



FISCAL YEAR 2022

April 1, 2021 - March 31, 2022

DEAR FRIENDS,

Five years ago, we announced our name would be Propel Nonprofits following the merger of Nonprofits Assistance Fund and MAP for Nonprofits. In our announcement, I wrote: “‘Propel’ has energy—it’s a verb, it moves you forward, and when you add ‘Nonprofits’ it’s the perfect combination of descriptive and evocative. We also love the tagline: Power Your Mission, which is our why. We don’t do the work we do because we think we’re cool, we do it because the missions of the organizations we work with are cool.”

In the time since, our organization has grown and taken shape, and the world around us has seen changes none of us imagined in 2017. I am proud of the work we have done over these past five years. Even more, I am astounded by the nonprofits we work with every day. They really are cool and so much more: they are building a healthy, vibrant, and more just community for all of us to enjoy.

In FY22, we began implementing our new strategic framework designed to guide us through both the evergreen truths of the nonprofit sector and everchanging landscape created by COVID-19, police brutality, racial injustice, and a divided government. In our process, we named two strategic priorities to help us accomplish this vision:

- Strengthen Equity Practices Throughout Programs
- Influence & Change Systems and Structures to Build a More Equitable Sector

These two priority pillars are sometimes aligned and sometimes in conflict with each other. These priorities will call on Propel’s capacity to operate from a both/and position of supporting nonprofits to work within and with the structure and rules as they exist while also using our resources and influence to change and shape the structures and systems.

In this annual report, I want to share what it looks like to lean into the strategic priorities we set forth. We invested \$2.7 million in grant funds in organizations led by and serving Black people, Indigenous people, and people of color (BIPOC). To support nonprofits recovering from the financial and operational impacts of the pandemic, unrest, and reckoning with persistent inequities, we originated \$18.7 million in loans to organizations across the sector including a Recovery Capital loan product focused on BIPOC-led and serving organizations who have faced systemic and historic barriers to accessing borrowing. Additionally, we provided Strategic Services and Accounting & Finance consulting work to help organizations with everything from leadership transitions to navigating increasing demands for services due to COVID-19, and provided trainings and technical assistance to nonprofits across the state.

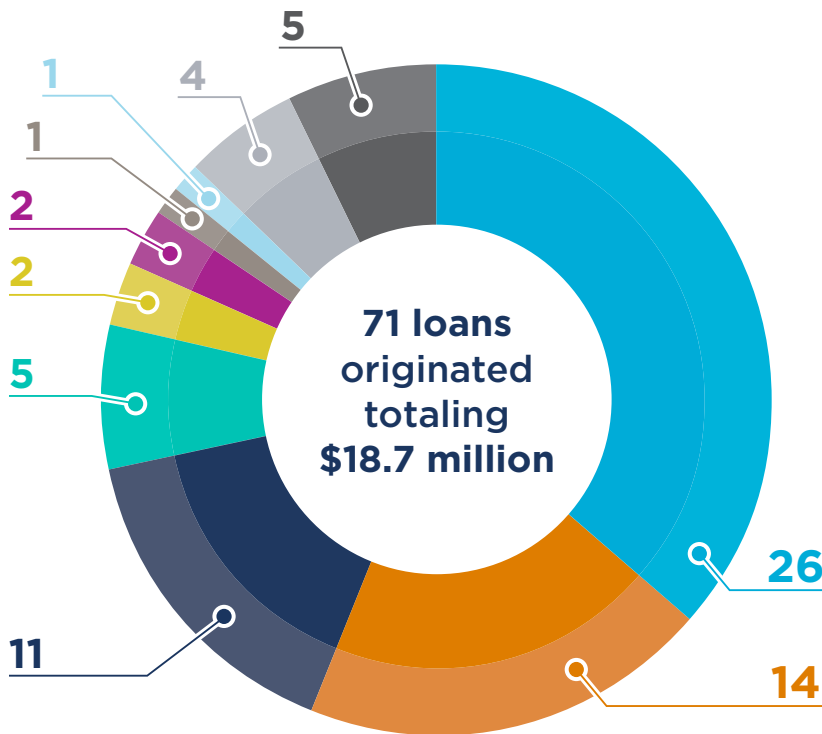
It is an honor to get to work with as many nonprofit organizations as Propel does. Thank you to the nonprofit leaders, funders, investors, clients, and the Propel staff and board members for all that you do to make this organization a champion for nonprofits.



Sincerely,

A handwritten signature in blue ink that reads "Kate Barr". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kate Barr, President & CEO



- Charter Schools/Education
- Arts & Humanities
- Human Services
- Affordable Housing
- Environmental
- Youth Services
- Animal Welfare
- Community Development
- Health Care
- Other

CLIENT FEATURE: LOWER PHALEN CREEK PROJECT

Lower Phalen Creek Project (LPCP) is a Native-led environmental conservation nonprofit that has been an important part of the East Side community in Saint Paul, MN, for over 20 years. LPCP is in the process of envisioning and building the Wakán Tipi Center at the Bruce Vento Nature Sanctuary. The interpretive center will highlight Dakota history and culture and provide environmental education to visitors. LPCP spent eight years restoring the site - clearing trash and contaminated soil from the previously abandoned land.

LPCP worked with Propel to secure financing to bridge capital campaign pledges coming in over the next three years - this funding allowed LPCP to move forward with construction of the site where they estimate they will welcome 35,000 in addition to partnerships with schools.

LENDING

We make loans to a wide range of nonprofits of different sizes and fields of service. For us, it is more than a loan. Every nonprofit is unique. Mission, program mix, funding streams, and business models all impact what kind of loan will work best. Built on our knowledge of nonprofits and their business models, our lending team determines the best approach to meet their needs, and sticks with them to address challenges.

79%
of loan clients provide services to low-/moderate-income communities

45%
BIPOC-led

11%
Greater MN



STRATEGIC CONSULTING

CLIENT FEATURE:

ESPERANZA UNITED

In 2020, Esperanza United received a one-time grant from philanthropist MacKenzie Scott. Like many other organizations who received these grants, this one-time donation was the largest grant the organization had ever received. Esperanza United's mission is to mobilize Latinas and Latin@ communities to end gender-based violence; they have been working in the Twin Cities for nearly 40 years and had recently completed strategic planning when they received word of the grant.

The team at Esperanza United worked with Propel to link strategy and finance to create a plan for how to use the donation to meet their organizational goals laid out in their recently completed strategic plan, increase capacity, and establish a governance and infrastructure committee.

“Our work with Propel complemented the strategic planning we already completed as an organization. We were ready to operationalize some of our larger ideas sooner because of the grant, and working with Propel allowed us to do that with our growth and autonomy in mind.”

- Patti Tototzintle, President and CEO of Esperanza United.

Propel's strategic services team used elements of strategic development, board development, and organizational impact consulting to provide guidance. Our work with the organization was complete once they were able to charter an investment committee on their board; create goals for this committee; and, seek, review, and decide on an investment firm for some of the funds from the grant. The organization plans to use their grant money to establish a solid reserve fund and transform their revenue mix to achieve more autonomy and flexibility in the future.



80

Propel strategic consulting projects including:

26 strategic development projects

25 board development projects

25 organizational impact projects

4 leadership transition projects

39% of organizations were located in Greater MN

46% of organizations were BIPOC-led

CAPACITY BUILDING & FISCAL SPONSORSHIP

CAPACITY BUILDING

From time to time, Propel Nonprofits has the opportunity to develop and manage capacity building initiatives to provide one or more services for a group of nonprofits. Capacity building initiatives are often developed through our strong connections with community partners. Each initiative is designed to meet a specific need in a community and to help nonprofits build their knowledge, skills, and capacity to thrive.

Capacity building initiatives are usually targeted to a specific type of nonprofit, a community or region, or a pre-selected cohort.

Through Propel's capacity building initiatives and other financial vehicles to strengthen nonprofits, including intermediary regranting and capital access programs, we leveraged a total of more than **\$2.7 million in grant funds and forgivable loans to benefit 90 nonprofits in FY22.**

“The American Indian Family Center is truly grateful for the opportunity to be involved in the CBIFE cohort. The support we have received from Propel and the other cohort partners has been very impactful, notably in the areas of board development, marketing and partnership building. Having these additional CBIFE resources has afforded the AIFC to grow as an organization in a more effective manner during a new normal of COVID and remote/hybrid work, including forging new collaborations with educators serving mutual students and families. We thank everyone who played a part in formulating and executing this critical initiative.”

- Kristin Kinney, Executive Director of American Indian Family Center

In FY22, Propel offered three capacity building programs, in addition to other, broader capacity building work at the organization, including the Capacity Building Initiative for Family Engagement (CBIFE), and the Nonprofit Infrastructure Grant Program (NIGP), and Seeding Cultural Treasures. Sixty three organizations participated in these programs.

100%

of organizations who received support are BIPOC-led

11%

are located in Greater MN

FISCAL SPONSORSHIP

Propel's fiscal sponsorship program works with dozens of mission-driven organizations, projects, causes, and collaborations annually to build infrastructure, set goals, and develop sustainable business models. **In FY22 we supported 54 projects, 76% of which are BIPOC-led.**

Memorialize the Movement (MTM) was created in reaction to the murder of George Floyd and the Minneapolis Uprising of 2020. The mission of MTM is to collect, preserve, and activate the plywood murals that Twin Cities artists created to illustrate the public discourse on police brutality, state violence, and the Black experience in this renewed civil rights movement. Photo courtesy of MTM.



ACCOUNTING & FINANCE

Propel Nonprofits is pleased to offer consulting and coaching engagements designed to equip organizations with accounting and financial tools and resources which provide insights into their financial health and empower nonprofit boards and staffs to make decisions with confidence. In FY22 we worked on **27 projects** through our Financial Insights Coaching, QuickBooks Online Set-Up, and Nonprofit Accounting Tools engagements. Most of the clients we work with are organizations facing a new challenge, a change in leadership, or a period of growth.

CLIENT FEATURE:

HISPANIC ADVOCACY AND COMMUNITY EMPOWERMENT THROUGH RESEARCH

Hispanic Advocacy and Community Empowerment through Research (HACER) is a community-based research organization whose mission is to provide the Minnesota Latine community the ability to create and control information about itself in order to affect institutional decisions and public policy.

Founded in 1988, HACER has refined their community-based research approach, and over time, they grew to offer workshops, host focus groups, develop programs, and more.

“We grew steadily for many years because as more and more people heard about the work we were doing, the more they wanted to be involved,” Rodolfo Gutierrez, Executive Director of HACER said.

When the COVID-19 pandemic hit, HACER became a go-to community partner for the Minnesota Department of Public Health and other organizations to get essential, timely, and correct information to the Minnesota Latine community across the state.

“It has been very busy, and we needed to add staff; we have been organizing vaccination clinics, testing events, distributing information, offering facemasks and hand sanitizers at every event,” Gutierrez said. “All of this has been in addition to the work we were already doing or planning to do.”



“Propel has been there for us in many important moments: they’ve connected us to other organizations, helped us troubleshoot technical issues, and worked with us and our board to feel sure about how we wanted to grow strategically,” Gutierrez said.

TRAINING, TECHNICAL ASSISTANCE, & RESOURCES

Propel's trainings — free webinars, paid workshops, and contract trainings — provide nonprofit leaders with the competence, confidence, and capability they need. We offer a comprehensive curriculum on a variety of financial management and board governance topics.

IN FY22:

Presented **132** trainings
with **5,993** participants

Averaged 25 participants in public trainings and 200 participants in webinars

In this fiscal year, co-hosted the 2021 & 2022 Nonprofit Finance and Sustainability Conference with the Minnesota Council of Nonprofits. **Each conference saw over 400 attendees.**

LEADERS CIRCLES

Our Leaders Circles® program accommodates the needs of both emerging and C-suite leaders. Circles create the environment that allows participants to confidentially discuss challenges and ideas, test ideas before “taking them public,” identify solutions to challenging situations, and network with others who face similar issues. In FY22, we hosted 14 circles with 70 participants.

TECHNICAL ASSISTANCE

Propel provided 1,134 hours of technical assistance and responsive training to 400 nonprofits.

FINANCIAL LEADERSHIP COHORTS

The goal of the Financial Leadership Cohort is to develop the financial leadership capacity needed for nonprofits to be sustainable and financially healthy.

In FY22 we led 4 Financial Leadership Cohorts with 71 participants.

35%

of participants came from organizations led by and serving BIPOC groups

32%

of participants were from organizations in Greater MN



“Participating in the Financial Leadership Cohort was one of the best decisions I could’ve made as a new incoming Executive Director. The topics and activities were directly valuable to my day-to-day finance work, and learning it all alongside other nonprofit leaders was a wonderful bonus. I can’t recommend FLC highly enough!”

- Anitra Budd, Executive Director and Publisher, Coffee House Press

BOARD CONNECTOR

Propel Nonprofits’ Board Connector program recruits board members for Twin Cities-based nonprofit organizations. This year we made 52 connections of community leaders to nonprofit organizations.

WHAT'S NEXT

The work continues as we deepen our relationships across the sector and continue to invest in the capacity of organizations. In the coming year, we will grant dollars out to our Seeding Cultural Treasures Cohort (SCT). SCT is an initiative to nourish and cultivate the landscape of emerging arts and culture organizations run by and for Black, Indigenous, and other People of Color (BIPOC).

And, we will continue to implement projects we have already started including the Financial Commons, Recovery Capital Loans and Microloans for organizations recovering from the many disruptions over the past few years. We are launching a new Social Enterprise Cohort and will continue our programming for NIGP and CBIFE. The sector is full of inspiring leaders and Propel is lucky to get to work with so many of them; we can't wait to see what they build in the next year and beyond.

Propel Nonprofits powers the missions of other nonprofits.

We believe nonprofits and their leaders, boards, staff, and volunteers are the real champions of good; our communities are better because of the work they do. Our programs and services meet nonprofits at various points in their life cycles to enhance their impact by linking strategy, governance, and finance.

OUR NONPROFIT SERVICES

- Accounting & Finance
- Board Governance
- Capacity Building
- Fiscal Sponsorship
- Lending
- Skills & Knowledge Sharing
- Strategic Consulting
- Training



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