COVID-19 Response
Financial Planning & Operational Tools
April 2020

Agenda
- Cash Flow, Projections & Forecasting
- Managing Revenue & Expenses
- Business Continuity & Contingency Planning
- Families First & CARES Acts Highlights
- Q & A

COVID-19 Resources
- Community Foundation of Jackson Hole
- Silicon Couloir
- Nonprofit Finance Fund
- National Council of Nonprofits

List of general and specific resources included with workshop handouts.
Wondering Where to Start?

COVID-19 Survival Tips For Small Businesses

Step 1 - Assessment

While NFF has considerable experience managing crises, we can’t fully anticipate what’s to come. So, we started with two questions: “What would be the most useful first step for the widest possible group of nonprofits?” and “What could every nonprofit do in a few hours?”

We arrived at this:

- Understand your situation
- Determine and monitor your options
- Communicate and reflect

We hope this is a helpful first step. We also want to know what is working for you – and what is challenging – and how we can help. Please share your feedback here.

Understand your situation: Cash flow

Cash Flow, Projections & Forecasting

➤ How much do you currently have?
  • Unrestricted or restricted
  • Operating reserves
  • Board designated quasi-endowments
  • Available credit

➤ How much do you spend?

➤ How much can you raise?
**Cash Flow Modeling Resources**

- Silicon Couloir
  - Cash Management Guide/Checklist
  - Cash Flow Template Spreadsheet

- Nonprofit Finance Fund
  - Cash Flow Tool

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**Cash Flow Modeling Template**

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**Managing Revenue / Cash Receipts**

- Accelerate collection (pledges/receivables)?
- Convert purchases to donations?
- Convert restricted to unrestricted?
- Stay close with major funders
- Involve your board
- Look at available financing options & federal assistance (SBA loans/grants, credits, etc…)
**Managing Expenses / Payments**

- Identify fixed versus variable costs
- Identify what can be eliminated or deferred
- Negotiate with lessors/vendors/banks
- Reduce staffing and/or compensation
- Collaborate with other nonprofits
- Solicit staff input, where appropriate
- Understand available COVID-19 relief

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**Reducing Staff / Compensation Costs**

- Identify & protect key staff
- Align staff with operating needs & cash flow
- Look at pay cuts and reduced hours
- Consider layoffs
- Anticipate impact of staff reductions
- Share resources with affected staff members (CARES Act, One22 Resource Center)

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**Continuity & Contingency Planning**

- Identify options & realistic scenarios
- Model at least two (best & worst case)
- Communicate clearly with partners
- Involve your board
Scenario Planning Template

Families First Act Highlights
- Expanded emergency paid sick leave and emergency family & medical leave
- Applicable to most employers with <500 employees
- Effective from 4/1/2020 to 12/31/2020
- Limited exemption for family leave for lack of child care for employers with <50
- Costs offset through payroll tax credits

CARES Act Highlights for Nonprofits
- Emergency SBA 7(a) loans that may be forgiven (Paycheck Protection Program)
- Emergency SBA EIDL loans & grants
- Employee retention payroll tax credit
- Payroll tax payment deferral
- Expanded unemployment insurance coverage
- Incentives for charitable giving
CARES Act Loans Available to Nonprofits

Paycheck Protection Program (PPP) Loans

- Loan amount = 2.5x monthly payroll
- Payroll includes: gross compensation, group health care, retirement benefits, state taxes
- Payroll excludes: annual comp >$100K, federal payroll taxes, employees living abroad
- Eligible uses: payroll, benefits, rent, mortgage interest, utilities

PPP Loan Forgiveness

- Equal to amount spent on eligible uses during 8-week period following loan origination
- Forgiven non-payroll costs capped at 25%
- Reduced if FTEs or wages are reduced
- **Nonprofits facing uncertainty are encouraged to apply as soon as possible**
Economic Injury Disaster Loans & Grants
- Up to $2M working capital loan
- $10K emergency advance within three days
- PPP and EIDL loans cannot be used for the same purpose
- PPP loan forgiveness will be reduced by $10K if an EIDL advance is received

Charitable Giving Incentives
- Individuals:
  - $300 above-the-line deduction available to all individual tax payers for 2020
  - Adjusted Gross Income (AGI) cap increased from 60% to 100%
- Corporations:
  - Deduction limit: from 10% to 25% of income
  - Food inventory: from 15% to 25% of income
- Cash gifts to public charities only

Community Emergency Response Fund
- Current focus: front-line health care organizations & nonprofits serving at-risk populations
- Nonprofits facing imminent closure may also request support
- Steps already taken to reduce expenses & access to other funding will be considered
- Requests accepted online on a rolling basis
Questions?