

Managing Financial Performance of a Legal Immigration Program

CLINIC: Center for Citizenship and Immigrant Communities

July 22, 2009

2:00 – 3:30 pm EST

*PowerPoint slides are available at:

<http://www.cliniclegal.org/resources/managing-financial-performance>

*****Please call 916-233-3089 and enter the
access code 560-818-979 for audio***

Managing Financial Performance

- Please stand by as we are experiencing technical difficulty.

CLINIC Presenters

- Jeff Chenoweth, Assistant Director, (Capacity Building Section), Center for Citizenship and Immigrant Communities
- Jack Holmgren, Esq./Field Support Coordinator, (Capacity Building Section), Center for Citizenship and Immigrant Communities

CLINIC's Capacity Building Goals

- Expand the number of charitable legal immigration programs
- Increase services
- Improve services

CLINIC's Capacity Building Activities

- Board of Immigration Appeals (BIA) agency recognition & staff accreditation
- Immigration Program Management training
- Management webinars
- Consultations with Field Support Coordinators
- On-site visits/assessments

Capacity Building Activities, cont'd.

- Project management
- Flow through funding
- Link members & subscribers to CLINIC services
- Prepare programs for significant immigration changes

Managing Financial Performance

- “The best intentions are nothing without the money to support them.”
 - Jack Holmgren, CLINIC

Webinar's Goal

- Identify financial challenges
- Introduce revenue sources to meet challenges

Note: Use of a calculator during the webinar will be helpful.

Managing Financial Performance

- Charging fees
- Fee collection
- Minimizing financial risk
- Fundraising
- Possible funding sources

Case Scenario

- Immigration Services Extraordinaire (ISE) has provided legal immigration services to refugees, almost exclusively, for 15 years. ISE has never charged for its services. Refugee clients are increasing in number with more complex immigration needs. New immigrant populations are calling for services as well. ISE has only social service grants and has never submitted a legal service proposal.

Charging Fees

- Why charge fees?
- When should fees be charged?
- How should fees be determined?
- What information can be used to set a fee schedule?
- Should some clients not have to pay a fee?

Poll: How much time does a typical naturalization case take (N-400)?

- 30 minutes
- 60 minutes
- 90 minutes
- 120 minutes
- Don't know

Factors for Calculating Fees

- Outreach
- Intake
- Case preparation
- Case management
- Client representation at the interview
- Case closing
- Total hours from start to finish

Calculating the Cost of a Service

$$\begin{array}{|c|} \hline \text{Total costs} \\ \text{per year} \\ \hline \end{array} \div \begin{array}{|c|} \hline \text{Total caseworker} \\ \text{hours per year} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Cost per} \\ \text{caseworker hour} \\ \hline \end{array}$$

$$\begin{array}{|c|} \hline \text{Cost per} \\ \text{caseworker} \\ \text{hour} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Hours to perform} \\ \text{the service} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Cost of the} \\ \text{Service} \\ \hline \end{array}$$

Naturalization Cost Calculation

Salary costs = \$20,000

Benefit costs = \$5,000

Overhead/admin. = 30% of benefits and salary,
or \$7,500

Staff hours per year = 1,500 hours

Naturalization application requires 2 hours

Sample Cost Calculation

- Staff & Admin. Cost = $\$20,000 + 5,000 + 7,500 = \$32,500$
- $\$32,500 \div 1,500 \text{ hours} = \$21.67 \text{ per caseworker hour}$
- $\$21.67 \times \text{hours for service} = \text{cost for service}$
- $\$21.67 \times 2 = \43.33

Fee Calculation Exercise

- Salary = \$30,000
- Benefits = \$6,925
- Overhead/Admin. = 30% of salary and benefits
- 1600 caseworker hours per Year
- What is the hourly cost rate (rounded up)?

Poll

Using the hourly rate just calculated, how much does it cost to complete an immigration application taking 2 hours?

\$20

\$30

\$40

\$50

Poll Slide

- \$30 per case worker hour for a total of \$60 application.

Avoiding the Hidden Cost of Case Maintenance

- Overhead/Allocated = rent, audit, etc.
- Human resources = training, hiring, etc.
- Small per case but substantial X 1,000 cases!
- Charge case maintenance fee.
- Include that in the client agreement.
- Closes cases and limits liability.

Determining if Case Selection Matters?

- How do you select cases now?
- Does your case selection relate to your mission statement?
- Does it impact your fee generation?
- How can you improve it?

Understanding Fee Implementation

- Staff and clients must understand fees are important to sustain program viability.
- Directors must explain the rationale behind the fee structure.
- Differentiate between fees and donations.

Understanding Fee Collection

- Clearly explain fees to clients ***before*** they sign a client agreement and before any service is provided.
- Collect all fees up front in money orders.
- Give the client the original receipt. Keep a copy in the file and in the agency receipt book (three-write receipt book).

Making Fee Determinations Impartial

- Who decides when a sliding scale fee is charged or an agency fee waiver granted?
- What criteria is to be used?

Poll:

An easy way to see money embezzled is by:

- Taking cash for payment.
- Not giving clients receipts.
- Failing to make daily receipt logs and deposits.
- All of the above.

Avoiding Theft by Minimizing Risk

- Where does \$ come into the agency?
- Who handles the \$?
- How does the \$ get into the bank?
- Where is the \$ most likely to “disappear?”
- How can you prevent embezzlement?

Fundraising for Sustainability

- It is a bad idea to sit and wait for a funding source to tell you they want to give you money?
- You need an annual fundraising plan with specific amounts of time devoted to this task every week.
- Is this your job or the entire agency's job?
- What tools do you need to fundraise?

Fundraising Tools

- Long-range fundraising plans
- Project design and budget
- Statistics on need and newcomers

Fundraising Tools

- Internet searches
- Foundation Centers
- Data on funders that fit your need
- Meetings with funders

Fundraising Tools

- Well-written grant proposals
- Consequential service outcomes
- Client case studies
- Newspaper articles
- Endorsements/Letters of Support

Possible Funding Sources

- Civic organizations
- National foundations
- Community foundations
- Corporations
- Government grants / contracts

Possible Funding Sources

- IOLTA funds
- Individual donors
- Workplace giving
- Special events
- Ancillary services, e.g., fingerprints, translation, interpretation

Relationships with Foundations

- Identify local, regional, and national foundations
- Ask if they are funding other programs doing similar work
- Request an annual report and grant guidelines
- Make contact directly

Relationships with Foundations

- Build relationships through correspondence, invitations to community events, etc.
- Consider collaborative proposals with collegial agencies
- If invited, submit complete and effective proposals

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Poll: Fundraising Plan Choice

Select one:

- I will write a 12-month fundraising plan in 30 days.
- I will contact two foundations in 4 weeks to discuss our efforts.
- I will attend a fundraising class in the next three months.
- I will make my agency more credible and fundable by getting it BIA recognized and accredited