



## EMERGENCY INTERVENTION GUIDE FOR NON-PROFIT AND SOCIAL IMPACT ORGANIZATIONS: SURVIVING THE CORONAVIRUS CRISIS

In the next few days, weeks and months social impact driven organizations, including non-profits, will face some of the biggest challenges we have ever experienced and which will directly threaten their survival. This is a quick guide to help you respond quickly and efficiently to the current coronavirus crisis.

by Stephen Bennett & Mihai Patru

### GET LIQUID

Identify and gather all the cash you can because CASH IS KING. Drawdown lines of credit, collect receivables, slow payments out to 90 days wherever you can. Make payment plans with vendors. Horde cash.

### DO A QUICK ANALYSIS

- How much cash do you have in the bank?
- What is your payroll, including benefits each month?
- What are your other monthly fixed expenses (rent, leases, utilities etc)?
- What are your current receivables?
- Who and how much is owed to your organization?
- How much do you owe to other entities?

What does this tell you about how long you can continue to operate? If you have no more income, how long are you able to pay your employees and collaborators? Some people say you need three years of liquid assets to survive this, but how many organizations enjoy this luxury? Not many at all.

You need this information at your fingertips as you talk to your funders, both reimbursed service contracts and donors, as well as your employees, landlords, banks and key community leaders. In this environment, nothing is fixed and everything can be negotiated.

### CUT YOUR EXPENSES TO THE CORE

Go through your expenses and cut out everything that does not contribute to your core activity and support your generation of revenue. Cut subscriptions, memberships, unrequired reimbursements, unneeded phone lines, programs that are not essential. Close them now.

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## CARE FOR YOUR EMPLOYEES

Have a plan for them. Can you reduce hours but keep paying them (60% employment keeps them available for benefits)? Can you stagger time so employees are able to manage children being home? Employees can get rapid unemployment insurance so make sure they know and have access to as much information as possible. And of course, off site work is an option, when you can.

## NEGOTIATE EVERYTHING

- Contact your landlord, ask for rent deferral or reduction.
- Let your bank know what is happening, you need their trust.
- Let people know your capacity to pay is reduced and slower.
- Ask for reductions on payables for service, consulting, professional services etc.
- Negotiate discounts with vendors and even ask for donations.
- Contact your grant managers and see if they can be flexible (some grantmakers are turning project grants into general operating grants, speeding up payments and reducing reporting).
- Contact your key donors and tell them the truth. Ask for their guidance and support. Make sure you have your homework done beforehand.

## BE UP-TO-DATE

Make sure you have the latest information from local, regional and national stakeholders as they are constantly looking and identifying coping tools and mechanisms.

For example in California, two key resources that are moving quickly are the Small Business Administration (SBA) and the Employment Development Department in California (EDD). Check out SBA Economic Injury Disaster Loans and EDD resources for Business Owners and Business employees.

## COMMUNICATION IS KEY

Develop an honest and simple message to use with everyone, including people you serve, employees, funders, and key community leaders. Make a simple plan to email, share on your websites and for direct communications. Reach out personally to key funders, donors, banks, etc. Talk to them before they talk to you.

Finally, you are not the only one in this situation. Like you, every organization is trying to figure out its best options to continue its work and survive this temporary yet damaging crisis. Stay connected and learn from others. Be ready and act now.

*Caravanserai Project strives to provide structure and specialized skills and bring together networks of people to help ideas grow and flourish on their own. It positions itself as a crucible where ideas and experiences are brought together, exchanged and developed in order to promote social innovation and encourage progress. Our goal is to work both with social innovators and change makers – regardless of the stage they are at (explorers as well as more advanced mission driven entrepreneurs) – and support them along their journeys.*

*Caravanserai Project is here to support you. For additional information, contact us at [contact@caravanseraiproject.org](mailto:contact@caravanseraiproject.org)*