



WOMEN IN DEVELOPMENT

DECONSTRUCTING DEVELOPMENT

Financial Predictions and Perspectives on How Election Outcomes May Impact You, Your Donors and Your Organization

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In these challenging financial times, our sense of optimism comes from focusing on what we can control in the C Suite. While organizations that had already protocols for instability in place early in the year are doing better, all nonprofit can persevere through this economic crisis with four essential practices:

1. Stay liquid with a planned reserve;
2. Expect uncertainty and keep all projections and spending on the conservative side;
3. Take advantage of existing relationships with Board members and donors; and
4. Keep your eye on your mission and the people you serve, and make choices that serve both.

The concrete steps that can and should be taken by all organizations, large and small, include:

1. Engage all stakeholders in the organization – not just finance staff and Board – in the budget conversations that need to happen and financial shifts that need to take place.
2. Budget for a three- to six-month reserve (larger organizations can and should extend beyond 6 months when possible).
3. Take a close look at existing financial controls and systems and upgrade/revamp as needed.
4. Prioritize digital transition of all systems.
5. Plan month-to-month, and provide monthly statements to the executive leadership.
6. Review P&Ls monthly to keep a close eye on cash flow.
7. Develop practice of scenario planning – best/worst/middle.
8. Keep the Board as a whole informed of the big picture.
9. Engage the Board in smaller groups as appropriate, i.e., monthly accounting statements to the Board finance committee; discussions about cash flow and scenario planning with finance and executive committees; and solicitations for new donor contacts to the fundraising committee.
10. Be cautious about seeking “outside” advice that may not be relevant to your organization’s mission or operations.



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11. Ask funders for flexibility in allocating grant funds, particularly in moving grants from restricted to unrestricted funds.
12. Approach your most loyal donors and ask them to commit to the long term.
13. Take a hard look at programs that sap resources, and determine which programs should be scaled back or cut.
14. Eliminate staff bonuses and implement tiered, equitable salary cuts.
15. Negotiate with vendors.
16. Get a line of credit to assist with cash flow.
17. Partner with other nonprofit organizations in your field.
18. Create a plan for investing when the right time comes to do so, and execute the plan with a policy developed and overseen by an investment manager.
19. If your organization received a PPP Loan, when it is forgiven use those funds establish a separate operating reserve.
20. Embrace the concept that “you can’t do enough planning.”