Helping Your NFP Organization Weather the Economic Storm

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Presented to you by:









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



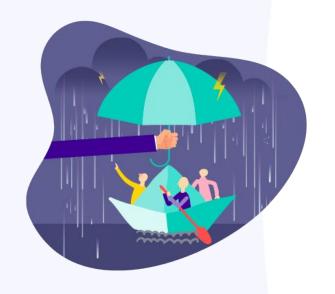
Accounts Payable



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

Survey Results:

77%



Operational Hiccups

50%



Increase in Demand for Services

14.5%



Lack of Volunteers

34.5%





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

















Shift towards digital

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



Prepare for potential challenges

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



Review and refresh your content for digital engagements





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

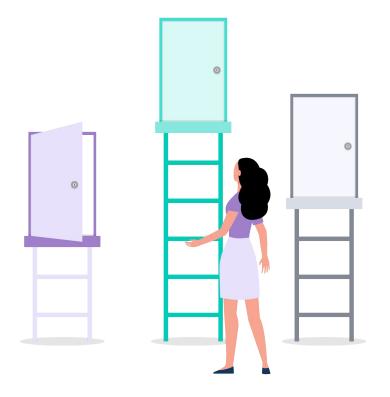




Conduct short-term scenario planning

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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/flannerymay/

Download our free Scenario Planning Guide



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



