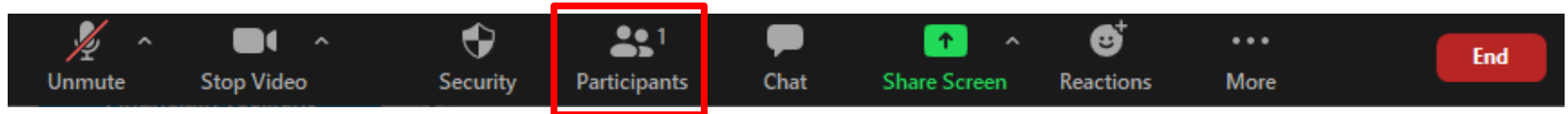


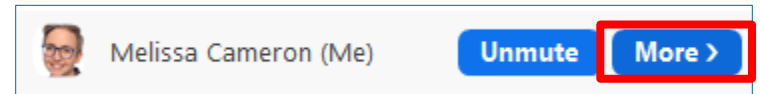
Welcome!

As you log in, please update your Zoom screen name with **your first name, organization, and your pronouns** this change is temporary just for this meeting

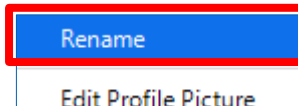
- 1 Select Participants from the menu at the bottom of your screen



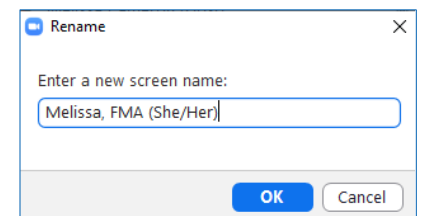
- 2 Hover over your name and select “more”



- 3 Select “Rename”



- 4 Update with your first name, organization, and pronouns, then select “okay”



Scenario Planning for Resilience & Reinvention

Ethan Zatko, Senior Consultant

May 6, 2021



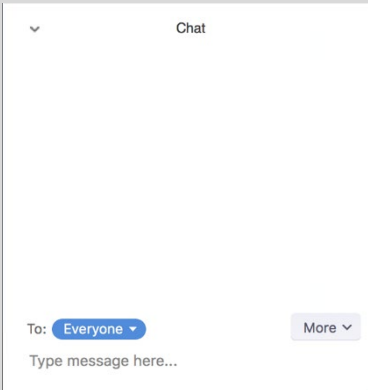
BDO FMA

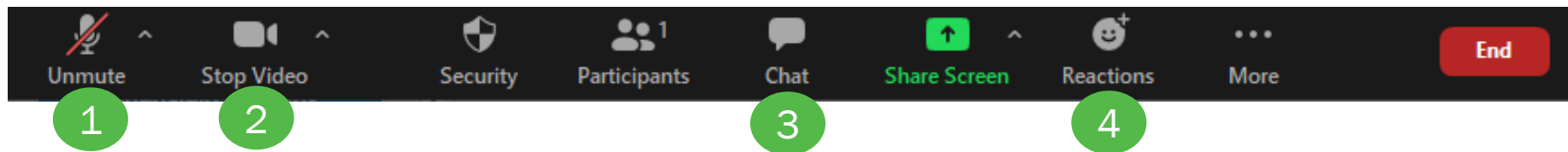
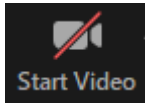
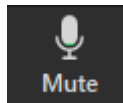


Community Foundation
for Monterey County



Zoom Controls

Audio/ Video	Chat	Reactions
<p>1</p> <p>Mute your microphone while others are presenting or speaking by pressing “mute”</p>	<p>3</p> <p>For questions while in-meeting click “Chat” to open a chat box and talk to everyone or a specific person</p> 	<p>4</p> <p>To react (clap/thumbs up) to something, click “Reactions” and select a reaction</p>
<p>2</p> <p>Position your webcam at eye-level. Click “Start Video” to turn on your camera</p>		



Meeting Norms

PARTICIPATE AUTHENTICALLY



Respect each other
Judge ideas, not people



Avoid multi-tasking



Be present & engaged



Be patient with tech



Expect confidentiality



Be prepared to use video



Expect active & fun
participation



Mute your microphone
(unless you want to
speak)

Use the chat:

Later today, we'll be breaking out into small group discussions, each with its own focus on the changing landscape. Please use the chat to identify which group you'd like to participate in:

- **Programs**

shifts to virtual and what comes next

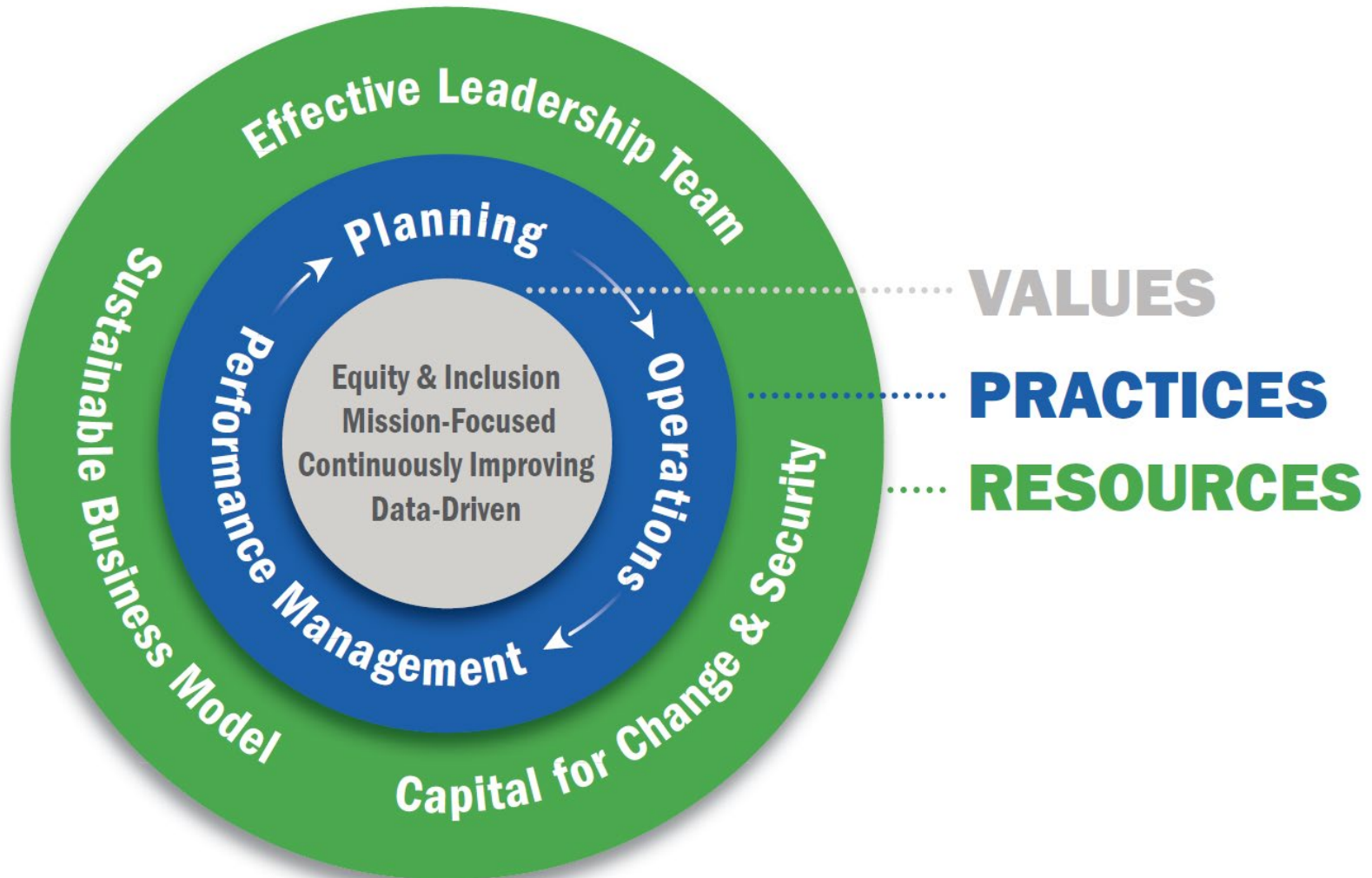
- **Workforce**

navigating change and your people

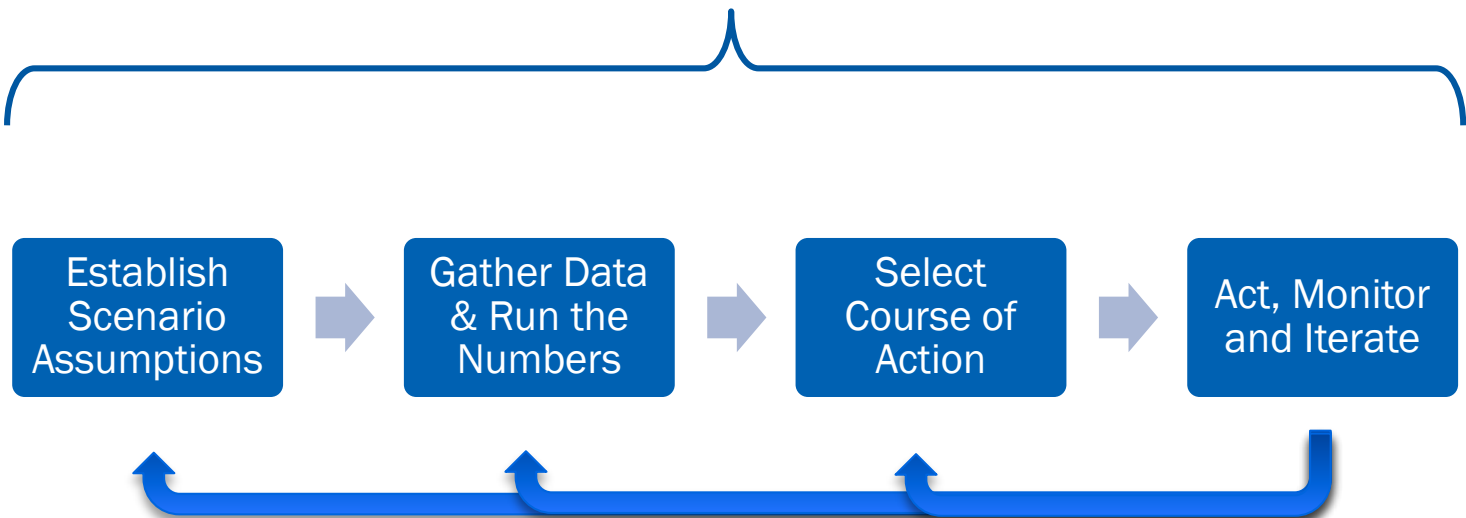
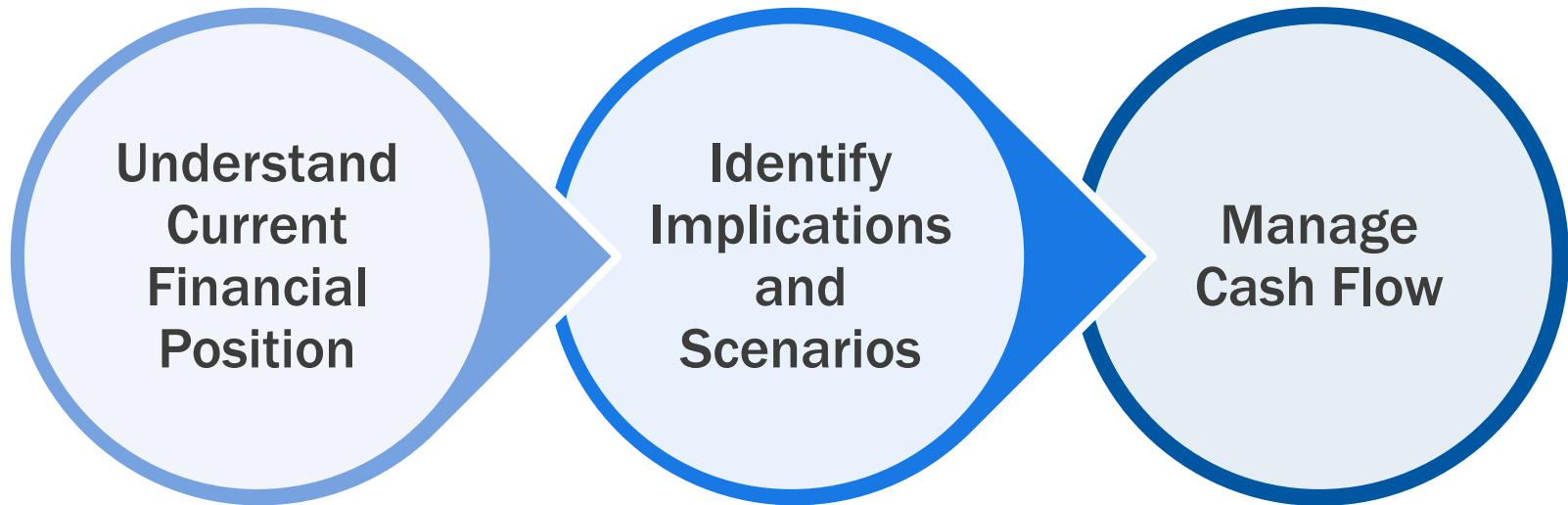
- **Financial health**

revenue strategies for sustainability

Financial Resilience



Scenario Planning



Poll

What scenario planning have you done since COVID-19?

Using the Chat:

What are the most significant challenges to scenario planning you face today?

Budgeting vs. Scenario Planning

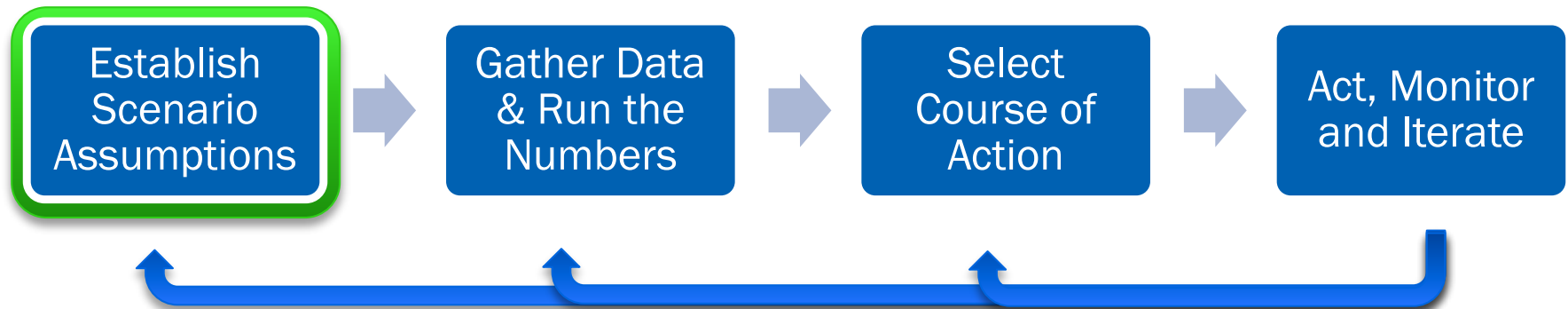
Budget

- **Annual** financial plan for an organization
- A **detailed** projection of expenses and revenues based on **prior year history**
- Used to **prioritize available resources** and manage performance

Scenario Plan

- Alternate projection of financial results possibly across a **different time horizon** (i.e. 6-18 months)
- A higher-level projection, based on **assumptions** about **key drivers** of revenues and expenses
- Used to **inform decisions** in response to internal or external disruptions

Scenario Planning



Preparing for Scenario Planning

- Bring together a **small group of senior decision makers** to establish parameters within which scenarios should be developed
 - Scenario planning can be both emotional and creative - make space for creative ideas as well as emotions
 - Decisions include both resource and mission considerations
 - Ensuring a team-based process results in consistent action and internal/external messaging
 - Consider how you advance equity not only in your decisions, but also within the process you take to make those decisions
 - Include Board for their expertise on the external environment, funder relationships, and to vet and approve plans

Grounding Questions & Guiding Principles

Grounding questions

- What are our **top priorities**? What **time horizon** is most important for us to plan for right now?
- How will we leverage today's financial planning **culture** at the staff and board level? What new practices will we implement?
- How will we align with our **strategic planning** and **budgeting**? Or, how do we determine when it's okay not to align?

What are our guiding principles, AKA our non-negotiables?

Preparing for Scenario Planning

- **Document context**

- Articulate current knowns and unknowns of your organization's situation
- Identify key external opportunities and threats

- **Outline organizational capabilities**

- Grounding in mission and values
- Understand business model drivers
- Agree on organizational strengths and weaknesses, both programmatic and financial
- Lean into community partners

Tool: Scenario Documentation

SCENARIO OUTLINING



Organization Name: _____

Date Completed: _____

Instructions: This tool is designed to help leadership teams develop and describe up to three scenarios and associated assumptions for your organization's path forward before modeling the financial implications ([see the Scenario Planning Tool](#)). Depending on your organization's situation you may want to use one or more of the following sections of this template:

1. **Snapshot: Current State & Potential Changes** – document the current knowns and unknowns of your organization's situation
2. **Scenario Summaries** – describe the specifics of up to three distinct scenarios for the organization's path forward
3. **Scenario Details** – if it would be helpful before starting to model the financial impact, document additional details of each scenario
4. **Next Steps** – prompts thinking on the next steps you will need to take after documenting scenarios

The yellow sections are for your use. Tables will automatically extend to the next page if you need more space.

1. Snapshot: Current State & Potential Changes		
Function	Guiding Questions	Current Situation (both what we know and what is unknown)
Program	<ul style="list-style-type: none">• Have/will any of our activities stop/pause?• Are any activities increasing or are new activities needed based on community need?• Do we need to change the delivery method of activities?• How will changes impact revenue (e.g., ability to meet restrictions or contract requirements)?• What opportunities and risks exist? <p><i>In completing this section think through where the current situation is clear and will be the same in each scenario and where there are unknowns that could be modeled differently.</i></p>	<p>Example:</p> <p><i>Afterschool programs ceased as of March 16th. It's unclear when schools will reopen. While we invoiced through March 13th, not all programs have been fully delivered and \$25K will likely be deferred revenue for FY21. Working on possible virtual offering.</i></p> <p><i>We're even less sure about the summer science camp and will need to run different scenarios (e.g., happening later than expected, not taking place at all). We have a little more lead time to figure this out and, thankfully, these activities are mostly funded by foundations with pretty broad restrictions, but we still need to figure out if we can meet those with reduced or eliminated summer activities.</i></p> <p><i>We've also wanted to develop a virtual mentor program. Maybe now is a good time since some staff have capacity... but how would people pay us right now?</i></p> <p><i>Our biggest unknowns include:</i></p> <ul style="list-style-type: none">• <i>How quickly can we pivot to provide virtual afterschool programming? Can we get paid for it through our current contract with a budget mod?</i>• <i>What will summer look like? We're committed to providing some form of camp, but should probably also explore a "no camp" scenario</i>• <i>Will our funders relax restrictions? What do we want to ask for?</i>• <i>Should we explore virtual mentorship now?</i>

Define Three High Level Scenarios

Best/Most
Innovative

Moderate/
Most Likely

Worst/
Plan B



The diagram consists of three light gray rectangular boxes arranged horizontally. Each box contains a scenario name at the top. Below the boxes, a horizontal blue line spans the width of the three boxes. From the center of this line, a vertical blue line extends downwards to the word 'Timeframe'.

Timeframe

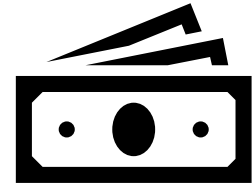
Define Scenarios: Key Questions



What are the
external
circumstances?



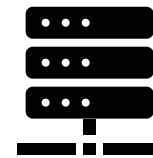
What will be the
impact on our
programs?



What will be the
impact on financial
health?



What will be the
impact on our
workforce?



What will be the
impact on
operations?

Programs: Identifying Options



Have or will any
of our activities
pause / stop?



Are any activities
increasing? Are
new activities
needed?

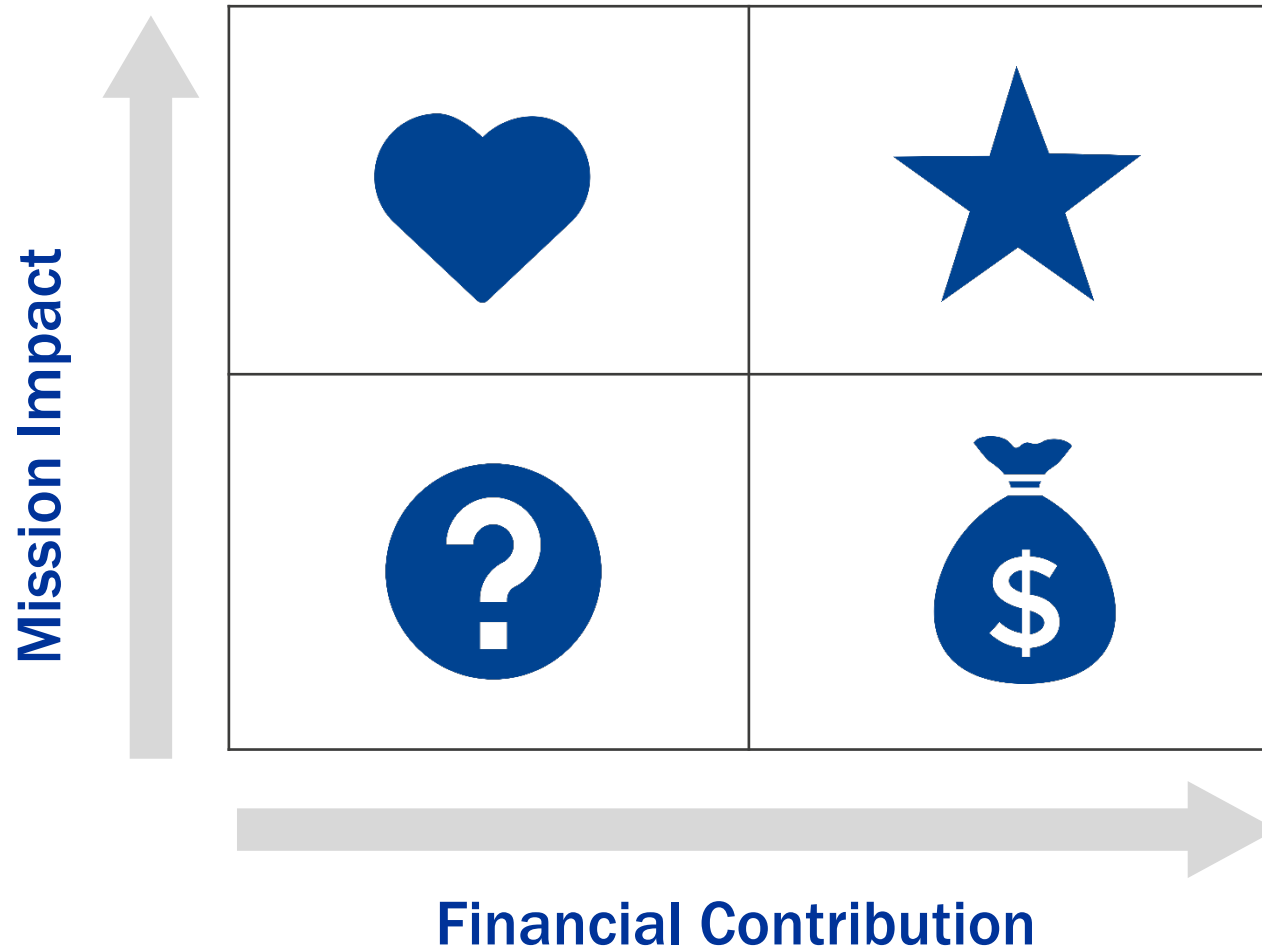


Do we need to
change the
delivery method
of activities?



What is core to
our mission and
should be
maintained?

What is Core?



Define Three High Level Scenarios

Best/Most Innovative



In-person after-school program partially resumes in 2021 (at 50% capacity)



Performances resume in Jan 2022 (at full capacity)



Individual contributions remain at historic levels

Moderate/Most Likely



No in-person after-school program in 2021; some virtual programming is offered



Performances resume in Jan 2022 (at 50% capacity)



Individual contributions decline by 20% this year, 10% next year

Worst/Plan B



No in-person or virtual after-school program in 2021; resume in 2022



Cancel entirety of 21/22 performance season; resume in fall 2022



Individual contributions decline by 30% this year, 50% next year

Business Model: Revenue Drivers

Revenue Drivers

Contributions

Earned Revenue

Government



Expense Drivers

Personnel

Occupancy

Goods & Services

Defining the Resource Scenarios

What is in Jeopardy?

- Earned Revenue
- Special Event Income
- Individual Contributions
- Government Contracts
- Investment Income
- In-Kind Donations

What Can We Access?

- Existing reserves we could invest in maintaining operations?
- External resources such as SBA loans and philanthropic relief funds?
- Restricted program grants that could be converted to general operating support?
- Potential to invest in new income-generating programs or activities?
- Going back to strategic funding partners to make new asks

Poll

What strategies have you explored since the pandemic?
(select all that apply)

Questions?

Break

Business Model: Expense Drivers

Revenue Drivers

Contributions

Earned Revenue

Government



Expense Drivers

Personnel

Occupancy

Goods & Services

Scenarios: Workforce Impact

Need more capacity

- Temporary/permanent
- Staff/1099
- Volunteers
- Full time/part time

No change in capacity

- Hiring freeze
- Revision of job duties
- Pay reductions

Need less capacity

- Reduced schedules
- Temporary/permanent
- Furlough
- Layoff
- Termination

Take into consideration the *Emergency Family Medical Leave Expansion Act* and *federally mandated emergency sick leave*.

Navigating Workforce Changes

Legislation

Be mindful of everchanging regulations at the federal, state, and local levels

HR Policies

Review your organization's relevant policies with consideration for COVID-19 disruption & impact

Communication

Stay connected and be seen; ensure leadership is supportive and consistent

Values

Let values and mission guide the path forward; apply an equity lens to workforce decisions

Tool: Workforce Impact

WORKFORCE IMPACT ISSUES RELATED TO COVID-19

Before diving into financial scenarios for workforce and staffing options in response to COVID-19 changes to your work, be sure to review your current financial position as well as anticipated changes to your programs, community needs, and revenue. Keep your Employee Handbook handy to consult (or update) as needed.

NOTE: *This document is not intended to be legal advice. Please consult with local labor law counsel for the most updated understanding of applicable regulations.*

Scenario Planning & Workforce Impact

1. Workforce Planning

- What staff capacity do you need for the next 3-6 months?
- How much staffing can you afford for the next 3-6 months?
- How might your staffing needs change in 6+ months?
- How will you manage ongoing business operations, particularly with a remote workforce? Be sure to consult your Continuity of Operations plan if you have one.

Scenario A: Need MORE capacity:

- Which types of workforce capacity will you add?
 - Full time or part time?
 - Permanent or temporary?
 - Consultant (1099)/3rd party provider/vendor?
 - Volunteers/pro bono?
- How will you interview candidates?
- How will you on-board new staff/workforce?
- How will you handle new hire compliance (e.g., eVerify / I-9's, drug testing, background checks, etc.)?

Define Scenarios: Operations

How might **occupancy costs** shift?

How are costs for **goods and services** such as supplies, travel, technology, and consultants changing in a virtual environment?

How could **administrative operations** be virtual and streamlined?

How do we consider capacity for **operating post-crisis**?

Should we be considering **alternative operating models**?

Risk Considerations

Key questions to consider when defining scenarios:

- Do we have the skills/tools/staff to deliver each scenario?
- What data is available to support revenue/attendance projections for new or altered programming?
- Does our financial health in any scenario depend on the success of a previously untested initiative?

Questions?

We'll be breaking into small group discussions, based on the topic area you expressed interest in:

- Programs

shifts to virtual and what comes next

- Workforce

navigating change and your people

- Financial health

revenue strategies for sustainability

Introduce yourselves, sharing name, organization and role

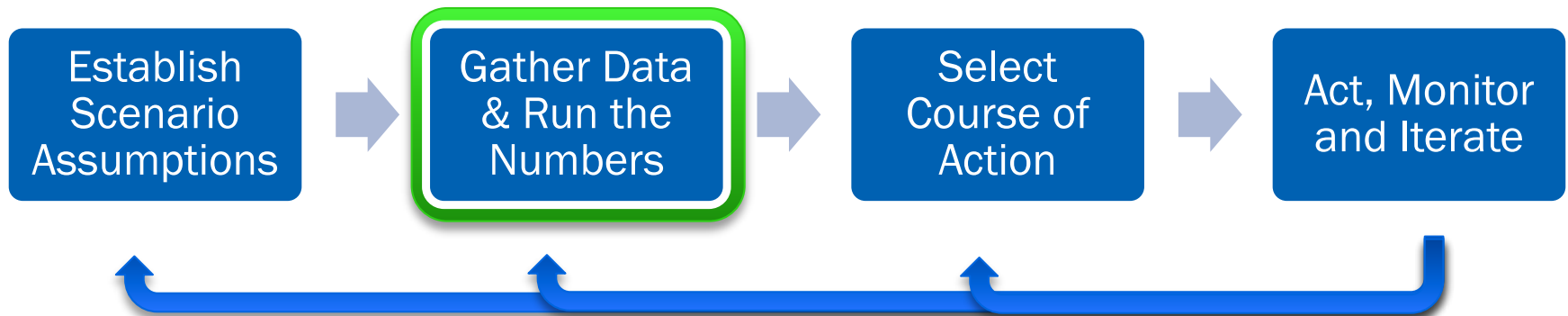
Elect a reporter who will take notes and share back

As a group, discuss:

- What lessons have you learned as you've adapted in response to the pandemic? If you've tried any scenario planning, how has that gone?
- What best advice do you have for others?
- How are you thinking about your next 6-12 months?

Each reporter, please take two minutes to share highlights from your conversation

Scenario Planning



Gather Data & Run the Numbers

Gather key data. Use your current year budget and year-to-date actuals as a starting point.

Where are you in your fiscal year? Identify the timeline in which an alternate financial plan will be put into place.

Run the numbers. Model the financial implications of each scenario and draft an accompanying narrative.

Tool: Scenario Modeling

ABC Nonprofit

Scenario Planning Tool (Scenario 1)

Fiscal year start date: 01/01/2020

Actuals through end of: March

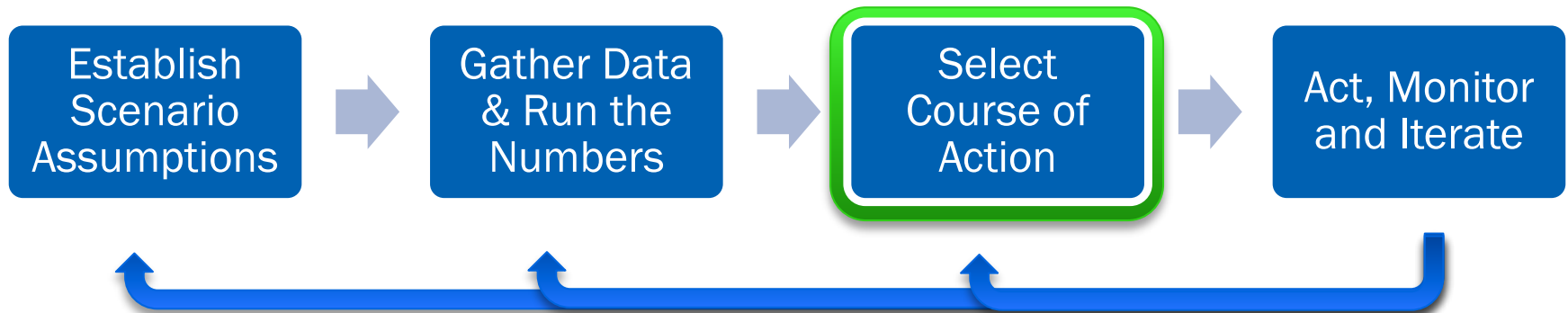
Beginning cash balance: \$ 150,000

Scenario 1 Description:

In this scenario, our we cannot host our annual gala and we assume some reduction reduce program and administrative expenses. We do not reduce staff.

	Prior Year Carryover	Current Year Budget	Adjustment Method	Adjustment Amount	New Budget Amount	Spread Evenly?	Jan	Feb	Mar
Occupancy									
Rent		\$ 120,000			\$ 120,000	Yes	10,000	10,000	10,000
Utilities		\$ 8,000			\$ 8,000	Yes	667	667	666
Office Support									
Office Supplies		\$ 5,000			\$ 5,000	Yes	417	417	416
Postage & Shipping		\$ 1,200			\$ 1,200	Yes	100	100	100
Copying & Printing		\$ 10,000			\$ 10,000	Yes	833	833	834
Technology									
Telecom		\$ 6,000			\$ 6,000	Yes	500	500	500
Computers (non capital)		\$ 5,000			\$ 5,000	Yes			
Software		\$ 1,200			\$ 1,200	Yes	100	100	100
Program Supplies									
After school supplies		\$ 240,000	\$	\$ (50,000)	\$ 190,000	No	20,000	20,000	20,000
After school snacks		\$ 120,000	\$	\$ (20,000)	\$ 100,000	Select	10,000	10,000	10,000
Travel, Conferences & Meetings									
Transportation		\$ 1,200			\$ 1,200	Yes	100	100	100
Conferences		\$ 10,000	\$	\$ (10,000)	\$ -	Select			
Other									
Depreciation		\$ 5,000			\$ 5,000	Select			
Insurance		\$ 5,000			\$ 5,000	Select			
Prior Year Payables	\$ -				\$ -	Select			
TOTAL CASH DISBURSEMENTS	\$ -	\$ 1,304,587			\$ 1,224,587		\$ 90,217	\$ 100,217	\$ 90,215
EXCESS/(SHORTFALL) FROM OPERATIONS		\$ 120,414			\$ 62,914		\$ (85,217)	\$ 407,783	\$ (85,215)
CAPITAL EXPENDITURES									
Cash									
Capital financing		\$ -			\$ -	Select			
Cash		\$ -			\$ -	Select			
Cash		\$ -			\$ -	Select			

Scenario Planning



Select a Course of Action

- Define what triggers the implementation of the chosen scenario
 - What are the unique variables?
 - What's the timeframe in which you will need to make a decision?
 - How will the market tell us if we are in one scenario or the other?
- Define board and finance committee engagement strategy for consideration and approval.
- Define critical check points for the board once the scenario is implemented (should happen no less than quarterly)
- Determine roles and responsibilities for operationalizing the scenario plan
- Create an internal and external communication plan

Tool: Contingency Planning

SCENARIO PLANNING



Monitor and Adapt: Identify key unknowns that will move your organization from one scenario to another and determine what the organization would do, depending on the outcome of the unknown item or if a certain amount of time passes.

1. If _____ occurs by _____ (date), then our organization will

- ☐ Move to Scenario _____
- ☐ Move to _____ part of Scenario _____
- ☐ Revise our Scenarios
- ☐ Increase/decrease reserves by \$ _____
- ☐ Other: _____

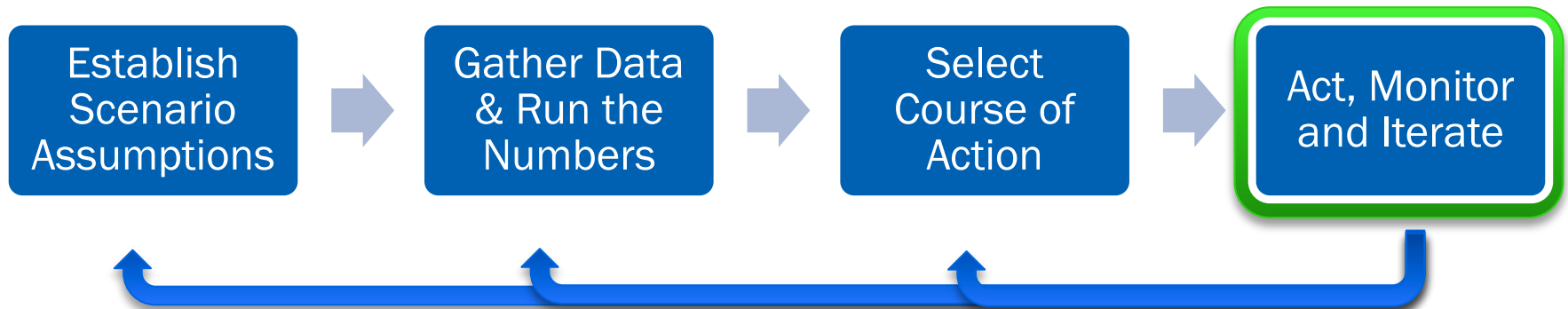
2. If _____ occurs by _____ (date), then our organization will

- ☐ Move to Scenario _____
- ☐ Move to _____ part of Scenario _____
- ☐ Revise our Scenarios
- ☐ Increase/decrease reserves by \$ _____
- ☐ Other: _____

3. If _____ occurs by _____ (date), then our organization will

- ☐ Move to Scenario _____
- ☐ Move to _____ part of Scenario _____
- ☐ Revise our Scenarios
- ☐ Increase/decrease reserves by \$ _____
- ☐ Other: _____

Scenario Planning



Tool: Monitoring & Communication

SCENARIO PLANNING



4A. Monitoring Plan	
Who will regularly monitor our scenario in order to prompt adjustments?	<ul style="list-style-type: none">
How will the monitoring occur (e.g. weekly leadership team meeting)?	<ul style="list-style-type: none">
How will decisions be made to adjust to other scenarios or make modifications?	<ul style="list-style-type: none">

Communicate: Determine how you will communicate ongoing changes with internal and external stakeholders such as the board of directors, staff, program participants, and funders.

4B. Communication Plan			
Stakeholder Group	Communication Method	Frequency	Person Responsible

Start at the Start: Buy-in From Team

- What are our **top priorities**?
- What **time horizon** is most important for us to plan for right now?
- How will we leverage **today's financial planning culture** at the staff and board level? What **new practices** will we implement?
- How will we align with our **strategic planning** and **budgeting**? Do we have a strategic direction for our programs? How do we determine when it's okay not to align? Do we want to explore varying strategic directions in this process?
- What are our **guiding principles** - the parameters within which we'll define scenarios? Or, what are our **non-negotiables**?

Questions?

**1:1 coaching is being made
available by CFFMC**

**To access, submit interest form,
shared in chat and in follow-up
email**

**As demand may exceed
availability, coaching is not
guaranteed**

In collaboration with the Wallace Foundation, FMA created a library of **free tools and resources** to help organizations become “fiscally fit”

StrongNonprofits Toolkit

Resources to strengthen your nonprofit financial management

Toolkit Home

Budgeting

Cash Flow

Audit
Readiness

Operations

Data and
Analysis

Governance
and Strategy



Understanding
Cash Flow

Cash Flow
Projections

Cash Flow
Projections (Basic)

Next Steps



Cash Flow

Once you have completed your annual budget process, these tools can help your team translate your newly minted operating budget into a detailed cash flow projection over the course of a fiscal year.

Resources: Current Environment

- **FMA COVID-19 Response Resources** www.fmaonline.net/COVID-19
- **FMA PPP Toolkit**
Tools for the CAREs Act Payroll Protection Program (PPP), updated as information changes <http://fmaonline.net/ppptoolbox/>
- **National Council of Nonprofits** <https://www.councilofnonprofits.org/nonprofits-and-coronavirus-covid-19>
- **Philanthropy California**
California response funds and resources
<https://www.philanthropyca.org/covid-19-response>
- **Candid. Funds for coronavirus relief**
<https://candid.org/explore-issues/coronavirus/funds>

Resources: Current Environment

- What is the difference between a furlough, a layoff and a reduction in force?
<https://www.shrm.org/resourcesandtools/tools-and-samples/hr-qa/pages/furloughlayoffreductioninforce.aspx>
- The Coronavirus Crisis Doesn't Have to Lead to Layoffs
<https://hbr.org/2020/03/the-coronavirus-crisis-doesnt-have-to-lead-to-layoffs>

Use the chat:

*What is your biggest takeaway
from today's session?*

Evaluation



BDO FMA

- Established in 1999 to serve not-for-profit organizations around the country
- Provides customized financial management, accounting, software, organizational development, and other consulting services
- Works directly with organizations or through funder-supported management and technical assistance programs

FMA exists to build a community of individuals with the confidence and skills to lead organizations that change the world

Ethan Zatko
Senior Consultant

ezatko@bdo.com



@FMA4Nonprofits



/FiscalManagementAssociates



/company/fiscal-management-associates-llc

www.fmaonline.net

New York • Chicago • Oakland • Providence • Washington DC

Before diving into financial scenarios for workforce and staffing options in response to COVID-19 changes to your work, be sure to review your current financial position as well as anticipated changes to your programs, community needs, and revenue. Keep your Employee Handbook handy to consult (or update) as needed.

NOTE: This document is not intended to be legal advice. Please consult with local labor law counsel for the most updated understanding of applicable regulations.

Scenario Planning & Workforce Impact

1. Workforce Planning

- What staff capacity do you need for the next 3-6 months?
- How much staffing can you afford for the next 3-6 months?
- How might your staffing needs change in 6+ months?
- How will you manage ongoing business operations, particularly with a remote workforce? Be sure to consult your Continuity of Operations plan if you have one.

Scenario A: Need MORE capacity:

- Which types of workforce capacity will you add?
 - Full time or part time?
 - Permanent or temporary?
 - Consultant (1099)/3rd party provider/vendor?
 - Volunteers/pro bono?
- How will you interview candidates?
- How will you on-board new staff/workforce?
- How will you handle new hire compliance (e.g., eVerify / I-9's, drug testing, background checks, etc.)?
- Do you have the ability to offer hazard pay or bonuses for staff considered essential services?

Scenario B: NO CHANGE in Capacity

- Will you institute a hiring freeze? If so, are there anticipated savings from delayed hires?
- If you have key unfilled positions, how will that work be covered during the hiring freeze?

Scenario C: Need LESS capacity:

- What types of staff reductions will you consider– furlough, layoffs, terminations?*
- Will you consider pay or time reductions (or both)?
- Can staff be redeployed to other mission critical functions or provide coverage for staff on leave?
- How will you select who is impacted (leadership, mgmt., exempt vs. non-exempt, service lines, admin / support, etc.)?
- How will you ensure decisions are not or can't be viewed as discriminatory?
- How will you deliver final paychecks?

* Engage employment/labor law counsel (laws vary by state)

** Consult your benefits broker/retirement plan adviser

*** Consult your payroll provider

- Will you offer severance packages?
- How much accrued PTO/vacation would need to be paid?
- Will WARN (Worker Adjustment & Retraining Notifications) requirements be applicable to your workforce-related decisions (if offices are being closed and layoffs are “substantive”)? *
- What will you communicate to...
 - impacted staff?
 - the broader workforce?
 - stakeholders (e.g., board, funders, program participants)

2. Benefits & Pay

- How will you handle non-exempt employee pay if employees are unable to work due to office closures or other circumstances?
- Will you reduce exempt employee pay (if furloughing / reducing hours)?
- What are your benefits plans’ eligibility rules if any staff decisions make staff ineligible – e.g., due to a reduction in hours? Be mindful of legislation and/or insurance carriers relaxing eligibility requirements. **
- Which types of leaves are applicable to your workforce (paid and unpaid, internal policies vs. government mandated, temporary vs permanent staff etc.)? *
- Will there need to be coordination among the various types of leaves available (e.g., do state regulations pre-empt federal requirements, in what order must leaves be taken,, etc.)? *
- How will you staff key operations if employees need to take extended leave?
- Are there any functions that need to be cross-trained immediately?
- Are your payroll & service providers ready to track and provide records for new leaves-related legislation (e.g., accrual amounts, sick leave value calculations, etc.)? ***
- For mandated leaves, do you or your service providers have processes in place for receiving credits or reimbursement? *
- Are your existing “paid time off” practices (both the policy and the accrued values by staff) and recordkeeping accurate and up to date? ***
- What are your retirement plan’s distribution and loan provisions (be mindful of legislation relaxing employee access via either loans or withdrawals)? **
- Do your policies allow for pay advances? If not, are they an option at this time?

3. Working Remotely

- Do your staff have the equipment they need to work remotely (e.g., laptops, monitors, Wi-Fi, headsets, etc.)? If not, how much will you need to purchase? Be sure to consult your Continuity of Operations plan if you have one.
- Does your network have adequate security measures in place to allow for remote access?
- How will you support your remote workforce (be visible, stay connected, be flexible, offer help, etc.)?
- How might an expected initial drop off in productivity impact your operations?

* *Engage employment/labor law counsel (laws vary by state)*

** *Consult your benefits broker/retirement plan adviser*

*** *Consult your payroll provider*

SCENARIO PLANNING



Organization Name: _____

Date Completed: _____

Scenario Planning

Scenario planning is a four-step process:

1. Set Guiding Principles
2. Establish Scenario Assumptions
3. Run the Numbers
4. Act, Monitor, and Adapt

Team: This tool is intended to support a core team of organization leaders (e.g., Executive Director/CEO and senior Program, Development, Finance, Operations and/or Human Resources staff) in a step-by-step process to explore options for the organization over the next 6-18 months. Board members should participate in steps 1 and 4, though in some cases key board members may be involved in the full process.

Instructions: This tool is formatted to help leadership teams develop and document up to three scenarios and associated assumptions for your organization's path forward. It is a companion document to *FMA's Scenario Modeling Tool* designed to help organization's model the financial implications of the current pandemic. It is divided into four sections and it may take multiple work sessions to complete all of them:

1. **Guiding Principles** - *[Board and Staff Leadership]* outline overarching principles that any scenario should adhere to—the “non-negotiables.”
- 2A. **Snapshot: Current State & Potential Changes** – *[Core Leadership]* document the current knowns and unknowns of your organization's situation.
- 2B. **Scenario Details** – *[Core Leadership]* describe up to three distinct scenarios for the organization's path forward, including specifics of how programming, revenue generation, operations, workforce, and other major activities will occur under each scenario (as well as any remaining unknowns).
3. **Run the Numbers** - *[Core Leadership]* note necessary steps and who to include when completing *FMA's Scenario Modeling Tool*.
4. **Act, Monitor, and Adapt** – *[Board and Staff Leadership]* document next steps you will need to take after documenting scenarios.

SCENARIO PLANNING

About this tool: The yellow fields are where you will fill in information and the tables will automatically extend to the next page if you need more space. There are examples in certain sections of the tool to illustrate how to complete the field. Please bear in mind that these are just hypothetical examples and your organization's situation may be very different.

1. Guiding Principles

What are the core priorities and values for the organization over the next 6-18 months?

Example:

- We must maintain our core commitments to... (program participants, core funders, etc.).
- We will incorporate equity and inclusion into all of our staffing decisions.

2A. Snapshot: Current State & Potential Changes

Function	Guiding Questions	Current Situation (both what we know and what is unknown)
<i>External Environment</i>	<ul style="list-style-type: none"> • What, if any, stay at home orders are in place? What is the timeline? • What distancing measures are in place? How are these impacting our operations? • What is the current status of the pandemic in our region? For example, are cases increasing or have they likely peaked? <p><i>Document the current state and potential impact of changes or potential changes to any</i></p>	<p><i>Example: Stay at Home currently in place until June 1. Phased re-opening planned with social distancing expected at least through December 2020. COVID-19 recurrence expected in Fall/Winter may lead to reinstatement of stay at home.</i></p>

SCENARIO PLANNING

2A. Snapshot: Current State & Potential Changes		
Function	Guiding Questions	Current Situation (both what we know and what is unknown)
	important aspects of the organization's activities.	
Program	<ul style="list-style-type: none"> • Have/will any of our activities stop/pause? • Are any activities increasing or are new activities needed based on community need? • Do we need to change the delivery method of activities? • Do we need to change our marketing or outreach strategy? • Do we need to change our marketing or outreach strategy? • How are changes impacting revenue (e.g., ability to meet restrictions or contract requirements)? • What opportunities and risks exist? <p><i>In completing this section, think through where the current situation is clear and will be the same in each scenario and where there are unknowns that could be modeled differently.</i></p>	<p>Example: Afterschool programs ceased as of March 16th. It's unclear when schools will reopen. While we invoiced through March 15th, not all programs have been fully delivered and \$25K will likely be deferred revenue for FY21. We are working on possible virtual offering. We're even less sure about the summer science camp.</p> <p>We've also wanted to develop a virtual mentor program. Maybe now is a good time since some staff have capacity.</p> <p>Our biggest unknowns include:</p> <ul style="list-style-type: none"> • How quickly can we pivot to provide virtual afterschool programming? Can we get paid for it through our current contract? • Should we explore virtual mentorship now?
Financial Position	<ul style="list-style-type: none"> • What is our cash balance? How much is restricted? • Which receivables and/or revenues are no longer coming in or are at risk? What new revenue may we receive? 	<p>Our biggest unknowns include:</p>

SCENARIO PLANNING

2A. Snapshot: Current State & Potential Changes

Function	Guiding Questions	Current Situation (both what we know and what is unknown)
	<ul style="list-style-type: none"> • Which expenses have been eliminated or reduced? • What new or increased expenses do we have? • Can any payables be delayed? • What debt is outstanding and what is the repayment schedule? • How much external credit is available? • What is our reserves (LUNA) balance? 	
Workforce & Culture	<ul style="list-style-type: none"> • How has staff capacity been impacted by revenue and programming changes? • Have capacity and regulatory changes impacted payroll and benefit costs? • How do we cover key duties if staff go on leave? • How are we working together during this time? 	<i>Our biggest unknowns include:</i>
Operations & Technology	<ul style="list-style-type: none"> • What leases or contracts do we not need to use in the near term? Can any be adjusted? • Are there new contracts or leases we need? • Are there technology resources we need to pivot programs and/or workforce to virtual? • Do we have access to our data? Is our data secure? 	<i>Our biggest unknowns include:</i>
Other	<i>Document the current state and potential impact of changes or potential changes to any important aspects of the organization's activities not covered in the sections above.</i>	<i>Our biggest unknowns include:</i>

SCENARIO PLANNING

2A. Snapshot: Current State & Potential Changes		
Function	Guiding Questions	Current Situation (both what we know and what is unknown)

SCENARIO PLANNING

Timeframe - These scenarios represent our plans for (eg: July-Dec or FY 21): _____

2B. Scenario Details			
Use the yellow fields to describe the details for each scenario. What would the organization start, stop and/or continue doing in each of its core functions or departments under the scenario?			
Function	Scenario A [INSERT DISTINCTIVE NAME]	Scenario B [INSERT DISTINCTIVE NAME]	Scenario C [INSERT DISTINCTIVE NAME]
What is the external environment? <ul style="list-style-type: none"> When do stay at home orders end? What size groups can gather? By when? What distancing measures are in place? Is there a return to stay at home? If so, when? 	<i>Example:</i> <ul style="list-style-type: none"> Stay at home order lifts in June Group gatherings of up to 50 allowed by August 	<i>Example:</i> <ul style="list-style-type: none"> Stay at home order lifts in June, but reinstated Nov-Dec Group gatherings up to 50 OK August – October, but limited to 10 or fewer again Nov-Dec 	<i>Example:</i> <ul style="list-style-type: none"> Stay at home order continues off and on through Spring 2021 No consistent ability to gather groups over 10 until Spring 2021
What will be the impact on our programs? <ul style="list-style-type: none"> What are the main short-term changes? What are the longer-term changes, if any? What will we need to make these changes (including advocacy, marketing/outreach, or other expenses)? 	•	•	•
What will be the impact on our revenue? <ul style="list-style-type: none"> What are the main short-term changes? What are the longer-term changes, if any? What will we need to address these changes (including advocacy, marketing/outreach, or other expenses)? 	•	•	•

SCENARIO PLANNING

2B. Scenario Details			
<p>What will be the impact on our workforce?</p> <ul style="list-style-type: none"> • What are the main short-term changes? • What are the longer-term changes, if any? • What will we need to make these changes (including expenses)? <p>See <i>Appendix A: Workforce Impact</i> for additional questions</p>	•	•	•
<p>What will be the impact on our operations (facilities, equipment, technology, etc.)?</p> <ul style="list-style-type: none"> • What are the main short-term changes? • What are the longer-term changes, if any? • What will we need to make these changes (including expenses)? 	•	•	•
<p>What will be the impact on other areas?</p> <ul style="list-style-type: none"> • How do we anticipate using our reserves, if relevant? • Will we access loans or a line of credit? If so, how will we repay? • Note any additional circumstances or changes not noted above. 	•	•	•

SCENARIO PLANNING



SCENARIO PLANNING

3. Run the Numbers

The next step is to use the *FMA Scenario Modeling Tool* to create a financial picture for each of your scenarios.

Prepare: To work with the tool, you'll likely need to have several documents at hand:

- Current budget
- YTD financial statements
- Recent payroll report and staffing chart
- Facility/equipment leases
- Recent bank (and investment) statements

Model: Review each line item in the scenarios described in Section 2B. Document adjustments to revenue and expense items those assumptions would entail.

Refine: If necessary, refine each scenario by talking with board members, program participants, funders, policymakers, or any other stakeholders who may be able to help to clarify any outstanding questions you still have.

4. Act, Monitor, and Adapt

Once you have laid out your potential scenarios the following steps should help determine which scenario you can implement today to support the organization's short- and long-term needs

Select a Course of Action: The *FMA Scenario Modeling Tool* will enable you to compare scenarios and key metrics to help determine next steps.

- Work with your Board of Directors to review and approve your scenario plans.
- Identify the scenario you believe you are in today and any actions you need to take. This may include talking to funders to change funding restrictions or make budget modifications or ramping up fundraising activities. You may be changing your program delivery model or increasing advocacy efforts.

SCENARIO PLANNING

Monitor and Adapt: Identify key unknowns that will move your organization from one scenario to another and determine what the organization would do, depending on the outcome of the unknown item or if a certain amount of time passes.

1. If _____ occurs by _____ (date), then our organization will
 - ☐ Move to Scenario _____
 - ☐ Move to _____ part of Scenario _____
 - ☐ Revise our Scenarios
 - ☐ Increase/decrease reserves by \$ _____
 - ☐ Other: _____

2. If _____ occurs by _____ (date), then our organization will
 - ☐ Move to Scenario _____
 - ☐ Move to _____ part of Scenario _____
 - ☐ Revise our Scenarios
 - ☐ Increase/decrease reserves by \$ _____
 - ☐ Other: _____

3. If _____ occurs by _____ (date), then our organization will
 - ☐ Move to Scenario _____
 - ☐ Move to _____ part of Scenario _____
 - ☐ Revise our Scenarios
 - ☐ Increase/decrease reserves by \$ _____
 - ☐ Other: _____

4. If _____ occurs by _____ (date), then our organization will
 - ☐ Move to Scenario _____
 - ☐ Move to _____ part of Scenario _____
 - ☐ Revise our Scenarios
 - ☐ Increase/decrease reserves by \$ _____
 - ☐ Other: _____

SCENARIO PLANNING

4A. Monitoring Plan	
Who will regularly monitor our scenario in order to prompt adjustments?	•
How will the monitoring occur (e.g. weekly leadership team meeting)?	•
How will decisions be made to adjust to other scenarios or make modifications?	•

Communicate: Determine how you will communicate ongoing changes with internal and external stakeholders such as the board of directors, staff, program participants, and funders.

4B. Communication Plan			
Stakeholder Group	Communication Method	Frequency	Person Responsible

SCENARIO PLANNING

SCENARIO PLANNING

APPENDIX A: Scenario Planning & Workforce Impact



1. Workforce Planning

- What staff capacity do you need for the next 3-6 months?
- How much staffing can you afford for the next 3-6 months?
- How might your staffing needs change in 6+ months?
- How will you manage ongoing business operations, particularly with a remote workforce? Be sure to consult your Continuity of Operations plan if you have one.

Scenario A: Need MORE capacity:

- Which types of workforce capacity will you add?
 - Full time or part time?
 - Permanent or temporary?
 - Consultant (1099)/3rd party provider/vendor?
 - Volunteers/pro bono?
- How will you interview candidates?
- How will you on-board new staff/workforce?
- How will you handle new hire compliance (e.g., eVerify / I-9's, drug testing, background checks, etc.)?
- Do you have the ability to offer hazard pay or bonuses for staff considered essential services?

Scenario B: NO CHANGE in Capacity

- Will you institute a hiring freeze? If so, are there anticipated savings from delayed hires?
- If you have key unfilled positions, how will that work be covered during the hiring freeze?

Scenario C: Need LESS capacity:

- What types of staff reductions will you consider– furlough, layoffs, terminations?*
- Will you consider pay or time reductions (or both)?
- Can staff be redeployed to other mission critical functions or provide coverage for staff on leave?
- How will you select who is impacted (leadership, mgmt., exempt vs. non-exempt, service lines, admin / support, etc.)?

SCENARIO PLANNING

- How will you ensure decisions are not or can't be viewed as discriminatory?
- How will you deliver final paychecks?
- Will you offer severance packages?
- How much accrued PTO/vacation would need to be paid?
- Will WARN (Worker Adjustment & Retraining Notifications) requirements be applicable to your workforce-related decisions (if offices are being closed and layoffs are "substantive")? *
- What will you communicate to:
 - impacted staff?
 - the broader workforce?
 - stakeholders (e.g., board, funders, program participants)

2. Benefits & Pay

- How will you handle non-exempt employee pay if employees are unable to work due to office closures or other circumstances?
- Will you reduce exempt employee pay (if furloughing / reducing hours)?
- What are your benefits plans' eligibility rules if any staff decisions make staff ineligible – e.g., due to a reduction in hours? Be mindful of legislation and/or insurance carriers relaxing eligibility requirements. **
- Which types of leaves are applicable to your workforce (paid and unpaid, internal policies vs. government mandated, temporary vs permanent staff etc.)? *
- Will there need to be coordination among the various types of leaves available (e.g., do state regulations pre-empt federal requirements, in what order must leaves be taken,, etc.)? *
- How will you staff key operations if employees need to take extended leave?
- Are there any functions that need to be cross-trained immediately?
- Are your payroll & service providers ready to track and provide records for new leaves-related legislation (e.g., accrual amounts, sick leave value calculations, etc.)?***
- For mandated leaves, do you or your service providers have processes in place for receiving credits or reimbursement? *
- Are your existing "paid time off" practices (both the policy and the accrued values by staff) and recordkeeping accurate and up to date? ***
- What are your retirement plan's distribution and loan provisions (be mindful of legislation relaxing employee access via either loans or withdrawals)? **

SCENARIO PLANNING



- Do your policies allow for pay advances? If not, are they an option at this time?

3. Working Remotely

- Do your staff have the equipment they need to work remotely (e.g., laptops, monitors, Wi-Fi, headsets, etc.)? If not, how much will you need to purchase? Be sure to consult your Continuity of Operations plan if you have one.
- Does your network have adequate security measures in place to allow for remote access?
- How will you support your remote workforce (be visible, stay connected, be flexible, offer help, etc.)?
- How might an expected initial drop off in productivity impact your operations?

NOTE: This document is not intended to be legal advice. Please consult with local labor law counsel for the most updated understanding of applicable regulations.

* Engage employment/labor law counsel (laws vary by state)

** Consult your benefits broker/retirement plan adviser

*** Consult your payroll provider