

How Nonprofit Organizations Can Mitigate Risk in Light of Coronavirus Pandemic

Description

The coronavirus, also known as COVID-19, will impact how nonprofit organizations deliver mission-based services for the foreseeable future. Below are some action steps nonprofit executives, leaders and board members can take to minimize risk and mitigate the impact of the pandemic.

- Review obligations in any grant award contracts, whether you are a funder or a grantee. Review any timelines for performance of services or events that may be impacted by closures, and work to appropriately amend the contract.
- Review minimum distributions from endowed funds. Review obligations in bylaws or committee charges to assess who has the authority to make these decisions and consult investment professionals. Develop or review investment policy statements.
- Review insurance coverage in place for the organization to assess protections and gaps in coverage. These insurances include director and officer insurance, property insurance, cyber liability, general liability and insurance coverage related to social services.
- Review the diversity of funding streams and strategically plan for the future. Many nonprofit organizations have canceled fundraising events or should consider the risk of planning such events in the upcoming weeks and months. Review fundraising strategies to move away from relying on a single source of funding, and building comprehensive strategies, including a planned giving program.
- Educate your board members, staff and donors about the status of services and funding requirements for the organization. Board members should take extra care in exercising their duties as board members in these uncertain times and understand the unique needs of the organization. Boards should review bylaws and amend if necessary, to allow votes by email and meetings by telephone.
- Review sick leave policies and educate employees. Review policies surrounding technology, remote access and confidentiality.
- Seek opportunities administered through community foundations, the U.S. Small Business Administration and affiliated government entities to provide low interest loans and funding for the benefit of nonprofit institutions impacted by COVID-19.

Partridge Snow & Hahn[®] [Charitable & Nonprofit Organizations Group](#) is ready to answer questions and to provide advice on how to address general and specific risks posed by the coronavirus.

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