



WILL MY NON-PROFIT SURVIVE?

Let's face it, there are two main types of non-profit organizations. The big ones and the small ones. Sure, there is everything in between, but the divide has never been clearer than it is now. Yes, the Metropolitan Museum of Art stands to lose hundreds of millions of dollars over the COVID-19 crisis, but they can likely weather the storm. There will be financial relief and wealthy donors, not to mention the cash reserves they can access. But what about the 15-bed women's homeless shelter that operates day-to-day? The local food pantry? The small community-based organizations that provide vital services to the community? These entities often get no government funding and rely solely on donations. Where is the help for these entities? Will they survive? The commendable relief funds that have been set up to date largely will leave these entities behind. What can a non-profit leader do to ensure survival?

Stop, take a breath and ask yourself these questions!

The following questions can act as a guide for all non-profit leaders to determine what your immediate needs are and to identify ways to sustain operations, and what programs and relief efforts are available to help.

What are the immediate needs?

- ✓ *Is your mission still critical?*
- ✓ *Who is dependent on your ability to continue the work you do?*
- ✓ *Who will suffer if you close your doors?*
- ✓ *What other options are available to your service population?*

While all non-profits serve a mission, not all are critical in a time of crisis like the one we are facing. Shelters,

food pantries, senior centers, health care entities, and other human and social services entities must continue to operate during this crisis. These are the entities that don't have the wealthy donors to call upon. Decide which of your programs are the most urgent and put all your resources there first. Determine if you can still provide services while social distancing. If not, what are your options? If there are things that can be postponed without harsh impact, do it. Focus your efforts on the need.

What is your cash position today?

- ✓ *How long can you maintain operations with no revenue coming in?*
- ✓ *What is the source of your revenue?*
- ✓ *State and local contractual payments?*
- ✓ *Fee for service?*
- ✓ *Donations?*
- ✓ *Grants?*
- ✓ *Will these revenues continue to flow?*

A cash flow projection is critical and not that difficult for small entities. Identify what cash will continue to come in and what are the critical expenses. Identify which vendors must be paid immediately and what payments can be delayed. Immediately seek to reduce or eliminate non-essential expenditures. Can capital projects be postponed? Are your funds restricted? Re-assess your budget and reallocate funds. You are getting savings somewhere from reducing operations, how can these funds be reallocated? For example, you will not likely be needing your travel budget (if you have one), professional development, commuting, vehicles, gas, etc. This is a critical first step.

Can your staff work remotely?

- ✓ *Can the work you do be provided remotely?*

- ✓ *Can you manage your staff remotely?*
- ✓ *How will you pay invoices, process payroll, collect mail?*
- ✓ *Where are your checks received?*
- ✓ *Are you set up for electronic banking?*
- ✓ *Do you have the technology and expertise?*

Assess the capabilities of providing services remotely. Again, this is unlikely for those on the ground, front-line community-based organizations like shelters and food pantries. Will your staff continue to come in? Do they have adequate protection? If you cannot continue to provide the services, can you continue to maintain staff? Are there staff positions that can be repurposed? Are all procedures documented in case of staff loss or reduction?

Can you pivot?

- ✓ *If you are not able to maintain operations, what can you do?*
- ✓ *Are there other ways you can meet the needs of your clients?*
- ✓ *Can you partner with another organization to join forces?*
- ✓ *Can you use your staff resources for other services?*

Now is the time to be creative. Manufacturers are pivoting all across the country to produce vital medical equipment. If your non-profit cannot carry out your mission right now, how can you use your infrastructure to help other non-profits?

Have I Communicated Well?

- ✓ *Have you communicated clearly the situation with your staff?*
- ✓ *Have you identified their needs in terms of support and resources?*
- ✓ *Have you communicated and consulted your Board? Funders?*
- ✓ *Have you consulted your business continuity plan?*

Your Board should be a strong resource for you. They should be front and center in answering these questions and identifying the path forward and

options. They can broaden the net in terms of accessing help and resources. Also make sure your staff is informed of all decisions. Strong leadership in times of crisis is key to sustainability.

What help is available?

- ✓ *Do we qualify for the relief programs?*
- ✓ *Do I have the necessary paperwork ready to apply?*
- ✓ *Is my organization creditworthy?*
- ✓ *Should I apply for a grant or a loan?*
- ✓ *How much should I apply for?*
- ✓ *Can I borrow from a bank?*
- ✓ *Who can help me figure this all out?*

Once you have answered these questions, determine what your immediate needs are. There is plenty of help out there. If you can't do it yourself, find help. It will be important to gather all the information you will likely need to apply – audited financial statements, bank statements, CHAR 990s, tax-exemption certificates, by-laws, etc. You will need to act quickly to access the relief; time is critical. Get your affairs in order and start the process now!

SUMMARY

Leadership matters in a time of crisis. It matters to your clients, your staff and your mission. Take the time to assess the situation, identify the immediate needs and act quickly and decisively. Get help from your Board, your peers and the vast resources out there to help non-profit entities. No matter what your size, you matter.

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