

A Smart Approach to Maintaining Nonprofit Buildings

If your nonprofit owns or is responsible for a building, some day it will need to face the expenses of replacing the systems that keep its facility up and running, such as the HVAC, roofing and windows. If you're financially prepared, facility replacements are far less likely to disrupt programs. Yet many nonprofits postpone building needs to focus on day-to-day operations. This postponement can lead to full-scale emergencies, added expense and a scramble to find funds.

Building for the FutureSM (BFF) was developed by Nonprofit Finance Fund (NFF) to help nonprofits plan and save for necessary building systems replacements. BFF helps organizations anticipate replacements, schedule preventative maintenance checks, develop a building reserve fund, and have money available when it's needed. Below are some key features of our BFF program.

Four Main Components

1. 20-Year Systems Replacement Plan (SRP)

After you apply and we review your financials, NFF will conduct an on-site visit with an engineering consultant to evaluate your facility and systems. NFF and the building consultant will then provide a detailed replacement schedule for the next 20 years. This SRP helps you proactively plan and fundraise for your building's needs.

2. Monthly Deposits Plus Interest

Based on your replacement schedule, your nonprofit will make monthly deposits into a special bank account. This money will be designated as building reserves.

3. Dollar-for-Dollar Matching Grants

For the first ten years, NFF will match your building reserve fund deposits one-to-one. At the end of year ten, the balance in the account remains for future replacements.

4. Disbursement, Right on Schedule

BFF helps you fund large, unavoidable expenses with smaller, monthly payments. When it's time for a building system replacement, you can withdraw your money and the matching funds to pay for the work. If there isn't enough money in your account, NFF can provide a loan to make up the difference.

The Benefits of BFF

Beyond helping you plan for facility needs and avoid program interruptions, BFF is a valuable tool to use with funders, who will appreciate that your grant requests set the stage for long-term growth and sustainability. As an asset-building tool, BFF can improve your organization's long-term financial

health while minimizing the need for emergency fundraising. When you take a proactive approach to building replacements, you ensure that your organization will be around to serve the community for years to come.

"[Building for the Future] provides a structure where we have been able... to get the best system for the best price. It also provides the 'peace of mind' that comes from knowing that our biggest asset – our facility – is safe and up to date. This...allows us to concentrate on our mission of serving young people."

Raymon Reyes, Executive Director
Grenville Baker Boys & Girls Club