



CASE STUDY

Strengthening Cash Flow for a Nonprofit Organization

MGO's strategic financial management helps a nonprofit stabilize its working capital, enhance operations, and support long-term sustainability.

Background

A nonprofit organization based in Los Angeles, California, retained MGO's services to manage its outsourced back-office accounting. Working with MGO enabled the organization to keep operations financially viable so it could focus on its core mission.

Approach

Recognizing they were on the brink of missing payroll, MGO proactively reached out to the organization and conducted a thorough financial review. Our strategy focused on meticulous cash management, prioritizing urgent expenses and deferring non-critical payments. We also enhanced follow-up procedures with grantors to improve collections and increased communication with management and the board to foster transparency and preparedness for financial decision-making.

Challenge

In 2022, the organization faced significant cash-flow challenges due to slow grant collections exacerbated by the pandemic. These critical delays in grantor payments — some extending up to 90 days — led to a cash shortfall that had the potential to impede the organization's everyday operations.

Value to Client

Through our strategic interventions, the organization regained financial stability, enabling them to continue their mission-critical activities without disruption. Enhanced financial reporting and communication gave management and the board a clearer view of their financial status and a new proactive approach to cash flow management. Additionally, improved follow-up with grantors laid the groundwork to prevent similar issues in the future, promoting long-term sustainability and resilience against financial shocks.

Need strategic financial management or outsourced CFO services for your organization? **Reach out to our team today.**

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