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FY2012-2013 Expansion Plans: Differential Funding Scenarios

Current Financial Status |

As of May 6th, 2012, Nyaya Health held approximately \$250,000 in its combined accounts in the U.S. and Nepal for Nepal Programs and held \$31,000 for U.S. Operations.

Explanation of Accompanying Budgets |

Accompanying this document are two budgets:

- A Nepal Programs budget with 2 tabs:
 - 1) A tab for the 4th quarter of the 2011-2012 Fiscal Year (April 15th – July 14th, 2012).
 - 2) A tab for the entire 2012-2013 Fiscal Year (July 15th 2012 – July 14th 2013).
- A U.S. Operations budget for the 2012-2013 Fiscal Year (August 1st 2012 – July 31st 2013).

Each budget includes coloring that details budget cuts that would be considered if funding targets were not met during the fiscal year. A simple guide for the coloring is as follows:

- Yellow = Full desired budget minus reimbursable expenses that require cash on hand.
- Lavender = Slightly restricted budget scenario.
- Red = Highly restricted budget scenario.

Overview |

The funding gap in this document will be assessed based on costs through the end of the 4th quarter of the 2011-2012 fiscal year together with the entirety of the 2012-2013 fiscal year.

Nepal Programs:

It is expected that Nyaya Health will spend no more than \$230,000 of the current \$250,000 in Nepal programs account by July 15th, 2012. During the same time period, we expect to bring in at least \$150,000 of funding. There is an opportunity at securing a significant gift that could double this amount during this time period, but it is not guaranteed. Thus, we expect to enter the 2012-2013 funding cycle with a minimum of \$170,000 of funding. Of note, at the highest monthly spending rate in the 2012-2013 Nepal Programs budget (\$70,736), we would need a total of \$424,416 to fund the work from July 15th through January 15th, 2013. This is a key target, as August through late November is a historically difficult fundraising period for the organization. The total funding gap for the most aggressive budget scenario for Nepal Programs starting on July 15th, 2012 through July 14th, 2013 is thus anticipated to be \$678,842 (or \$848,842 - \$170,000).

U.S. Operations:

It is expected that Nyaya Health will spend no more than \$16,500 of the current \$31,000 in the U.S. programs account between now and August 1st 2012. During the same time period, we expect to receive \$20,000 of designated funding for this account. Thus, we expect to enter the 2012-2013 Fiscal Year with \$34,500 in funding. Of note, at the highest monthly spending rate in the 2012-2013 U.S. Operations budget (\$13,375), we would need a total of \$66,875 to fund the work from August 1st through January 1st, 2013. This is a key target, as August through late November is a historically difficult fundraising period for the organization. The total funding gap for the most aggressive budget scenario for U.S. Operations starting on August 1st, 2012 through July 31st, 2013 is thus anticipated to be \$126,010 (\$160,510 - \$34,500).

The total estimated costs of our Nepal and U.S. expansion planned from May 2012 through August 2013 is \$1,255,852, and the funding gap for the 2012-2013 Fiscal Year is currently estimated to be \$804,852. This does not, however, account for expected fundraising from August 1st, 2012 – July 31st, 2013. The Nyaya Health team is still undergoing a more thorough scenario analysis of expected revenue during this time period and can deliver that information before May 25th.

Quarterly Fundraising Scenario, Nepal Programs:

During the completion of this quarter (now – July 15th), Nyaya Health intends to proceed with the full budget outlined for the quarter minus the expansions highlighted in lavender (the slightly conservative scenario of \$230,000). Thus, expansion investments in the next quarter will include:

➤ *Human Resources*

- Maintain April 2012 level of staffing (staff and salary roster available here: https://www.dropbox.com/sh/2xvwho4nbmypxbc/au07s_WA-B)
- PLUS Add an additional MBBS physician (for a total of 2), a Deputy Country Director of Operations, a Deputy Country Director of Research and Evaluation, an Assistant to the Country Director, and two new Community Health Worker Leaders.
- PLUS 3 new lower/mid-level hires may be completed (Health Assistant, Auxiliary Nurse Midwife, and Night Guard).
- PLUS Complete the staff training for 3 staff members for abortion care, surgical scrub nurse training, and blood banking.

➤ *Clinical Programs*

- Maintain current outpatient, inpatient, emergency, and lab services;
- PLUS complete renovations and procurement for the surgical center, complete renovations and procurement for the microbiology laboratory and blood banking system, complete clinical renovations for all clinical buildings which include flooring, windows, door hinge repairs, and re-wiring.

➤ *Community Health*

- Maintain current operations in seven villages;
- PLUS expand to two additional villages with Community Health Worker Leaders (included in human resources above) and 20 additional Community Health Workers;
- PLUS launch a pilot partnership program with Medic Mobile to improve data collection in the 9 villages.

➤ *Facilities*

- Complete minor renovations (outside of surgical, laboratory, and clinical buildings) which would include: building roofing over the pharmacy department, repairing our main water line, and securing a tuberculosis testing room.

➤ *Power*

- Solar energy system expansion will be paid for by a restricted Rotary Foundation grant that we will not know the outcome of until 2012-2013. Thus, there is no quarterly expansion in surgical services.

Quarterly Fundraising Scenario, U.S. Operations:

During the completion of this quarter (now – August 1st), Nyaya Health intends to spend a total of \$16,500 on U.S. Operations. If further funding were to be received, the organization would move much more aggressively toward making a 2nd and 3rd hire for the U.S. team, which has been identified as a key priority to maintain the projected programmatic growth. In order to make this step, the organization would need to secure over \$66,875 before August 1st. Otherwise, these particular investments in expanded U.S.-based human resources will not be taken.

*NOTES on Quarterly Fundraising Scenario:

- We do not foresee ourselves spending beyond our established \$230,000 limit for Nepal Programs during this time period.
- However, if we were to receive a surprising amount of funding during the quarter, it would be strategic to complete all renovation projects currently on hold for the quarter (staff quarters) because inflation costs increase for these projects by at least 10% after July 15th.
- The trade-off between paying off our remaining debt (a strategic holding to improve pharmaceutical company performance) for pharmaceuticals versus investing in staff quarters expansion before inflation rises after July 15th 2012 is being analyzed.

Annual Fundraising Scenarios, Nepal Programs:

During the 2012-2013 Fiscal Year, Nyaya Health intends to proceed with the full budget outlined for the year (the full budget scenario of \$848,842). If Nyaya Health can maintain at least four months of operating costs at the highest monthly funding level (\$70,736), the expansions in the next year will include the below. If that funding level is not achieved, cuts will be made to adhere to either the lavender or red restricted budget scenarios, dependent on need.

➤ *Human Resources*

- Maintain August level of staffing (see staff additions in the quarterly section above)
- PLUS add an MDGP physician to operate in the surgical facility, 3 new Community Health Worker Leaders, and a Lab Technologist.
- PLUS increased salary support for the Country Director position.
- PLUS initiate the organization's first long-term training and retention program to help local Health Assistants become MBBS physicians.

➤ *Clinical Programs*

- Maintain current outpatient, inpatient, emergency, and laboratory services at August 2012 level;
- PLUS start conducting surgical services, blood banking services, and microbiology laboratory services.

- PLUS build out a two-bed specialized pediatric care unit.
- PLUS initiate dentistry services (equipment, staff training, and 1 dental camp).
- *Community Health*
 - Maintain August-level operations in 9 villages;
 - PLUS expand to 3 additional villages with Community Health Worker Leaders (included in human resources above) and 30 additional Community Health Workers;
 - PLUS scale-up the Mobile Medic partnership to all 12 villages;
 - PLUS Initiate radio-based community health programs;
- *Facilities*
 - Maintain operations at August 2012 facilities level;
 - PLUS complete renovations on remaining staff quarters facility;
 - PLUS complete current renovations on two additional staff quarters;
 - PLUS complete roofing for the key outside hospital walkways;
- *Power*
 - If the Rotary Foundation funding is received, proceed with planned expansion of a 48 panel solar power project on campus to create 21.52 kWh / day of electrical capacity.

Annual Fundraising Scenarios, U.S. Operations:

During the 2012-2013 Fiscal Year, Nyaya Health intends to proceed with the full budget outlined for the year (the full budget scenario of \$160,510). If Nyaya Health can maintain at least four months of operating costs at the highest monthly funding level (\$13,375), the expansions in the next year will include the below. If that funding is not achieved, cuts will be made to adhere to the restricted lavender budget.

- *Human Resources*
 - The hiring of the first full-time Creative Director and Director of Technology.
- *Facilities*
 - Expansion into an office that can capacitate 3-5 full-time working spaces.