Best Practices for Nonprofit Boards 5) Collaborate When Addressing Finances





Key Financial Questions

Business Model

Managing within revenue realities: Can we continue to live within our means? What revenue is at risk? Can we adjust expenses to become more in line with revenue?

Business model changes: How different will our financial results be from this date last year? Can we quantify what's expected for future months, years? Can we identify both risk and opportunities? Have we identified different scenarios? Can we put in place a response and recovery plan?

Cash flow: Do we have enough cash to cover day-to-day needs? Do we have access to a line of credit? Should we undertake cash flow planning to predict cash flow and better manage cash?

Reserves: Do we have enough of a cushion to manage the ebbs, flows, and any revenue risk?

Other balance sheet needs: How will we manage investments, facilities, debt and other balance sheet needs to cradle the organization during crisis?

Crisis Tips

- Ensure that the organization has a communication strategy tailored to different audiences
- Encourage board members to make a special gift for extra support during challenging times