Navigating the Financial Impact on Nonprofits During Unprecedented Times

March 23, 2020
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Stewarding Donors During Times of Uncertainty
TIME OF UNCERTAINTY: APPROACH AND STRATEGY

- Intention plus empathy: alignment with Board of Directors, senior leadership, and staff
- Reaffirm value proposition
- Increase tailored and targeted communications
- Be nimble and adapt existing plans and workflows
- Leverage existing donor relationships
- Innovate, innovate, innovate!
- Create benchmarks and uphold accountability
REAFFIRM YOUR VALUE PROPOSITION, VALUES, AND SUPPORT TO STAKEHOLDERS: *IN EVERY INTERACTION*

- **Articulate how and why** your organization is uniquely positioned to add value to issue at hand
- **Specify how** your organization is **planning, supporting and responding**
- **Internally, align**, as an organization, land on 1-2 programs/resources will serve as vehicles for impact, and tell your story
- **Ensure strong partnership with your Communications Team**
INCREASE TAILORED + TARGETED COMMUNICATIONS

- Overcommunicate
- Prioritize your top donors and craft authentic interactions with your top 5, 10, 15 donors
- Phone calls, emails, virtual convenings, in-person meetings (when appropriate)
LEVERAGE EXISTING DONOR RELATIONSHIPS CULTIVATE NEW ONES...

- Uncertain times provide opportunities to collaborate candidly, act quickly, and leverage social capital – do not be afraid to think and ask big!

- Leverage Board of Directors, Top Donors, and make new connections
WEIGH AND ADAPT EXISTING FUNDRAISING PLANS & PROGRAMS

- Remain nimble
- Compliance: align with Illinois and public health/safety guidelines. Safety is first.
- Adapt fundraising plans and postpone asks, but no cancellation of fundraising will be made without an alternate plan in place.
INNOVATE INTERNALLY TO EFFECTIVELY MAKE TOUGH DECISIONS

- Take time to see the entire “game board”,
- Build capacity to *internally collaborate*, leverage/consolidate/pause *peripheral* programming, and explore unique stewardship (and fundable) opportunities
CREATE BENCHMARKS, UPHOLD ACCOUNTABILITY, & TRACK PROGRESS

- Lead intentionally and assign owners to work
- Maintain 1-2 authentic internal touchpoints (per week) with team, staff, and leadership
- Attempt 1-2 meaningful donor updates (per week) with a realistic opportunities to support
- Facilitate 1-2 meaningful donor interactions (per week): thank you calls, emails, etc.
- Briefing of impact to stakeholders (when appropriate)
Seth Green
Founding Director, Loyola University Baumhart Center

Impactful Donor Communications
Impactful Donor Communications in Times of Challenge
Fundraising is all about relationships

Source of graphic: GetFullyFunded.com
And relationships are about shared goals

Finding the intersection of mission & money is essential to sustainable fundraising.
3 Dos and 2 Don’ts

Do:
✓ Communicate actively with donors around how you are responding to COVID-19.
✓ Develop an authentic, independent fundraising initiative to meet the moment.
✓ Evaluate your upcoming vulnerabilities and ask your closest supporters for advice.

Don’t:
× Send out a general fundraising appeal without acknowledging the unique moment.
× Simply ask for general support in lieu of your originally scheduled gala.
One glimmer of hope is that technology has been an integral part of the Braven model and positions us to create a strong virtual learning environment quickly. Eighty percent of Braven’s course is already provided online, and in the last couple of weeks we have been working to move the in-person experiences onto digital platforms. We are working with our employer partners and volunteers to ensure students have access to the same opportunities they would have otherwise received and are so thankful for their flexibility.

This time of uncertainty also includes a labor market that is likely going to tighten and put our students who are from vulnerable economic backgrounds and others like them at a disadvantage. It is so important to ensure our young people are being prepared to land strong jobs after college, placing them on the path to achieve the American Promise.”
Develop authentic fundraising initiatives
Evaluate vulnerabilities and discuss with top donors
2 Don’ts

Don’t:

× Send out a general fundraising appeal without acknowledging the unique moment.

× Simply ask for general support in lieu of your originally scheduled gala.
Join the Baumhart network to gain more tools to accelerate your impact.

Send the word “subscribe” tobaumhartcenter@luc.edu or text your email address to 847-208-0495.
Jessica Redman
Vice President, Fifth Third Bank

Navigating Cash Flow and Financial Challenges
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The kinds of errors that cause plane crashes are invariably errors of teamwork and communication.

- Malcolm Gladwell -
Stakeholders

- Leadership
- Government Officials
- Board
- Donors
- Investment Advisor
- Banking Partner
- Accountant
- Lawyer
- Members
- Employees
- Vendors
Identifying the Funding Need

Using Financial Analysis to Identify the Cash Flow Gap:

• 13 Week Cash Flow Statement
  – Identify known cash outflows
    • Payroll, vendor payments, debt payments, etc.
  – Project and sensitize inflows
Filling the Cash Flow Gap

• Cost Cutting
• Revenue Expansion
• Appeal to Payors
• Liquidity
• Donors
• Access to existing lines of credit
• Leverage unencumbered assets
Conventional Bank Financing
Underwriting Considerations

• Borrower’s ability to repay
  – Cash Flow
    • Historical
    • Forward Looking
  – Balance Sheet Strength
    • Liquidity
    • Assets
    • Leverage

• Sufficient Collateral
Creative Solutions

• Community Development Financial Institutions ("CDFIs")
  – Impact-driven lenders, examples include IFF and RAZA

• Donors
  – Loan from Donor
  – Donor provides Collateral to support a credit facility
  – Donor provides gap pledge for capital campaign
    • Facilitating the opportunity for a bank to lend against a capital campaign
Navigating Cash Flow in Uncertainty

• Identify Need

• Actively convey need

• Work with Trusted Advisors
Susan Abrams
Chief Executive Officer, Illinois Holocaust Museum & Education Center

Real-time Lessons Learned
Thank you!

Look for the recording and an evaluation survey in your inboxes soon.