What Should the Board’s Role Be in the COVID-19 Crisis?

Cristine Nardi, Executive Director
Cindy Colson, Deputy Director of Strategic Partnerships
May 6, 2020
Zoom Guidelines

1. Open your “Participants” window.
2. Name (pronouns), Organization
3. Participants are muted
4. Open your “Chat” window.
5. Questions via chat
Today’s Goals

1. The Big Picture

2. What Kind of Organization Are We?

3. What to Do & Not Do
The Big Picture
NOTHING IS NOT AN OPTION
What best advances the **long-term mission** of the organization?
COVID-19 Priorities CHN: SPLIT INTO 3 SLIDES

1. **Social impact**: Why do you do what you do?

2. **Economic viability**: How do you fund what you do?

3. **Capacity to deliver**: What supports what you do?
What Kind of Organization Are We?
Questions To Be Asked by Board & ED

Role in pandemic → Humility → Adaptive Planning
Do we have a role during the pandemic?
Should we become virtual to further our mission?
How would becoming virtual impact inequity?
What do we tell our donors and are we their priority right now?
Self-awareness of strengths and what expertise is needed

Time for guidance – not micromanagement

Where do we need guidance? HR, financial, legal?

What are the ethical & moral implications of our decisions?
What will we look like in 2 months? 4 months?
What will restart look like?
Should we examine collaborations, partnerships, mergers?
**How will we learn from this** and use learnings in our planning?
• Responding

• Hybrid

• Hibernating
Responding

Increased demand

Increase cost to provide services safely
Hybrid

Flexibility around program delivery options

But at what cost?
Hibernators

Challenges with operating in current reality

AND

Need to reduce monthly cash burn rate
CINDY ADD SUMMARY SLIDE HERE
Planning
Practice, Not an Event

• No bad time for **strategic thinking**

• Get out your dancing shoes

• IRS
Short-term for Long-term

- Shorter increments
- Longer-term sustainability
- Read your environment
But New Opportunities

• Want vs. Need

• Lessons learned

• What If?
Planning

• Practice, not an event

• Short-term for the long-term

• But **new opportunities**
Finance
Now this is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning.

Winston Churchill
Don’t put off decisions or be lulled by magical thinking.
Conserve Cash

Reduce expenses

• HR
  • Decrease hours
  • Decrease salary of higher paid staff
  • Hiring freezes
  • Furloughs, lay-offs
• Negotiate rent
• Discontinue automatic payments
Accelerate Cash Revenue

• Ask core donors if they would consider making their gifts earlier than usual

• Ask grantors for flexible funding
Fundraise & Explore New Funding Sources

• **Yes**, fundraise

• Take pulse-check with event sponsors

• Explore funding and loan opportunities

• Honest **communication** with donors, stakeholders
# Case Example: Best/Worst Case Budgets for Multiple Changes

<table>
<thead>
<tr>
<th>Numbers in 000s</th>
<th>2015 Budget</th>
<th>Description</th>
<th>Best Case</th>
<th>Description</th>
<th>Worst Case</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed Revenue</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Corporate Giving</td>
<td>$150</td>
<td></td>
<td>$150</td>
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<td>$150</td>
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<tr>
<td>Foundations</td>
<td>$75</td>
<td>$25k grant from new funder</td>
<td>$100</td>
<td>$75</td>
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<tr>
<td>Department of Education</td>
<td>$250</td>
<td></td>
<td>$250</td>
<td></td>
<td>$150</td>
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<tr>
<td>Individual Contributions</td>
<td>$15</td>
<td>25% increase in annual giving</td>
<td></td>
<td>$20</td>
<td>Funding Cut</td>
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<tr>
<td>Special Events</td>
<td>$55</td>
<td>2 additional events</td>
<td>$75</td>
<td>$55</td>
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<tr>
<td>Subtotal</td>
<td>$545</td>
<td></td>
<td>$595</td>
<td></td>
<td>$440</td>
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<tr>
<td><strong>Earned Revenue</strong></td>
<td></td>
<td></td>
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<tr>
<td>Membership Dues</td>
<td>$10</td>
<td></td>
<td>$10</td>
<td>20% decline in membership</td>
<td>$8</td>
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<tr>
<td>Parent Fees</td>
<td>$15</td>
<td>40 extra children in afterschool</td>
<td>$17</td>
<td>$15</td>
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<tr>
<td>Facility Rental Income</td>
<td>$30</td>
<td>20% increase in rental fees</td>
<td>$36</td>
<td>reduction in rentals</td>
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<tr>
<td>Subtotal</td>
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<td>$48</td>
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<tr>
<td><strong>Total Revenue</strong></td>
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<td>$658</td>
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<tr>
<td>Change from Budget Revenue</td>
<td>$</td>
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<td>$58</td>
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<td>-$112</td>
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</table>

| **Expenses** | | | | | |
| Personnel | | | | | |
| Executive Director | $55 | .5 extra youth leader | $55 | $55 |
| Youth Team Leaders | $105 | | $125 | $105 |
| Early Childhood Providers | $70 | | $70 | reduce early childhood to 1 FTE | $35 |
| Tutors | $60 | 50 extra hours of tutoring | $65 | cut tutoring hours | $55 |
| Site Supervisor | $45 | | $45 | | $75 |
| Subtotal | $335 | | $360 | | $325 |
| Program & Operations | | | | | |
| Insurance | $75 | | $75 | | $75 |
| Professional Fees | $50 | | $50 | cut book keeper hours | $35 |
| Supplies | $80 | extra supplies for afterschool | $105 | | $80 |
| Building Maintenance | $15 | | $15 | cut landscaping | $10 |
| Interest | $18 | | $18 | | $18 |
| Misc | $15 | | $15 | | $15 |
| Subtotal | $253 | | $278 | | $233 |
| **Total Expenses** | | | $588 | $638 | $558 |
CINDY ADD SUMMARY SLIDE HERE
People
Hard Decisions Are Hard

• Be a rock

• Be transparent

• Be your core values
Harness Board Power

• Culture of inquiry

• How can the CEO support the board?

• How can the BOARD support the organization?
Prioritize Relationships

• Key to **survive & thrive**

• Don’t go silent

• Bring stakeholders with you
People

• Hard decisions are hard

• **Harness board power**

• Prioritize relationships
Your Crisis To-Do List

• Conserve cash

• Plan your scenarios

• Care for each other

• Be an ally & and an asset

• Find the new opportunity
Questions?