

Start Your Engines:  
Nonprofit Management Made Simple

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## A Balanced Approach

Hayward Derby Jr. was ready.

He closed his eyes and gripped the wheel of his Reynard 94D. The waves of exhaust fumes made his eyes water, and his heart seemed to rumble along with the engine. He was ready. This race was his. And he was excited about his new pit crew.

“Gary!” he yelled. “All set?”

“All set, boss.”

“All set, Larry?”

“All set, Hay.”

“All set, Terry?”

“All good here, man.”

“Roger, we good?”

“Roger that,” replied Roger. “Let’s rock and roll!”

The four uniformed men each patted the car and made whooping sounds as Hayward rolled towards the starting line.

But something wasn’t right. A thin line of sweat appeared on Hay’s well-groomed mustache. He gripped the wheel again and turned his head towards his crew. “Boys! What the...”

“On your mark,” came a voice from the loudspeaker, drowning out his question. “Get set... GO!”

Hayward had no choice but to slam on his accelerator. He wasn’t sure what was wrong, but he couldn’t stop and check without forfeiting the race. Hay was a pro, just like his daddy Hayward, Sr. He could diagnose the problem just by feel, and that’s exactly what he would have to do.

He raced toward the first curve. *The engine is not the problem, for sure. She’s purring like a kitten.*

But he wasn’t moving as fast as the other cars, despite what he was asking the car to do, and he seemed to be... what was it? Was he wobbling?

As he rounded the first curve, he was sure he was going to crash. He was wobbling. One of the tires must be loose. *Damn thing’s gonna fly off and get me killed.*

As he carefully completed his first lap, he pulled into the pit. He quickly looked at the front two tires, then checked the back. “Well, I’ll be damned,” he said. “All of the tires are a different size!”

“Boys!” he yelled over the rumble of the cars around him. “What the hell did you do to my tires?”

“What do you mean, boss?” Gary’s eyebrows knit in confusion. “I filled my tire up past max.”

“Yeah,” Larry looked from Gary to Hay. “Everyone knows that the front right is the most important tire. We had Gary fill that way up. I put mine in a little under max.”

“My tire doesn’t matter that much in the race,” Terry said quietly “I filled it half the recommended pressure.”

Roger refused to look Hayward in the eye. “I just didn’t have enough air to fill mine all the way up. I thought it would be ok.”

Hay was incredulous. “Guys. It’s a car. All the tires have to be filled up the same! Look at my ride. It looks ridiculous. I’m going to be the laughingstock of the race.”

“Sorry to let you down, boss,” said Roger, finally meeting Hayward’s confused gaze. “Maybe we should just—”

Just then the front right tire exploded. Roger’s tire, the back right, hissed and the car sunk closer to the ground. Hay sighed and grabbed the air compressor. “Come close, boys.” He gestured for them to move towards the car. Gary, Larry, Terry, and Roger shuffled closer to Hay’s lopsided car while a blur of color and noise whipped around them. “I have some things to show you.”

## Overview of Nonprofit Management

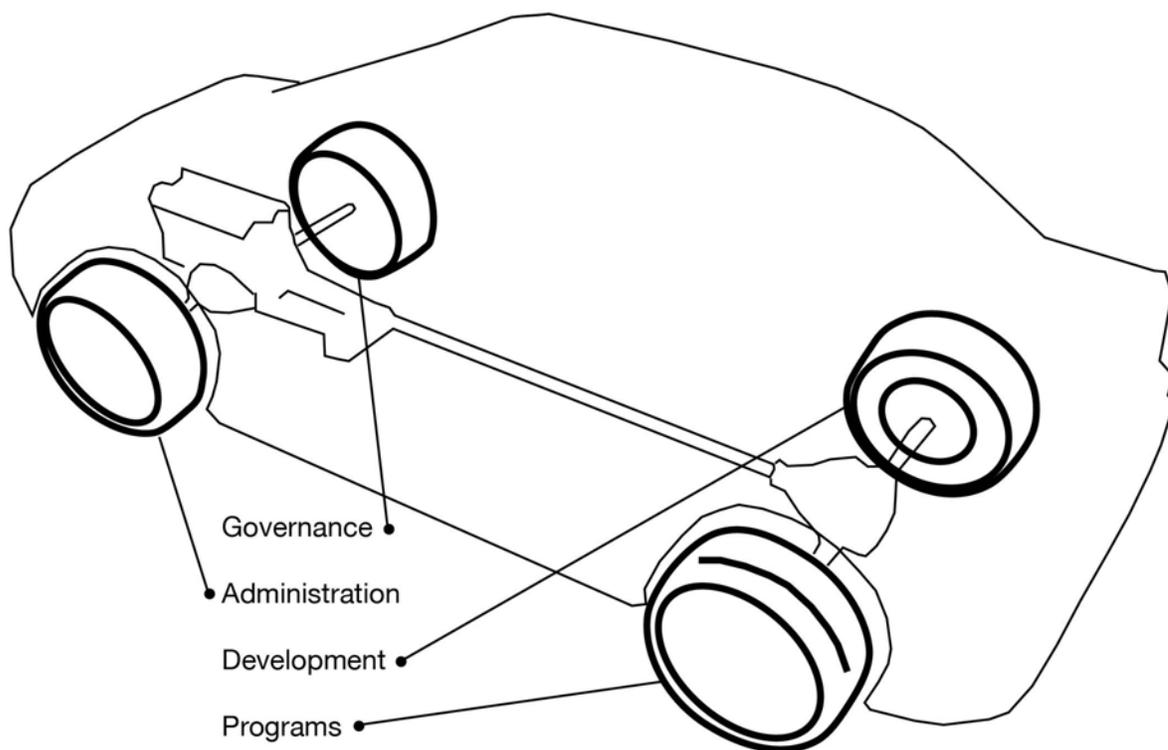
Most people get into the nonprofit sector because they have a passion for a cause. You don't often find people that really want to manage employees or write gift acceptance policies. But manage employees and write policies you must if you want to make a difference to that cause.

Thinking you can make it by on passion alone is a big mistake. Sure, you might be able to make a small difference, but to reverse climate change or cure disease or provide arts education for all the children in the nation you need to know how to run a business. You need to know which forms to file with the IRS. You need to understand pricing strategies. You need to learn the legalities of partnering with others. In short — you need to know nonprofit management.

Just like a car has four balanced tires, a successful nonprofit will have four balanced functions in place:

1. Governance
2. Administration
3. Development
4. Programs

It's not enough to have a great program. A nonprofit can't thrive on programs alone. Each function must be working properly and in proportion to the others in order to get the work done. Each function is important — none should be overinflated or underinflated. Good care must be taken of each for the car (your organization) to move forward properly.



Good governance is necessary to keep an organization running smoothly. You need a smart, dedicated board that will help keep this machine on track. It's important to note that you should have an active board — not just a bunch of yes (wo)men that will do whatever the Executive Director (ED) wants.

Administration includes things such as human resources, finances, legal issues, and technology. Some people (like me) might consider this the boring (or scary) part of any organization, but it is crucial to success. You can't have employees running around willy-nilly without guidelines or program managers spending without budgets. And these days, you pretty much can't do anything without technology. All of that has to be planned, executed, and managed.

Next up, Development. There is a stigma around this function as well. Many nonprofit folks don't like to talk about money. But it is crucial. Imagine a car with three wheels. It's not going anywhere. It's the same thing in a nonprofit. If there is no money, you can't move your programs forward.

Then, Programs. I purposely did not list this first because I wanted to stress again that you can't have programs without the infrastructure to run them and the money to pay for them. Again, all of the functions are imperative.

Governance, Administration, Development, Programs. All are essential — just like four balanced tires are to a car. If one of these things is taken away or is underdeveloped, your organization's ability to move, and move forward quickly, is affected.

**Key Takeaways:**

- The four main areas involved in nonprofit management are Governance, Administration, Development, and Programs.
- Each of these functions is necessary and must be balanced with the others.