

Facing the Crisis: How Nonprofit Organizations Can Respond to COVID-19

April 14, 2020

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- › Individuals
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 - Answer polls when they are provided
 - Complete group attendance form
 - Group leader sign bottom of form
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Presenters



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What We'll Talk About

- › **What we know about COVID-19** (very briefly)
- › **What leaders are telling us** (survey responses)
- › **Overview of CARES Act**
- › **Crisis communication planning**
- › **Collaboration**
- › **The role of boards in the crisis**

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Disclaimers

- › **Rapidly changing information**
- › **CARES Act is massive, we cannot cover every detail**
- › **We are not providing legal advice**
- › **We offer general ideas & considerations, but each organization's situation is different**

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What We Know About COVID-19

- › **Information about the virus & its impact are quickly evolving**
- › **The response is unprecedented** (individuals, businesses, sports, churches, government)
- › **Lessons have been learned during this time** (finding new ways to work, supporting one another, focusing on well-being)
- › **The “new” ways may become the “normal” ways** (hygiene, distance & touching, less travel)

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Nonprofit Changes Due to Crisis

- › **New & updated policies & procedures** (when to come or stay home, working remotely, behaviors at the office, mental & emotional well-being)
- › **Preparedness planning**
- › **Contingencies for events & other funding**
- › **Foundations/funders providing new type of support**

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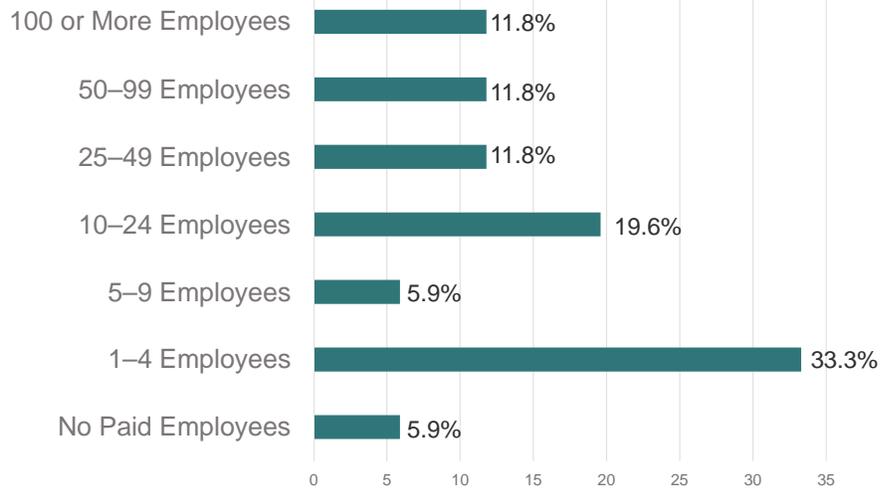
Nonprofit Survey

- › Online survey distributed through emails & various social media channels March 19–25
- › Survey was anonymous, with option to include name/org
- › Responses from Missouri & some surrounding states, mostly metro areas with a few rural

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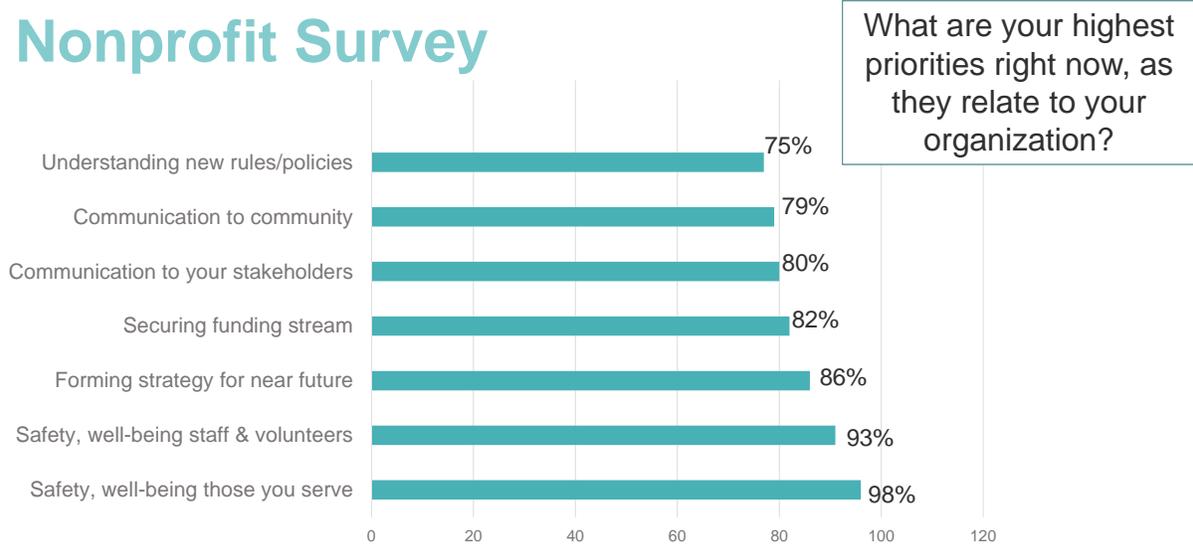
Nonprofit Survey



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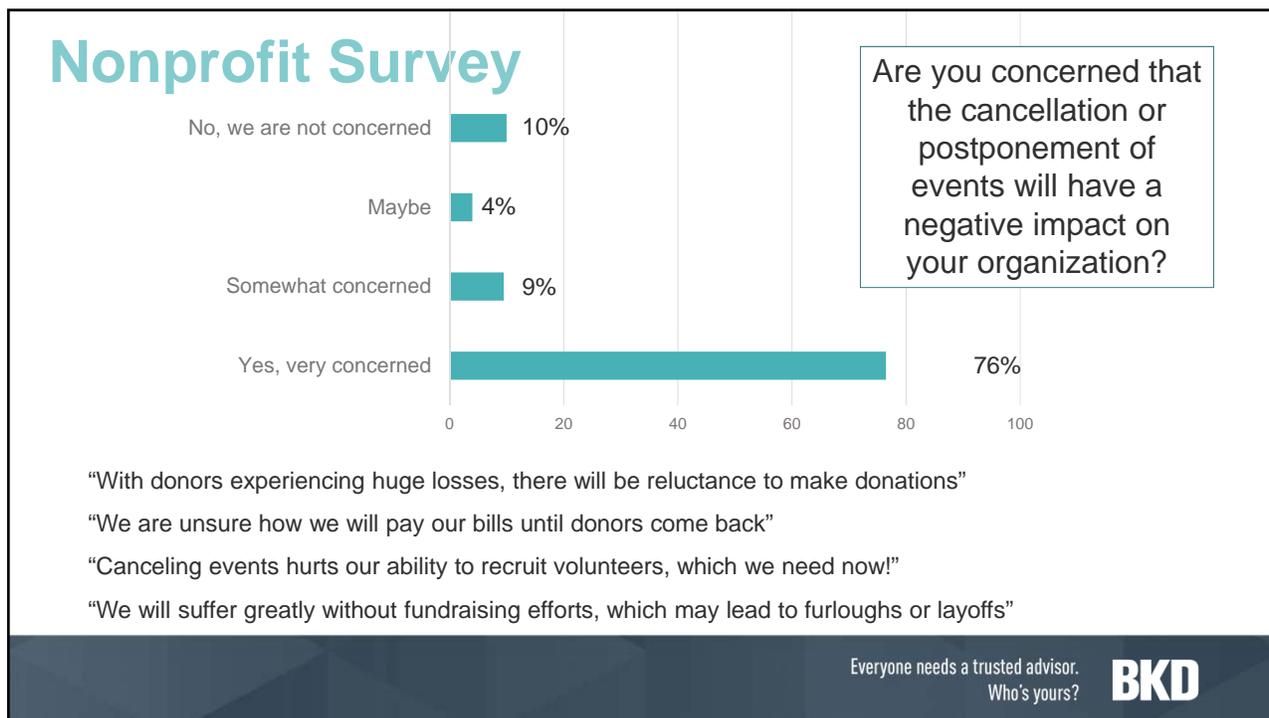
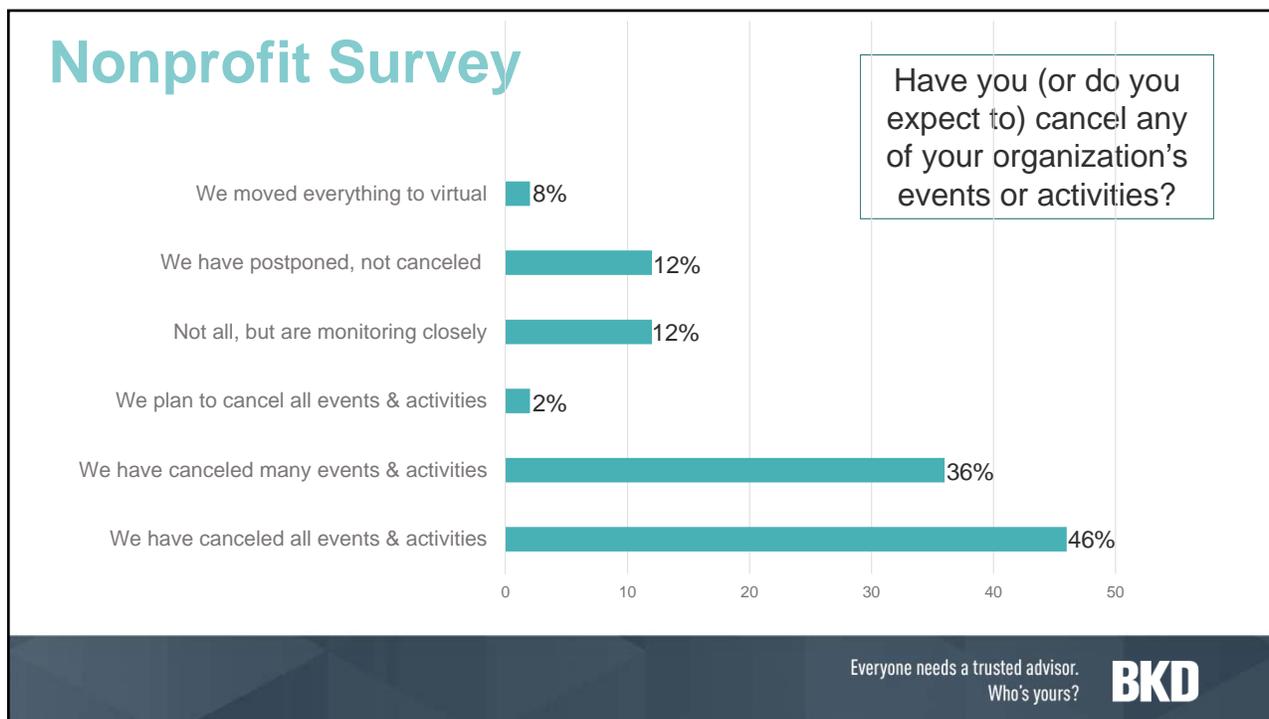


Nonprofit Survey



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Discussion – Impact

Have you (or do you expect to) cancel any of your organization's events or activities?

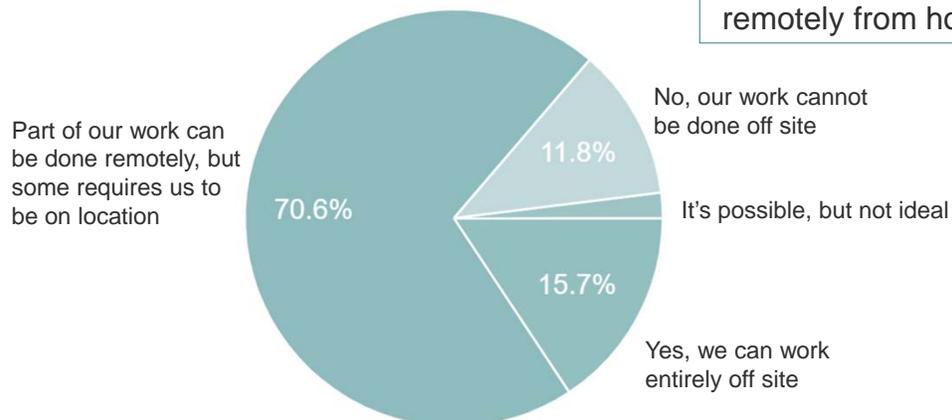
- 75% or more of nonprofit income is generated from fees for services & goods or government contracts
- What happens when those are not being performed/provided?
- Smaller organizations rely heavily on fundraising events
- Events & programs do more than raise money

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Nonprofit Survey

Considering the type of programs/services your organization provides, is it possible to continue working remotely from home or off site?

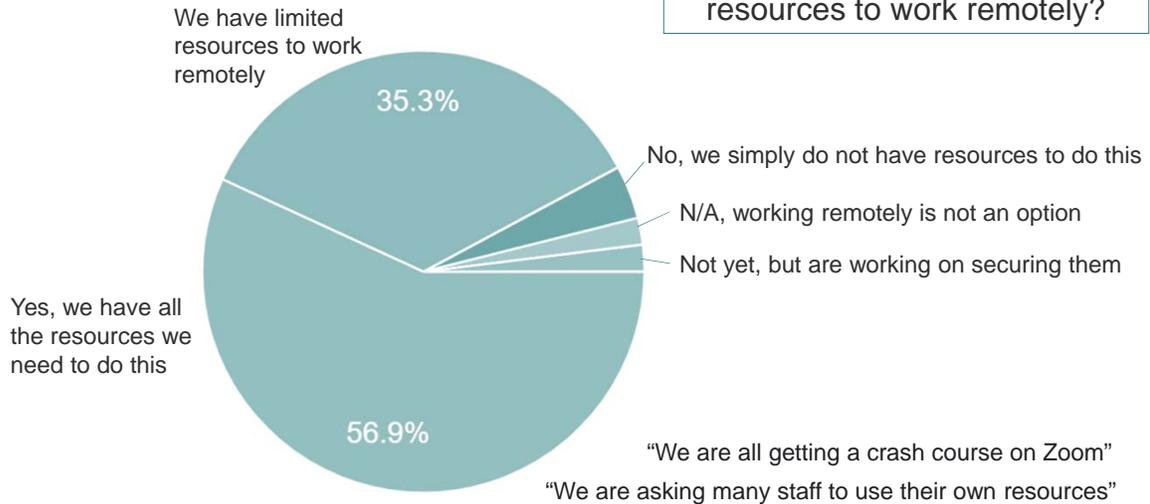


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Nonprofit Survey

Does your organization have adequate technological resources to work remotely?



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Discussion – Impact

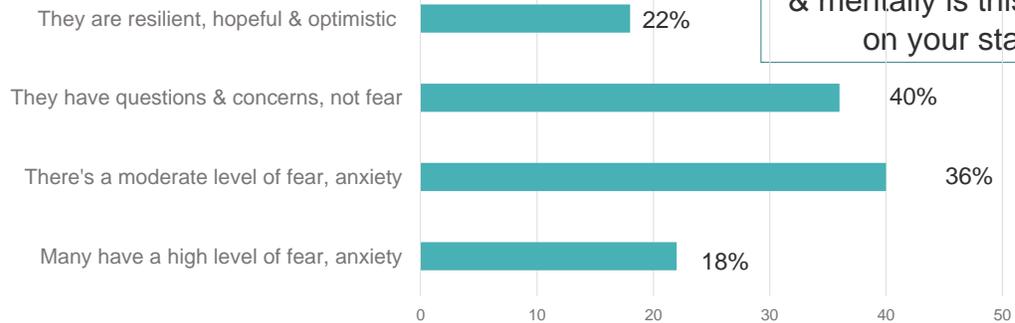
Considering the type of programs/services your organization provides, is it possible to continue working remotely from home or off site?

- Many organizations have old, outdated equipment due to lack of funding
- How do you work around this? What options exist?
- How do you serve homeless or similar populations with technology? Is it possible?

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Nonprofit Survey



“We have encouraged staff who need to seek counseling to do so”

“Between family & work, the stress load is fairly heavy for them”

“We don’t have time to care for ourselves, we’re taking care of others first”

“Frontline staff are stressed trying to support their clients without having a lot of answers”

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Discussion – Impact

What impact emotionally & mentally is this having on your staff?

- Anxiety over loss of funding
- Fear of job loss, pay/benefits
- Additional anxiety – not helping those they serve

CONSIDER

Frequent updates & check-ins

Flexibility for home & family needs

Employee assistance for additional support

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Nonprofit Survey

“Stay strong & stay connected – even in isolation”

“Don’t make emotional decisions. Get the facts”

“Keep calm, relax, be flexible, reassure yourself & staff that it’s OK to take breaks & rest”

“Take a deep breath. Lean into your team & empower them. Stop waiting for others”

“Stay flexible, prioritize health & wellness & long-term growth & success”

“You must be willing to talk out your individual & organizational concerns. In fact, over-talk it”

What is the best advice you can give to other nonprofit leaders, helping them address their personal needs & those of staff & organization?

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Considerations

- **Short-term planning:** 30–45 days at a time
- **Plan for a rise in generosity & cooperation**
- **Disconnect (physically), but connect (relationally)**
- **Foundations/funders providing new type of support**

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Issues to Consider

- **SWAT team – What if our entire team tests positive?**
- **Greater impact through collaboration – Share knowledge & resources**
- **Legal responsibilities – Who is liable?**

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Issues to Consider

- **Greater impact through collaboration**

Share knowledge & resources

Example: Springfield, Missouri

Nonprofits, foundations, government agencies, churches

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CARES Act

› Payroll Protection Program (PPP) Secs. 1102, 1106

- Who qualifies?
- How much can they get?
- What can the money be used for?
- How does the loan forgiveness work?

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CARES Act

› Economic Injury Disaster rapid grants (EID) Sec. 1110

- What can the money be used for?
- Who qualifies?
- Is it a loan or a grant?
- How much can they get?

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CARES Act

› Charitable Giving Incentive Secs. 2204-2205

- Cash contributions
- Which organizations qualify?
- Individuals versus corporate application
- Exclusions & restrictions
- Food donations

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CARES Act

› Payroll deductions

› Other important items

- Extended due dates
- NOL & business interest expense

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Crisis Communication Planning

Leaders are now challenged with three critical tasks

1. Protecting the health & well-being of their staff & volunteers
2. Maintaining strong programs & services to help those in need
3. Sustaining the organization's financial viability

Success in all three requires clear, consistent communication

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Crisis Communication Planning

- 1 **Form a crisis management team** (support & guidance before, during & after)
Senior staff, board members (ED or board chair designated leader)

- 2 **Define a crisis** (support & guidance before, during & after)

A crisis is any event, real or perceived, that has the potential to bring harm to an organization & threaten its reputation, programs, future growth & possibly its very survival

Weather disasters, workplace violence, criminal activities, data breach, program disruption, loss of major funding & human error. **Work through scenarios – form responses**

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Crisis Communication Planning

3 Develop a system to monitor & respond

- Monitor changes & how others are responding. Form strategies

4 Identify a spokesperson—& a backup

- Articulate & be comfortable speaking before cameras & in front of live audiences
- Knowledgeable about the organization's programs & services
- Quick thinking & calm in high-stress situations

5 Form key messages & materials

- Decide which messages are most important & align with your goals
- Don't hide from the media or the public. No response is a profound response

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Crisis Communication Planning

6 Develop a stakeholder contact map

- › A stakeholder contact map is a contact list that pinpoints interested parties, from closest to farthest out. It helps answer
 - Who should be notified during a crisis (closeness to organization & potential impact)
 - When they should receive notification (how quickly & at what frequency)
 - What information they need or should be given (how much should they be told)
 - Which communication channel is best (text, phone, email, website, media, etc.)

The objective of crisis management is to exert control in ways that help reassure stakeholders that their interests are cared for by the organization

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Role of a Board During Crisis

- 1 Don't do the CEO's job**
Be a support, offer help & respond when asked
- 2 Lean on your crisis management team**
The team will devise strategies & provide support
- 3 Take a deep, hard look at your financial position**
Can you survive a 50% loss of funding? What cuts or changes must be made now? Later?
- 4 Keep lines of communication open**
As requested, assist staff in connections to donors, supporters, broader community

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Coronavirus (COVID-19) Tax & Accounting Resource Center

BKD has created a new resource center to help disseminate important information for as we evaluate ways to mitigate the inevitable financial effects of the SARS-CoV-2 virus and the incidence of COVID-19 (COVID-19)

<https://www.bkd.com/covid-19-resource-center>

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Questions?

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