

# Self-Helper

Summer 2005  
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## MHDC Holds Wall Raising for Homeownership Month

On Monday, June 6, 2005 Milford Housing Development Corporation (MHDC) held a very successful wall-raising to celebrate Homeownership Month.



This event attracted approximately 90 people to their Cedar Creek Landing subdivision in Lincoln, Delaware.

Among the attendees were Rural Housing Service Administrator Russell T. Davis and Delaware/Maryland Rural Development State Director Marlene Elliot. Along with MHDC's Executive Director David Moore and their Housing Director Russ Huxtable, they all shared comments with the crowd during the ceremony that took place before the wall raising. Their comments focused on the need for affordable homeownership in the area, as median costs have climbed to more than \$200,000. The government/nonprofit partnership was highlighted as an excellent resource for easing this high cost burden.

The self-help client whose wall was raised during the event, Raquel Diaz Peña, also shared some inspirational comments. Raquel thanked USDA Rural Development and MHDC for allowing her to fulfill her dream of homeownership. Originally from the Dominican Republic, Raquel is pictured above addressing the crowd through the assistance of an interpreter. She is a single mother who works at Perdue's local poultry processing plant. Though she qualified for a \$135,000 502 loan, which she assumed would easily buy a home, high housing costs in the area left few suitable choices. Just as she had almost given up after searching for over six months, MHDC contacted her about the program. At that point, she had given up on the idea of owning her own home. As stated earlier, median housing costs in the area have risen to above \$200,000; putting it out of reach for all but the above middle class.

*(Continued on Page 3)*



*First in Housing Services, Because We Care*

## Gulfport Conference Highlights

On May 17-19 NCALL co-hosted the 2005 Tri-Regional Self-Help Housing Conference. Over 280 attendees from 29 states, D.C., and Puerto Rico, met in Gulfport, Mississippi.



For the conference, NCALL joined forces with Florida Non-Profit Housing Corporation and Little Dixie Community Action Agency to plan a memorable and worthwhile conference. This conference was held at the Grand Casino Gulfport.

The theme of the conference was "Opening Doors to a Better Life." Forty-two workshops were held along with seven general session topics. The workshop tracks were diverse, covering topics for those just getting into the self-help program, to the experienced Program Director.

Highlights included an informative luncheon speech from Rodney Hood, Associate Administrator of Rural Housing Service, as

well as a bountiful reception outside by the beautifully landscaped pool.

Thanks to all of those who came to Mississippi. We hope you learned, participated, and enjoyed your trip!

The next self-help housing conference will be a national one held in Denver, Colorado in April of 2006. NCALL will keep you posted as more information is available. We hope to see you in the mile-high city!!!

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## Developing a Great Marketing Message



Most nonprofits offer really wonderful, useful, helpful programs to their communities. That is their goal, to help their community; to make it a better place. But, when it comes to marketing, doing good is not good enough. That is to say, the programs might be fantastic, but if they are not marketed properly it still may be difficult to attract clients or participants.

There are many important parts to a good marketing plan. But, none so much as developing a great message.

In order to develop a great message there are some things that need to be known. First of all, who is the target market? An organization must be able to describe them in detail. Where they work, live, and shop must all be known; as well as what they read, listen to, watch on television, and what they do for fun. Most importantly an organi-

zation must know what their clients value.

The message should include what action a potential client should take next to find out more. This action could be calling the office, attending a public meeting or special event, making an appointment, or coming by to fill out an application. Whatever it is that the organization wants to happen should be clearly stated.

Most importantly the message has to make the potential client WANT the services that are being offered to them. Nonprofits seem to mostly market to a need, but needs do not make people act as much as wants. That might sound surprising, but think about it... People are driven by their wants more than their needs. That is why McDonalds is so popular with children and why Viagra is marketed more than penicillin.

According to Billy Shore of

Share Our Strength, "Non profits suffer from literal sclerosis. They are so literal about everything that they don't translate things into language that people can understand. Everybody else in communications makes big bold claims for things they don't really know. *'The best part of waking up is Folger's in your cup.'* Is that really the best part of waking up? Some nonprofits would argue that last question for weeks, hold a summit on it, and then decide that they couldn't make the claim without more documentation. They would then stick to outlining the numerous physical and psychological benefits of caffeine ingestion when trying to get going in the morning, buttressed by data and charts. One method sells coffee. The other puts people to sleep."

So what is a nonprofit to do? NCALL is not suggesting that untruthful claims should be made about your programs. But, we are suggesting that marketing a self-help program takes a

## Federal Rural Housing Appropriations

RHS Programs	FY 05 Final	Proposed FY 06 Budget	House Approps. Bill FY 06
Section 502 Direct	1150	1000	1140.8
Section 502 Guaranteed	3309	3681	3681
Section 504 Loans	35	36	36
Section 504 Grants	31	30	31
Section 515	100	27	100
Section 514	42	42	42
Section 516	16	14	14
Section 523	34	34	34
Section 538	100	200	100
Rural Rental Assistance	592	650	650
Housing Preservation Grants	9	10	10

## Welcome New Grantees!!

Congratulations go out to the following new self-help housing agencies!

### Pre-Development Grantees

- Bread of Life Ministries of Augusta Maine just received their predevelopment grant. They are planning to build 11 homes in that area.
- Catholic Charities Housing Opportunities plans to build 12 homes in the Youngstown, Ohio area.
- Interfaith Housing of Pennsylvania has received their pre-development grant. They are planning to build 20 homes in the Carlisle area.

### Operating Grantees

- YouthBuild McClean County just received their grant to build 12 homes near Bloomington, Illinois over the next two years.

### Refunding Grantees

- Threshold Housing Development Corporation will be building 12 homes in Uniontown, Pennsylvania.

Congratulations everyone! Keep up the great work!

be able to attend eight such events around the country. Good job everyone!!

### Wall Raising *(Continued from Page 1)*

After the wall raising, lunch was served and the day began. Approximately 25 people remained and continued to work on the construction sites of four homes until 5:30 p.m. Tasks such as framing, siding and painting were completed. NCALL was pleased to have several staff in attendance.

One exciting twist to the occasion was that MHDC was told that a high-level official was planning to attend the event, though they were not told who it was until the last minute. President George W. Bush was expected to attend, but due to a logistical problem the evening before the event, he was not able to make the trip to Delaware. On the job site during the event, however, Russell Davis

was given a moment to share a few words with the President on a phone call.

Even though President Bush was unable to attend, the occasion was a wonderful way to celebrate Homeownership Month. A lot of people were exposed to MHDC, their programs, and the cause of affordable homeownership.

Many other self-help organizations in NCALL's region also held special events for Homeownership Month. NCALL's self-help team was pleased to



## How to Prepare a Budget (Part One)

Preparing a budget is a critically important activity that every organization must face. The Self-Helper will present the first few steps in this newsletter and the continuation will appear in the Fall edition.

### **Timing of Budget Activity**

At least two or three months before the beginning of the organization's fiscal year is when to start thinking about the budget for the upcoming year. The budget ordinarily corresponds to your fiscal year, which should be selected to reflect the organization's operating cycle. For example, a theater company might have a fiscal year beginning September 1<sup>st</sup> to correspond to the beginning of its performance schedule. A nonprofit relying on government funding might choose a fiscal year ending September 30<sup>th</sup> so that the budget corresponds to the major funding cycle.

### **Who Should be Involved in the Budget Process?**

Staff and board members must participate in each phase of the budgeting process that affects the line items for which they will later be responsible. For too many nonprofit organizations, planning and financial management are activities that

divide rather than unite the organization.

Program planning is often viewed as the domain of the executive director, program directors, and the board. Fiscal management is assigned to the bookkeeper, accounting, finance directors, and perhaps the board treasurer. Program planners and fiscal managers speak different languages and often have different priorities, and may or may not be aware of the importance of the other's approach to the budget process. Program planning decisions often are viewed as failing to reflect economic realities, while fiscal management decisions are often viewed as insensitive to the programmatic mission of the organization.

For this reason, both program staff and financial staff should work with the executive director and board to develop budgets which truly reflect organizational priorities and act as a guide for spending and decision making.

During the next edition of the newsletter, *What are the Steps in the Budget Process?* and *Preparing a Monthly Budget* will be covered.



### **National Office Remarks** (Continued from Page 5)

DLOS (Designated Loan Origination System)

- Grantees will not be allowed to have full access to Rural Development's DLOS program due to confidentiality issues.
- A program is being developed that will allow grantees to submit their applications electronically. The applications will then be uploaded to DLOS by Rural Development personnel.

## A Great Marketing Message

(Continued from Page 2)

bit more thought than putting "Build Your Own Home" onto a brochure. Find out what would motivate someone in your area to own a home. Is it pride, safety, security, love of their family, respect, independence?

According to Andy Goodman, author of Why Bad Ads Happen to Good Causes, there are seven main principles to a print ad. (These same principles can be used for any type of marketing.) They are:

1. Capture the reader's attention like a stop sign and direct it like a road map.
2. Make an emotional connection before attempting to convey information.
3. Write headlines that offer a reason to read more.
4. Use pictures to attract and convince.
5. If you want people to read your text, make it readable.
6. Test before, measure after.
7. When everyone zigs, it's time to zag.

If your nonprofit is having a difficult time finding families for the self-help housing program, look at the materials being used to attract them. Would you call that phone number or go to that meeting? Does it inspire you to action?

Think of the marketing message being used in that manner. It needs to follow the seven principles and inspire clients to act.

(Andy Goodman's book can be found for free on the internet. The website address is [www.agoodmanonline.com](http://www.agoodmanonline.com).)



## Financial Oversight

The board is legally responsible for ensuring the organization is financially healthy, with appropriate financial management practices in place. The board needs to take responsibility to provide financial oversight to reduce the potential for fraud, unauthorized use, or mismanagement of funds. What can the board do to operate responsibly?

- ❖ Regularly review current financial statements.
- ❖ Ask questions.
- ❖ Develop and implement a financial policy.
- ❖ Hold staff accountable.
- ❖ Conduct a financial audit annually.
- ❖ Use budgets and financial projections as planning tools.

There are many reasons to understand the financial statements of non-profits. They are an important way to measure the organization's performance, identify ways to improve results, and evaluate whether to invest or to borrow. The following is a list of the various financial reports a nonprofit will generate and the uses of each.

### 1. Statement of Financial Position (Balance Sheet)

Financial Statement which shows the assets, liabilities and net assets of an organization as of a certain date. Major classifications to include

- Current Assets
- Fixed Assets
- Other Assets
- Current Liabilities
- Long Term Liabilities
- Net Assets

### 2. Statement of Activity (Income Statement)

Summary of income and expenses over a period of time with the difference stated as the change in net assets. This report measures performance, or profitability. Major classifications to include:

- Revenue and Other Support
- Expenses
- Change in Net Assets
- Net Assets Beginning of Year
- Net Assets End of Year

### 3. Statement of Cash Flow

Reports the results of a company on a cash basis. Arguably the most important statement, though many don't prepare it on a regular basis. Cash is the lifeblood of any business organization. Major classifications to include:

- Cash Flows from Operating Activities
- Net Cash Provided by (Used by) Operations
- Cash Provided (Used by) Investing Activities

There are many ways to analyze an organization's financial status. The most common analysis techniques are:

- Ratio Analysis
- Actual To Budget Comparison
- Trend Analysis
- Read the Notes to an Audited Financial Statement

Financial oversight is one of the main responsibilities of a Board of Directors. This important duty should not be taken lightly or overlooked.

## Notes from the National Office

Carolyn Bell, of USDA / Rural Development's National Office, was able to attend the recent Gulfport conference and share some information with the attendees. She serves as the Branch Chief for the Special Programs and New Initiatives Branch of the Single Family Housing Direct Loan Division. Some highlights of her talk included:

### Homeownership Month

- The National Office is very supportive of the self-help housing program and loves participating in events around the country.
- Many National Office staff attend a work day in Maryland. This really helps them gain an appreciation and understanding of the program.

### New Regulation Rewrite (1944-I)

- The rewrite is under review now and should be published soon.
- One major change will be the amount of labor required by the self-help participants. A change to 50% seems likely.
- A NOFA process is possible, although it will only change to that if necessary.

### Funding issues

- It seems that the amount of 502 funding for FY 06 will be cut. This should not greatly affect the self-help program as those participants have a priority.
- The amount of 523 funds seems to be constant.

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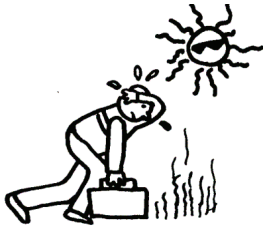
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## Blame It On the Heat!



Well it's happened again, summer is here and Heat has moved in with a vengeance.

Heat has also brought his less desirable friend, Humidity. We often wonder how Humidity earned such a bad reputation. Think about it, anytime you express how hot it is some wise guy always pipes in and says "You know it's not the heat, it's the humidity."

Why are so many people so quick to defend Heat, and so eager to blame any discomfort on poor defenseless Humidity? In fact, the only place where Humidity is welcome is in a sauna, and even there it is only tolerated briefly before it is

beaten with tree branches and forced to jump into freezing cold water. Instead of blaming Humidity, join us in waging a battle against the real culprit - the **heat!**

Our best weapon against heat is a well maintained central air conditioning unit. There are several things that can be done to make sure the units are running optimally.

1. Replace the filters. (They are located near the air handler. Replacement filters can be purchased at any hardware store.)
2. Clean the condenser coils. This can be done by removing the access panel and brush and vacuuming the coils. A mild soap and water solution can also be used. Rinse with a garden

hose, being careful not to spray any water on electrical components.

3. Clean and lubricate the blower fan and tighten the mounting bolts. This will keep the unit operating quietly.
4. Inspect the duct work to insure all joints are tightly connected and undamaged.

With these few simple steps, we can insure that our air conditioner is operating efficiently and at its peak performance for years. A good air conditioner will definitely help beat the heat this summer!



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