

1. Introduction
  - a. Treading in new waters for most of us-a lot of unknown
  - b. Must be creative, have different perspectives, help each other out, seek counsel..
  - c. Must be realistic, but don't react too quickly (that is often when poor decisions are made)
  - d. Must look ahead and plan, even in the midst of the unknown
  - e. Almost everyone is being negatively impacted financially by this economy
    - i. Governments will have less tax and business license revenue
    - ii. Foundations will have lost investment principal
    - iii. Almost all businesses will have lost revenue and cannot cut expenses enough to keep pace
    - iv. Many individuals will be giving less
2. Have you applied for EIDL and/or PPP? Discuss briefly (but not long since we had another session on this)
3. Even if you have applied, don't count on it and don't count on it being timely unless you already have the money in your account.
4. So what should we think about financially?
  - a. First and foremost, forecast your cash flow by month for the next six months; you need to realistically see where you will be for the next six months before doing any longer term planning and budgeting.
    - i. Get into details of pledges or receivables
      1. you may have already been asked to defer what is owed to you-we all want to do that, but we need to make sure we can
      2. check in with people, businesses or whoever owes you money to know when you can expect to get paid (if I have made a commitment, and knowing about the economy, I would not be surprised to hear from whoever I made the commitment to)
    - ii. If you have investments, how quickly can you get the cash for them?
    - iii. If we think we are going to ok with cash flow for the next six months, then we can plan further ahead and get into more forecasting and/or budgeting (will discuss in a few minutes)
  - b. If we think we are going to have cash flow issues within the next six months, then we need to consider potential actions:
    - i. First, are you doing things that are outside your core mission and vision? If so, look at the impact of reducing or eliminating those things depending on what the financial impact is. Often our revenue is generated by our core mission, but we may be incurring expenses for things not part of our core mission.
    - ii. Revenue
      1. Are there any untapped resources where you have a connection that might be able to help with donations? Usually in difficult times there are some organizations who are doing better than others. For example, with COVID-19 grocery stores, some medical equipment manufacturers and distributors, and take out pizza businesses are just a few examples

of some organizations that are doing well right now. If you know someone in an organization doing well, don't be afraid to talk them about a contribution, even a significant one. People want to help where they can.

2. Short-term financing (such as line of credit or the EIDL) may be an option for you, especially if you think you can get back on track once this thing passes. But be careful about taking on debt that will have to be repaid down the road-it can be a slippery slope. However, it may make sense for you to get you through the short-term cash crunch.
3. What do you have in inventory that you really don't need right now? What about equipment, vehicles or any other assets that are nice to have, but they are a necessity? Can you sell any of it?

iii. Expenses

1. Even though many of your costs may be people related, look to your non-people costs first. It is much easier to cut non-people costs. Think of costs that may be associated with people, but your people could do without them and you would not have to let people go. For example, travel and conferences (probably not doing this right now and will not for a while anyway), supplies and materials (can people use less), snacks and drinks that you provide, etc.
2. When it gets down to positions, it certainly gets more difficult. But don't just think in terms of positions, but dollars. For example, if you need to cut \$30,000 over the next 6 months to make it, yes that might be a couple positions. But it also could mean every person being willing to work less hours for less money, but no one loses their job. It could mean everyone giving up some benefits but no one loses their job.
3. Can you make someone part-time instead of full time so they at least have some income? Would two people be willing to job share?
4. Consider talking to your team about where and how to cut costs. They might be willing to do more than you think. They will also think differently than you and may have some ideas you have not thought about. Even if nothing has been announced, your team likely knows that times are tough, so bring them into the conversation.
5. In the end, if an expense is not essential, you need to consider cutting the expense for now, whether it be travel, supplies, capital purchases, or even benefits. You will likely be surprised how little you really need to continue to operate.

6. Budget planning

- a. Reminder that almost everyone negatively impacted
- b. It is going to be a different year this next year no matter when you next fiscal year starts; if your new year starts July 1<sup>st</sup>, there are still going to be a lot of unknowns, so...
- c. Be conservatively reasonable

- d. If you have some contributors that have consistently given a generous contribution, it is okay to ask them if you can count on them again this year
- e. Unless you know differently count on contributions being down for general contributions from individuals and businesses
- f. We have already discussed this, but look at expenses critically to see what is not necessary and what is not part of your core mission
- g. At Greene Finney we always encourage the budget preparation process to not be a top down process, but to get managers and other staff involved. Often the staff bring a healthy and different perspective because of the day-to-day part of the operations in which they are involved.
- h. Once annual budget is prepared, consider preparing a monthly allocation of that budget and/or a monthly cash flow budget. You may not normally do this, but we would recommend it right now.