

Fiscal Year 2024

April 1, 2023 – March 31, 2024

Propel works with organizations at every stage of the nonprofit life cycle. You're the champion of good. We're the champion of you.

Photo: The Upton Program founders in North Minneapolis.

propel
nonprofits

Dear Propel Nonprofits Community,

My first two months at Propel Nonprofits were the last two of Fiscal Year 2024. It was a great opportunity to listen to and learn from the staff, and from Propel's former President & CEO Kate Barr, as the organization wrapped up an impactful fiscal year.

Throughout my onboarding, I heard how the team served clients from across the state, created and launched responsive products, offered timely and relevant trainings, and worked with clients to access capital in the form of grants, contracts, and loans in FY24. They continued these commitments while honoring Kate Barr and her retirement, executing a leadership transition, and welcoming me to the team.

Propel is a Community Development Financial Institution (CDFI), and as a CDFI we have so much to offer nonprofits including access to capital, accounting and finance consulting and support, strategic development for nonprofits and their boards, and training on finance, governance, and strategy. As I got to know the team at Propel, I learned how services in all these areas are developed based on the close and ongoing relationships they have with hundreds of nonprofit leaders across the sector.

I want Propel to continue to be the best version of itself, and as a newcomer to the organization, I can see how the team is full of leaders who are committed to their work. In FY24 alone, we made more than 70 loans totaling nearly \$16 million to nonprofits across the state. The Nonprofit Infrastructure Grant Program (NIGP) was awarded a \$4 million appropriation from the state, the largest in the program's history. We launched an Emerging Organizations Cohort for fiscally sponsored organizations and distributed the last round of grants through our Seeding Cultural Treasures grant program. Throughout the year, the team worked with hundreds of nonprofits, provided over 1,400 hours of technical assistance, and launched an updated website and nonprofit resource library.

As a team player, and someone who must do everything 100%, I am so excited to be at Propel. Like many of my colleagues, I've made a career in nonprofits because I believe nonprofits provide access to essential resources people need – from housing, to arts, to capital. I feel an urgency to be a champion of nonprofits, to advocate for more capital in all forms, to support them as they grow and meet ever-changing needs, and to call for investment in new leaders – like me and so many others – today. My kids would say this is "cringe," but as a team we're going to "keep it 100."

Thank you to this community for welcoming me, to Kate Barr for her leadership and support during this transition, to the team both staff and board, to Propel for their commitment to nonprofits, and to our clients for reaching out and inviting me in. I am looking forward to more conversations, partnerships, and connections.

Sincerely,



A handwritten signature in black ink, appearing to read "Henry Jiménez".

Henry Jiménez
President & CEO



Henry Jiménez and Kate Barr. "I am grateful for Kate's friendship and mentorship. Her support has helped me be the leader I am and has prepared me to lead Propel into its next chapter." - Henry

Dear Propel Community,

I am so excited to be working alongside Henry and my fellow board members to support the work of this great organization. I had the honor of co-chairing the transition committee for Propel's new President & CEO. Throughout the process, I advocated for transparency and engagement of staff and a supportive onboarding plan for the new leader. As outgoing President & CEO Kate Barr shared in her insightful "Leaving Well" blog series, I was committed to ensuring that Henry onboarded well, and the staff felt supported and listened to in this leadership transition. I am grateful for the work of my fellow board members for helping ensure this was the case.

I am confident in Henry's ability to lead Propel in its new chapter, one that builds upon a legacy of great leadership and responsive programming. Henry has immense passion and vision, and the nonprofit community and its leaders are at the center of it. Already, Henry has visited community leaders in Greater Minnesota, advocated for investing capital into nonprofits at the White House, and participated in client engagements with his team.

I look forward to the work we will do together during my board chair tenure and beyond.

Sincerely,



Scott Marquardt

President of the Southwest Initiative Foundation, and Propel Nonprofits Board Chair

About Propel

Propel Nonprofits' mission is to fuel the impact and effectiveness of nonprofits with guidance, expertise, and capital. This mission is in service to a vision of a diverse network of mission-driven nonprofits building a healthy, vibrant, and more just community.

Underlying our mission and vision is the belief that healthy, effective nonprofits play a fundamental role in stabilizing and anchoring the communities they serve. Our vision statement reinforces our commitment to strengthening a diverse network of nonprofits including emerging groups and small nonprofits, as well as established, growing organizations.

Created from the 2017 merger of Nonprofits Assistance Fund (which began in 1998) and MAP for Nonprofits (which began in 1979), Propel Nonprofits serves organizations in Minnesota and adjacent states in the areas of finance, strategy, and governance.

Propel is a member of:

- Minnesota CDFI Coalition
- Minnesota Council of Nonprofits
- Minnesota Council on Foundations
- The National Association for Latino Community Asset Builders
- Opportunity Finance Network



Henry Jiménez, Propel Board Member Gema Alvarado-Guerrero, and Austin Aspires Executive Director Jayne Gibson in Austin, Minnesota.

Access to Capital

Our commitment to creating and providing access to capital, and building the infrastructure to effectively manage it at different stages of a nonprofit lifecycle, is the basis from which we do all our work at Propel. This commitment is in service to a larger vision: a strong community of diverse, network-driven nonprofits building a healthy, vibrant, and more just community.

Lending

As a CDFI, Propel provides financing in the form of loans and grants to a wide range of nonprofits of different sizes and fields of service. Propel's loan fund originated 71 loans totaling \$15,835,184 to nonprofits in FY24.

This year, Propel surpassed \$300 million in loans over the life of our loan fund. This number represents the work of a dedicated team, volunteers, and partners, and of hundreds of nonprofits.



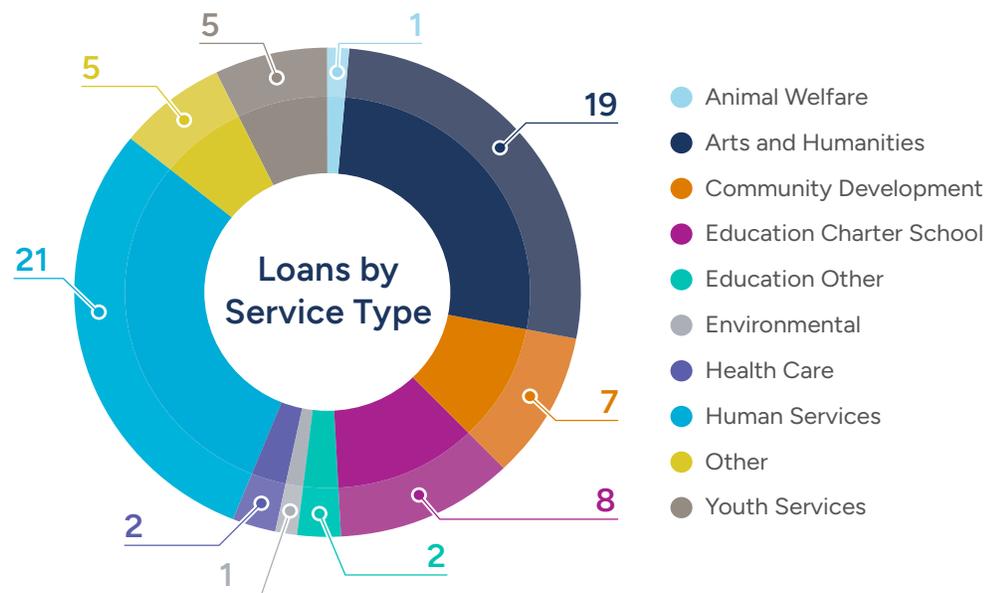
“Reaching the \$300 million milestone in loans is a testament to the incredible impact that nonprofits have on our communities. We often say we are champions of nonprofits, but we are more than that. We are beneficiaries of the work they do and the communities they create.”

– Hibo Abdi, Propel Nonprofits Loan Fund Director

FY2024 Loan Fund

This year, nonprofits, including Propel, felt the burden of rising interest rates and the slowing pace of availability of capital in all forms. We know pandemic relief funding supported nonprofits closer to the true cost of operating an organization, and now that those funds have ended, nonprofits are working to find new and sustainable revenue sources to continue delivering on their missions.

Propel is proud to have strong relationships between our loan officers and nonprofits and we are honored to partner with leaders as they make savvy and strategic decisions for their organizations.



Loans Originated





“Words cannot express the impact of the Propel loan that stabilized our organization. Turning Point was on the verge of closing after almost 50 years. Propel stepped in and revived Turning Point and we are eternally grateful. We can now continue our mission to save the lives in our community. Thank you for your partnership and your support.”

– Lori Wilson, CEO, Turning Point, Inc.

Turning Point, Inc. is an African American agency that provides culturally-specific substance use disorder treatment, housing, support services and training to adults. Turning Point accessed a working capital line of credit to manage cash flow with a new Hennepin County contract for opioid treatment and several state grants and contracts.



82% of loan dollars provide services to low-to-moderate-income communities

41% BIPOC-led clients

\$15.8 million in loans to nonprofits



“Working with Propel allowed 825 Arts to make our dreams come true. From building a robust, enduring organization, to developing a new home for arts and community in a historic Saint Paul building, Propel has been a staunch supporter of our work, our vision, and most of all the people who make it all possible.”

– Tyler Olsen-Highness, Executive Director, 825 Arts

825 Arts builds community power by providing a creative home that incubates the arts and amplifies the voices of all people in the neighborhood. 825 Arts accessed a loan to acquire the Victoria Theater building on University Avenue in St. Paul.



Access to Capital

Grants and contracts are important financing tools for nonprofit business models. Through our Capacity Building Initiatives and Fiscal Sponsorship program, we support small and emerging organizations as they build strong infrastructure to manage grants and contracts while delivering on their mission.

Capacity Building Initiatives

Propel's Capacity Building Initiatives (CBI) provide funding and relevant infrastructure to support Minnesota nonprofits. Our largest CBI program, the Nonprofit Infrastructure Grant Program (NIGP), supports small, culturally specific nonprofits in building the infrastructure they need to manage their first government contracts. Several foundations are engaging our capacity building services to more holistically support their grantees. By paying for Propel's capacity building services on behalf of their grantees, they are broadening the resources available to them and supporting them in using their grant funds effectively and sustainably. In FY24:

In FY24, we made **131 grants totaling \$3,957,470** between capacity building initiatives, our fiscal sponsorship program, and forgivable loans

251 Organizations in CBI programs

100% of Propel grantee organizations are led by or serve Black people, Indigenous people, or People of Color

19% of grantees were located in Greater MN

Nonprofit Infrastructure Grant Program

In FY24, Propel awarded \$3.2 million to 56 culturally led nonprofit organizations for infrastructure funding through NIGP. The 2023-2025 round of NIGP funding is made possible through a \$4 million appropriation coming through the Minnesota Department of Employment and Economic Development.

Building the capacity and infrastructure of small organizations that focus on historically underserved cultural communities helps position them to have greater impact in their community and increases their ability to secure and manage the requirements of public funding in the future. Since 2017 when the program started, 94% of grantees said they are likely to apply for state or other publicly funded grants in the future.



“What has been unique for us about Propel is that they have ‘gotten us’ from day one. They understand that funding local, cultural, creative organizations, even if they are just starting out, is imperative in these difficult times and in a state that is still contending with a lot of trauma. They understand that putting the power to heal and uplift into the hands of these community organizations is the way forward.”

– Niila Hebert, Board Treasurer, Sweet Potato Comfort Pie

Sweet Potato Comfort Pie is a Black-led arts and culture organization that activates the power of connection for racial healing and change. They were awarded NIGP grants in 2021 and 2023.

Fiscal Sponsorship

Propel's Fiscal Sponsorship program supports emerging nonprofit organizations and projects that advance social causes and uplift their communities. We provide resources, consulting, technical assistance, and the ability to accept donations to our fiscally sponsored partners, especially those from historically excluded groups.

Emerging Organizations Cohort

Propel's Emerging Organizations Cohort provided a more immersive learning experience for organizations on a path to becoming a nonprofit. Participating organizations received a \$5,000 grant and a cohort learning environment focused on infrastructure building. Having completed scheduled meetings, many groups elected to continue with post-cohort support in fundraising with RaiseMN and within a Leaders Circle® at Propel.

53 Fiscally sponsored projects in FY24

\$1,499,695

Raised by/for clients in FY24

72%

BIPOC-led

11%

Greater MN

“

“As someone who has started something for the first time, it can be intimidating to enter into a system that already has built in red tape, especially for community led organizations and initiatives,” Hodapp said. “The facilitators and my peers, who had varying experiences when navigating the nonprofit world, made me feel welcomed, heard, and empowered to continue on and to not be discouraged.”

– Madeline Hodapp, Executive Director and Co-Founder of The Upton Program

The Upton Program (TUP) aims to create systems that break barriers and dismantle stigmas that the community of parenting and pregnant youth face. TUP equips parenting and pregnant youth with tools to thrive in career skills, personal finance, and parenting. This model supports TUP participants and their children to prosper and create an elevated future for generations to come. TUP participated in the Emerging Organizations Cohort.



Finance, Strategy, and Governance

Our program services include integrated support for nonprofits throughout their lifecycle, from an early stage as a fiscal sponsor, through growth with training and support to build financial systems and strong governance, and expansion with strategic and organizational development consulting and access to capital.

Finance

Accounting & Finance Consulting

We support solid nonprofit accounting systems with guidance and expertise from accounting and finance professionals. Supports include providing tools for budgeting, cash flow, scenario planning, and true program costs; providing financial insights coaching; and serving as a free nonprofit accounting helpline. Most of our clients have budgets under \$750,000; like in many of our other programs, this focus on supporting small-budget organizations is intentional. Working with small organizations to build their infrastructure ensures the possibility of sustainable growth.

45 projects in FY24

56%
BIPOC-led

16%
Greater MN

78%
of clients have <\$750k budget

Financial Leadership Cohorts

Propel's Financial Leadership Cohorts develop the financial leadership capacity needed for nonprofits to be sustainable and financially healthy.

Propel hosted **4 Cohorts** in FY24, serving **74 nonprofit leaders**

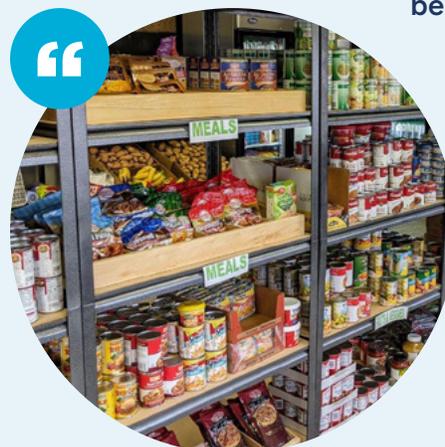
33% BIPOC-led
21% Greater MN

All organizations have budgets between \$300,000 and \$3,000,000

"I wish that every first-time Executive Director had the opportunity to participate in this program within their first year on the job. This course laid out the foundation of financial leadership in a way that was extremely clear and concise. This overview gave me a focused direction of how to move my organization into a more stable financial future. I think that it would have taken me years to put all the pieces together if I were trying to develop these skills on my own. I am confident that my organization is on the right path and that I will

be able to utilize ongoing support from everyone at Propel as we continue the work of developing best practices for our financial management."

– Christina Daniel-McKee, Director, Koochiching County Food Access



Koochiching County Food Access addresses the rural food crisis in Koochiching County with dignity and compassion. They participated in a Financial Leadership Cohort in FY24.

Strategy and Governance

Strategic Services Consulting

Our Strategic Services Consultants worked with more organizations than ever before in FY24.

32
Strategic development projects

35
Board development projects

79
Organizational impact projects

7
Leadership transition projects

61%
BIPOC-led

10%
Greater MN

Across these engagements, we met clients who are experts in achieving their missions. As with every engagement, our goal was to walk alongside these organizations to help them build capacity, strengthen their governance and strategy, and bring about greater equity for the organizations and communities they serve.

66% New clients



“Propel was cooperative in that their approach was sensible and flexible to meet our needs. The structure and approach that they brought to our project was thoughtful and effective.

Our consultant helped us to stay accountable to a reasonable timeline and balanced that with patience as we worked through some difficult questions. One of the outcomes was an updated mission statement that builds upon our previous position in ways that are powerful and more accurately describe the way that our agency works today.

We had a specific scope for this planning exercise and Propel was respectful of our position and helped us to dig deep to build structure around that vision. Our consultant did a terrific job working with us to engage with all the critical internal groups.”

– Steve Horsfield, Executive Director, Simpson Housing

For four decades, Simpson Housing has been helping people experiencing homelessness. In response to unmet community needs, their key programs have grown to include the following: an extended-stay shelter; supportive housing programs for youth, single adults, and families; and developmental and educational services for children. Simpson Housing engaged in a strategic planning project, including revising their values.



Nonprofit Finance & Sustainability Conference

With a record number of attendees—531 in total—this year’s conference boasted a comprehensive agenda designed to address the diverse financial needs and concerns of nonprofit organizations. Trending topics included planning for capital campaigns, integrating budgets and values, and financial planning for leadership transitions, to name a few.

Propel is proud to co-host the conference with the Minnesota Council of Nonprofits.

Trainings, Resources, & Technical Assistance

In FY24 Propel:

Presented **107 trainings**
with **4,029 participants**

Supported **71 Leaders
Circles® participants**

Listed **70 Board
Connector postings**
and made
94 connections

40
Governance
trainings

54
Finance
trainings

13
Combined
and custom
trainings

Legislative Activity

In our Fiscal Year 2024, we increased our legislative activity and presence at the Minnesota State Capitol. While we have relationships with some legislators and state agency staff, we recognize the importance of building new relationships, advocating for the importance of nonprofits in the state, and speaking with lawmakers and agency leaders about how capacity building and capital flow are critical to the well-being of nonprofits and the community members they serve.

We held meetings with legislators, engaged in partnership conversations with agencies, and testified at two committee hearings in which we gave representatives an update on our Nonprofit Infrastructure Grant Program (NIGP) and made a request for an appropriation. Additionally, as one of Minnesota’s 39 Community Development Financial Institutions (CDFIs), we participated in MN CDFI Coalition Day at the Capitol—a day to raise awareness of the critical function CDFIs serve to get capital into historically underserved and underinvested-in communities.

We look forward to more conversations with state lawmakers leading up to and during the 2025 legislative session. We will continue to advocate for the importance of capital access and capacity building to the success of nonprofits, and the importance of nonprofits to building a healthy, vibrant, and more just community.



Propel staff joined the 2024 Minnesota CDFI Coalition Day at the Capitol. Photo by Bruce Silcox.



A dancer from Kalpulli KetzalCoatlíque dances at an event. Photo courtesy of Kalpulli Ketzalcoatlíque. Seeding Cultural Treasures grantee.



Leaders from the nonprofit and philanthropic sectors celebrated Kate Barr's retirement in FY24. Her Leaving Well blog series is available on Propel's website as a resource to retiring leaders, boards, and organizations.



Staff attended the construction kick off for the future Wakanj Tipi Center. Wakanj Tipi Awanyankapii is a loan client.



Youth perform during an event with ComMUSICation. Photo by Kevin Kalla, courtesy of ComMUSICation. Seeding Cultural Treasures grantee.



Propel Staff welcome Henry Jiménez to the team.



Henry Jiménez with clients and Executive Director Lisa Lassen from Itasca Life Options in Grand Rapids, MN. Strategic Services and Training client.

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#ChampionsofGood

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