

# Nonprofit Finance Fund Building for the Future



## HOW BFF HELPS BOYS AND GIRLS CLUBS DEVELOP BUILDING RESERVES

BFF provides advisory services and grants to match contributions made by the clubs into building reserve accounts. Funds in these accounts are used to replace building systems and to support ongoing preventive maintenance, and effectively reinforce sound management. The matching grants from BFF accrue only as the clubs make deposits into their accounts, and the combined funds are paid out when a scheduled replacement is made. The mechanics of the program are:

**Replacement schedule** BFF conducts an initial on-site visit to assess a club's facilities and financial strength. BFF then works closely with each club to develop a schedule for needed building replacements for the next twenty years.

**Regular monthly contributions by each club to its own interest-bearing account** Each club's actual monthly contribution varies according not only to facility size, but also to facility condition and maintenance needs. The level of contributions is designed to provide each club with a building reserve fund at the end of ten years.

**Matching grant for club contributions** BFF will match the monthly contribution made by each club to its building reserve account. The match will be paid out when a scheduled replacement is made.

**Contribution towards preventive maintenance** BFF also reimburses the club for a portion of its annual preventive maintenance expenses.

**Loans** In cases where the funds available in a club's account are not enough to meet the cost of a needed replacement, clubs have the option of applying for a loan to cover the difference. Loans can be repaid over 2-5 years by the funds deposited into the club's account, with no increase or alteration of the club's regular monthly contributions.

**Technical assistance** BFF offers consultations on a variety of facilities related subjects, including preventive maintenance and selecting a contractor for systems replacement projects. BFF also offers ongoing regional workshops to the clubs.

You can read about the background research that informed the creation of the Building for Future program for Boys and Girls Clubs. The Capitalizing Youth Services research paper includes an analysis of the facilities, financial and managerial needs of a sampling of Boys and Girls Clubs.

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