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Sample Nonprofit Business Plan



Executive Summary

Let Children Prosper is a nonprofit organization that provides educational resources to low-income families in the New Orleans, LA community. The organization was founded in response to the high school dropout rate in the city, which is disproportionately high among low-income students. Let Children Prosper's goal is to help these students stay in school and graduate with the skills they need to succeed in life.

Organization Overview

Let Children Prosper was founded in 2014 by Jamal Brown and Latonya Williams. The organization is a 501(c)(3) nonprofit and operates out of New Orleans, LA. Let Children Prosper's mission is to provide educational resources to low-income families in order to help their children succeed in school and beyond.

Mission Statement

Our nonprofit's mission is to provide educational resources to low-income families so their children can stay in school and graduate with the skills they need to succeed. Let Children Prosper believes that education is the key to breaking the cycle of poverty and helping low-income individuals and their families achieve economic security.

Vision Statement

Our nonprofit aims to expand our presence throughout New Orleans, LA by securing funding from both public and private sources. We also hope to reach schools throughout Louisiana and other states.

Products, Programs, and Services

Our nonprofit's vision is to provide educational resources to low-income families with children who are at risk of dropping out of school due to a lack of resources.

Our nonprofit works to equip these students with the skills necessary for achieving economic security, which makes them more likely to graduate high school and attend college or vocational school.

We aim for our nonprofit's services to be accessible throughout New Orleans, LA as well as schools across Louisiana and other states so that we can reach as many families in need as possible.

We hope that by offering free programs such as financial literacy classes and workforce development services, Let Children Prosper will help break the cycle of poverty by equipping low-income individuals with the skills needed for achieving economic stability. Listed below are some of our nonprofit's core programs.

- **Financial Literacy Classes:** These classes provide essential information about financial planning and budgeting so that families can make sound financial decisions for their children's education and future.
- **Workforce Development Services:** These services help prepare individuals for careers by teaching them essential skills such as resume writing, interviewing techniques, and job search strategies.

Market Analysis

Our nonprofit's target audience is low-income families with children who are at risk of failing school due to a lack of educational resources.

According to the National Center for Children in Poverty, "Although poverty rates declined during the 1990s, they remain high; 21 percent of American children under age 18 (16 million) were poor in 2010, compared to 18 percent (15 million) before the recession" (NCCP).

Let Children Prosper offers several core programs that provide resources such as financial literacy classes and workforce development services which our target audience needs to help them through difficult times and equip them with skills necessary for achieving economic security.

A study conducted by Tulane University reports that students living in New Orleans, LA are three times more likely to drop out of school than other students in Louisiana and the rates of high school dropouts among students living in poverty are approximately seven times as high as those living above poverty (Tulane University).

Given these alarming statistics, it is evident that our nonprofit is much needed in the area.

Customer Analysis

Our nonprofit's customers are low-income families who have children who are at risk of dropping out of school.

These families may not have access to essential resources that their children need in order to stay in school and graduate.

Let Children Prosper offers financial literacy classes and workforce development services that can help these students achieve economic security and break the cycle of poverty.

The table below shows data from a study conducted by Tulane University which illustrates that there is a significant need for our nonprofit's services.

Race/Ethnicity	% of Population Living in Poverty	Number of Low-Income Children	% of All Children Living in Poverty
African American	57%	107,000	71%
Hispanic	34%	47,000	30%
Caucasian	9%	16,000	10%
Asian	3%	4,000	3%
Native American	1%	1,600	1%
TOTAL	100%	181,000	100%

Source: Tulane University

The table above shows that there is a significant need for our nonprofit's services among low-income families who are of different races and ethnicities.

For example, the percentage of African American children living in poverty is 71%, which is significantly higher than the percentage of Caucasian children living in poverty (10%).

This data illustrates that our nonprofit reaches a wide variety of people who are in need and provides them with essential resources that they may not have access to otherwise.

Marketing Strategy

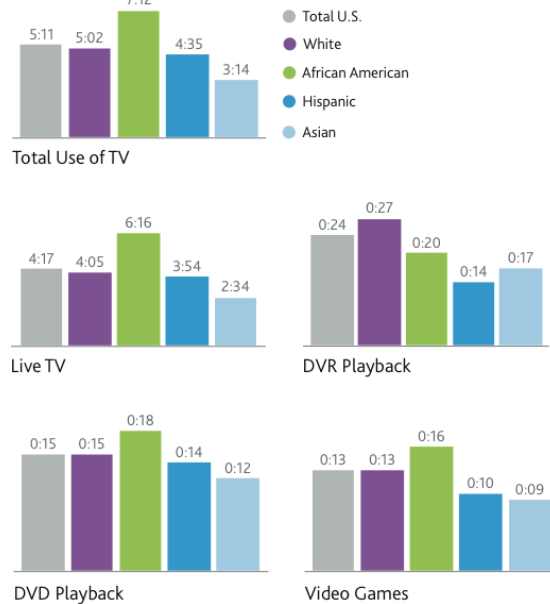
Our marketing strategy will include the use of print, radio, and television advertisements as well as social media platforms such as Facebook and Twitter.

We will also distribute flyers and brochures in local schools, community centers, and churches.

Lastly, we will host information sessions and workshops to provide more detail about our nonprofit's programs.

The table below shows data from a study conducted by Nielsen which illustrates that African American families are more likely to watch television than Hispanic and Caucasian families.

Total Day TV and Peripheral Usage by Race and Origin
(Daily HH:MM)



Source: The Nielsen Company. Based on Live Stream for Persons 18-49 during November 2010.

Source: Nielsen

This data indicates that Let Children Prosper should focus on running television advertisements since this is the most effective way to reach our target audience.

We should also consider running radio advertisements, as African American and Hispanic families are more likely to listen to the radio than Caucasian families.

Lastly, we should focus on using social media platforms such as Facebook and Twitter to reach our target audience.

Operations Plan

Let Children Prosper is a nonprofit organization that offers workforce development services and financial literacy classes to low-income families who have children at risk of dropping out of school.

The organization's day-to-day operations will include providing these services to the target audience.

Staffing

Let Children Prosper will be staffed by a team of experienced professionals who are passionate about helping low-income families break the cycle of poverty.

Facilities

Let Children Prosper will operate out of a facility that is located in a low-income area. This facility will be equipped with the necessary resources to provide our services.

Supplies

Let Children Prosper will need to purchase supplies in order to provide workforce development services and financial literacy classes.

Goals & Initiatives

Our nonprofit has three primary goals which we will focus our efforts on achieving in the 20XX fiscal year:

- Goal 1: To provide quality educational programming and services to students in need.
- Goal 2: To increase the academic success of students in our programs.
- Goal 3: To secure funding to support our programs and services.

To achieve our goals, we will undertake the following initiatives:

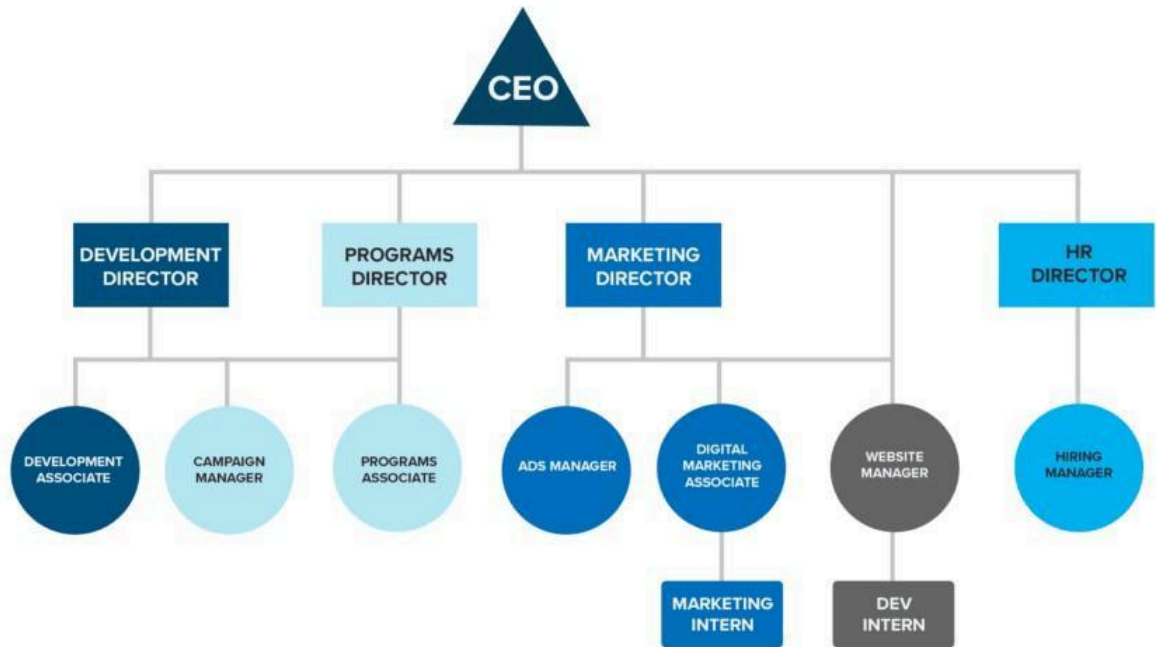
- Initiative 1: Expand our tutoring and case management programs to serve more students.
- Initiative 2: Conduct research on best practices in nonprofit education and implement these practices in our programming.
- Initiative 3: Hold fundraising events and seek corporate sponsorships to generate revenue for our nonprofit.
- Initiative 4: Increase the visibility of our nonprofit through marketing and communications efforts.

Management Team

Let Children Prosper will be operated by a staff of five people who will be responsible for managing the nonprofit's programs and services.

Let Children Prosper's organizational structure can be seen below:

CROSS-FUNCTION ORG CHART



credit: wholewhale.com

The nonprofit will be overseen by a Board of Directors, which will consist of community leaders and volunteers.

The nonprofit's Director and Program Manager will work closely with the nonprofit's Board of Directors to monitor our nonprofit's progress and evaluate the effectiveness of our programs.

Our nonprofit will also hire tutors and case managers who will provide individualized attention to students in need which are vital for their academic success.

Sue Smith is the nonprofit's Director and Program Manager. She has over 10 years of experience working with nonprofit organizations, and she has a degree in Sociology from Tulane University.

George Brown is the nonprofit's Program Manager. He has over 5 years of experience working with nonprofit organizations, and he has a degree in Business Administration from Southern Methodist University.

Caitlin Moore is the nonprofit's Development Director. She has over 7 years of experience working in nonprofit development, and she has a degree in Psychology from Tulane University.

Jessica Doe is the nonprofit's Fundraising Coordinator. She has over 5 years of experience working in nonprofit fundraising, and she has a degree in Communication Studies from the University of Texas at Austin.

Lisa Davis is the nonprofit's Marketing & Communications Specialist. She has over 10 years of experience working in nonprofit marketing and communications, and she has a degree in Journalism from the University of Texas at Austin.

Board of Directors:

Kelly Johnson is the nonprofit's Board Chairperson. She is a community leader and business owner who has over 20 years of experience working in the nonprofit sector.

John Doe is the nonprofit's Board Vice-Chairperson. He is a community leader and business owner who has over 20 years of experience working in the nonprofit sector.

Mary Smith is the nonprofit's Board Treasurer. She is a community volunteer who has over 10 years of experience working in the nonprofit sector.

Sam Smith is the nonprofit's Board Secretary. He is a community volunteer who has over 10 years of experience working in the nonprofit sector.

Let Children Prosper's nonprofit board of directors has a combined 20 years of experience working in nonprofit leadership and management.

Over the course of Let Children Prosper's first year of operations, we expect that the nonprofit will need to hire tutors and case managers as well as new volunteers to help with fundraising efforts; however, these positions will not be included in our nonprofit's budget for 20XX.

Financial Plan

Our nonprofit is a 501(c)(3) nonprofit organization and relies on donations from individuals, businesses, and other organizations to fund our programs and services.

In order to continue providing our essential programs and services, we need to secure funding from both public and private sources.

Some of the ways in which we hope to secure this funding include applying for grants, holding fundraising events, and seeking corporate sponsorships.

Income Statement

Our nonprofit's income statement is shown below:

		20XX	20XX	20XX	20XX	20XX
Revenues						
	Product/Service A	\$151,200	\$333,396	\$367,569	\$405,245	\$446,783
	Product/Service B	\$100,800	\$222,264	\$245,046	\$270,163	\$297,855
	Total Revenues	\$252,000	\$555,660	\$612,615	\$675,408	\$744,638
Expenses & Costs						
	Cost of goods sold	\$57,960	\$122,245	\$122,523	\$128,328	\$134,035
	Lease	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229
	Marketing	\$20,000	\$25,000	\$25,000	\$25,000	\$25,000
	Salaries	\$133,890	\$204,030	\$224,943	\$236,190	\$248,000
	Other Expenses	\$3,500	\$4,000	\$4,500	\$5,000	\$5,500
	Total Expenses & Costs	\$271,850	\$412,775	\$435,504	\$454,131	\$473,263
EBITDA		-\$19,850	\$142,885	\$177,112	\$221,277	\$271,374
	Depreciation	\$36,960	\$36,960	\$36,960	\$36,960	\$36,960
EBIT		-\$56,810	\$105,925	\$140,152	\$184,317	\$234,414
	Interest	\$23,621	\$20,668	\$17,716	\$14,763	\$11,810
PRETAX INCOME		-\$80,431	\$85,257	\$122,436	\$169,554	\$222,604
	Net Operating Loss	-\$80,431	-\$80,431	\$0	\$0	\$0
	Income Tax Expense	\$0	\$1,689	\$42,853	\$59,344	\$77,911
NET INCOME		-\$80,431	\$83,568	\$79,583	\$110,210	\$144,693
Net Profit Margin (%)		-	15.00%	13.00%	16.30%	19.40%

As a result of our net income of \$83,568 in Year 2, we will be able to continue providing our essential programs and services to the community.

Balance Sheet

Our nonprofit's balance sheet is shown below:

	20XX	20XX	20XX	20XX	20XX
ASSETS					
Cash	\$16,710	\$90,188	\$158,957	\$258,570	\$392,389
Accounts receivable	\$0	\$0	\$0	\$0	\$0
Inventory	\$21,000	\$23,153	\$25,526	\$28,142	\$31,027
Total Current Assets	\$37,710	\$113,340	\$184,482	\$286,712	\$423,416
Fixed assets	\$246,450	\$246,450	\$246,450	\$246,450	\$246,450
Depreciation	\$36,960	\$73,920	\$110,880	\$147,840	\$184,800
Net fixed assets	\$209,490	\$172,530	\$135,570	\$98,610	\$61,650
TOTAL ASSETS	\$247,200	\$285,870	\$320,052	\$385,322	\$485,066
LIABILITIES & EQUITY					
Debt	\$317,971	\$272,546	\$227,122	\$181,698	\$136,273
Accounts payable	\$9,660	\$10,187	\$10,210	\$10,694	\$11,170
Total Liabilities	\$327,631	\$282,733	\$237,332	\$192,391	\$147,443
Share Capital	\$0	\$0	\$0	\$0	\$0
Retained earnings	-\$80,431	\$3,137	\$82,720	\$192,930	\$337,623
Total Equity	-\$80,431	\$3,137	\$82,720	\$192,930	\$337,623
TOTAL LIABILITIES & EQUITY	\$247,200	\$285,870	\$320,052	\$385,322	\$485,066

The nonprofit's net assets will increase by \$35,000 as a result of our income statement.

Cash Flow Statement

Our nonprofit's cash flow statement is shown below:

	20XX	20XX	20XX	20XX	20XX
CASH FLOW FROM OPERATIONS					
Net Income (Loss)	-\$80,431	\$83,568	\$79,583	\$110,210	\$144,693
Change in working capital	-\$11,340	-\$1,625	-\$2,350	-\$2,133	-\$2,409
Depreciation	\$36,960	\$36,960	\$36,960	\$36,960	\$36,960
Net Cash Flow from Operations	-\$54,811	\$118,902	\$114,193	\$145,037	\$179,244
CASH FLOW FROM INVESTMENTS					
Investment	-\$246,450	\$0	\$0	\$0	\$0
Net Cash Flow from Investments	-\$246,450	\$0	\$0	\$0	\$0
CASH FLOW FROM FINANCING					
Cash from equity	\$0	\$0	\$0	\$0	\$0
Cash from debt	\$317,971	-\$45,424	-\$45,424	-\$45,424	-\$45,424
Net Cash Flow from Financing	\$317,971	-\$45,424	-\$45,424	-\$45,424	-\$45,424
SUMMARY					
Net Cash Flow	\$16,710	\$73,478	\$68,769	\$99,613	\$133,819
Cash at Beginning of Period	\$0	\$16,710	\$90,188	\$158,957	\$258,570
Cash at End of Period	\$16,710	\$90,188	\$158,957	\$258,570	\$392,389

The nonprofit's expected cash balance of \$90,188 will be used to continue providing our essential programs and services to the community.

For 20XX, we expect that most of our funds will come from private donations; however, we require some donations for our operating expenses. As a result, the nonprofit plans to apply for grants this year.

Additionally, the nonprofit is always looking for opportunities to expand its fundraising efforts with events or corporate sponsorships. The nonprofit has also begun looking into ways we can use social media to develop a stronger online presence and increase brand awareness.

Let Children Prosper is committed to transparency and accountability. We will be publishing our nonprofit's annual report on our website which will include a financial overview as well as program and service highlights.

Fundraising Strategy

The nonprofit plans to seek out individual donors as well as larger contributions from businesses and other organizations.

Our nonprofit relies on donations from individuals, businesses, and other organizations.

In order to continue providing our essential programs and services, we need to secure funding from both public and private sources. Some of the ways in which we hope to secure this funding include applying for grants, holding fundraising events, and seeking corporate sponsorships.

In order to generate more donations, we will be undertaking the following fundraising initiatives:

- Annual Appeal Letter: This letter will be sent to past donors in order to request contributions for our nonprofit's education programs.
- Social Media Campaign: We will create a social media campaign on various platforms such as Facebook, Twitter, and Instagram to promote our nonprofit's work and request donations from the public.
- Online Fundraising Page: We will create an online fundraising page where individuals can donate to our nonprofit.

As a nonprofit organization, we aim to engage in donor outreach and online fundraising through websites such as Facebook and PayPal. We also plan to create a nonprofit blog where individuals can stay informed about our mission and learn how they can become involved with Let Children Prosper.

We are also exploring the option of hosting an annual fundraiser that will feature live entertainment, food, drinks, and opportunities to interact with nonprofit representatives.

Our nonprofit's Board Treasurer is also a member of the Grants Coordinating Committee for the nonprofit's parent organization which has resources that may be useful in securing grant funds for Let Children Prosper. Additionally, the nonprofit will begin looking into using social media such as Facebook or Instagram to increase brand awareness and improve brand recognition among our target audience.

The nonprofit has also applied for membership in the National Association of Nonprofit Organizations & Executives which will provide access to additional resources and training related to nonprofit management and fundraising.



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