



NONPROFIT STANDARD

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7 Steps for Nonprofits to Manage a Crisis

By Laurie De Armond, Andrea Wilson | April 09, 2020

As of April 1st, confirmed cases of the novel coronavirus (COVID-19) are climbing to one million worldwide. In addition to the damage the virus has caused to human lives, the resources needed to fight the pandemic have proven scarce, leaving governments and private agencies looking for relief.

Unsurprisingly, COVID-19 has called nonprofits to the front lines. But with growing demand and limited resources, these organizations are being pulled in a number of directions all at once. It's imperative that they're prepared for mission continuity, engagement and outreach, and employee welfare in light of COVID-19.

Here are seven best practices nonprofits should keep in mind when facing a crisis:

1. **Organize and prepare a crisis management team.** In the nonprofit space, having a crisis management team that represents your mission and programming is important. Crisis management usually isn't a part of the core competency of a nonprofit organization – and the situation we're in now has highlighted the need for this to change. In vulnerable times of crisis, a team with expertise tailored to fit the needs of the situation can prove just as valuable as a strong team leader and executive who facilitates crisis response. Every organization is different and calls for different competencies of mission critical personnel, including programs, HR, legal, IT, communications, finance and business continuity and operations. Nonprofits should identify who should be part of the crisis response team in advance of the crisis if possible, and should empower them to create and execute response plans. If your organization doesn't have all the skill sets needed on staff, explore whether Board members or volunteers have the requisite experience.
2. **Protect your organization financially.** In times like these, it's critical that the nonprofit sector is able to continue its work, meet the increasing demands for continuity of services to existing constituencies and maintain the wellbeing of the organization's most precious resource – its staff members. At the onset of a crisis like the COVID-19 pandemic, it's critical that your organization identify the immediate impact of the cash inflows and outflow of programs. It's critical that your organization goes through a process that identifies spending that can be temporarily deferred or stopped completely, and align your spending with mission-critical areas. We suggested in the past that organizations strive to maintain at least six months of financial reserves. Even some organizations that have been able to achieve this goal have

seen delays in payments and soaring personnel costs, as they continue to serve their current constituency. If securing significant reserves isn't feasible, consider delaying and deferring expenditures, such as debt forbearance, lease concessions, delays in vendor payments and securing additional credit (SBA or conventional) or identifying donors who would be willing to help in times of need. For more information on this, register for our webinar on April 14th. Also, make sure you have a detailed understanding of your funding mix, and start to forecast how that might change in the short and long term in light of the crisis. If your primary donors are decreasing investments, consider what other options are available to you, such as aid available through legislation like the CARES Act, remedies afforded to federal grant recipients as authorized by the OMB, and current donors that are further supporting organizations.

3. **Support your people.** For most nonprofits, employees, and their passion for the mission, are their greatest resource. In times of crisis, organizations have a responsibility to not only continue to deliver on mission, but to protect employees and volunteers. Organizations should ensure their teams have the tools necessary to continue their work to the highest degree possible, including technology resources for remote work and the appropriate protective gear for those working on the front lines.
4. **Facilitate open communication.** Crisis management is necessary to navigate the reality of the situation, but organizations shouldn't overlook the importance of crisis communication, which deals with the perception of the crisis and how your nonprofit is handling it. If you don't communicate quickly and effectively, you're creating a vacuum and someone else will fill it with their own narrative. Your organization should be fully transparent and communicate more than it needs to with all your key constituencies, including employees, donors and beneficiaries. One of the common missteps we see is organizations not identifying all their stakeholders or not communicating with each of them effectively. In times of crisis, the frequency and way in which you speak with employees, your board and stakeholders will differ, and will need to evolve as the situation continues to develop. Regardless of the audience, you should communicate any shift in priorities, and confirm that they reflect the dynamic of the crisis.
5. **Build a secure infrastructure for your programs.** For many, demand for services increases during a crisis like COVID-19, nonprofits must continue to deliver on their missions. But they also must be smart about how they operate. Some organizations have been able to move many of their programs and back-office functions online, because they committed to technological investments before the crisis. Their systems support access to tools to support things like remote meetings through web and video conferencing applications and an IT support team to be available when problems arise. Though technology can support mission continuity and operational efficiency, nonprofits should be diligent in their cybersecurity efforts, ensuring that their internal network and private information are protected as bad actors take advantage of organizations in times of crisis, particularly if they handle personal information, or if employees are leveraging their own devices while working remotely.
6. **Reassess your risk profile.** When the dust settles after any crisis, there is typically an uptick in litigations, including Occupational Safety and Health Administration (OSHA) and negligence claims, and that's likely to be true after the current situation abates. During this sensitive time, organizations should take extra precautions to be sure they're complying with regulations like the Health Insurance Portability and Accountability Act (HIPAA) law and are adequately protecting the privacy of their employees.
7. **Be adaptable.** The reality is that the norms of everyday life are being challenged. Now is a time for nonprofits to pause and make sure they're focused on top priorities, and dig in deep on the purpose of their organization. A key factor in this assessment will be the voice of your constituents. Whether the clients you serve are students, members or donors, they will be the barometer to determine if what you're delivering is what's needed. Ask yourself important questions regarding your mission and program delivery. If your organization was already clear on its goals prior to COVID-19 and delivery hasn't shifted, you may need to make some adjustments, but your mission doesn't necessarily need to

change. For organizations who weren't clear on their mission and contingency planning, however, the novel coronavirus will unveil the need for change and tools for crisis mitigation.

As organizations continue to aid in the fight against COVID-19 and its impact across the globe, it's clear that nonprofits have always been problem solvers. They present solutions to problems that commercial enterprises aren't suited to and that governments can't resolve without help. In times of crisis, nonprofit and human services organizations are among those called to action. Delivering on their mission has never been more critical than now. For more guidance on how to navigate this public health emergency, visit our COVID-19 resource hub.

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