



Client Case Study



STARability Foundation

How They Became One of The Most High-Functioning,
Financially Sustainable Organizations We Know

Buzzword Alert: Nonprofit Sustainability

That's the goal, right?

Everyone in the nonprofit sector is talking about it.

We all talk the talk.

BUT, HERE'S A STORY ABOUT AN ORGANIZATION THAT WALKS THE WALK.

Check out these statistics to prove it:

- Zero layoffs during the Covid-19 pandemic
- 18 months of cash in operating reserves
- A \$200,000 line of credit
- A tripling of staff over last 4 years
- A 50% increase in clients served over last 4 years
- A 280% increase in annual budget over last 4 years
- The highest functioning finance committee we've ever seen
- Earned the Gold Seal of Transparency from GuideStar

This is an organization that takes care of every single dollar they raise. Their financial strength is unmatched for a nonprofit of their size. Their donors trust them. And most importantly, their clients can count on access to life-enriching services for years to come.

So, how did they get to where they are today?

Let's take a look at their journey...

About STARability Foundation

The STARability Foundation mission is to transform the lives of individuals with disabilities through social, vocational and educational connections to the community, while strengthening awareness and respect for individual abilities. With a staff of 22 and over 100 dedicated volunteers, STARability serves nearly 300 individuals with intellectual and developmental disabilities in Southwest Florida, providing opportunities for them to live their best lives. Their services include: advocacy, community awareness, educational and social recreational opportunities, support for families of persons with developmental disabilities, employment opportunity support, and lifelong learning for persons with developmental disabilities.

About the Leadership - Karen Govern

Meet Karen Govern, Executive Director of STARability Foundation. She joined the organization in January 2016 with a highly diverse skillset from former roles and experiences: nonprofit consultant, development manager, events manager, economics educator, research analyst, and even software and technology trainer for the Department of Defense. Our CEO at Blue Fox, Chantal Sheehan attributes much of STARability's success to Karen, explaining, "Karen consistently demonstrates a deep interest and care in stewarding her organization's dollars. She is fearless and financially vigilant and has built the highest functioning finance committee that I've ever seen."

A Word from Blue Fox Founder Chantal Sheehan

"It has been a true pleasure to help Karen and the STARability team reach their goals. Karen manages the budget extremely well, stewards every dollar like she would her own, and when she asks for opinions and advice, she actually takes it and runs with it! And STARability has the highest functioning Finance Committee I've ever seen - a strategic gift that keeps on giving. They put Karen and I through the paces each month - not in a dysfunctional or adversarial way but in a kind, thoughtful and meaningful way. I love working with them because they actually make me a better CFO with their approach.

This is an amazing team!"

The Challenge

In 2016, STARability (formerly known as the Foundation for the Developmentally Disabled until 2018) was described to be in a good financial position. Their annual revenue was over \$350K, they had presence in the community, and their annual gala raised most of the annual budget.

BUT: STARability was stuck in the common nonprofit starvation cycle. The board made little to no investment in the organization from year to year and did not have a strong vision for growth to increase their services and impact.

Enter Karen Govern, Executive Director. “My board chair and I were sitting down looking at the financials and we were both kind of lost. He was an attorney and our treasurer only had for-profit experience. Nobody on the board knew how to understand the financial story from looking at our statements,” explained Karen. “That’s when I decided to reach out for help and one of our board members introduced me to Chantal Sheehan with Blue Fox.”

A few months after working with Chantal, the unthinkable happened: their office manager/bookkeeper left the organization just weeks before their annual fundraiser.

Karen called Chantal in a panic. “What am I going to do??”

“Why not let us take care of the books for you?” Chantal replied.

AND SO SHE DID, AND THE PARTNERSHIP EMPOWERED KAREN TO TRANSFORM THE ORGANIZATION FROM STAGNANT TO SUSTAINABLE bit by bit.

Financial Transformation Timeline: 2016-2020

How did the transformation unfold?

Here are the highlights:

Late 2016

Karen hired Chantal (Blue Fox) to provide financial coaching and consulting to improve her ability to:

- Read and explain financial statements
- Present financial information at board meetings
- Tell the organization's financial story
- Lead a successful finance committee

February 2017

Karen hired Blue Fox for monthly accounting services and in one week they:

- Switched from desktop to QuickBooks online
- Established paperless systems
- Set-up Bill.com account and began to automate the payables process

Mid 2017

Made significant process and procedure improvements including:

- Re-worked the Chart of Accounts and Class Lists in QuickBooks
- Produced accounting procedures and created or updated policy documents, including:
 - Operating Reserves Policy
 - Investment Policy
- Produced the first cohesive budget for FY18
- Consolidated 5 different bank accounts into 1
- Set up an investment account for the operating reserves

2018

- At the advice of Blue Fox, STARability Foundation opened a \$200K line of credit

2019

- Produced the organization's first annual report

Early 2020

- Had the most successful annual gala yet, right before Covid19 hit. Immediately looked for a way to protect the revenue raised in a crazy economic environment.

Mid 2020

- Finance committee works with bank to establish 3 FDIC insured CD accounts to protect the cash on hand.

Today

- STARability remains debt-free and fully staffed. Neither the operating reserves nor the line of credit have been tapped.

STARability Foundation Then & Now

The Results

It's crystal clear that STARability's leadership team led the organization to a highly sustainable position. But what does that mean in real mission driven terms? How does their financial position impact their ability to provide services in their community?

- Financial strength promotes donor trust.
- Donor trust increases giving.
- Increased giving launches new services.
- New services increase revenue and improve client quality of life.
- Growth requires additional staff.
- Additional staff can broaden reach and deliver better services.
- Better services raise community awareness.
- Community awareness boosts donations.
- And the cycle repeats...

Let's Talk Results!

Take a look at the chart below.

This is the sort of change that can be accomplished when leadership focuses on sustainability and stewardship. Kudos to STARability's leadership team!

	2016	2019
Annual Revenue	\$350,000	\$1.36 million
Staff Members	5	22
Clients Served	200+	300+
Gala Revenue	\$150,000	\$1.2 million
Volunteers	58	100
Number of Programs Offered	5	17

What else can we learn from STARability?

HERE'S A Q&A WITH STARABILITY FOUNDATION'S EXECUTIVE DIRECTOR, KAREN GOVERN

Q: How do you define organizational sustainability?

Being good stewards of the funds that you receive. We want our donors to know that we are using their donations as they were intended; to most benefit the people that we serve. Always having reserves and budgeting conservatively. I believe in very *smart, managed growth*.

Q: How does team building relate to sustainability and your success?

Building the right team is very important to sustainability because the best people are those dedicated to your mission. As a leader I try to encourage and support our team as much as possible. I encourage professional developments and have open communication at all levels of the team. *Transparency is very important*.

Q: How often do you review your budget?

Our finance committee, including myself and our team at Blue Fox review the *budget every month* and review our *investment accounts every quarter*. We work closely together all the time. They provide solid advice and wise council related to our financial picture. It's a deep partnership.

Q: What has your experience been like working with Blue Fox?

Chantal and Blue Fox provide so much more than just accounting. AND, it's affordable; more affordable than trying to hire. Chantal's advice for automating finance processes in a safe manner has made a world of difference in efficiency. Blue Fox can help you with traditional accounting services but can also recommend ways to make your operations more efficient. Chantal and her team are always looking for innovative new solutions to help you run your organization more efficiency so you can focus on your mission. *I have complete confidence in her and her team*. They operate with the highest ethical standards.

Trust. Trust. Trust.

Let's Chat Soon

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