



# Emergency Toolkit

*Thomas D. Bonomo, CPA  
First Nonprofit Insurance Company  
8019 Corporate Drive, Suite C  
Baltimore, Maryland 21236  
410-931-6620 ext. 117  
tbonomo@4hsbc.com*

# CEO Issues



The CEO is responsible for all aspects of the organization. This includes; being the visionary, the strategic thinker, the liaison for board recruitment and development, the operations and regulatory expert, having a better than good working knowledge of the financials, a fundraiser and cultivator of prospective donors, etc., etc., etc.



# Four Focus Areas for the toolkit

- ◆ Risk Aversion
- ◆ Financial Stability and Oversight
- ◆ Operational Efficiency and Effectiveness
- ◆ Strategic Planning



## Risk Aversion

### ◆ Concerns:

- Negative publicity
- Death/termination of key employees
- Employee/former employee sues for wrongful termination, discrimination and/or sexual harassment
- Drop in contributions
- Insufficient insurance protection to cover liability lawsuits



# Risk Aversion

## ◆ Actual Experience:

- Resignation of a board member
- Difficulty in recruiting new board members
- Negative publicity
- Difficulty in retaining volunteers
- Employment risk (legal action, discrimination and/or harassment, employee and volunteer background checks)
- Government regulations, audits and fines
- Lawsuits against directors and officers



# Financial Stability and Oversight

## ◆ Revenue

- How do you ensure that revenue is reported accurately, completely and timely? Most programs have moved from grant funding to fee-for-service. You went from being “Held Harmless” to audits and take backs. How efficient are you in providing the number of direct care hours to individual plans of care?
- Who is responsible for increasing revenue?



## Financial Stability and Oversight

- ◆ How well are staff trained in reviewing financial information and reporting on variances?
- ◆ What management levels in the organization review financial performance and prepare budgets?



# Financial Stability and Oversight

## ◆ Expenses

- Do you review accounts payable checks processed?
- Revenues are flat or decreasing while expenses are increasing!!!!
  - Expenses are categorized in two types (direct and indirect)
    - Direct expenses are directly associated with fulfilling the mission (salaries of direct care staff, groceries, transportation of clients, rent of centers or homes, etc.)
    - Indirect expenses are all other costs needed to keep the organization functioning (accounting, HR, IT, etc.)

WHAT IS THE REAL BOTTOM LINE OF A PROGRAM?



# Operational Efficiency and Effectiveness

- ◆ Can you continue to operate as you have in the past?
- ◆ Do you reduce ancillary services and rely on core competencies in tough economic times?
- ◆ Do you look for new opportunities and make changes to current programs as needed?
- ◆ Would you consider, partnerships, outsourcing, merging, etc? **THESE ARE NOT BAD WORDS.**

# Operational Efficiency and Effectiveness

- ◆ Is everything on the table???
- Challenge staff, challenge yourself, challenge your board, challenge your donors, challenge your vendors, challenge your association;

Think outside the box!





## Operational Efficiency and Effectiveness

- ◆ Rely on core competencies and divest your organization of services for which you are not the provider of choice
- ◆ Shared or rented space
- ◆ Outsource services that are not value added core competencies (finance, maintenance, payroll, human resources, etc.)
- ◆ Shop insurance, copy machines, trainings, audits, office services



# Operational Efficiency and Effectiveness

- ◆ Engage your board of directors
- ◆ Strategically contact existing donors
- ◆ In-kind contributions are the same as hard dollars
- ◆ Develop donating programs that are beneficial to the donor (beneficiary trusts, life estates, etc.)
- ◆ Connect with foundations
- ◆ Be aware of new sources of government funding



# Strategic Planning

- ◆ Phase 1 - Prepare a SWOT Analysis
- ◆ Phase 2 – Expand on the SWOT to identify opportunities and changes
- ◆ Phase 3 – Implement the board approved plan
- ◆ Phase 4 – Continual operations improvement cycle

# Strategic Planning

- ◆ Who is involved in the strategic plan
  - Everyone in the organization
  - Engage Staff
  - Bottom up process
  - Organizational culture change
  - Communication throughout the organization of the plan and its progress
  - Recognize team members celebrate accomplishments

