Here is a possible framework or “flow” for helping to make sound financial decisions during a time of chaos and uncertainty.

1. Make sure that roles, responsibilities and accountability are very clear with regard to both financial and operational decisions. What types of decisions can be made by staff? By the Finance Committee? By the entire board?

2. In effect you are doing planning for two years. You need to get through the current year … and have enough money left to ensure that you have what you need to pay your staff and do marketing for the next season’s programs, too. Don’t lose sight of this as you do your forecasting!

3. Finally, it’s important to get agreement up front about how you and the board will look back and evaluate your organization’s performance. For example, it’s a good idea to recognize that you are all making decisions with imperfect information, and your performance should be evaluated in that context. In other words, not “Did you make the right decision?” but “Did you make the best decision given the information available at the time?”

4. Program planning:
   a) Identify the programs which are absolutely essential to be offered in person to fulfill your mission.
   b) Then reflect on this spring and what you might have learned by being forced to offer programs online, or being forced to drop programs. Have you learned that some of the things you do, really aren’t that essential? Has online programming actually opened up possibilities for future program offerings or reaching new people?

5. Financial planning:
   a) First, at the board level, discuss your risk tolerance…for example, are you willing to totally deplete your cash reserves? How much debt can you tolerate, if any?
   b) Identify any potential funding sources – this would be cash or other sources of capital. Examples include cash reserves, potential loans, mortgages, accelerated donations, federal aid (such as the SBA’s PPP and EIDL programs or refundable payroll tax credits).
   c) Then realistically discuss your likely income projection. Will you get the usual number of memberships, donations, or income from galas that you may have had? Should you start with the assumption that such income will be down by ___%?
   d) Then, look at major decision points and make a “yes-no” tree. For example: “Did we get the Payroll Protection money we asked for?” If yes, you follow one branch; if no, you follow another.
   e) The tree would also identify, say, 3 dates by which you might “re-open,” and then with your accountant and finance committee, do forecasting for each. For example:
Did we get PPP money? Yes. Therefore all current staff will be retained at full-time.

- If we re-open on June 1, what’s the financial outlook?
- If we re-open on July 1, what’s the financial outlook?
- If we re-open on September 1, what’s the financial outlook?

Did we get PPP money? No. Therefore only 1 staff member will be retained.

- If we re-open on June 1, what’s the financial outlook?
- If we re-open on July 1, what’s the financial outlook?
- If we re-open on September 1, what’s the financial outlook?

6. The whole idea with this decision tree is that we don’t know WHAT will happen, but we have a good idea of WHEN we’re likely to have new and meaningful information. At each of these key points we may need to pivot, so we need to know beforehand what that pivot will look like.

7. Finally, decide how you’ll share financial updates with your finance committee and your board. What is the most essential information to present? How often will you update them?

The key here is to be flexible and be ready to pivot as soon as you learn new, important information. And to make sure you have the financial tools (a cash flow forecast, in Excel, as an example) so you can quickly evaluate alternate scenarios as new information becomes available.