

Nonprofit Finance Fund Building for the Future



HOW BFF HELPS JAZZ PRESENTERS DEVELOP ENDOWMENTS

JazzNet provides advisory services and matching re-grants through NFF's asset-building product, Building for the FutureSM (BFF), to assist jazz presenters in developing endowments. The endowments are intended to help the organization support jazz programming, including the creation of new work, presentation of new and existing work, and artists-in-residence projects. The program's strategy is to provide mutually reinforcing financial incentives and management assistance which help selected presenters to meet this important component of their medium and long-term growth needs.

The mechanics of the program are:

Initial Analysis and Work-Ups

For each applicant, NFF conducted an organizational and financial assessment and a site visit to meet with senior management. A national peer review panel was convened to review the application and organizational assessment, and assist in the selection of the recipients from among the applicants.

Asset-Building Technical Assistance

NFF provides coaching to assist in developing and achieving a schedule for fundraising and financial-related workplan objectives. Participants also attend annual convenings which include full-day workshops on topics such as capital structure, the role an endowment can play in (de)stabilizing an organization, and asset management in a bear market. A Bank of America portfolio manager assists participants to implement sound investment strategies for their endowment funds.

Asset-Building Matching Grants

Each organization makes contributions to its own interest-bearing account. NFF matches the participants's deposits quarterly on either a \$1:\$1 or \$1.5:\$1 basis. When an organization makes a contribution into its account, the match is immediately earned, and interest is credited to the deposit and the match. This creates an incentive for presenters to contribute early in the program to maximize interest income. Each organization also agrees to hold the endowment inviolate in perpetuity.

Programming and Administration Grants

During the five-year program, NFF provides annual re-grants of either \$40,000 or \$50,000 for jazz programming and administration. At the end of the five years, the organization can draw down a percentage of its endowment to fund its future jazz programming and administration costs.