

# Nonprofit Crisis Management: A Checklist

By Frederick S. Lane, Ph.D.



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Fred Lane is an emeritus professor at Baruch College NYC. He is also the husband of Madeleine Wing Adler Ph.D., retired President of WCU.

The onset of the coronavirus pandemic and its economic fallout are seriously disrupting operations at every U.S. nonprofit and stressing stakeholders, including the neediest Americans.

It is widely believed that the worst threats of Covid-19 will last many months and that full recovery for nonprofits will take at least five years. Perhaps as many as one-quarter of nonprofit groups — mostly small and midsize — may fail.

This checklist should help you manage during these unprecedented circumstances. There are suggested steps to take in key areas, such as assessing strengths and weaknesses, and strategies to adopt to help your nonprofit survive and be sustainable. Many uncertainties remain, so you can't know exactly what is right, but you must act with agility and make decisions decisively.

## Managing Operations

1. Learning to work remotely is new for many nonprofits. Select a technology tool, and use it widely. Video teleconferencing will help maintain or even build a sense of community in your nonprofit. Learn how to run virtual meetings.

Doing/have done    Actively considering    Need to consider

2. Use your top management team as a crisis-management team, but do not let it get too large. (Examples: The IT head and human-resources director have become more important.) The team needs greater diversity and inclusiveness. Include young staff members who always seem to have good ideas.

Doing/have done    Actively considering    Need to consider

3. This crisis is fraught with emotion. Make sure staff members know that you care about them and that they are valued. Work at motivating your team and promoting peak performance, even if everyone is working remotely. You cannot lead through this crisis alone; distribute work to get things done. Make sure to retain talented, key staff.

Doing/have done    Actively considering    Need to consider

4. Self-care is important as so many work from home. Daily exercise, fresh air, healthy eating, entertainment breaks, and enough sleep need to take place. While these times can be all consuming and foster attention 24/7, downtime is important to good mental health.

Doing/have done    Actively considering    Need to consider

5. In New York City, we learned from 9/11 and superstorm Sandy that a formal business continuity and disaster-recovery plan are very important. If you do not have one, start with a template from another nonprofit, like Nonprofit New York.

Doing/have done    Actively considering    Need to consider

## Crisis Communications

6. Communication has never been more important. Leaders must show they understand staff concerns and demonstrate genuine empathy toward staff. Have your crisis-management team meet daily. Have an all-staff meeting at least weekly.

Doing/have done    Actively considering    Need to consider

7. Reach out regularly to the board chair, officers, committee chairs, and all board members to keep them informed and to secure their ideas and reactions. This includes advisory groups and task forces boards. Good governance is still important.

Doing/have done    Actively considering    Need to consider

8. All the important decisions in this crisis will be seen by a nonprofit's many stakeholders, external and internal. Leaders must communicate and listen to grant makers, major donors, government officials, board members, paid staff, volunteers, clients, and others whose support is essential for the short-term and long-term health of the nonprofit. Communicate regularly with stakeholders. Be genuine and honest.

Doing/have done    Actively considering    Need to consider

9. Keep your nonprofit in front of your stakeholders, and protect your brand. (For arts nonprofits, try virtual tours & streaming past performances online. For human-services nonprofits, a simple phone video showing what services you are still actively providing, even if in different service-delivery modes.)

Doing/have done    Actively considering    Need to consider

## Program and Service Delivery

10. The principal challenge in this period is to keep your nonprofit alive, resilient, and functioning, so consider all options, including reduced levels of activities, a different mix of programs, and new means of service delivery.

Doing/have done    Actively considering    Need to consider

11. As much as possible, continue to provide existing services but in new, innovative, safe ways. (For example, food pantries are shifting from a single location for shopping to home delivery.)

Doing/have done    Actively considering    Need to consider

## Organizational Strategy

12. Review your nonprofit's stated mission and vision. Modify them, at least in the short term, as necessary. For example, regarding your mission, might your principal clients or geographic area of service focus more tightly or shift?

Doing/have done    Actively considering    Need to consider

13. Trim programs that are not essential to the nonprofit's mission (or restated mission), have not been effective, or lack sufficient demand at this time.

Doing/have done    Actively considering    Need to consider

14. Stop creating programs, unless they are essential for your nonprofit in this new environment.

Doing/have done    Actively considering    Need to consider

15. To increase program effectiveness, collaborate with other nonprofits across the nonprofit, government, and business sectors, and transfer some programs to other nonprofits.

Doing/have done    Actively considering    Need to consider

16. Your strategic plan needs to be tailored or even put on hold. Consider sketching out a one-year action plan, subject to revision. A crisis presents challenges but also opportunities for change, innovation, and creativity.

Doing/have done    Actively considering    Need to consider

17. Create a vision of where you see your nonprofit in one year. Do this in a participative way, at least with the top management team and board. Articulate this vision so that all stakeholders know where you are going.

Doing/have done    Actively considering    Need to consider

## Managing Fiscal Stress

18. Secure your nonprofit's financial position. Attempt to improve cash flow, obtain a line of credit from a bank, borrow money, reduce or delay purchasing, renegotiate leases or other obligations, and tap operating reserves. Note you need not use the line of credit; it is an emergency reserve and can be used when needed.

Doing/have done    Actively considering    Need to consider

19. Matching mission and money in this period is especially difficult. Contain costs; review every item in your budget to consider what can be cut or reduced.

Doing/have done    Actively considering    Need to consider

20. Regarding paid staff, consider hiring freezes, staff attrition, early-retirement plans, short-term job sharing, reduced compensation, furloughs, and layoffs. If your nonprofit furloughs staff members, remember they can collect unemployment.

Doing/have done    Actively considering    Need to consider

21. When making budget cuts, consider making reductions in specific areas rather than across the board, then use some of this money to support the remainder of the nonprofit. Try to get to a relatively stable new normal.

Doing/have done    Actively considering    Need to consider

## Raising Revenues

22. Stewardship has rarely been more important. Reach out and talk to major donors.

Doing/have done    Actively considering    Need to consider

23. Diversify revenue streams by seeking new sources of funding that will be available because of the pandemic. Keep an eye out for rapid-response funding efforts by foundations, United Ways, and others during this crisis, and apply as appropriate.

Doing/have done    Actively considering    Need to consider

24. Step up fundraising to respond to this crisis (recognizing that economic market decline and uncertainty will concern most donors. Listen to donors; let their feedback guide you as to when to restart the solicitation of both big and small gifts.

Doing/have done    Actively considering    Need to consider

25. Talk to foundation program officers, both those who have supported you and those who might. Seek to loosen restrictions on current grants to deal with this crisis.

Doing/have done    Actively considering    Need to consider

26. Design and implement virtual special events, to take the place of in-person fundraising events. Brainstorm ways to keep them fun and sociable online.

Doing/have done    Actively considering    Need to consider

27. Refine your longer term special events that require large in-person gatherings. Consider smaller groups and virtual options.

Doing/have done    Actively considering    Need to consider

28. Advocate before public officials to restore aid, provide new types of funding, or both.

Doing/have done    Actively considering    Need to consider

*Frederick S. Lane (fredlane365@gmail.com) is professor emeritus and faculty fellow, Center for Nonprofit Strategy and Management, Marxe School of Public and International Affairs, Baruch College, City University of New York. The author acknowledges the contributions of faculty members Cristina Balboa, John Casey, Susan Chambre, Michael Feller, Jack Krauskopf, Don Waisanen, and Lynn Weikart.*

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