Planning to Pivot: Financial Management in Uncertain Times

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Financial Planning

1. Understand Current Financial Position
   - Net Assets
   - Liquidity

2. Identify Implications and Scenarios
   - Revenue
   - Expenses

3. Manage Cash Flow
   - Financing
   - Operating Cash Flow
Composition of Net Assets

Without Donor Restrictions
- Board Designated
- Liquid Unrestricted Net Assets (LUNA)

With Donor Restrictions
- Temporarily Restricted
- Endowments
Implications to Consider

Revenue

Expenses

Financing
Revenue and Support Strategies

Revenue Considerations

- Emergency Relief Funds
- Identify Core Operations
- Identify Core Funders / Earned Revenue Sources

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Revenue Sources

Contributed Revenue
- Individual Donations
- Foundation / Corporate
- Special Events
- In-Kind Donations

Earned / Other Revenue
- Government
- Program Service Fees
- Endowment Income
- Other (interest, unrelated business income, etc.)
Expense Drivers

Key Expense Categories

- Workforce
- Occupancy
- Other Goods & Services
Financing

Sources of Financing

- Existing lines of credit
- SBA loans / CARES Act
- Philanthropy bridge loans
- Low interest loans from CDFIs
Taking Action

Leadership

Engage the right leaders in planning and decision making

Scenario Planning

Develop best, moderate, and worst case scenarios

Communication

Communicate often, across multiple channels, to all impacted
Leading Through a Crisis

www.fmaonline.net/COVID-19

COVID-19 Response Resources

A MESSAGE TO NONPROFITS AND FUNDERS

This page gathers FMA’s latest thinking and tools to support you in managing your nonprofit’s finances (or supporting your grantees as they do) amidst the rapid changes and uncertainty we are all facing in 2020.

Hilda Polanco’s recent letter offered a framework for nonprofits organizing a response to the COVID-19 crisis. This frequently-updated page will compile resources to support you in carrying out your response within that framework, with resources vetted and recommended by FMA.

Most recent update 3.31.2020 6:30PM ET

TAKE STOCK

Start by reading this interview with the Wallace Foundation, in which Hilda addresses the top questions on every nonprofit leader’s mind right now. Below are links to key resources referenced in the article.

1. Monitor your cash flow and examine your reserves – The goal of this fiscal inventory is to both understand your current position, and then be prepared to communicate your financial story to your key donors and funders.

Nonprofit organizations face unprecedented financial challenges because of the COVID-19 pandemic. With nationwide restrictions on public gatherings, theatres have
Articles


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In collaboration with the Wallace Foundation, FMA has created a library of tools and resources to help organizations become “fiscally fit”

Four Topic Areas: Planning | Monitoring | Operations | Governance

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**Planning Resources for Nonprofit Financial Management**

Good planning finds the most effective ways to deploy your organization’s resources – and meet your overall objectives. Materials here include help with budgeting, cost calculations and cash projections.

**Strengthening the Budget Development Process**
Online Tutorials for StrongNonprofits.org

FMA offers complimentary orientation one-hour webinars that feature an overview of the website and drill down on several of its key resources.

Upcoming webinars:

• April 23, 2020 at 2:00pm (central)
• May 19, 2020 at 1:00pm (central)

To register, or see upcoming webinar dates:
https://fmaonline.net/events

For a 15-minute, on-demand webinar tour of the site:
http://fmaonline.net/strongnonprofits
Established in 1999 to serve not-for-profit organizations around the country

Provides customized financial management, accounting, software, organizational development, and other consulting services

Works directly with organizations or through funder-supported management and technical assistance programs

FMA exists to build a community of individuals with the confidence and skills to lead organizations that change the world

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