

NPO Report Part 3: Budget

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RGV Helping Hands Revisited

RGV (Rio Grande Valley) Helping Hands is a non-profit organization that I have found to be incredibly special based on their mission and values. This organization serves the region in South Texas known as Rio Grande Valley (covering most of the southern Texas border cities next to Mexico). This area has been heavily affected by natural disasters such as hurricanes and floods in the past and as such, the organization is often engaged in helping the community when in dire need. Additionally, their main goal is to help make houses ADA approved so that Americans with disabilities in need can have a better house that suits their needs. While the government does not help many of these Americans, the organization receives some grants from the government through which the government technically is helping the people who require that help. Furthermore, the local police department has a partnership with the organization as well to help them on all activities; this has been heavily promoted and as such, the police department and the city have received plenty of recognition for doing something they were not mandated to do by supporting such organization voluntarily. The non-profit has also been known to partner with local school districts and other entities. Additional details for this organization include that they are led by a governing board comprised of four different members (President, Vice-president, Secretary and Treasurer); all of them serving voluntarily. Finally, two more important pieces of information to consider are the fact that the organization is volunteer-led and that their main source of income is a seasonal themed haunted attraction. For all intents and purposes in this paper, I will utilize the information from the fiscal year 2018 in order to understand more about RGV Helping Hands' budget. According to Ahmed (2013), "NPOs have to develop unique strategies and processes to be successful in raising adequate funds." (163). Therefore, evaluating and analyzing information from this NPO will give insight into the operations it is engaged in.

Budget 101

As pointed before, RGV Helping Hands hosts a seasonal haunted house that is highly popular not only within their area but all across Texas. Based on information found on the NPO 990 form as found on the website: <http://irs.gov> , this organization had a gross receipts' amount of \$91,075 in the year 2018 alone as based on their fundraiser activity. On top of that, the NPO received \$7,050 in grants and donations from other organizations (such as police department) and the government. The total gross income registered for the fiscal year amounted to \$84,025 once the contributions, gifts and grants were taken into consideration. Additionally, this same year, the fundraiser activity generated more expenses than its profits. These expenses amounted to \$74,875, and they included renovating the house that serves as the basis for the haunted attraction. Per a personal communication with the secretary for the NPO, I found out some additional information regarding these amounts. I was specifically told that because of the strong hurricane season of 2017, the fact the haunted attraction suffered heavy damage, the organization had to spend the \$74,875 on the house maintenance given the special unforeseen circumstances (K. Stuart-Serna, personal communication, November 25, 2020). Once the fundraising direct expenses were deducted from total gross income, it amounted to \$9,150 for their net income for the year. Since the previous amount was added to the grants and donations they received, the NPO ended with \$16,200 as their total fiscal year revenue. The NPO spent \$12,735 to achieve their mission and goal of helping ADA qualified Americans who needed to renovate parts of their houses. On the 990 form and particularly on Schedule O, it is explained that not only unforeseen circumstances were to blame for the high amount the NPO had to invest in the haunted attraction, but they had to repay some construction loans as well. They also explain how they dispersed the \$12,735 on remodeling houses, improvements and charitable activities related

to that. Finally, the NPO had \$9,133 from their previous year (2017), which once added to the excess of \$3,465 left from their 2018 year amounted to \$12,598 as their net assets for the end of the year 2018 (<http://irs.gov>).

Additional Information

RGV Helping Hands mission reads: “RGV Helping Hands’ goal is to better the livelihood of RGV residents in need. Whether it be accessibility for the disabled, food for the hungry, or assistance for veterans, we are committed to improving the general welfare of the RGV.” (<http://rgvhelphandhands.com/>). As per the information provided on the personal communication with the secretary and on the previously mentioned websites, it seems as if even though they may not have used most of their gross income on their mission, they still managed to help the community overall. In addition, the fact they used money on renovating their own means for the fundraising activity they host, speaks volumes to the fact of how committed they are to continue to deliver great results in the future. Ahmed (2013) points out that most NPOs will engage in fundraising at some point during the year and that they will need to plan such effectively and with purpose (p.168). Considering, the planning for their main source of income (haunted attraction), the organization did well in preparing (by renovating their own house) and planning ahead in order to have a better year and thus yield better results in the 2019 operating year.

NPO Budget Related Operations & Procedures

Ahmed (2013) further points out that ethical behaviors and activities are necessary in order to have a successful fundraiser (p.175). Per my conversation with the secretary of the organization and connected to the success of the fundraiser, I learned the following:

1. The NPO must file Form 990-EZ for their yearly operations.

2. The NPO has written policies on whistleblowing, conflict of interest situations, formal contribution donations, the federal government guidelines regarding tax law and deductions, among others.
3. The NPO has their 990 Forms and their Registration Form readily available for the public and can deliver a copy of them within two weeks or in person.
4. The NPO follows the Generally Acceptable Accounting Principles (GAAP) within their financial management processes.
5. The NPO reports their transactions according to FASB No.116 and 117 regarding inflow and outflow and to their balance sheet as well as cash accounting method.
6. The NPO uses PayPal and cash only to collect admission fees for the haunted attraction (fundraiser). The way they account for the money and inflow therein is through secretary and treasurer meeting at the end of the operating day with a representative from police department to go over the gross sum. Same goes for deposits and withdrawals, all three have to be in agreement when deciding on expenses.
7. The NPO reports to stakeholders (City officials and ADA qualified citizens) through town hall meetings at the end of every season and through their Facebook page.
8. The NPO has a screening process for ADA qualified citizens; this is followed through Facebook referrals and through city and police department/ hospital referrals as well. (K. Stuart-Serna, personal communication, November 25, 2020).

Conclusion

Even though this NPO is small and is governed by such a small board, I honestly believe they have been making an impact in their community. Furthermore, it is remarkably interesting to see that they have plenty of procedures regarding their financial management

and budget. It seems as if they have a good system in place and will probably continue to do great things in the future since they have planned for success.

References

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RGV Helping Hands Budget Sample

Organization:	RGV Helping Hands	General Operating	Budget
	12/31/2017		
		REVENUE	
	Previous Completed	Current Fiscal Year	Projected Budget for Next Fiscal Year
Earned Income:			
Program Services:	\$ -	\$ -	\$ -
Concessions/ Merchandise:	\$ -	\$ -	\$ -
Others:	\$ -	\$ -	\$ -
Public Support:			
City Police Department:	\$ 1,550.00	\$ 2,050.00	\$ 2,550.00
Federal:	\$ -	\$ -	\$ -
State:	\$ -	\$ -	\$ -
County:	\$ -	\$ -	\$ -
City:	\$ 3,050.00	\$ 5,000.00	\$ 7,000.00
Other (Please Explain):	\$ -	\$ -	\$ -
Private Support:			
Business/ Corporate:	\$ -	\$ -	\$ -
Foundation:	\$ -	\$ -	\$ -
Individual:	\$ -	\$ -	\$ -
Fundraising Events (Haunted Attraction):	\$ 167,060	\$ 84,025.00	\$ 150,000.00
Other (Please Itemize):	\$ -	\$ -	\$ -
TOTAL OPERATING REVENUE	\$ 171,660.00	\$ 91,075.00	\$ 159,550.00
		EXPENSES	
	Verifiable	Current	Projected Budget
	Previous	Fiscal	for Your Next Fiscal
	Completed	Year	Year

Personnel Expenses (Salaries):			
Administrative Salaries:	\$ -	\$ -	\$40,000
Other Expenses:			
Advertising and Promotion:	\$ 600.00	\$ -	\$ 1,000.00
Facility Rental/ Mortgage:	\$ -	\$ -	\$ -
Facility Operations/ Maintenance:	\$ -	\$ 45,000.00	\$ -
Office Expenses and Supplies:	\$ -	\$ -	\$ -
Fundraising Expenses:	\$ 15,000.00	\$ 24,875.00	\$ 5,000.00
Insurance:	\$ 4,300.00	\$ 5,000.00	\$ 5,300.00
Grants & Other amounts paid (re-granting):			
Other (Please itemize):			
TOTAL OPERATING EXPENSES:	\$ 19,900.00	\$ 74,875.00	\$ 11,300.00
IN KIND			
In-Kind services:	\$ 100,000.00	\$ 120,000.00	\$ 70,000.00
In-Kind goods:	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
TOTAL IN-KIND	\$ 110,000.00	\$ 130,000.00	\$ 80,000.00
Budget Justification Narrative			

1. RGV Helping Hands operates on two sources of income- the holiday seasonal haunted attraction (fundraiser), the support of the city through grants and the police department by a yearly donation.
2. The reasons for the high fluctuation and decrease from year 2017 to 2018 was that due to the strong hurricane season in year 2017, the haunted attraction location needed maintenance and renovations. The following year, it is our expectation for it to increase once again- hopefully higher than our approximate estimate.
3. Fundraising expenses vary because of social media/ advertising, materials bought for the fundraising/ haunted attraction and insurance.
4. The staff is entirely made up of volunteers that when accounted as In-kind services would amount for different yearly amounts as suggested on the budget. We expect to start paying different team members for the first time during the next fiscal year.
5. In-Kind good refer to the donated location for the haunted attraction, where we keep offices too. Electricity and water services are paid for by the city.