



How Nonprofits Can Remain Resilient Through COVID-19 Crisis

As the coronavirus (COVID-19) pandemic rapidly spreads throughout the U.S. and the world, nonprofit organizations are facing unprecedented challenges to their operations, staffing and fundraising. Many nonprofits serve vulnerable clients such as the elderly, the ill and the homeless, and these organizations will be strained to continue to provide services during the crisis. Arts and cultural organizations have closed and canceled programs in response to directives to limit public gatherings.

Like the for-profit sector, nonprofits must seek ways to address risks to their organizations, from protecting employees and managing staffing levels to stemming potential financial shortfalls. They must remain flexible and resilient to effectively navigate these uncertain times. How nonprofits respond during this crisis could determine their long-term viability.

Activate Emergency Response Plans

Many nonprofits have emergency response plans, but they may need to revise and extend their plans to address the extraordinary nature of this pandemic. As a nonprofit leader, you must assemble a crisis management team comprising board members, outside advisors, program leaders, fundraising executives and communications staff. As the crisis management team monitors the crisis, it can quickly develop ways to adapt the emergency response plan so that operations and services can be provided as long as possible.

Adjusting for Staffing Shortfalls

Staffing will become problematic as people become ill, have childcare issues or must care for elderly relatives. Technology solutions can help some employees work from home through the crisis, but others may need to remain on the front lines delivering much-needed services to vulnerable client groups. The crisis management team should focus on how to address staffing issues and factor in the possibility of scaling back services.

Strengthen Financial Resilience

Regular sources of funding may disappear during the pandemic crisis as donor events are canceled and facilities such as museums are closed. Your finance team should act now to review operating budgets and cash reserves, put cost containment plans into place and seek additional sources of funds by activating lines of credit. The finance team should work closely with leadership and the crisis management team to ensure that the nonprofit remains as financially viable as possible throughout this period of uncertainty.

Continue Fundraising Efforts Online

For many nonprofits, spring is the time of year when fundraising events and programs occur. Nonprofit arts and cultural organizations are particularly affected by the shutdown of social gatherings. Consider whether you can make the switch to virtual fundraising throughout the crisis to maintain operations and delivery of services.

Step Up Communications

A steady flow of communications keeps nonprofits and their missions in the hearts and minds of their donors and constituents. Using email, texts and social media, nonprofits can keep them informed of the actions they are taking during the coronavirus crisis and make them aware of emerging needs. Ongoing communications convey that nonprofits are acting responsibly in the best interest of their patrons and constituents, staff and the general public.

CARES Act Paycheck Protection Program

President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) on March 27, 2020 to provide immediate relief to individuals, businesses and nonprofits in response to the coronavirus outbreak. A significant provision of the CARES Act that can have a tremendous impact on eligible nonprofit organizations is the Paycheck Protection Program, a new emergency Small Business Administration (SBA) 7(a) loan program. Organizations should consider applying for a loan under this program which provides 100% federally guaranteed loans to small businesses, including 501(c)(3) and 501(c)(19) organizations, with fewer than 500 employees. Qualifying organizations may borrow up to 2.5 times their average monthly payroll costs, including benefits, not to exceed \$10 million, to cover expenses such as payroll and operating costs as well as interest payments on previously existing debt obligations. Most importantly, these loans may be forgiven if the organization maintains staffing for the covered period, which is typically eight weeks following the loan origination date, or rehires previously laid off employees by June 30, 2020.

Look Ahead to Life After the Pandemic

The COVID-19 health emergency will pass, and at some point, life will return to a more normal state. In the meantime, nonprofits should do their best to execute on their mission, protect their operations through sound financial management, continue fundraising and stay connected to donors and constituents. Now more than ever, it's important for your nonprofit to continue to engage with your donors and clients and to remind them of the importance of your mission and impact. These efforts will yield goodwill and appreciation that will benefit your organization for years to come.

Learn More

To learn more about ways nonprofits can navigate the coronavirus pandemic, please contact [Alana Mueller](#) by calling [770.396.2200](tel:770.396.2200).