

Helping Your NFP Organization Weather the Economic Storm

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Presented to you by:



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Speaker Bio



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- Not-for-profit Accounting Manager at Enkel Backoffice Solutions
- Over 8 years of experience working in Finance and Accounting positions at various not-for-profit organizations across Canada and the US

About Enkel

- Based in Vancouver, BC
- Worked with over 100 NPOs and Charities across Canada
- Provides outsourced bookkeeping and accounting services



Bookkeeping



Payroll



Accounts
Payable



Accounts
Receivable



What we will be covering:

- Common issues organizations face during economic changes
- How organizations can respond to issues in the short term
- Long term preventative strategies that organizations can implement to safeguard their future

Common Issues

Due to COVID-19 & the economic fluctuations, organizations across Canada are facing a number of challenges.



Reduction
in Income

77%



Operational
Hiccups

50%



Increase in Demand
for Services

14.5%



Lack of
Volunteers

34.5%

Survey
Results:



Short term response measures

Increase fundraising



Apply for government subsidies



Ask funders about removing restrictions on restricted funds



Request for board to increase financial contributions



Steward relationship with donors



Leverage social media for fundraising

Shift Towards Digital

- Future-proofing your organization with technology
- Stewarding relationships with donors, volunteers & constituents through online communications
- Shifting in-person programs to digital programs/events

Shift towards digital

Future-proofing your organization with technology

- Move to cloud-based tools
- Allows teams to work and collaborate remotely
- Increases efficiency while remaining cost effective
- Automated workflows



Stewarding relationships with donors, volunteers & constituents



Communicate

- Via regular donor e-outreach, phone calls, or social media
- Make sure they understand the impact of their support



Get them involved

- Are there ways that your stakeholders can participate in these new initiatives?



Get their feedback

- Ask them what they think via virtual town hall events
- Action it when it is in the organization's best interest

Shift towards digital

Shifting in-person programs to digital programs/events



Work with your program staff and constituents to help them feel comfortable using digital tools

- Online webinars & trainings available



Review and refresh your content for digital engagements



Prepare for potential challenges

- Access to technology
- Plan for technology issues
- Data security

Collaborate with other organizations

Many organizations have complementary goals and working together can:

- Expose both organizations to additional skills, resources and contacts
- Opportunity to increase stakeholder engagement

Getting started:

- Keep your stakeholders informed of your collaboration
- Start small
- Share the administrative burden



Reduce expenses



Reducing Operating Expenses

- Streamline your processes
- Look for free or lower cost tech tools
- Move to a smaller office space
- Cut back on discretionary expenses
- Leverage volunteers
- Restructure organization
- Implement temporary pay cuts
- Request fee concessions from service providers



Reducing Program Expenses

- Trickier due to funder restrictions
- If your program expenses are paid for by restricted funds, you are obligated to perform the program as promised
- Funder could ask for funds back if program expenses were reduced

Conduct short-term scenario planning

Scenario planning is making assumptions about the future.

- How will the economic, social and physical environment change over time?
- What are the uncertainties and different realities that could impact the future of your organization?



Conduct short-term scenario planning

Look at how your organization is going to handle the next 6 – 12 months

Create narratives of potential scenarios

What will the next 6 – 12 months look like if the gathering restrictions are still in place?

- Best case scenario
- Moderate case scenario
- Worst case scenario

Consider the impacts of each scenario

Based on each scenario, what changes will your organization be required to make?

- Operationally
- Financially

Review your cash flow forecasts

- Good opportunity to start building your cash flow forecast (if you don't already have one)
- Your organization can create multiple cash flow forecasts to calculate the financial impact of the potential scenarios in scenario planning
- Having a cash flow forecast will help your organization to:
 - Manage cash more precisely and
 - Identify periods of cash surplus and cash deficit and plan for those periods



Long term preventative strategies

Set up a Reserve Fund

It's your rainy day fund.

A reserve fund is a savings account or other highly liquid asset held by the organization to meet any future costs or financial obligations, especially those that arise unexpectedly.

Importance of a reserve fund

- Cushion against unexpected events and losses of income
- Opportunity to fund new strategic directions



Set up a Reserve Fund

Starting a Reserve Fund

- Using surplus from your remaining unrestricted funds
- These can be created through board resolutions, and become internally restricted funds.

Ideal Amount for Reserve Fund

- No one-size-fits all answer
- Careful analysis is required to determine appropriate amount



Continue to build on & maintain best practices

- Cash flow forecasting
- Scenario planning
- Identifying which short-term strategies your organization might want to keep for the long term
- Building a long term continuity plan

Questions?



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Download our free Scenario Planning Guide



Link to download: <https://bit.ly/2XFfPjH>

