

Permian Basin Area Foundation

Nonprofit Management Center
Lunch & Learn November 17, 2008



Mission

Permian Basin Area Foundation is a publicly supported community foundation that facilitates the creation of permanent charitable funds in partnership with many donors, and provides grants to address changing community needs and enrich the quality of life in the Permian Basin.



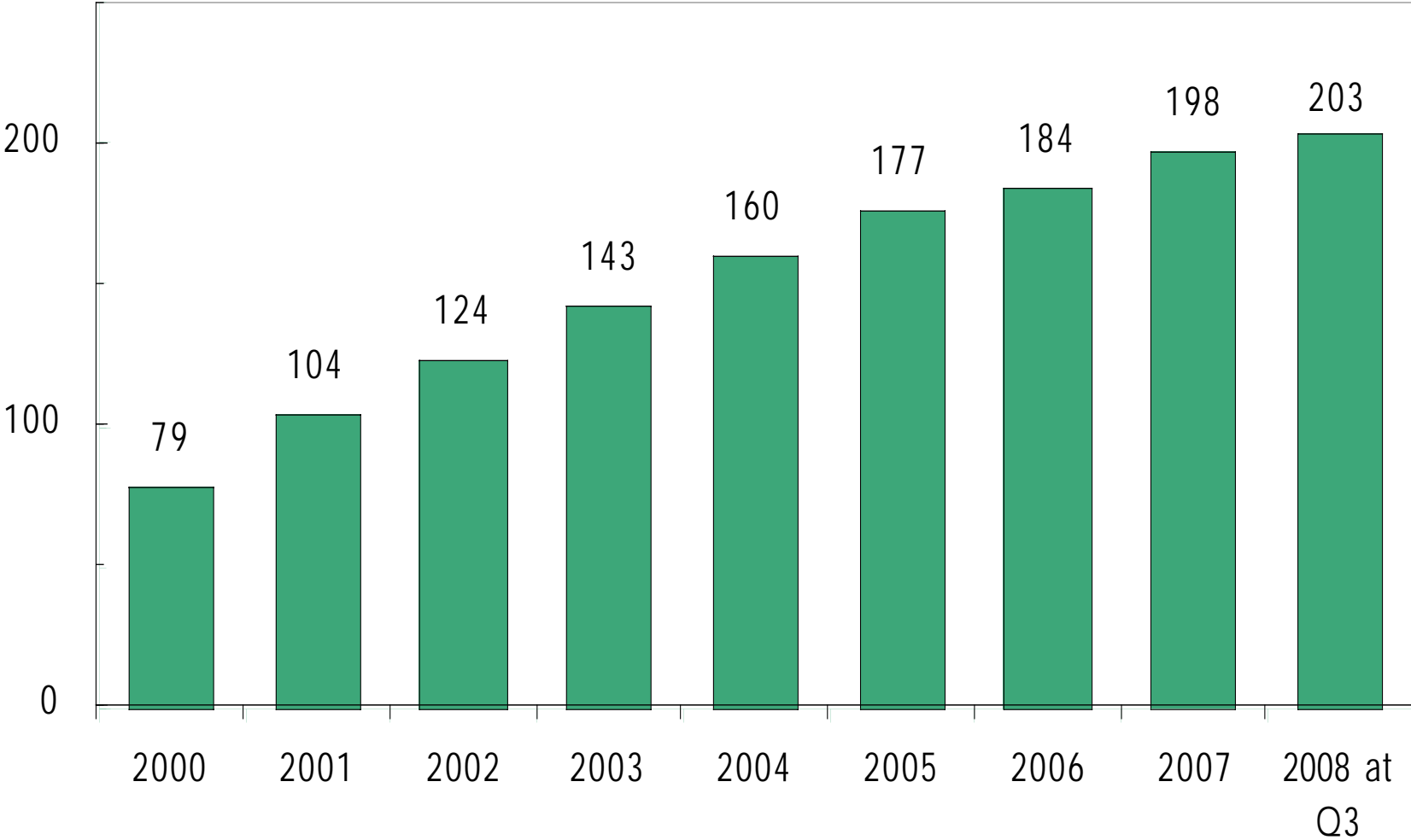
Types of Grants

1. Competitive grants from undesignated funds.
2. Grants recommended from donor advised funds.
3. Distributions from endowments held for nonprofits.
4. Scholarships for higher education.

Factors that drive grants

1. Number of funds.
2. Value of assets.
3. Investment returns on pooled assets.
4. New contributions to existing or new charitable funds.

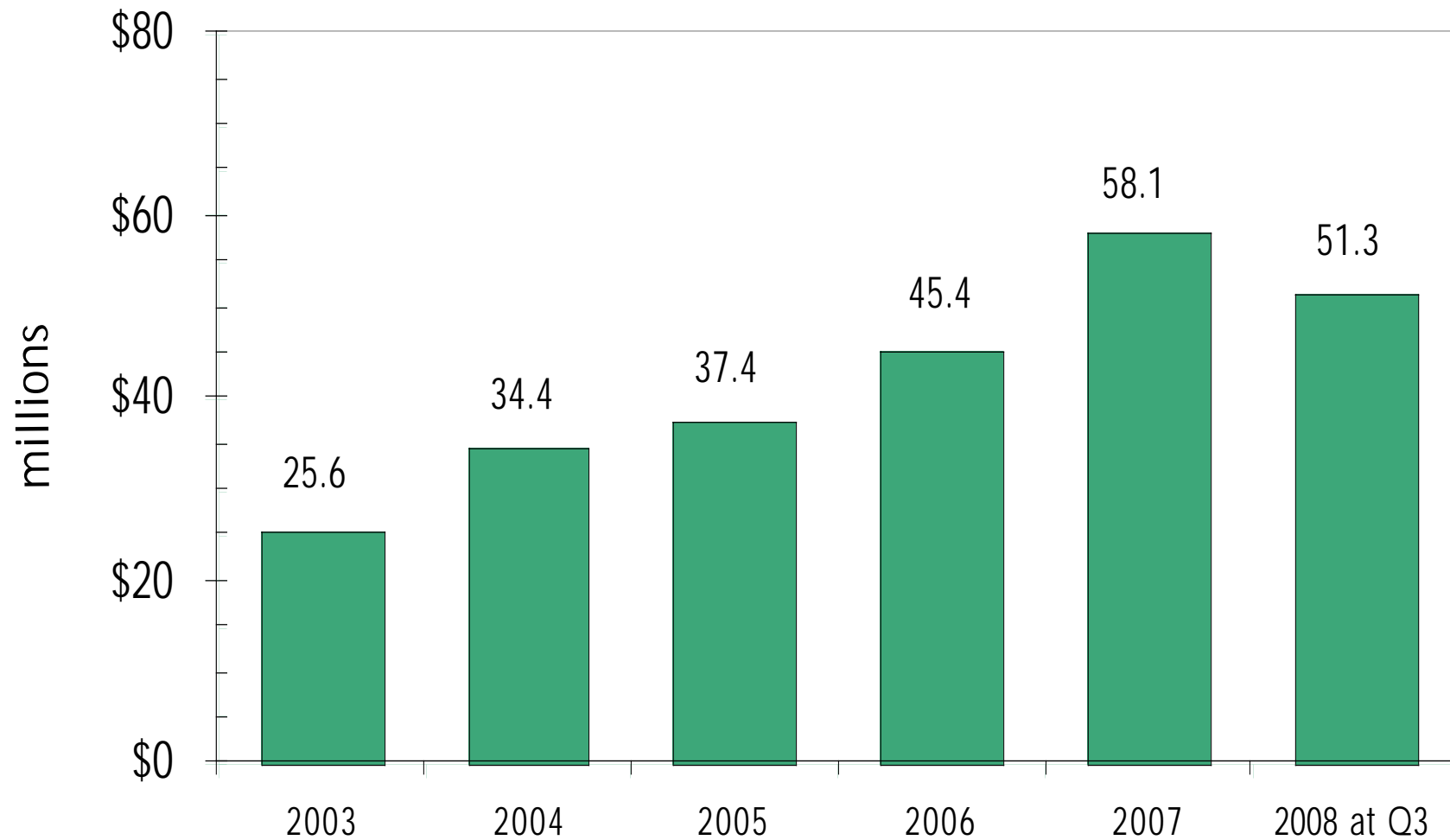
Permanent Funds



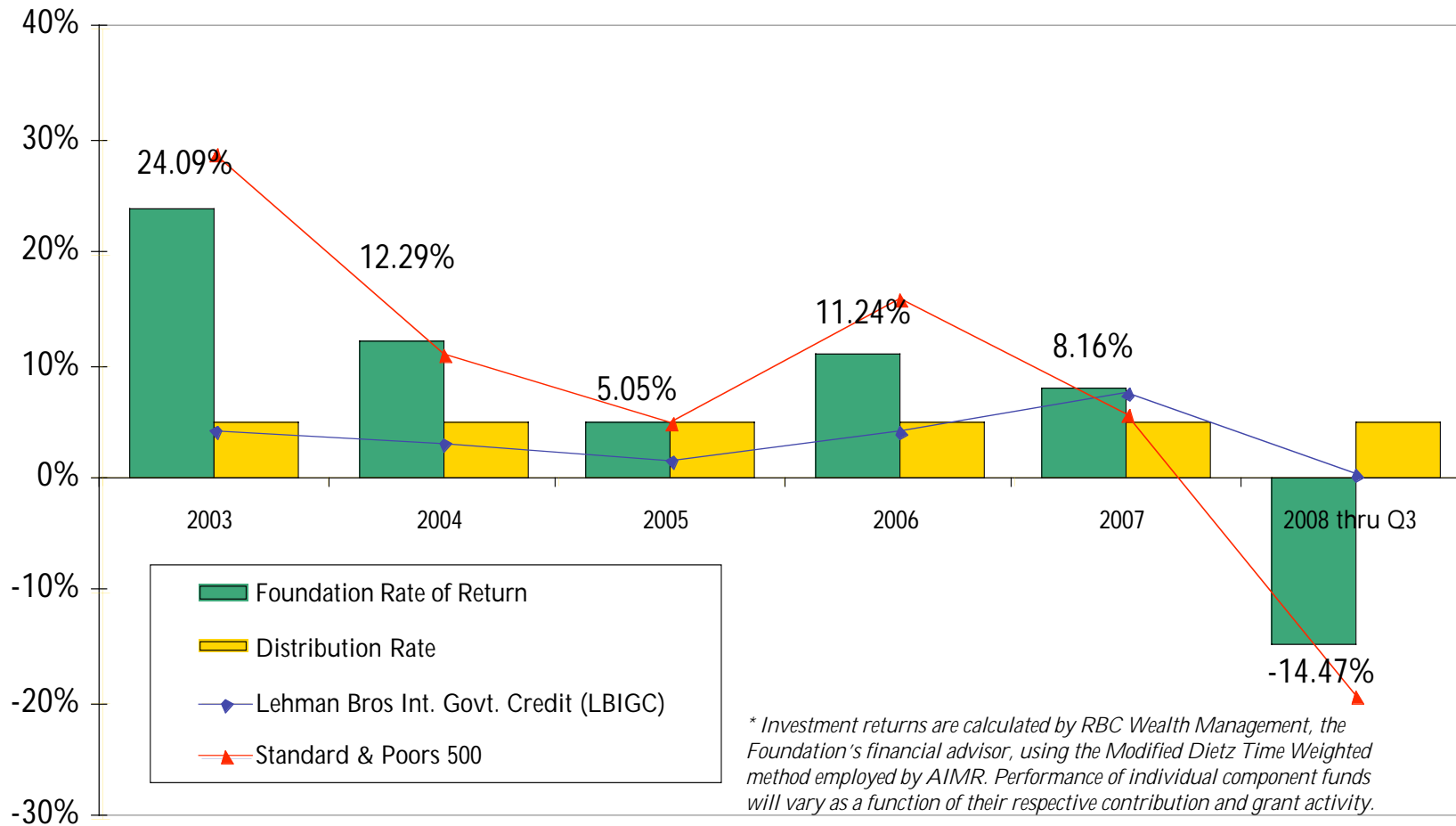
Types of Charitable Funds

- Undesignated Funds.
- Field of Interest Funds.
- Donor Advised Funds.
- Scholarship Funds.
- Endowment Funds supporting nonprofit organizations.
 - Designated by Donor Funds.
 - Agency Funds.

Total Assets



Investment Pool Performance *

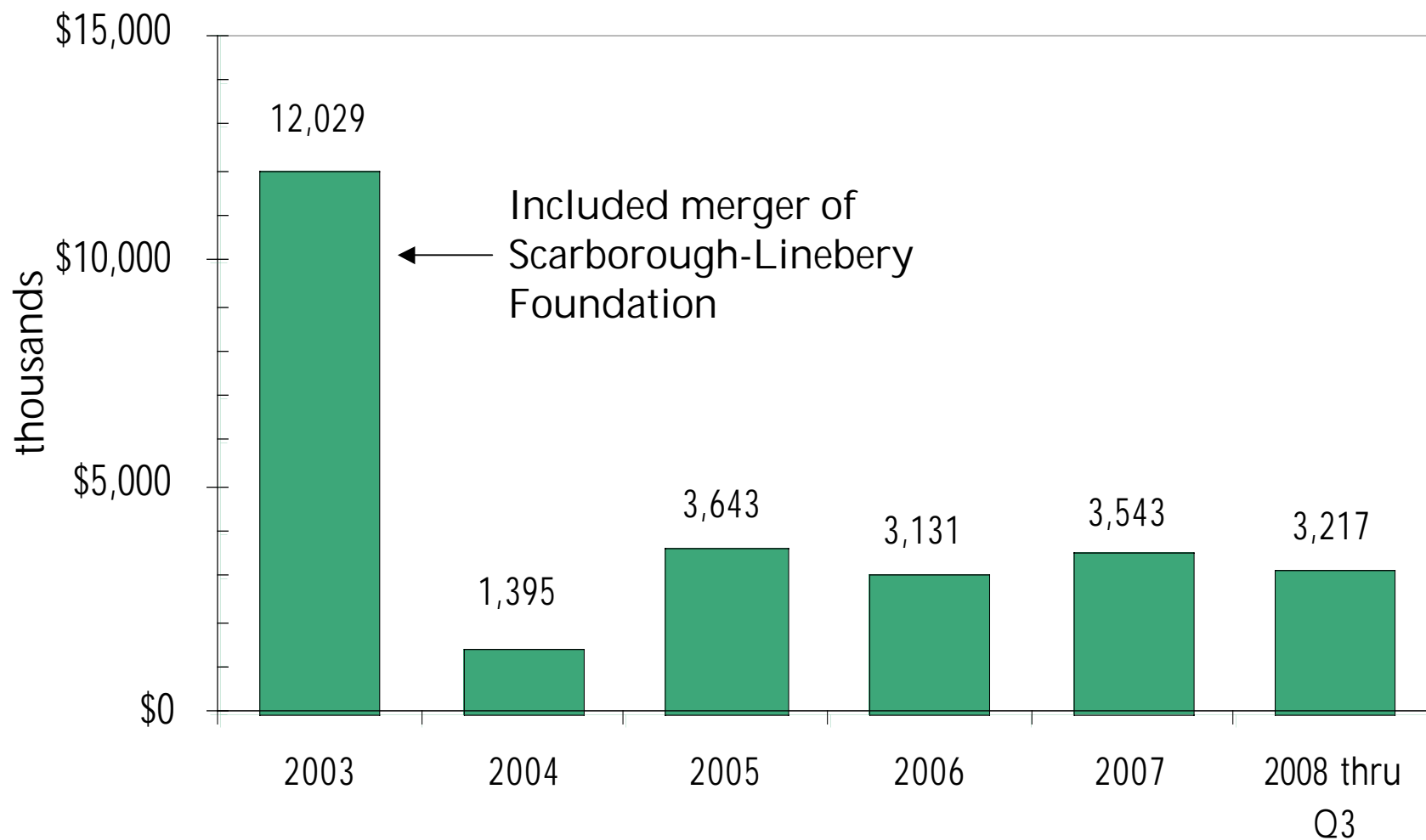


Types of Gifts

- Cash or receivable income
- Appreciated securities - stocks and bonds
- Retirement accounts *
- Real estate
- Oil and gas interests
- Life insurance

** IRA Charitable Rollover has been extended through 2009.*

Total Cash Contributions*

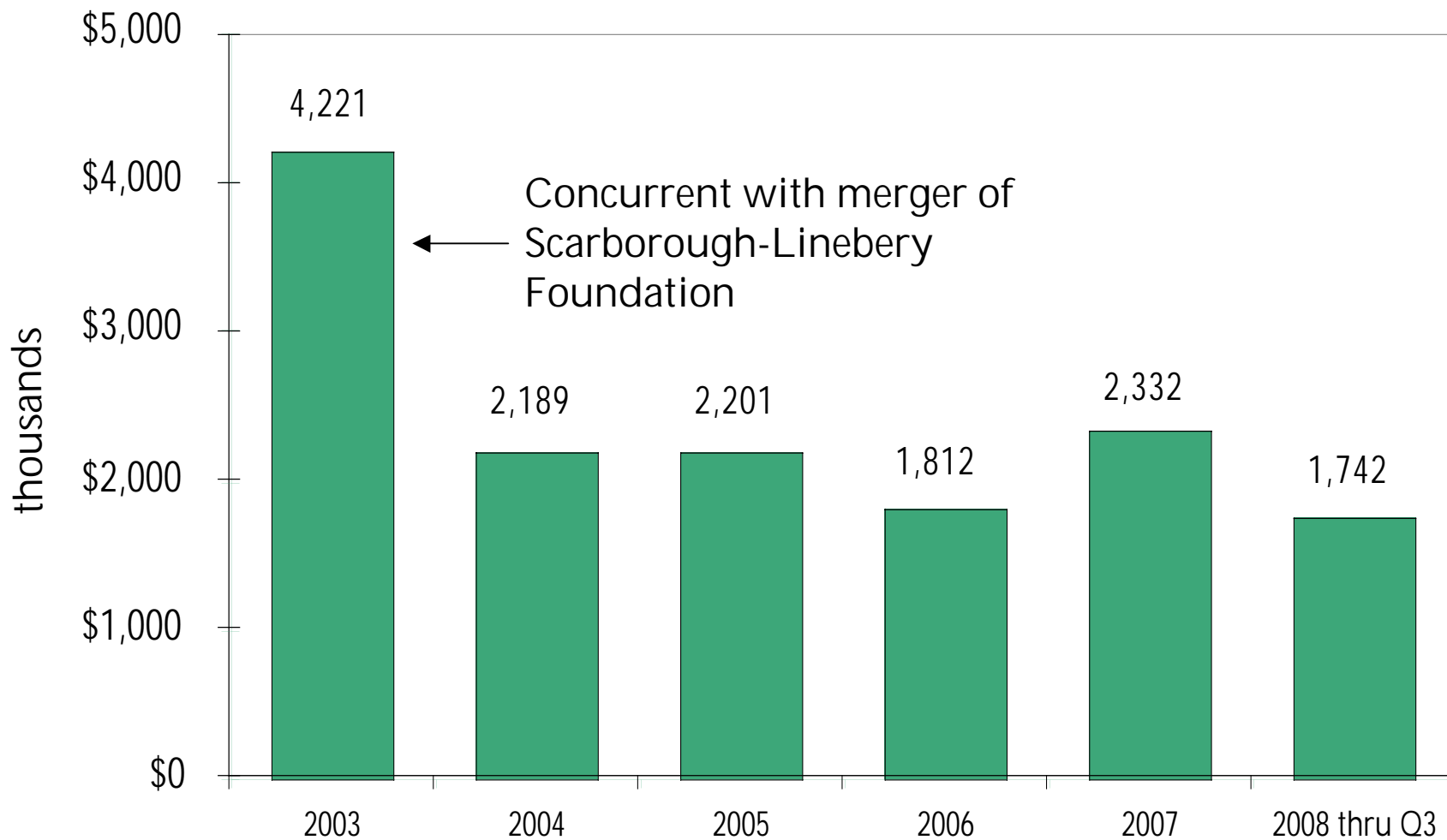


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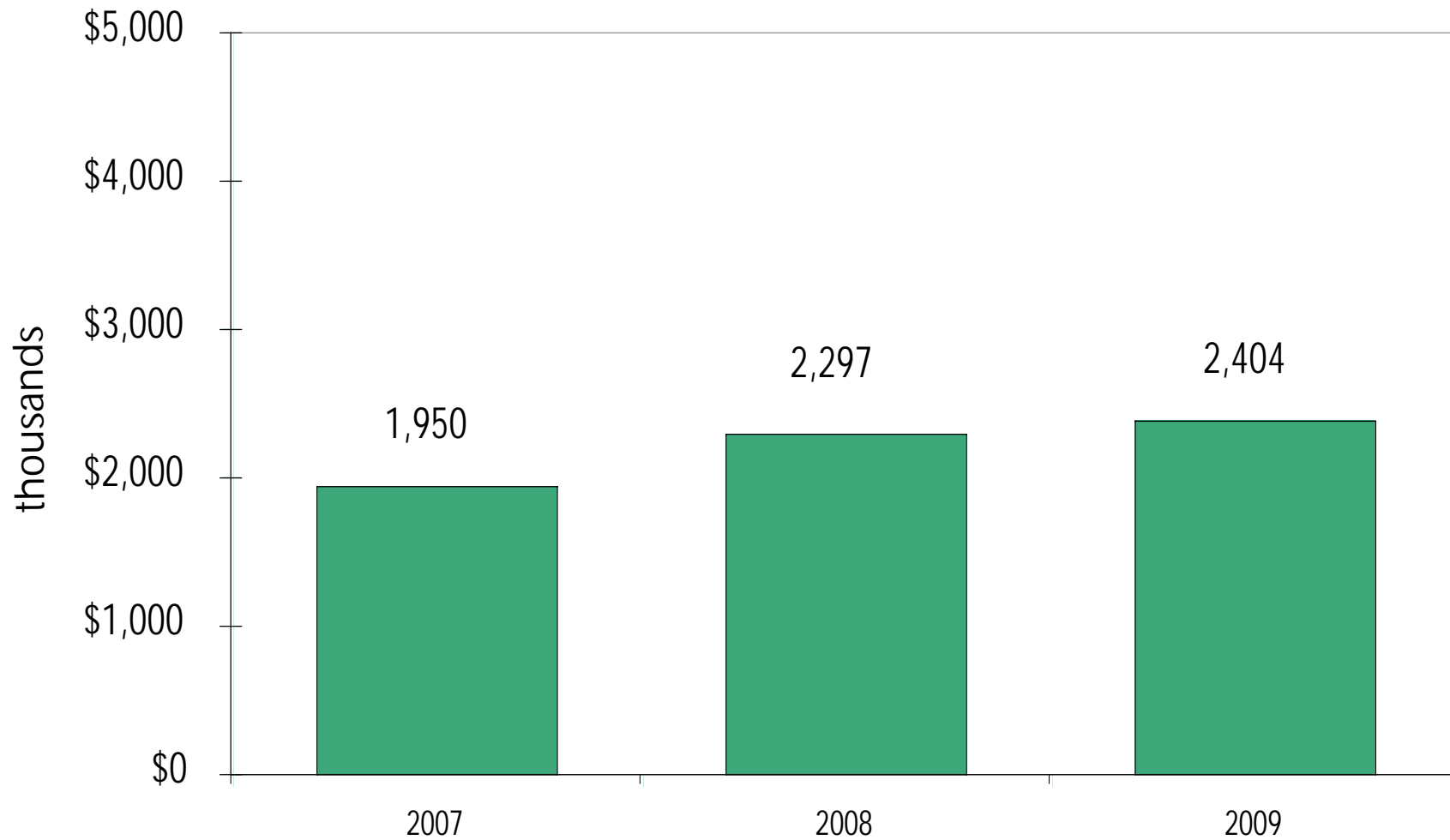
* Does not include TRIAD Project.

November 2008

Total Grants *



*Distributable from Existing Funds **



New Fund – Estate of Dollie Neal Ballenger

1. Educational support for single mother households, age 25 and older.
2. Grants for Christian faith-based ministries:
 - Character and spiritual development.
 - Self-sufficiency through emergency financial assistance, childcare, health care, job training, and counseling.
 - Treatment of chemical dependency and addiction.

Factors contributing to demand for money by nonprofits

- External drivers:
 - Inflation.
 - Competition for management talent.
 - Expanding facilities that require more resources for general operations.
 - Invasive, time-sucking regulation.*
- Internal drivers:
 - More clients in need of services.
 - Sustained passion to “serve more”.

****New Form 990...***

- “New federal tax forms designed to drill down into the financials and operations of nonprofits are expected to cost at least twice as much and take twice as long to complete...”
– *Raleigh Triangle Business Journal*
- “...accounting firms we have talked to are estimating that the combined effort (client and accountant firm hours) will increase between 50% and 100%...”
–
Gelman, Rosenberg & Freedman, CPAs

Factors affecting supply of money for nonprofits

- Decline in oil prices = reduced cash flow to West Texas communities.
- Decline in value of financial assets = loss of confidence/comfort/capacity to give.
- Declared political agenda = increased taxes on income and estates = threat to wealth of many traditionally significant donors.
- Donor fatigue.

Budget Planning Considerations

- Contain costs.
- Focus on mission fundamentals.
- Explore opportunities for combinations/consolidations.
- Make your case compelling to donors.
- Innovate new revenue sources.
- Turn assets into earning assets.
- Initiate promotion of planned giving.

Applying for a Competitive Grant

www.pbaf.org

- Pre-Application due dates:
 - April 1
 - October 1