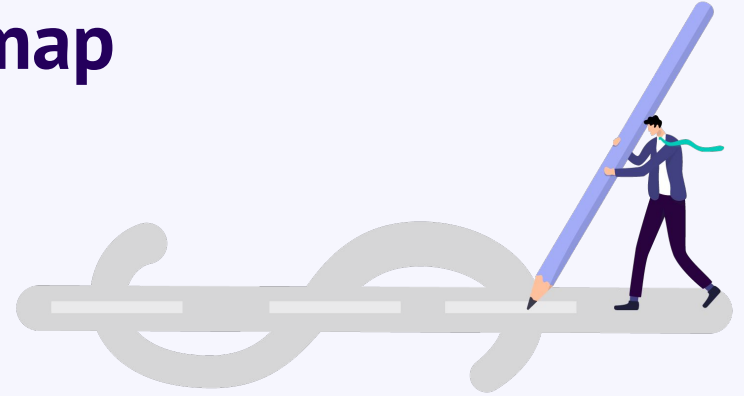


# Preparing Your Nonprofit's Finances for 2025: A Roadmap to Success

November 2024



Presented to you by:





## What You'll Learn

- Strategies to unlock unrestricted revenue opportunities
- How to manage flow-through agreements
- Conduct a proactive cost review to optimize for 2025
- Strengthen funder relationships with transparent, data-driven reports
- Modernize your financial operations with new technology





# Enkel

[en-kel] Adjective | Simple

**Co-founded by Omar Visram in 2016 with a simple problem in mind “*You can’t build a great organization without good books*”**

- 300 clients
- 100+ NPOs including many member-based associations and charities
- Financial operations support — bookkeeping, payroll, and more
- Financial Management support — CFO Advisory and Controllership

*Acknowledgement: Enkel would like to acknowledge that our offices are situated on the unceded traditional territories of the xʷməθkʷəy̓əm (Musqueam), Skwx̱ wú7mesh (Squamish), and səliwətaʔ (Tsleil-Waututh) Nations.*

# Today's Speaker



## **Omar Visram**

Enkel Founder and Head of Growth  
@ Enkel Backoffice Solutions





## Strategy #1: Increase your Unrestricted Revenue

## Polling Question:

How confident are you, on a scale of 1-5, that your revenues for the next fiscal year will meet or exceed this year's levels?

*(1 = not very confident, 5 = very confident and we should see strong growth)*



# STRATEGY #1: Increase Your Unrestricted Revenue



- Many organizations are well-funded but lack **unrestricted funding**.
- Q4 is the perfect time to make this happen (Giving Tuesday, Nov/Dec)
- Consider the following:
  - **Donations:** can help you mitigate this risk and rebalance your funding mix.
  - **Social Initiatives:** Professional development and galas can also be a great source of unrestricted funding.
  - **Grants:** Provincial gaming grants.



## Key Steps

1. Check your books to review your funding sources.
2. Plan and execute a well-structured campaign aimed at bolstering unrestricted funds.
3. Start now—don't miss the Q4 window to maximize donations.





## **Strategy #2: Reduce the Risk of Flow-Through Agreements**

An illustration on the left side of the slide shows two hands in dark blue suits. The top hand is holding a green banknote, and the bottom hand is open, palm up, as if receiving it. The background behind the hands is a light purple circle.

## STRATEGY #2: Reduce the Risk of Flow-Through Agreements

**Flow-Through Agreement:** When a Funder wants to fund a NPO that is not a charity, and involves a charity as a conduit for both cash and in-kind contributions.

- We're seeing these agreements become more commonplace with the NPOs we work with.
- These agreements are complex and can create compliance risks if mishandled.



## Key Steps



1. Be aware of any flow-through agreement opportunity.
2. Fully understand your risk and obligations before you engage.
3. Get expert advice—your finance/legal team and/or a fractional CFO can offer guidance and identify red flags or regulatory pitfalls.
4. Turn down situations where your organization may be off-side with laws/regulations.
5. Keep detailed records of every flow-through agreement to avoid any regulatory pitfalls.



## Strategy #3: Conduct a Thorough Cost Review for 2025

# Polling Question:

When was the last time your organization did a cost review?

*Never*

*We review costs every year*

*We haven't reviewed costs in over two years*

*We haven't reviewed costs in more than three years*





## STRATEGY #3: Conduct a Thorough Cost Review for 2025

- Many organizations fail to assess their cost structure annually, leading to inefficiencies.
- A strategic cost review can highlight opportunities for savings and operational improvements, and provide a clear picture of your financials in 2025.



# Key Steps

1. Conduct a cost review with your finance team and board.
2. Evaluate
  - a. Your largest operating expenses
  - b. Contracts that are due for renewal
  - c. Biggest cost buckets
  - d. Opportunities to consolidate, automate, or contain costs going into 2025
  - e. Recurring costs - review these thoroughly and ensure appropriate usage
3. Develop an improved budget for 2025.
4. Use real-time financial data to track and adjust cost-saving measures throughout the year.





## **STRATEGY #4: Engage Funders Early to Secure 2025 Support**





## STRATEGY #4: Engage Funders Early to Secure 2025 Support

- As political and economic environments shift, proactive communication with funders is critical.
- Early engagement ensures continued alignment with your mission and secures financial commitments.



# Key Steps



1. Schedule conversations with key funders before year-end:
  - a. Address their concerns
  - b. Confirm ongoing support
2. Make it your goal to understand their position:
  - a. What is important to each of your funders?
  - b. Does your mission and vision still align with theirs?
  - c. What are their organizational risks?
3. Share key data to demonstrate fiscal responsibility:
  - a. Share clear, transparent financial reports
  - b. Have good quality financials and a budget
  - c. Share your plans and the impact, but support it with numbers
4. Use these conversations to deepen relationships and ensure your vision still aligns with funders' priorities.
5. Stay on top of funder reporting. Delivering your funder reporting on time consistently can help you demonstrate financial stewardship.



## **STRATEGY #5: Audit and Optimize Your Financial Operations**

## Polling Question:

Would you say your accounting function is optimized?

*Yes - We use effective technology and have strong processes*

*Maybe - We're doing fairly well, but there's room for improvement*

*No - This is an area where we need to improve*





## STRATEGY #5: Audit and Optimize Your Financial Operations

- Many nonprofits have outdated or inefficient financial operations setup
- Automating workflows and migrating to more efficient tools can save time and reduce costs
- Year-end is the perfect time to assess and improve your financial systems



# Key Steps



1. Evaluate your current accounting system
  - a. What's slowing you down?
  - b. What reports/data is missing or hard to find?
2. NPOs specifically – consider switching to QuickBooks Online Advanced for 2025.
3. Identify and eliminate manual processes by integrating AI and automation into your back-office workflows.
4. Go fully paperless.
5. Work with your financial team to ensure a smooth transition to new systems.



## Q&A and Interactive Discussion



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[www.enkel.ca](http://www.enkel.ca)



[/Enkel-backoffice-solutions/](https://www.linkedin.com/company/enkel-backoffice-solutions/)

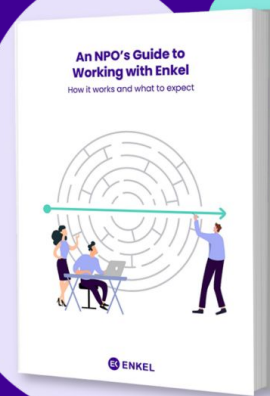


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## NPO Budgeting 101

<https://hubs.li/Q02WWdXz0>



## An NPO's Guide to Working with Enkel

<https://hubs.li/Q02WW5Jb0>