



# FISCAL YEAR 2023

April 1, 2022 - March 31, 2023

## DEAR SUPPORTERS AND FRIENDS OF PROPEL,

Earlier this year, I announced my retirement. This will be the last annual report letter I write for Propel and I want to thank you all for your confidence and partnership over the years. I'm especially grateful for the staff and board of this organization, who are truly great at what they do. They are dedicated to Propel's vision and mission, which means they are dedicated to creating a sector where nonprofits and their leaders can thrive.

As you can imagine, I have been thinking about what makes an organization thrive as I prepare for my own retirement; I wanted to leave this organization positioned to continue its great work in the next stage, and I know it will. In my reflections about this, and what we've done at Propel in FY23, I kept coming back to the idea of sustainability.

Propel's work over the last few years has focused on fueling organizations through change. From shifting business models, recovery and reinvention, leadership changes, and board development and growth, the nonprofits we've worked with have refined their ability to adapt. Adaptability is the muscle for sustainability, and as I think about what comes next for the sector and Propel, I am excited by the strength, vitality, and resilience nonprofit leaders bring to our sector and communities. While things have not been easy, I feel that we collectively have a solid base for what comes next.

The organizations featured in this report offer only a small glimpse of the organizations Propel worked with in the last year. Their stories are reminders that nonprofits across our region are working hard to build a healthy, vibrant, and more just community and illustrate how that work is both difficult and joyous. It is critical to support them as they build their infrastructure and continue to adapt and change.

This year, Propel worked with over 600 nonprofits through our programs, and 4,000 people through our training sessions. From Grand Rapids to Granite Falls, and Minneapolis to Moorehead, nonprofit leaders took steps to ensure the sustainability and capacity of their organizations by using one of Propel's services. Of the loans Propel's lending team originated, 77% were to organizations serving low to moderate income people and communities - something that as a CDFI we are committed to doing.

Finally, we continued the work of building up our people and our own infrastructure with the hiring of Ellie O'Brien as Vice President and Chief Financial Officer and Jonathan Brown as Vice President and Chief Program Officer. Many of our program staff were promoted into director-level positions after months of intentional planning and investment in their growth. I am energized by how they are already making Propel a place where nonprofit leaders can find what they need when they need it most.

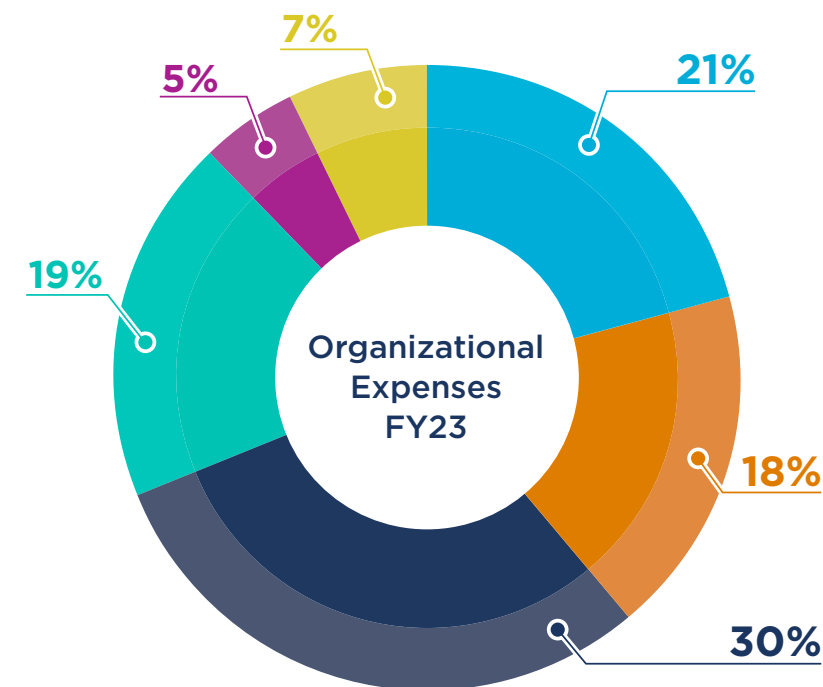
Thank you to the many nonprofit leaders, funders, investors, clients, and to the Propel staff and board for all they do to make Propel what it is today. I am excited to see what you do, and I will be cheering you on!



Kate Barr, President & CEO

## CORE MISSION SUPPORT

We teach nonprofits that investing in infrastructure is absolutely necessary and can be transformational. Each of our programs is built around, supported by, and shares responsibility for Core Mission Support. You can find a template to create your own Core Mission Support graphic on our website.



- Training, Guidance, and Knowledge Sharing
- Capacity Building Initiatives
- Lending
- Strategic Services
- Accounting and Finance Services
- Fiscal Sponsorship

\*Excluding regranting activities. Propel invests in nonprofits through our services but also through regranting. In fiscal year 2023 we granted over \$6.3 million to 134 organizations.

### Mission

Fueling the impact and effectiveness of nonprofits with guidance, expertise, and capital

### Vision

A diverse network of mission-driven nonprofits building a healthy, vibrant, and more just community

### Guiding Principles

- Champion nonprofits
- Be a mutual and trusted partner
- Advance justice
- Stay curious
- Have fun

### Services

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

Cover photos courtesy of: Urban Homeworks, Hmong Early Childhood Coalition, Big Brothers Big Sisters Twin Cities



# STRATEGIC CONSULTING

The Strategic Consulting Team at Propel works with organizations to ensure they are guided by a shared vision of the future and possess the strategy and organizational capacity to bring that vision to life. In FY23 we worked with organizations of various budget sizes, fields or services, and opportunities. The consulting team was proud to partner with 82 organizations to design and complete the right organizational development process for their future.

**82**

Total Projects in FY23 including:

**20** strategic development projects

**26** board development projects

**29** organizational impact projects

**7** leadership transition projects

**49%** BIPOC-led and serving organizations

**20%** of organizations were located in Greater MN



## CLIENT FEATURE:

### BIG BROTHERS BIG SISTERS TWIN CITIES

“We had the flexibility to play and learn together as a team,” said Pat Sukhum, Chief Executive Officer of Big Brothers Big Sisters Twin Cities, as he described the organization’s strategic planning process led by Propel’s Strategic Services Consultant, Leah Porter, and Justice, Equity, Diversity, and Inclusion (JEDI) Consultant, Shana Moses.

The team worked together to create a new set of organizational values that serves as a compass for their work. They engaged over 700 constituents to inform their strategic plan.

When Propel and Shana, the JEDI consultant, arrived to start their work, the team at Big Brothers Big Sisters Twin Cities (BBBSTC) were hoping for something transformative, something that would not only provide a clear road map for the future but also change how the organization conducted its work.

“The consultants we worked with were good about cracking us open and helping us realize how we were a little bit stuck,” said Sukhum. “We had to reckon with where we were starting from and who we wanted to be.”

Throughout the engagement, the team practiced new ways of working together and incorporating new processes they hope to continue into the future.

“We got to practice really listening to our community,” Jennifer Bartels, BBBSTC Vice President of People & Impact said. “Like many other nonprofits in the Twin Cities, we are called to be responsive to the community, and this process helped us learn how to listen to our constituents, dream about what is possible, and incorporate what we’ve learned in a way that really feels like we have them behind us.”

Bartels and Sukhum said the partnership between Propel and the JEDI consultant provided the structure, deep reflection, engagement, and discipline the organization needed to have a truly transformative experience. They have a clear roadmap for the future of the organization, and they feel confident that their JEDI work is their strategic plan.

Big Brothers Big Sisters Twin Cities seeks to amplify the potential that lives within all children to realize their biggest possible future.

*Photo courtesy of Big Brothers Big Sisters Twin Cities*

# CAPACITY BUILDING INITIATIVES

## CLIENT FEATURE: NONPROFIT INFRASTRUCTURE GRANT PROGRAM

### JUGAAD LEADERSHIP PROGRAM

The Jugaad Leadership Program works with participants to assume ownership of critical issues in their communities. Leaders gain access to knowledge, skills, and resources to make a difference in Central Minnesota, where the organization is located. It is a unique program that brings people who are otherwise underrepresented together to create connections and gain social capital.

Jugaad was established in 2015 by Eunice Adjei. Since its inception it has worked with almost 80 leaders of color; alumni of the program hold positions on various community boards and a few also act as advisors to the organization itself. In 2021, Jugaad’s grant writer applied for and received a capacity building grant through Propel’s Nonprofit Infrastructure Grant Program Initiative (NIGP) to build out the organization’s fundraising program.

“NIGP allowed us to hire a fundraising consultant for the first time,” Adjei said. As the only staff member at the time (the organization recently welcomed a VISTA), she needed the support, and wanted her board to also be involved.

“Our consultant is located in the area and understands the fundraising landscape here,” Adjei said. He also helped the organization’s leaders see that events might not be the best option for them to raise money, something they previously thought. Instead, they focused on individual giving and grants.

“It was huge to be able to hire a consultant, bring in past participants of the program to take the workshop, and learn the skills of fundraising together,” Adjei said.

Through NIGP Adjei and the board also learned more about applying for and receiving government funding – a goal of the program. She said they learned about the reimbursement process and feel more prepared to apply for a government grant.

“We are ready to grow and know that we must do it sustainably. Hiring a fundraising staff will be key for the organization so we can serve more leaders and create a larger network in the community,” Adjei said.

*Photo courtesy of Jugaad Leadership Program*

Propel Nonprofits Capacity Building Initiatives aim to provide funding and relevant infrastructure support for BIPOC led and serving nonprofits. The programs are built on the assumption that a hybrid of self-determined, individualized capacity building activities coupled with cohort learning and relationship-building is an effective, efficient, and capacity building model. Capacity building initiatives are often developed through our strong connections with community partners, and each is designed to meet a specific need in a community and to help nonprofits build their knowledge, skills, and capacity to thrive in a connected ecosystem of well-resourced nonprofits.

Through Propel’s three capacity building grant programs, we granted

**\$3,775,008**

to **84** organizations

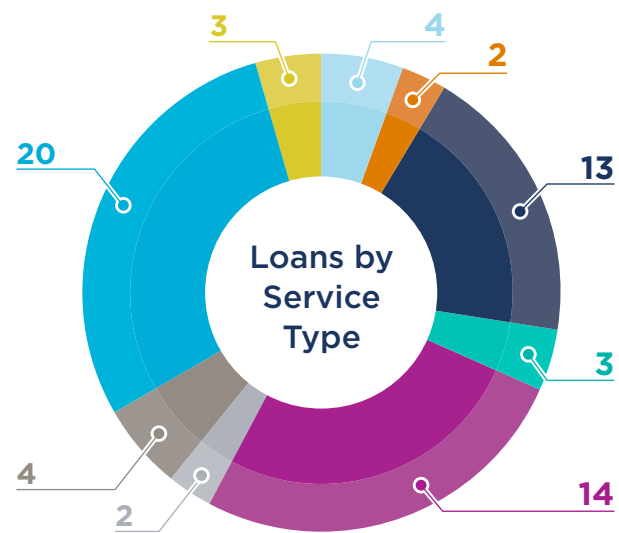
**100%** of the organizations are BIPOC led and serving





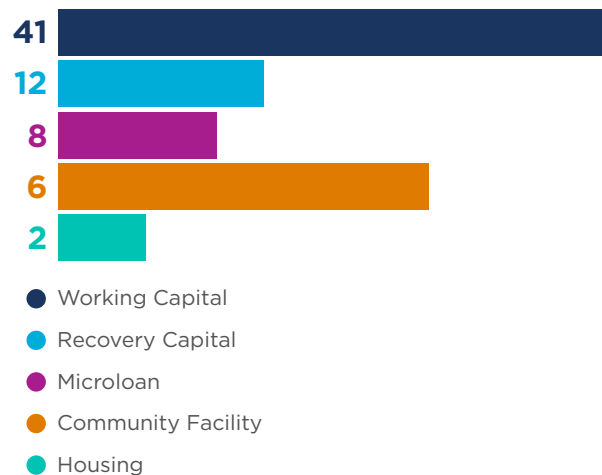
# LENDING

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.



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

## Types of Loans Originated



- Working Capital
- Recovery Capital
- Microloan
- Community Facility
- Housing

## CLIENT FEATURE: URBAN HOMEWORKS



“We are a small team that works to make housing equitable and dignified, and to do that we have to engage our community and invest in policy work,” AsaleSol Young, Executive Director of Urban Homeworks said. At the end of 2022, Young and their team worked with Propel to secure a loan to bring on a Finance and Operations Director. This capacity-building investment allowed the rest of the staff to focus on their positional goals.

“A partnership with Propel is a no-brainer for us,” Young said. “We love working with Propel because it really feels like a partnership. We know that they understand how we operate and what our needs are.”

Urban Homeworks (UHW) is a 28-year-old nonprofit leading the fight for housing justice so that all people have a safe, stable, and dignified place to live. The organization provides a variety of rental and homeownership opportunities for residents in Minneapolis and St. Paul. In 2023, the organization received its first-ever appropriation from the State of Minnesota.

“This added stability will allow us to really focus on our mission and how we show up in community,” Young said.

The organization has big plans to increase their impact in the coming months and years. They recently broke ground on the first of five passive homes under construction this year. Passive-certified homes are the most rigorous energy standard today, following a specific set of rules and guidelines that make them up to 80% more energy-efficient than standard code-built houses. Energy efficiency not only reduces the carbon footprint of a home, but it also leads to greater comfort, lower utility costs for the future homeowners, and better health.

The organization is also holding BIPOC Think Tanks over the summer to dream, collaborate, and ideate with community what a just housing ecosystem could look like.

“We want to share with our community and hear from them directly” Young said. “UHW is hosting the space so every person who comes can talk about what they are bringing to that vision.”



Photo courtesy of Urban Homeworks

# COHORT LEARNING FINANCIAL LEADERSHIP COHORT

The goal of the Financial Leadership Cohort is to develop the financial leadership capacity needed for nonprofits to be sustainable and financially healthy. Through cohort sessions, leaders become more knowledgeable, confident, and savvy about nonprofit finance. **In FY23, we hosted two Financial Leadership Cohorts with 38 participants. 40% were BIPOC-led, and 24% were based in Greater Minnesota.**

“The biggest gift the program gave me was confidence that I have what I need to be a financial management leader at my organization. It’s not about being an accountant, it’s about guiding others to be partners in thoughtful decision making about the resources of our organization. It was really apparent from the beginning of my cohort that many of us shared the same fears, and even a sense of imposter syndrome. But everyone was already doing the work! We just needed some tools, more context, and a confidence boost to help us lean into our curiosity and excitement. The year I participated, our organization had our most successful annual budgeting process to date.” – Deb Ervin, Operations Manager, zAmya Theater Project



zAmya photo by Bruce Silcox

## SOCIAL ENTERPRISE COHORT

In FY23, Propel hosted a social enterprise accelerator program for six Minnesota nonprofits across the state that were developing an earned revenue stream to support the mission of their nonprofits. You can read more about it on our website’s blog.

## BOARD CONNECTOR

Propel Nonprofits’ Board Connector program recruits board members for Twin Cities based nonprofit organizations. This year we made **107 connections** of community leaders to nonprofit organizations.

## 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 FY23, we **hosted 12 circles** and **engaged more than 60 participants.**

# TRAINING

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.

**65**  
paid workshops

**12**  
free webinars

**4,000**  
nonprofit leaders trained

# TECHNICAL ASSISTANCE

Propel provided over **1,000 hours** of free technical assistance and responsive training to **nearly 400 nonprofits.**

# 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 FY23 we supported 50 projects.**

## CLIENT FEATURE:

# HMONG EARLY CHILDHOOD COALITION

The Hmong Early Childhood Coalition's work started long before they joined Propel's fiscal sponsorship program in 2017. In

2006, a group of parents, professionals, and school staff came together discuss how to best support Hmong children in school and in their community. As the group continued to host summits, they eventually established themselves as the Hmong Early Childhood Coalition (HECC) in 2014. The organization identified three areas: translation and dissemination of information, bridging families to services, and advocacy and systems change.

In their words, "HECC is a grassroots, community-based organization dedicated to sharing research and evidence-based practices on early learning. HECC partners with families and community agencies in providing education and advocacy to optimize early learning for Hmong children."

In 2017, the group came to Propel because they needed a fiscal sponsor. Propel was highly recommended by another nonprofit.

 "The staff at Propel were friendly and I felt like they were willing to be our partner and help us grow," Vang-Lee said.

In 2020, the organization secured a large state grant which they have managed in partnership with Propel.

"Propel staff helped us learn to manage our grant. And, when it was time, we also got support in understanding what we needed to do to transition into a nonprofit in our right," Vang-Lee said.

In the past three years, the organization developed and eventually grew their programming, infrastructure, and fundraising functions. They have expanded their programs and services such as training, community conversations, Family, Friend and Neighbor Network, and outreach. In November 2023, the organization received it's 501c3 status and will off-board from Propel's fiscal sponsorship program.

*Photo courtesy of Hmong Early Childhood Coalition*



# ACCOUNTING & FINANCE

Propel Nonprofits offers 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 FY23 we engaged in 34 projects through our Financial Insights Coaching, QuickBooks Online Set-Up, and Nonprofit Accounting Tools engagements.

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**82%** of clients have a budget of less than \$750,000

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 "Our engagement with our consultant really helped us find our feet, get grounded, and make plans to grow strategically as we move forward. He helped us through a lot of technical processes including straightening out our chart of accounts and refining our classes to reflect our programs. This was invaluable as it allowed us to see how our multi-stream funding approach was working. Now we can tell a story as an organization that's effective and we have an accounting system that can grow with us into the future."

- Stephani Atkins, Founder & Director, StoryArk

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