

How To Prepare Your Nonprofit for the New Year

5 min read



It might be hard to believe, but 2022 is winding down and the new year is approaching fast.

Key Takeaways

- **Execute an End-of-Year Fundraising Campaign:** It's the season of giving, and if you do not already have an end-of-year fundraising appeal in motion, then...
- **Set New Goals and Develop a New Strategy:** Depending on your NPO's tax year, this may or may not involve year-end Form 990 (annual report) filing preparation. For many nonprofits, however...
- **Why You Must Build Up Your Back Office for Nonprofit Success:** While your mission is at the heart of your nonprofit, your back office should function as the nonprofit's brain, helping you develop strategies to execute your mission...

Before you know it, your nonprofit will be in the busy holiday season, and executive directors might start to feel overwhelmed with everything they need to do to wrap up the year and step into the next with confidence and a solid plan for growth.

As we enter the fourth quarter of the year, it is time to start working on your nonprofit's [end-of-year checklist](#) and taking steps to ensure the following year is a success.

6 NPO Year-End Tips to Start the New Year Strong

1. Execute an End-of-Year Fundraising Campaign

It's the season of giving, and if you do not already have an end-of-year fundraising appeal in motion, then you should start thinking about putting one together now.

Year-end represents the time when many organizations receive around 60% of their total annual donations [1]. For most nonprofits, this annual fundraising appeal begins in October and comes to a close on December 31st. It's the last chance for individuals and businesses to take advantage of the opportunity to give tax-deductible donations to 501(c)(3) nonprofits during this calendar year.

2. Thank Your Donors and Distribute Donor Acknowledgements

At the end of the year, it's not only required that you send out donor acknowledgments (donation receipts) to your donors, but it's also prudent to thank them for their support – even if you've already sent donation receipts. Remember your donors are human – even the corporate donors have humans writing the checks – and humans like the feeling of being appreciated. Being thanked and acknowledged feels good, so be sure to extend that courtesy to your [donor](#) base before the end of the year.

Read More: [The Nonprofit Annual Report: Do Your Numbers Tell a Story?](#)

3. Celebrate Successes and Identify Areas for Improvement

As the end of the year approaches, take the time to reflect on the past several months. It's essential that you celebrate the successes that your organization achieved and recognize all the individuals who helped support the mission ([employees](#), volunteers, donors, board members, and other constituents).

Next, it's also essential to take a close look at any failures, endeavors that fell short, or areas that could be improved. Consider these closely – whether they are individual programs, fundraising, events, or workplace culture – and identify how they can be improved so that they do not hold your organization back but bolster it to further your mission in the coming year.

4. Set New Goals and Develop a New Strategy

Whether your tax year ends with the calendar year or at another time, year-end typically requires some housekeeping. Depending on your NPO's tax year, this may or may not involve year-end Form 990 (annual report) filing preparation. For many nonprofits, however, year-end housekeeping does involve items such as grant reporting, state registration renewals, budget reviews, financial reporting, financial review, and official donor acknowledgment letters.

6 Steps To Perfect Your Nonprofit Budget!



[!\[\]\(2bdfe261b986065ee0ac76460d6528c9_img.jpg\) Click to download the Nonprofit Budget Guide for best practices on how to simplify & streamline this essential tool.](#)

5. Set New Goals and Develop a New Strategy

As you close out the year and prepare for the next, you'll need to start thinking ahead. After assessing your goals, successes, and failures of this year, consider setting new goals for the upcoming year and developing a new strategy to achieve them. This involves creating a fresh annual budget in addition to outlining new annual fundraising campaign goals and desired outcomes.

Read More: [Top 10 Tips for New Executive Directors](#)

While it's great to reach for the stars, be sure your goals are feasible so that you're operating within a reasonable and achievable budget. When budgeting and strategizing for the upcoming year, it's also prudent to create several budgets including a probable budget, a worst-case scenario budget, and a best-case scenario [budget](#). This way, you can put contingency plans into place that will help you navigate potential financial challenges and to take advantage of unexpected windfalls or other opportunities.

6. Tap Into More Nonprofit Resources to Improve Your Leadership Skills

If you aren't already setting aside time to further develop yourself as an executive director of a nonprofit organization, then you should plan to start in the new year. There are lots of free and paid resources available that are designed specifically to help nonprofit leaders run successful organizations. Consider looking into podcasts, webinars, books, and even professional nonprofit consulting services that are available both by hire and through organizations that exist solely to support other NPOs.

Why You Must Build Up Your Back Office for Nonprofit Success

While your mission is at the heart of your nonprofit, your back office should function as the nonprofit's brain, helping you develop strategies to execute your mission and determine the most effective programs for increasing your positive impact. Your back office is responsible for carrying out all the tasks that support your nonprofit in addition to keeping it functioning and funded and maintaining its legal nonprofit status. Your back office should be actively tracking donations, grants, and expenses, while stack-ranking programs and helping you assess the success of your development strategies.

Without a strong back office, no nonprofit can stay afloat for long. So, if you have yet to devise sound bookkeeping and accounting policies and procedures while implementing the proper tools, team, and technology to execute your back office functions, then you're putting your nonprofit at risk and setting it up for failure or, at the very, least a lot of unnecessary strife.

So, if your back office is in need of attention, we recommend adding this to the top of your to-do list because ensuring your back office is in order will, in turn, put your nonprofit into order while helping it leverage every opportunity to the advantage of its mission.