

Staying Afloat; Managing Risk

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We are starting to hear a lot about business continuity plans (BCPs). These are an essential part of an overall risk management strategy and can provide a roadmap for remaining operational during a crisis. While many might think this is closing the barn door after the horses have escaped, it still might be prudent to take stock if you have 90 seconds to think about it.



According to the Nonprofit Risk Management Center the [four building blocks of a BCP](#) are:

1. **A communications plan** that identifies all your constituents, what you need to tell them, how to deliver the message and how frequently you should update them.
2. **A list of “Must Do’s”** -- what your organization needs to keep doing so you can provide vital services or just keep things afloat (these can be as simple as processing payroll or moving to a remote workers policy; or an all-out effort to safely engage volunteers).
3. **Which programs and services must continue and which should you suspend.** Within the context of COVID-19, what programs are vital for the welfare of your clients (i.e., food, transportation, healthcare) and which ones could put your community or your staff needlessly at risk. Then consider how will you provide those vital services safely over a period of time?
4. **Finally, how will you resume business** once things have stabilized? Yes, this will be over at some point and you should have a plan on how you will resume services and continue your mission going forward.

How Can Board Members be Part of the Solution?

During this crisis every board and every board member should be stepping up to help the nonprofit they serve weather the storm and stay on course. While conventional wisdom might suggest letting the professionals handle the day to day – there is a significant role board members can and should play. Each of the tasks delineated below might be accomplished by a subset of board members. Board Chair should call a virtual meeting, assess the overall situation, then discuss and assign the following:

- 1) Assess and Manage Risk
- 2) Develop and evaluate your Business Continuity Plan
- 3) Perform Financial Scenario Planning
- 4) Initiate Policy Review, Application and/or Development
- 5) Prepare and Implement Long-range Communications Plan
- 6) Facilitate Fundraising
- 7) Advocate on behalf of your organization
- 8) Support your CEO/Executive Director

[Click here for a description of the 8 components](#)

If you would like any guidance on any of the above, please call or e-mail us for a complimentary consultation.

How Are You Doing? Share your stories about what is working, experiences you have or questions you want to raise and we will share and address them in our next issue.

Sharon's Blog

How Can Board Members be Part of the Solution?

During this crisis every board and every board member should be stepping up to help the nonprofit they serve weather the storm and stay on course. While conventional wisdom might suggest that let the professionals handle the day to day – there is a significant role board members should play. Each of the tasks delineated below might be accomplished by a subset of board members. The first things that should happen is for the Board Chair to call a virtual meeting, assess the overall situation and then discuss and assign the following components:

1) Assess and Manage Risk

Boards should be taking the pulse of the organization, what are the critical services that should continue, what should be paused? What financial risk does this crisis pose, how can it be mitigated. Are plans in place to keep staff, clients and volunteers safe? Are there other things that can be done? What are they and how can they be quickly implemented?

2) Develop and/or Evaluate your Business Continuity Planning

Boards should really help set the direction for BCP's – this should not be left to the ED/CEO alone. A good discussion among board members can provide additional insight and help mitigate any well-intentioned, but perhaps not prudent actions of the organization.

3) Perform Financial Scenario Planning

How has this pandemic affected the organization's bottom line; revenue, assets, etc. Then the Board should do some scenario planning to test what short-term and long-term ramifications might be from this crisis. How can it be addressed and should/how will things be handled post-crisis to ensure ongoing viability?

4) Initiate Policy Review, Application and Even Development

Are there policies in place to address the situations that the organization is now facing? Are they being applied, and even more important are they working appropriately? What is an employee or client or volunteer was diagnosed with COVID-19? What procedures are in place? Do new policies need to be developed that weren't considered prior to this situation? Most important, are the policies protecting staff, volunteers and clients?

5) Prepare and Implement Long-range Communications Plan

How are you communicating – with each other, with your constituents, with your donors? Your organization should have or prepare a communications plan that outlines what information you are sharing; how will you coordinate communications so you are speaking with one voice? Who is your primary spokesperson and how is that person receiving timely information?

6) Facilitate Fundraising

Fundraising does not take a hiatus during a crisis; it is more critical than ever. How you fundraise is a different matter. This is the time for the Board to take the lead. If your event is cancelled, Board members should reach out to sponsors and donors asking them to continue their support and

sharing what the organization is experiencing. It is also a great time for every board member to step up their game and serve as ambassadors for your charity.

7) Advocate on behalf of your organization

Your mayors, town selectmen, legislators, Governor, Congress, all need to hear from you. What is going on relative to your organization? What is your organization experiencing and seeing on the street? We are hearing a lot about businesses being asked to close, supporting restaurants and other business with drive-by services. But we have heard relatively little about nonprofits which are dealing with this crisis on a whole different level. Be the voice for your nonprofit organization.

8) Support your CEO/Executive Director

This is the person on the front line. Call. Ask what is keeping them up at night? And allow time to listen, because this person needs your understanding, kindness and support.

If you would like any guidance on any of the above, please call or e-mail us for a complimentary consultation.