching statistics are critical to CVAS for resource management and budgeting purposes.





Essential Elements For Creating a Basic Business Plan

LeAnn Walters

Business Process Solutions, LLC

I recently retired at the age of 46. Many people were envious of my ability to do so. What I tell any who ask is, you must have a plan. I did not whimsically walk in one day and say to my manager, "I retire." I did so only after careful and thoughtful planning with the guidance of professional Financial Planners.

Other than an unusual event occurring in your life, like winning the lottery, would you voluntarily quit your job without assessing your ability to provide for yourself both in the short and long term? If your answer is "probably not", then why would you expect your organization to be successful without such a plan?

A really good financial planner starts creating a plan for their children while they are still in the womb. Some people wait until they are in their 20s or 30s to create a financial plan. Some people never create a plan and therefore never are able to really retire comfortably. The earlier in life one creates a plan, the greater the probability for achieving the targeted success. However, even a plan created later in life increases the probability of success.

The same is true for an organization. Ideally, when one starts an organization, he or she creates a business plan as a road map to success. However, more often than not, it seems that an event occurs that forces a business that is already on-going to create a plan. Frequently, the demand for a plan occurs when an outside financial entity (e.g. a bank, a relative, charitable donor) is being asked to invest in the business expansion or as staff grows and the need to communicate the roadmap increases. In any case, just as the individual's financial goals are more likely to be met the earlier a plan is created, the same is true of your organization. As is also true in both cases, the organization will benefit from creating a plan whether it is at the outset of the business or at some point when the organization is already functioning.

What follows is a blueprint of the four essential elements for creating a basic business plan to help your organization achieve its goals.

The plan must be:

- Simple – easy to understand, communicate and act upon
- Specific – the plan has to have measurable objectives
- Realistic – realistic, achievable goals and timelines are the guideposts
- Complete – records all requirements that need to be met to be successful

Simple –

There is a temptation to become overly wordy and esoteric when writing a plan. In this day and age of overload and instant information, your investors (donors) don't have a lot of time or patience to read through a myriad of words. Keep it simple. If you have a friend or someone on your staff who is a good editor, don't be shy to ask them to review and improve upon your writing.

Specific –

This may be the most important element. Specific goals with measurable results must be written. The temptation to utilize

wording such as "To be the global leader in the non-profit sector" must be resisted. There is no way to measure this goal. However, "To solicit funding from 4 major donor organizations with a goal of \$10,000 in donations in Quarter 1" is easily measured. Did you solicit four major donors and did you get \$10,000 in donations in the first quarter? Was this comprised of two donations of \$5,000 or one of \$10,000? Measure your actual results to your objective. Once measured and analyzed, the result creates the groundwork for your benchmarking and will help further define and direct your fund-raising efforts.

Realistic –

Of the above four essential elements, I believe creating realistic goals is the most challenging. It is tempting to have a first year goal of a million dollar a year budget, but reality must kick in and maybe you can really only expect \$50,000. If that's the reality, work with it. The million dollar a year goal may be tantalizing, but the inability to achieve it in the defined timeframe will be demoralizing. However, a million dollar a year budget may be attainable if you alter the timeframe to achieve it to 5 years instead of 1.

Complete -

The more complete the plan, the easier it is to execute it. It is virtually impossible to include every single task that must be in a business plan. However, if you start at the higher level goal and think through the tasks that need to be accomplished to reach that goal, your plan will be fairly complete. Execution of the tasks, in the proper sequence, increases the likelihood that the higher level goal will be met.

One thing that I personally believe to be true is that a plan is a living document. A business plan is a document that needs to be reviewed and revised as the business climate changes. Nothing in my lifetime has shown how events can create change more than 9/11. Businesses related to the transportation industry were especially hard-hit, yet through flexibility in their business plan, most survived and eventually will thrive again. Even non-profits were affected by this event according a recent survey by my alma mater "The majority of donors who have spent more time giving online in the past two years compared to traditional means of giving said they have done so because of the effects of Sept.11, 2001."¹

In conclusion, creating a business plan which addresses the four basic elements listed above increases your organization's potential for success. There are software packages, such as Business Plan Pro, which provide easily customized/modified electronic templates to help with this exercise, as well as books on business planning available from bookstores and libraries. Also, if you are lucky enough to have a university nearby, you may be able to tap into willing and inexpensive resources (i.e. MBA candidates) through its business school.

And, if you really get ambitious, maybe you can use these tips to achieve early retirement too!

1. Published by the AAFRC Trust for Philanthropy and researched and written by the Center on Philanthropy at Indiana University. (for more complete information navigate to: http://www.afpnet.org/tier3_cd.cfm?folder_id=1805&content_item_id=13171)

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