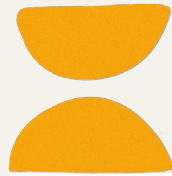

The Five Stages of Financial Wellness for Social Purpose Organizations™

Building Reliable Financial Capacity in Times of Uncertainty

"Financial wellness is not about what exists. It's about what is reliable under pressure."



Humanity Financial Management Inc.

B Corp · Benefit Corporation · Bronze PAIR Certified

5 stages symbols created by Anishinaabekwe designer and illustrator Mariah Measwasige

Where does financial pressure show up most in your organization right now?

30 seconds of quiet reflection. Then we'll hear from a few people.



THE FIVE STAGES OF FINANCIAL WELLNESS FOR SOCIAL PURPOSE ORGANIZATIONS™

A developmental pattern observed consistently across social purpose organizations.

01



Financial Crisis

Visibility & Stabilization

Decisions made without reliable financial information.



02



Financial Fragility

Systems & Reliability

Financial systems depend on individual heroic effort.



03



Financial Stability

Interpretation & Confidence

Reports exist but no one knows how to use them.



04



Financial Strength

Strategy & Scenario Thinking

Finance defends decisions rather than exploring options.



05



Financial Abundance

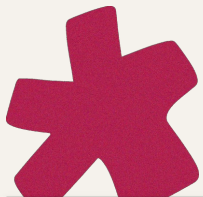
Community-Defined Priorities

Financial systems serve community-defined priorities.

"What comes first matters. Later strategies only hold when the foundations are reliable."

These are not a ranking. They are a shared language for understanding where you are, why you're there, and what to build next.





Case Study A

What stage? What would you build first?

THE SCENARIO

Case Study A has a new Executive Director. The bookkeeper left three months ago. Bank reconciliations haven't been done since April. A major funder report is overdue. The Board Treasurer is asking for financial statements — but no one can produce them.

Meanwhile, the ED just learned they were approved for a new \$400,000 housing grant with reporting requirements starting in 60 days.

TABLE EXERCISE · 3 MINUTES · WORKBOOK CLOSED

What is actually going wrong here? What structures, systems, or absences are producing this?

Stage 1: Financial Crisis





Crisis is an information problem, not a moral failure.

What Breaks Down

- Can't see cash position accurately
- Reports months behind or untrustworthy
- Decisions made without reliable information
- Constant reactive crisis mode

What to Build

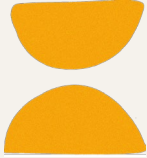
- Monthly reporting on a predictable cycle
- Cashflow monitoring — nothing unknown
- Compliance systems: grant register current
- Reframe with the client: information problem



Stage 1 — What to Build

- **Cashflow visibility** Rolling three-month forecast so you can see what's coming
- **Monthly financial reports** Designed, produced, and delivered on a predictable cycle
- **Reliable bookkeeping** AP, AR, payroll, bank recs — systematic, not ad hoc
- **Budget framework** A current-year budget actually used for decisions
- **Compliance management** Grant register, compliance calendar — nothing overdue
- **Foundational policies** Delegation of authority, separation of duties — basic controls





Case Study A — Six Months Later

THE SCENARIO

Everything is working. Reports come out monthly. Bank recs are current. Then the person who built it all gets offered a job with the Tribal Council. She leaves. Within two months, the reporting stops. The new person doesn't know the system. It's not crisis — but it's fragile. Everything depended on one person.

01 Financial Crisis

Information invisible. Decisions in the dark.



02 Financial Fragility

Systems held together by one person.

"What would happen if your most experienced finance person left tomorrow?"





The goal is systems that hold when the person who built them is gone.

What Breaks Down

- Critical knowledge lives in one person's head
- No documented procedures — 'that's just how Sarah does it'
- Staff turnover resets progress to zero
- Technology is accidental, not intentional

What to Build

- SOPs that survive transitions — polished and followed
- Comprehensive financial policies
- Intentional technology stack
- Finance team design with clear roles and handover plans



Where Are We?

1

Step 1

Place your dot on the Five Stages wall where your organization sits right now.

2

Step 2

At your table, discuss:
What made you place yourself there? What's keeping you there?

15 minutes · Move to the wall, then return to your tables



Break

15 minutes

Explore the wall display · Visit the story station · Talk to each other

Without notes. Without the workbook.

1 What is the difference between Stage 1 and Stage 2 — in one sentence?

2 Name two things that must be reliable before an organization can move beyond Stage 2.





Stage 3 is not about better reports. It's about the capacity to use them.

Three diagnostic questions:

Who is reading the reports?

If only the bookkeeper and the auditor — Stage 3 work is needed.

What decisions are the reports supporting?

If none, or if leaders call them 'something we file' — Stage 3 work is needed.

Do program managers know what their programs cost?

If not — Stage 3 is incomplete.



The Reporting Gap

TABLE EXERCISE · 10 MINUTES

Board

What do they need?

What do they get?

What accounts for the gap?

Program Managers

What do they need?

What do they get?

What accounts for the gap?

ED

What do they need?

What do they get?

What accounts for the gap?

Chief & Council

What do they need?

What do they get?

What accounts for the gap?

Community

What do they need?

What do they get?

What accounts for the gap?

Funders

What do they need?

What do they get?

What accounts for the gap?

Each table takes one group. Post findings on the Stage 3 wall section.





Stage 4: the shift from reactive justification to intentional choice-making.

What Breaks Down

- No way to model whether a new initiative is viable
- Revenue depends on a single source
- No framework for assessing financial risk
- Reactive decisions, not strategic choices

What to Build

- Revenue diversification strategies — designed, not hoped for
- Impact measurement that reflects community values
- Financial risk frameworks and scenario modelling
- Fund development strategy aligned to mission




The Domino Exercise

Each scenario belongs to one stage. Identify it — and say why.

A	The bookkeeper does everything — AP, AR, bank recs, payroll. Nobody else knows how.	Stage 02 Fragility	<i>Person-dependency</i>
B	The Board gets beautiful statements every quarter, but nobody asks questions about them.	Stage 03 Stability	<i>Interpretation gap</i>
C	No one can tell you how much cash the organization will have in 60 days.	Stage 01 Crisis	<i>No visibility</i>
D	The ED wants to launch a social enterprise but has no way to model whether it's viable.	Stage 04 Strength	<i>No strategic use</i>

Each stage depends on the one before it. The domino runs in one direction. This is why sequencing matters.





**Stage 5 is not the stage you get to when you've finished Stages 1–4.
Stage 5 is the reason Stages 1–4 exist.**

Naming abundance — what does it look like for your Nation?

“Abundance for us means every member has a home.”

“Our language program is funded for the next 50 years.”

“Our financial systems serve our vision, not someone else’s.”

At Stage 5, accounting stops being a tool of compliance and becomes a tool of sovereignty.
Every bank rec you complete is a building block toward this.

*If your accounting systems could be designed from scratch to serve what your community actually values, what would they measure?
What would abundance look like for your Nation?*



Your Commitment

Reflection → Action → Dialogue

1

REFLECTION

One thing I now understand differently about my organization's financial situation.

2

ACTION

One action I will take in the next two weeks.

3

DIALOGUE

One conversation I need to have.

Write on your commitment card. Take it with you.



Can you name all five?











Write them down without looking. 2 minutes.



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It's about what is **reliable** under pressure.

Now you have a map.
What you build with it is yours.



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Your feedback is important to us!