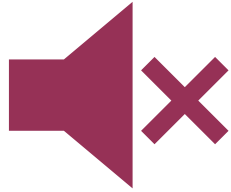




MANAGING NONPROFIT FINANCES DURING A CRISIS

April 29, 2020

WEBINAR LOGISTICS



All attendees are muted by default

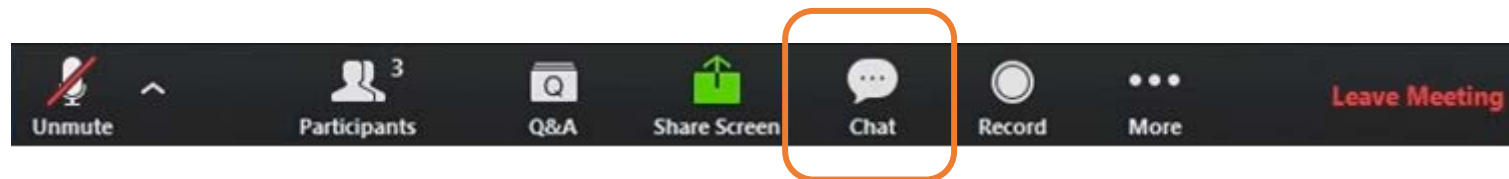


Please use the chat function for questions & comments



Please use chat or contact Alison Scholly for tech support:
alison@publicmedia.co

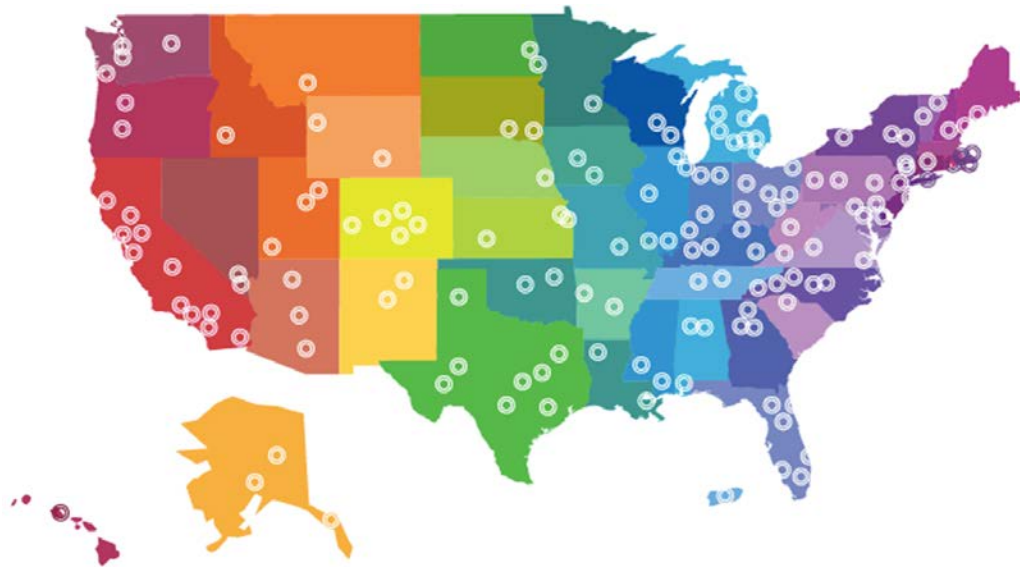
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Click to open up chat box and ask questions or make comments

ABOUT PUBLIC MEDIA COMPANY

Public Media Company is a nonprofit consulting firm dedicated to serving public media. We leverage our business expertise to increase public media's impact across the country.



Public Media Company works in partnership with stations in urban and rural communities to find innovative solutions and grow local impact. We have worked with **over 300 radio and TV stations in all 50 states**

www.publicmedia.co

WEBINAR PRESENTERS



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PURPOSE OF TODAY

1. Provide insight into the key financial management areas that station leaders need to address to help secure their fiscal futures
2. Share practical examples of how to put this into practice
3. Highlight how financial management is one component of your overall contingency planning

PUBLIC MEDIA LEADERS NEED TO ACT & PLAN NOW

ACT NOW TO PROTECT THE ORG

PLAN NOW TO PREPARE FOR THE FUTURE

Mobilize the org to protect employees and to ensure ongoing service and financial resilience

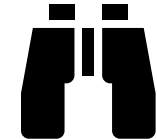
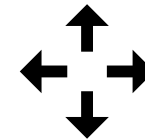
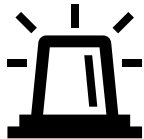
Prepare the organization and strategy needed to sustain and grow impact in the future

MANAGE THE CRISIS

PROTECT THE ORG

ADAPT THE ORG

PREP FOR THE FUTURE



Mobilize to protect and prepare staff and to ensure ongoing service to the community

Manage cash and adjust operations to preserve the organization and its ability to serve the community

Learn and build plans to adapt the organization across a range of future scenarios and stakeholder needs

Develop the vision and strategy required to sustain and grow the organization's impact in the future

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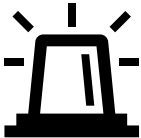
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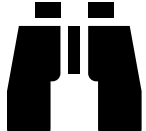
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FOCUS OF TODAY'S WEBINAR

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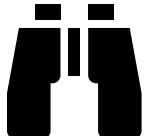
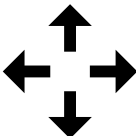
PROTECT THE ORG

ADAPT THE ORG

PREP FOR THE FUTURE



**FOCUS OF
MAY 6
WEBINAR**



Mobilize to protect and prepare staff and to ensure ongoing service to the community

Adjust operations to preserve the organization and its ability to serve the community

Learn and build plans to adapt the organization across a range of future scenarios and stakeholder needs

Develop the vision and strategy required to sustain and grow the organization's impact in the future

1ST: CLARIFY YOUR VALUES & PRINCIPLES

If you haven't already, **develop and clarify your guiding principles** as an organization. This will help you make decisions about **solutions that are and aren't acceptable to your organization**. For example:

- Preserving staff employment is a key priority
- Staff that are paid the most should take the biggest cuts (if needed)
- Service to the community is essential
- The health of our staff cannot be compromised
- Furloughs are preferable to layoffs
- News is our biggest priority

PROTECT THE ORG: 4 FOCUS AREAS

1.
LIQUIDITY

2.
EXPENSES

3.
FORECASTING

4.
BUDGETING

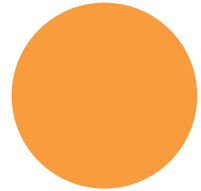
1. LIQUIDITY – CASH IS KING

- **Focus on access to cash**
 - Existing lines of credit
 - Existing credit cards
 - Endowments that are board designated
- **Other Sources of Cash**
 - CPB
 - Paycheck Protection Program
 - Disaster Recovery SBA Loans
 - State programs
 - Other lenders

1. LIQUIDITY – EXPLORE ALL OPTIONS

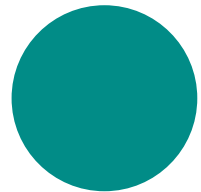
- **Stay close to your key funders/donors**
 - Request grant payments early
 - Conduct quiet fundraising with key donors if pledge drives are being delayed
- **Restructure existing debt to lower payments**
- **Delay payments whenever possible**

2. EXPENSE MANAGEMENT



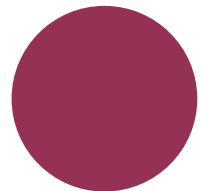
Set spend priorities/identify discretionary spending

Eliminate/reduce expenses with no commitment that aren't tied to your top priorities

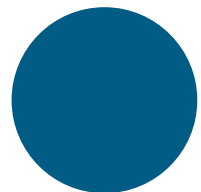


Identify flexible expenses and delay incurring them

Look at retirement plan contributions; Avoid prepaying bills when you can: insurance, postage, office supplies



Identify expenses that are investments in your key priority areas and reallocate funds towards those activities (and away from non-priorities)



Implement lower thresholds for approval of expenses

3. FORECASTING

- **Focus on cash and create rolling cash forecasts, at least 6 months out**
 - Allows for proactive management and ability to anticipate challenges
- **If cash is challenged, implement daily cash-on-hand reports**
- **Conduct weekly inflow and outflow reviews**
- **Complete monthly reforecasts focusing on actual performance with revisions based on the anticipated outlook for future activities**

3. FORECASTING

- **Be conservative on revenue and include contingencies for expenses**
- **Plan for low cash points, communicate proactively with your board, donors, underwriters, employees and vendors**
- **Forecast a few different scenarios**
- **Think of areas that may experience growth/or provide opportunity to attract new or different sources of revenue**

4. BUDGETING FOR NEXT FISCAL YEAR

- **Be conservative on revenue and include contingencies for expenses**
- **Assume the economy will not rebound**
- **Include monthly cash flows**
- **Develop a Plan A and Plan B**
- **Budget for potential new opportunities**
Has COVID-19 allowed you to rethink aspects of your operating model?
- **Exclude/reduce spending in areas that are not essential**

4. BUDGETING – RESOURCES AVAILABLE

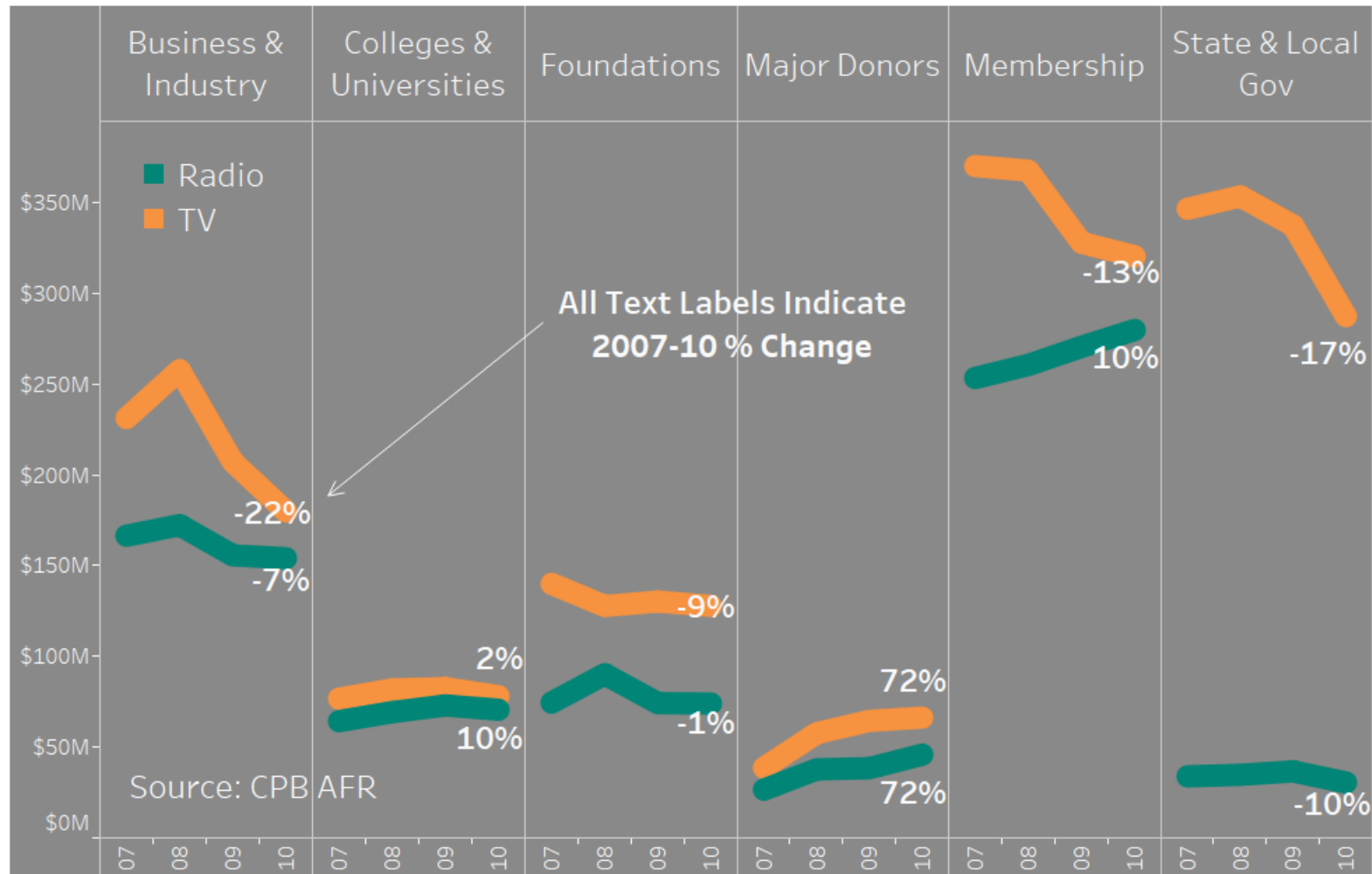
Understand the full scope of assistance available

- **Small Business Association**
www.sba.gov/disaster-assistance/coronavirus-covid-19
- Use **covidcap.com** to help identify additional resources nationally and by state

Use insights from others to inform your assumptions

- **National orgs:** CPB, NPR, PBS, Current, affinity groups
- **Public media support orgs:** Station Resource Group, Greater Public, CDP, Paragon, Market Engineuity, Public Media Company
- **Other orgs:** Bridgespan, BIA, trade press, etc.

Station Revenue by Source 2007-2010



www.publicmedia.co/pmcnews

PMC SERVICES



If you need more hands-on support, we're here to help:

- **Financial support and insight**
 - Virtual accounting
 - Financial management advice
 - Performance analysis
 - Business modeling
- **Strategic consulting**
 - Contingency planning
 - Strategic planning
 - Organizational analysis

Learn more at www.publicmedia.co

NEXT WEBINAR

What: **Contingency Planning for Public Media**

Evolving crises require public media leaders to prepare for the inevitable shocks ahead. This webinar will review the steps that station managers can take now to ensure that they understand what challenges may be on the horizon and be ready if and when they occur.

When: **Wednesday, May 6 @ 2pm eastern**

How: **www.publicmedia.co/webinars**



THANK YOU!



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You can also put time on our calendars directly: <https://go.oncehub.com/PublicMediaCompanyScheduler>