



Living Room

Wes Berry
President
Joining Hearts
P.O. Box 54808
Atlanta, Georgia 30308

October 4, 2016

Dear Wes and the Joining Hearts Board of Directors,

On behalf of our entire team at Living Room as well as those we serve, we thank you for such remarkable continued support from Joining Hearts. Living Room is growing quickly and needs to increase capacity to meet the demand for our vital services helping keep our neighbors living with HIV/AIDS off the street.

Gratefully,

A handwritten signature in blue ink that reads "Angela Susten". The signature is written in a cursive, flowing style.

Angela Susten

Acting Executive Director
Living Room, Inc.

Joining Hearts Support Proposal

October 2016

Request Amount: \$50,000 to support programs for those living with HIV/AIDS and facing homelessness.

Funding Breakdown:

\$25,000 for Core Mission Investment (General Operating Support)

\$25,000 for Unrestricted Program Support

Overview:

Core Mission Investment

The way non-profits function is changing for the better. In the past, low “overhead expenses” were considered the most reliable way to determine efficacy, financial responsibility, and frugality within 501(c)(3) organizations. However, recent funding and evaluation trends show that charities boasting that 100% of funding dollars support programming offer this as a feel-good gimmick at best and a dishonest misappropriation of funds at worst. General operating support is really core mission investment. These less restricted funds allow organizations to spend money where it is most needed, for the biggest impact. We understand this flexibility necessitates tremendous trust. This is why we prioritize genuine relationships with our donors and commit to total transparency. You deserve to know how every dollar you give fulfills our mission and meets our greatest needs.

Across all programs, 87% of our overall budget goes straight to program expenses, leaving 13% dedicated to making the organization run and thrive. Most of our operating expenses and personnel costs are funded through restricted government and foundation funds. However, there remains \$225,780 not covered by those grants or allocated by any other revenue source. This is the amount we must make up through general operating grants, individual giving, and through the money we raise through events.

Effective non-profit leaders are proud to operate on a shoe-string budget, but now it is well known that organizations cannot function, nonetheless thrive, operating in this capacity. Corners are cut. Staff burnout and turnover is high. Programs suffer. Clients suffer.

Our clients deserve better. A core tenant of our mission and vision is to restore dignity and social equity to those living with HIV/AIDS and facing homelessness. We pride ourselves on offering a high level of professional service and treating clients with respect. Core mission investment, or general operating support, allows us to put money where it is most needed so we can serve our clients to the very best of our ability.

When organizations allocate an appropriate amount of resources to administration and management, possibilities expound for strategic thinking, outcome focused program evaluation, recruitment and retention of professional staff, and community outreach to potential clients and supporters. Just like it is only when our clients aren't worried about where they are going to lay their head at night or store their medication, that they can focus on self-sufficiency, it is only when we aren't worried about keeping the lights on that we can engage in next-level thinking about how to improve program retention or sustainably increase capacity. Quality and quantity improve. Programs thrive. Clients thrive.

To ensure transparency, we publically publish our 990 and have an independent audit (conducted by a Certified Personal Accountant who is outside our organization) each year to maintain an internal system of checks and balances. Some of the administrative costs associated with a non-profit are straightforward. Sufficient office and meeting space, computers, file folders, telephone service, and insurance – both liability for the organization and benefits for full-time staff - are standard business expenses. These basic tools

make it possible for case managers to meet with clients, maintain diligent records of service, call or email to schedule house visits, and write and analyze evaluation notes.

Other needs are logical, if less obvious. Comfortable chairs and sufficient lighting help clients relax and trust in our case manager's ability and desire to look out for their best interest. White noise machines in office hallways ensure the privacy of each meeting. Reasonably fast internet service improves productivity as case managers can log-in, read, and update the client services database more efficiently. There are also less direct, but equally important, expenses which are categorized under administration, management and fundraising. Staff health benefits, office supplies like print toner, and even the postage and mail services we use to communicate with supporters and volunteers are categorized under general operating support. Without all of these basic needs, an organization cannot function day-to-day. Insufficient support can be disastrous for both morale and agency productivity as well as to the ability to maintain delivering the high level of service our clients deserve.

In order to maintain, keep growing, and strive to meet our mission in the most innovative and impactful ways, there are still a lot of needs to meet. Mission support not met by our main government funding source, Housing Opportunities for People with AIDS (HOPWA) includes portions of staff salaries and benefits to ensure we are able to keep top-tier professionals on the Living Room team, to support fundraising, to pay for all the costs that add up: interest expense to maintain our line of credit, bank fees, staff continuing education and board development that keep our team on the top of their game. Another significant part of mission investment supports marketing and public relations that spread the word and our mission to potential clients and supporters alike. Marketing and PR allow us to increase the public face of our organization, increasing financial and missional support as well as making strides combatting the discrimination faced by our clients.

Unrestricted Program Support

Like core mission investment, unrestricted program support permits our agency to use the money where it is needed most. We meticulously chart program numbers, waiting lists, and outcomes, but we cannot always perfectly estimate which programs will need extra support. Unrestricted support allows agency leaders to use money in the program where people most need to be served, and moved around as program numbers unexpectedly fluctuate or other funding sources are attained. Although client demands might have doubled in another program area or county, most money cannot be distributed in response to real-time needs, it is only awarded by projections based on past demands. If there is a particularly cold winter, or a local shelter unexpectedly closes, our needs for Emergency Lodging are pressing. If we have unrestricted funds to allocate to program expenses as needs arise, we aren't forced to turn anyone away.

Finally, another area of general program support affects Living Room's service delivery. As previously stated, a significant portion of our overall funding comes from the City of Atlanta HOPWA government contract. Unlike most foundation and organizational grants, this government contract provides funds only on a reimbursement basis. Living Room must maintain sufficient cash or a line of credit for, on average, 6 weeks of all expenses before reimbursements are fulfilled. Occasionally, reimbursements have been delayed for as many as 3 months. The ability to support programs running as usual while we await HOPWA reimbursements is a tremendous need.

The Need:

Although funding trends are slowly changing, change is slow and general operating grants are hard to come by. Most government funding is location-bound and most foundation funding is program support because only a certain program we offer fits their funding priorities. A focus on mental health, for example, could go to support Living Room's Special Needs Housing Assistance Program (SNHAP) that serves those who are struggling with mental illness or addiction along with HIV/AIDS and homelessness, but they are supporting

one program as opposed to our overall mission. Likewise, grants from a town or county can only be used to serve clients in that locale. An excess in money from Fulton County cannot be used to serve a sudden influx of clients from DeKalb. Without flexible support, we are forced to turn people away. If Living Room is going to make a difference in our community, and make true strides on ending homelessness for PLWHA, we need mission support and flexible support across programs. It is through increased support of this kind that we will be able to best meet our mission and realistically live into our vision of ending homelessness for PLWHA in our community.

2016 EXPENSES:

Overall, 12.7% is allocated for general operating expenses // 87.2% spent on programming.

Total Management & General: \$257,681 (8.9% of Total Expenses)

Total Fundraising: \$110,522 (3.8% of Total Expenses)

Total Programs: \$2,515,557 (87.3% of Total Expenses)

Total Expenses: \$2,883,760

In 2015, overall 13.3% was spent on general operating expenses// 86.6% spent on programming.

Total management and administration: \$184,328 (7.7%)

Total fundraising: \$131,947 (5.5%)

Total program: 2,055,016 (86.6%)

Total expenses: \$2, 371, 291

Impact and Outcomes:

2016 client service goals:

Tenant Based Rental Assistance (TBRA): 85

Special Needs Housing Assistance Program (SNHAP): 100

Recuperative Care: 100

Short Term Rent, Mortgage, Utility (STRMU) Assistance: 250

Permanent Housing Placement: 100

Emergency Lodging 75

Centralized Intake/Housing Information & Referral: 1,500

Northwest Georgia Program: 35

Outcome measurements:

Living Room utilizes Compass Rose Homeless Management Information System (HMIS) to record all service needs, transactions, and case notes for clients enrolled in our program. Clients develop housing plans and their case manager works to assist with resources and support in reaching the goals outlined in the plan. Client housing goals are discussed monthly and re-assessed quarterly. Outcomes, such as continued income and housing and medical care status, are tracked for clients upon exiting the program and follow-up is provided every quarter for the first 12 months after clients exit. We also closely track linkage to medical care and continually connect those who are not in medical care with health providers. Each program has different markers of success, but as the eventual self-sufficiency of clients is a priority, a central goal is to help clients retain housing by evaluating and monitoring the number of clients that obtain and maintain permanent, stable housing. The program committee reviews and analyzes data every other month.

Success indicators for 2016 include:

1. Organizational capacity will increase to serve 1500 unduplicated clients in 2016.
2. For permanent housing placement and STRMU services, at least 85% of clients will maintain their housing for at least six months after receiving services.
3. For emergency lodging, recuperative care, TBRA and SNHAP at least 60% of clients will move into stable housing after receiving services or discharge from the program.