

# Nonprofits get funding for a move to build on efficiency

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Six nonprofit agencies, already pooling efforts to save money by working in the same building, plan to share finance and human-resources services, too.

As part of a two-phase effort, a chief financial officer and a director of human resources will be hired by the Children and Family Services Center. The new employees will handle all accounting and human-resources duties for the nonprofits, says Peggy Eagan, executive director of the center.

The Duke Endowment helped fund the first phase with \$300,000 in support. A planned second phase of changes would add jobs related to handling development and other services needed by the agencies.

"That's a big change for these agencies that are used to having their own staff," Eagan says. "It's pretty rare for nonprofits to do this."

She says three of the participating agencies have financial staff; five positions will be cut. Employees will be eligible to apply for the new jobs that should be in place by Jan. 1.

The new services have been part of the plan for Children and Family Services Center, she says, but it took time to implement. The move should increase efficiency, she says. "There are many, many nonprofits trying to figure out the most efficient ways to provide service," Eagan says.

Participating agencies include the center, Community Link, A Child's Place, Community Health Services, United Family Services and Council for Children's Rights.

The agencies operate under the umbrella of the center, which has housed nine nonprofits at 601 E. Fifth St. since the building opened in 2003, Eagan says. Five of the six are United Way agencies.

"I think in a lot of ways it is the way of the future," says Roxanne Hanson, associate director of the San Francisco-based The NonprofitCenters Network. "Nonprofit agencies are going to have to find ways to cut operating expenses, and this is a really exciting way to do that without compromising services."

The center's shared services and government structure — particularly the financial services and human-resources sharing — have placed it at the forefront of the 130 to 140 multitenant nonprofit centers across the country, Hanson says.

Eagan says the remaining agencies at the center may join the latest effort at some point. They have shared space, such as conference and meeting rooms, as well as technology resources and even collaborated on programming efforts, Eagan says.

The first phase is expected to cost about \$500,000, with the center raising money for the associated costs. The second phase will cost about \$250,000.

The center got its start in 2000. After being forced to relocate several times, a \$9 million capital campaign financed construction of the building. "A group of us came together and said, 'We really need to manage our destiny a bit better,'" Eagan says.

It was also an opportunity to be more efficient and effective with available resources, controlling costs and taking advantage of potential savings, she says.