



Key Questions and Suggested Strategies for Nonprofit Leaders in Dealing with the Implications of COVID-19

By Fio Partners, LLC

GUIDANCE YOU CAN USE

As a nonprofit leader, there has never been a time like today. The implications of the disruption being caused by the COVID-19 pandemic will most likely be felt for months and years to come. Our team developed a set of key questions and suggested strategies to explore as you look to the future.

HOW MUCH FINANCIAL RUNWAY DOES MY ORGANIZATION HAVE?

- Determine unrestricted cash on hand and receivables with a high probability of payment for the coming 90 days. How does the total compare to the projected expense?
- Start developing scenarios around your cash flow projections. What would happen if payments slowed for a month...or three? What would the impact be? How would you juggle your payables to ensure that you are able to cover payroll?
- Assess your current line of credit (*if applicable*). Understand the conditions under which it can be increased or extended. Review your current liabilities and assess the possibility of increasing Lines of Credit and/or other debt instruments, if cash flow will be a concern.
- Review discretionary projects (e.g, new initiatives, capital improvements) planned for the year and evaluate postponing or canceling them.
- Contact funders to understand their policies and potential impact on your income and expense. Determine if they can pay faster or up front to stabilize cash flow
- Check with community foundations and your local United Way for special crisis initiatives they may be launching. For instance, the Hartford Foundation for Public Giving is reactivating its [Respond-Rebuild-Renew Fund](#) that was established to provide a way to respond to immediate and long term recovery and rebuilding efforts that face Greater Hartford residents affected by unforeseen disasters and incidents. The United Way of Rhode Island and the RI Foundation are also assessing needs of nonprofits to determine how to best deploy resources during this period.

HOW DO I KEEP MY STAFF SAFE?

- If you have a telecommuting policy, review it to ensure it is current and responsive to this situation.

- If you haven't developed a telecommuting policy, look at options and implications. Some elements to consider include providing employees computers or having them use their own; providing access to servers; maintaining confidentiality; remote meeting/ conferencing options and liability implications; requiring time reporting/work updates.
- Consider initiating remote work options where possible before you have to, in order to test your operations.
- Follow guidance from CDC in regard to workplace cleaning, if telecommuting is not possible.

WHAT IF I CANNOT AFFORD TO KEEP STAFF ON DURING THIS PERIOD?

- Know the laws -- understand your options around furloughs and the rules around meeting payroll.
 - CT: <http://www.ctdol.state.ct.us/wgwkstnd/laws-regs/DOL-74.pdf>
 - RI: <https://www.dol.gov/agencies/whd/fact-sheets/70-flsa-furloughs>
- Know your obligations should you have to close down for any period of time
 - Reach out to the Department of Labor to understand the options available to you
 - Contact funders to understand their policies and potential impact on your income and expense
- Carefully consider who to keep and who to let go. Remember that you need to rebuild your organization after the crisis passes and will need people with talent, competence and leadership ability to support recovery. Seniority may not be your best guide.

HOW DO I BEST COMMUNICATE WITH MY STAFF, STAKEHOLDERS, AND CLIENTS?

- Schedule a daily huddle first thing in the morning with your senior staff (could also be a virtual meeting, if telecommuting)
 - Determine messaging for the day
 - Determine who will be responsible for internal communications for the day (answering questions)
- Dealing with employee concerns and anxiety
 - Do your best to acknowledge employees' concerns and fears and provide as calm leadership and reassurance to your staff as possible.
 - Hold virtual "town halls" via video conferencing or conference calls to convey messages consistently and create the opportunity to address questions.
 - Consider launching virtual chat tools like Slack - to help staff stay connected and support one another.
- Watch for actions at the state and federal level to support workers dislocated by the crisis. Make sure staff are given accurate and timely information so that they can secure help from outside sources. Update this information for employees periodically post layoffs.
- Communicate with your clients and stakeholders frequently

- Regular updates via email and your website
- Ensure that there is a number for people to call
- Create and keep current FAQs
- Provide regular updates to your Board regarding all of the above

HOW DO I BEST MANAGE ORGANIZATIONAL RISK?

Insurance

- Talk to your general liability carrier or agent about potential liability exposures for clients and get their recommendations for best practices
- Talk to your worker's compensation carrier about potential liability for employees who are exposed on the job and get their recommendations for best practices
- Talk to your insurance agent about business interruption insurance coverage to determine what coverage you have and what is required to access it (if any)

Contingency Planning

- Develop a set of protocols if one of your employees or clients test positive.
- Confer with your liability carrier or workers compensation carrier as applicable in advance
- Communicate with staff about these protocols.

There is truly no telling what lies ahead. The one thing we do know is that we are in this together. If you need more in-depth guidance, feel free to [contact us](#). We're here to help.