



SURVIVING THE ECONOMIC DOWNTURN, NONPROFIT FINANCES

PRESENTED BY KIMBERLY STEMLEY
HOSTED BY BLACK FUNDERS OF ST. LOUIS



Kimberly Stemley, CPA

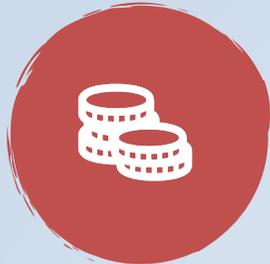
Former Executive Vice President, Business Development and CFO of Rx Outreach

Executive leader with 18+ years in for profit and nonprofit organizations ranging from Fortune 500 and Big-4 organizations with a chronicle of success in driving benchmarks and repositioning organizations.

Agenda



**Improve
Financial
Discipline**



**Scenario
Planning**



**Build
Financial
Models**



Best Practices



Q&A

Why do non profits need to improve their financial disciplines?

Recent events have exposed the need for improved financial disciplines that allow for **real-time management** and **rapid decisions** in an increasingly unpredictable future.

New Problems

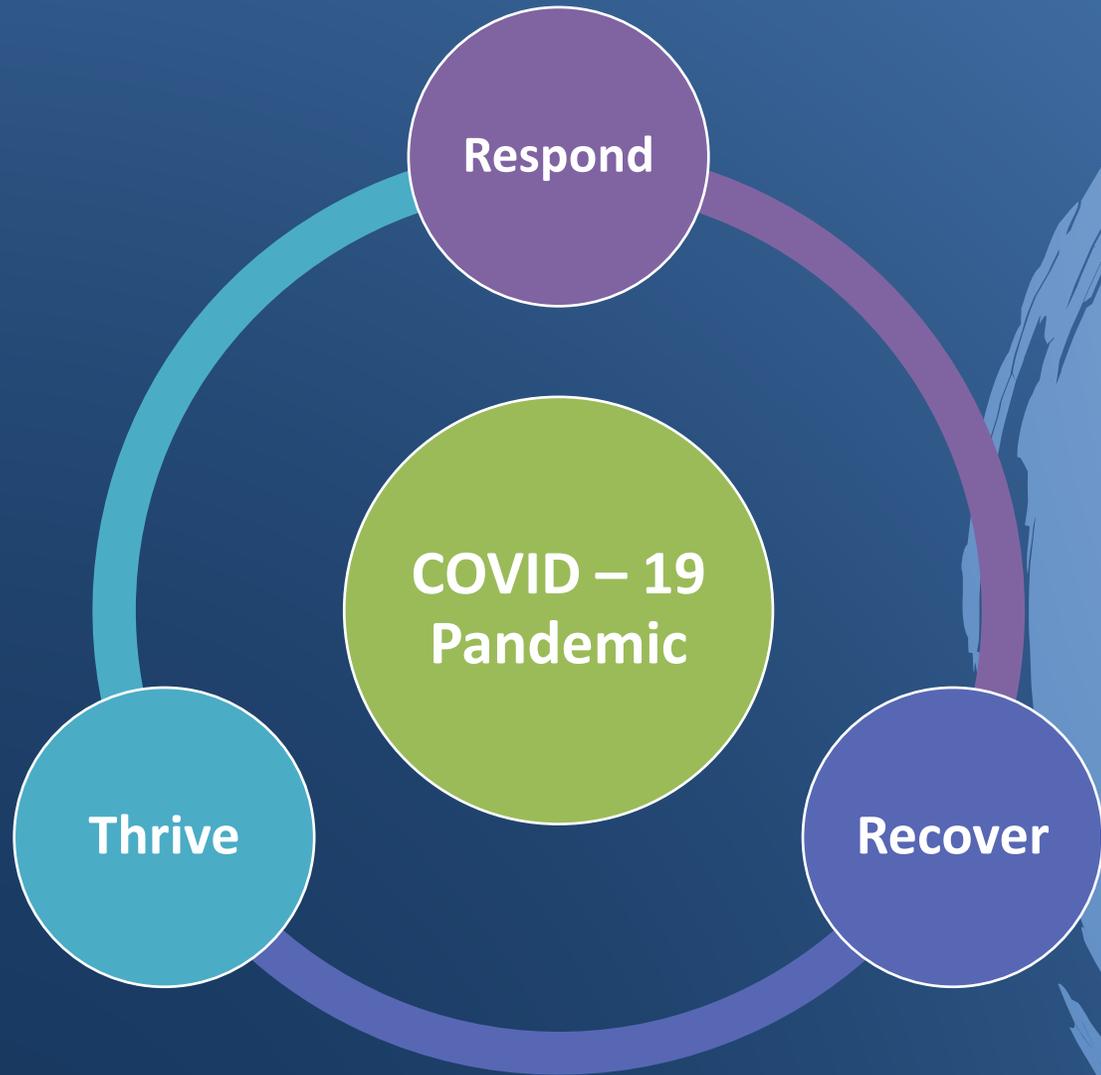
- Increased marketplace volatility creates an inability to predict the future
- Annual planning and forecasting process is too inflexible to enable effective decision-making
- Internal and external risks are not built into the financial models
- Inability to easily understand cash needs
- Lack of structured process for long-term financial outlook

Why do non profits need to improve their financial disciplines?

New Solutions

- Ability to manage multiple views of the future
- Incorporate a future focused view across multiple time horizons
- Allow for agile management decision making
- Focused on maximizing the long-term success of the business across diverse opportunities

Cash Flow Model - Excel



RESPOND

Near-term

- Maintain liquidity
- Working capital and cash flow
- Capital expenditure reductions, refocus

RECOVER

Medium-term

- Agile scenario planning and driver-based forecasting
- Scenarios, identify core and contingent expenditures

THRIVE

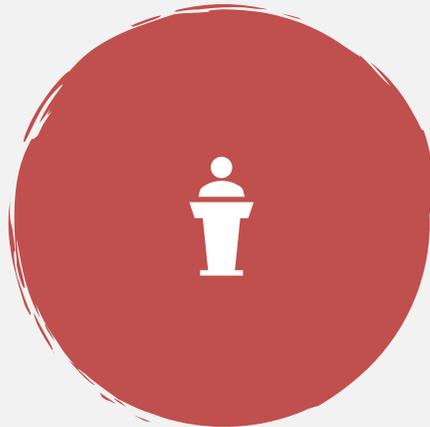
Longer-term

- Reimagine business in next normal
- Develop opportunities and options now
- Implement dynamic portfolio and targeting



Explore

Explore how trends could shape the world in the long term



Spot

Spot emerging needs and issues that conventional modeling could miss



Identify

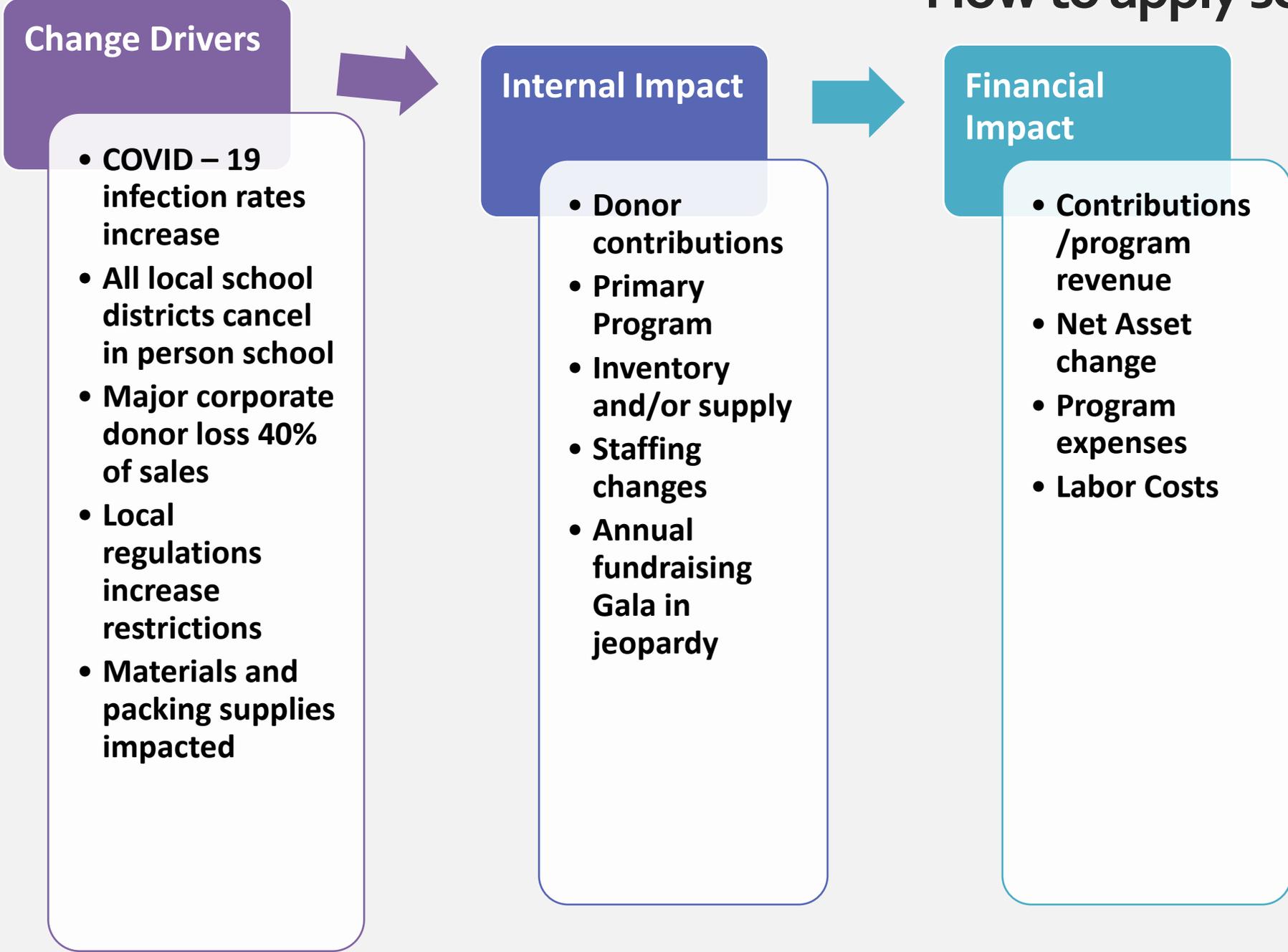
Identify actions to improve rapidly changing landscape.

Scenarios

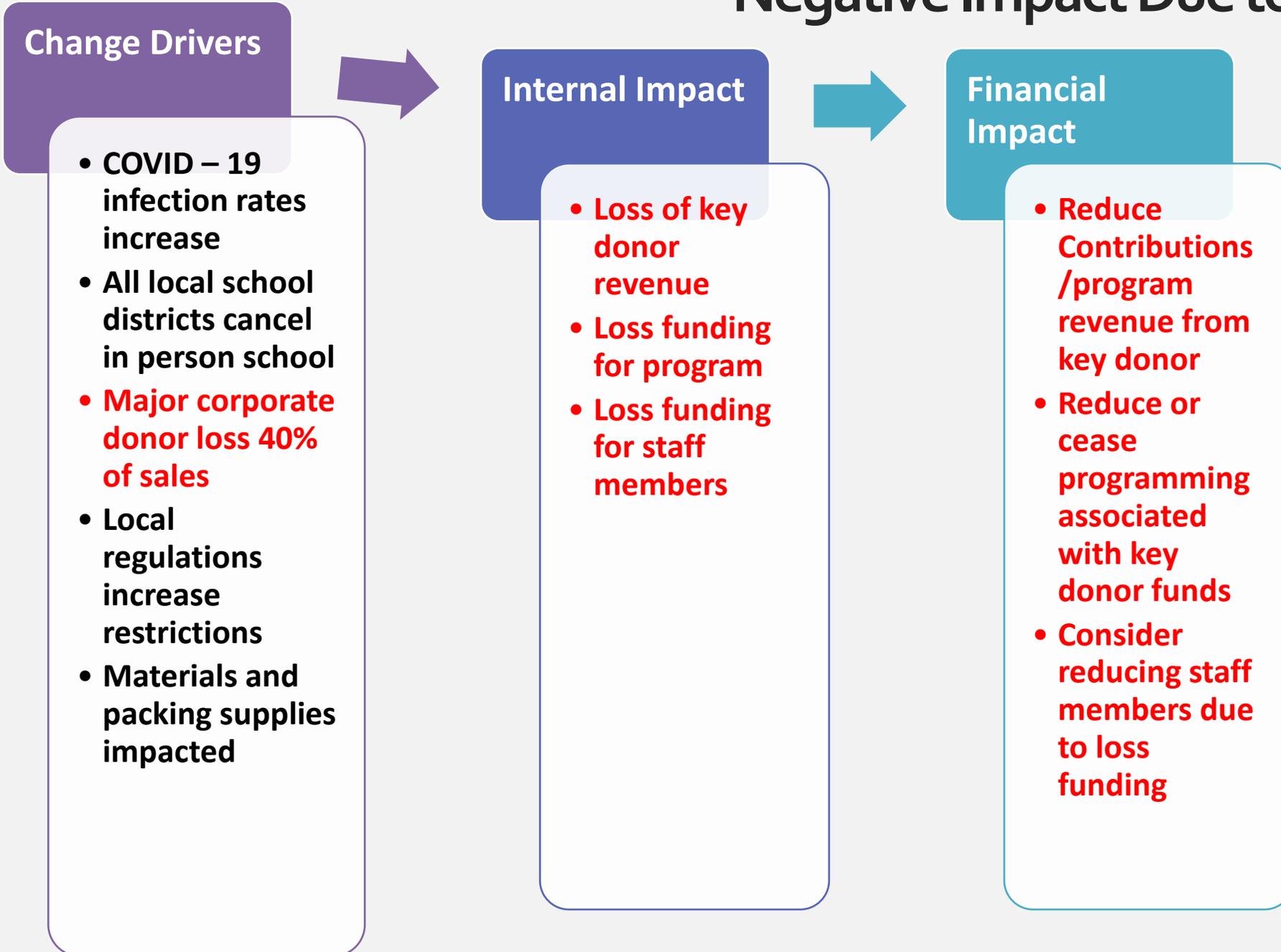
Scenarios are stories about what the future may be like.

They are hypotheses about what could happen, designed to shed light on new opportunities or hidden risks.

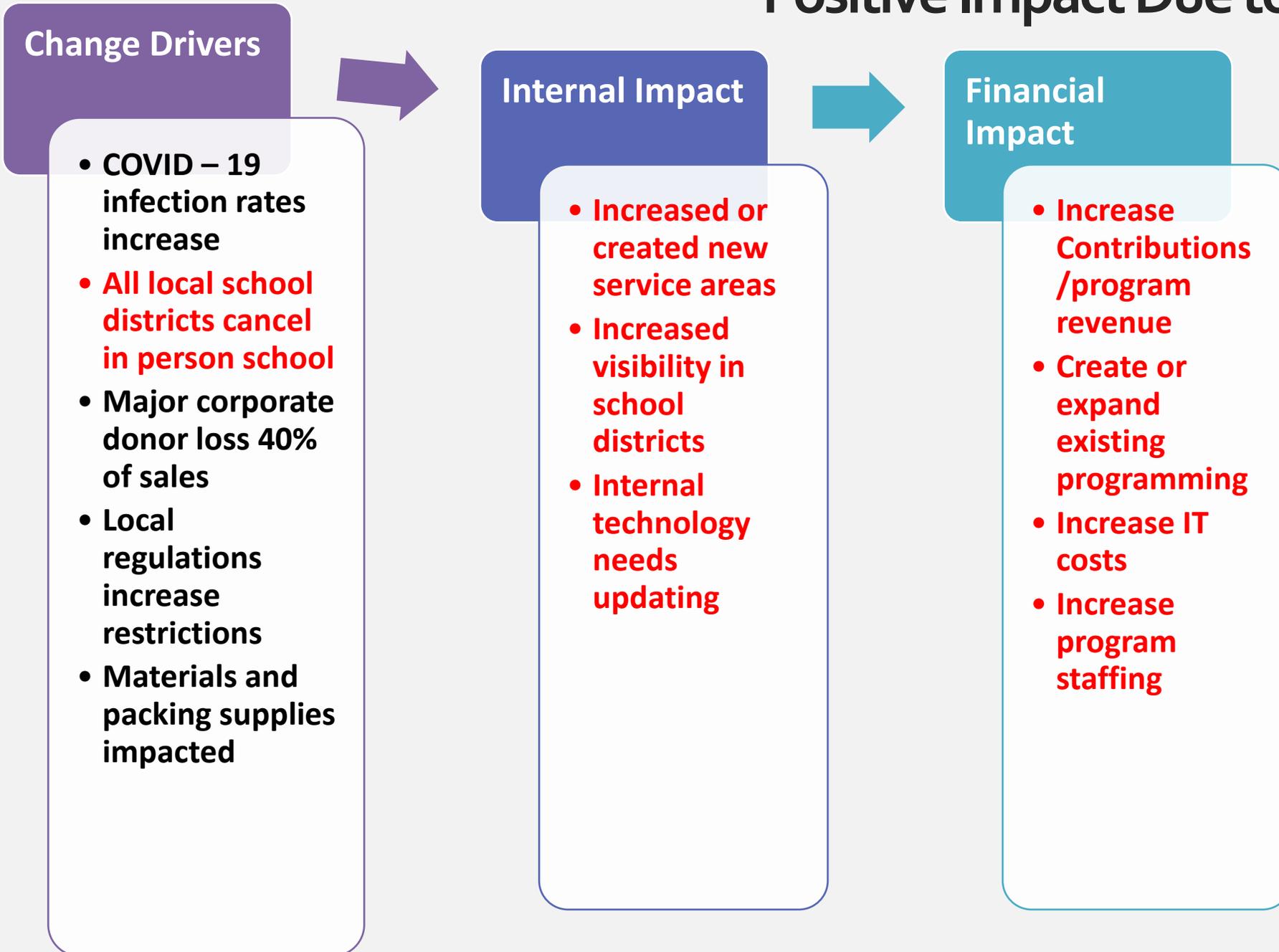
How to apply scenarios



Negative Impact Due to Drivers



Positive Impact Due to Drivers



Best Practices

- Stay abreast of the state and localities issuing emergency and shelter in place orders or curfews as these may affect your operations and employees. Understand if you are deemed to be an essential organization or within critical infrastructure industries.
- Establish processes for partial or complete shutdown that do not disrupt cash receipts, cash disbursements and payroll. Consider investing in affordable online platforms for accounting, payroll, banking etc. [Research TechSoup, an organization that supports nonprofits and charities by providing access to discounts on software, hardware and more.](#)
- Be prepared to make tough decisions. If you must reduce headcount, consider using a furlough option as opposed to termination. This allows you to maintain your ability to rehire your best employees when the world is open for business again. Focus on retaining employees that are the best fit and who really care about your organization. Contact HR or Legal for additional guidance.
- Get in line for a PPP Loan. The CARES Act Paycheck Protection Program (PPP) is offering an unprecedented [\\$349 billion dollars of loan support](#) for small businesses — a much-needed lifeline for many. And it's not just a loan: The [Small Business Administration says](#) that it “will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.” Check for current revisions to The CARES Act.

Best Practices

- Contact critical vendors and suppliers to understand if they are having supply chain issues or price changes that will impact your contingency plan. Contact landlords, bankers, legislators and inform them of any specific needs or requests to sustain your organization during this time. Assistance programs exist and are being created daily to help small businesses and non profits survive this crisis.
- Pull out your insurance policies and understand what coverage, if any, you have against business interruption, employee exposure to COVID-19 while working on the job, etc. Focus on workers compensation insurance, general liability insurance, board of director's coverage and umbrella coverage. Contact your insurance broker for specific questions on your policy and coverage.

QUESTIONS & ANSWERS

THANK YOU

Kimberly Stemley 