

Meet the Moment

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Meet the Moment Programs

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**Contingency Planning in the Wake of Federal
Policy Changes** – Webinar, April 15, 16 & 21

**Future-Proof Your Nonprofit: Scenario Planning
for Uncertain Times**

In-person Workshop for Senior Leadership -
April 22 in Dover and April 29 in Wilmington

Session Sponsor – DANA Conference May 1:

**When the Money Moves: Strategic Scenarios for
Evolving Funding Landscapes**

Meet the Moment Grants – Coming in May! Up to
\$20,000 per organization

It's a VUCA world: Contingency Planning Considering Federal Policy Changes.

April 15, 2025

Thank You!



Agenda

- ❑ Contingency planning
- ❑ Executive Orders and impact on Nonprofits & Those they Serve
- ❑ Explore risks and opportunities.
- ❑ Assess readiness and capacity



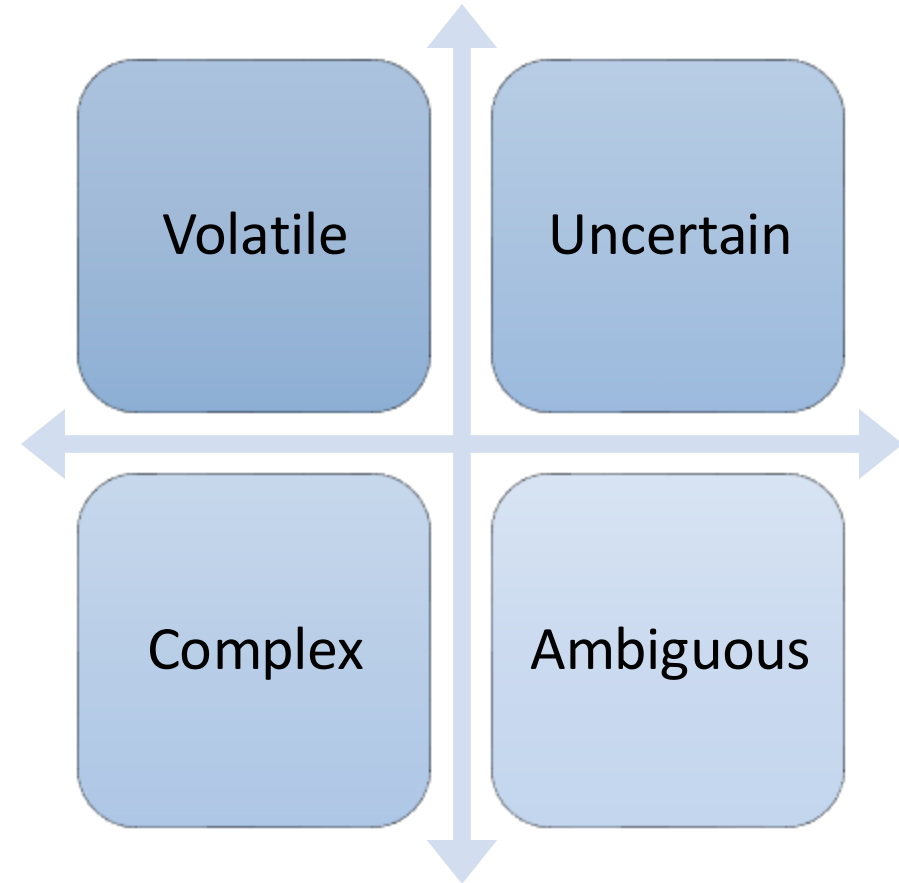
Be Aware and Prepared!

☐ **Contingency planning** is focused on immediate risks and developing specific responses to minimize those risks.

☐ **Scenario planning** is focused on exploring a range of possible futures both positive and negative and outlining adaption strategies.

It is a VUCA Moment for Nonprofits!

- ❑ Rapid Defunding
- ❑ Changing Rules
- ❑ Economic Shifts
- ❑ Hostility



In 3 months!

Update On Executive Orders

[National Council of Nonprofit Executive Order Tracker](#)

❑ Funding Freeze Executive Orders/Memos

- OMB Memo freezing all funding grants/loans to nonprofits and States – NCN case – Preliminary Injunction
- Funding that supports Immigration/Non-Citizen/Refugee funding
- Funding that supports LGBTQ+ initiatives/HIV
- DEIA programming - several cases – some going through the courts
- Infrastructure/Inflation Reduction Act Funding – NCN case - Temp Restraining Order
- Contracts and Grants EO– pause payments until verification contract/grant meets criteria or cancel
- Memo to stop any funding to NGOs that do not align with the national interest

❑ Targeting Nonprofit Activities

- Identify foundations/nonprofits with assets over \$500 MM for “investigation”
- Certification requirements in grants/contracts that no DEIA-related activities – preliminary injunction
- Student Loan Forgiveness – exclude those who work for a nonprofit that engages in terrorism, child abuse, illegal discrimination, disorderly conduct.

Update On Executive Orders

[National Council of Nonprofit Executive Order Tracker](#)

❑EOs Downsizing Government

- Institute of Museum & Libraries/ Interagency Homeless Council and several others
- Federal Staff Layoffs
- Education Department

❑EO related to Civic Engagement/Public Accountability/Research

- Voting Rights/CENSUS
- EO requiring plaintiffs to post bonds when seeking injunctions
- Freezes pending regulations
- Freezing and/or eliminating funding at Universities
- Repeal unlawful Regulations (60 days for any bad regulations – no public input)
- Promotes Faith-based organizations access to funding opportunities

Other Actions

- ❑ Un-elected individuals attempts to de-legitimize Nonprofits
- ❑ Threats to higher education tolerance of free speech, academics
- ❑ Threats to law firms challenging government
- ❑ Pursuit to deport non-citizens lawfully in the country
- ❑ Takeover of a 501c3
- ❑ Citizen property seizure and detention at airports
- ❑ Pursuit to eliminate the Johnson Amendment and 501c3 status



Future Federal Funding Concerns

- ❑ House Passed Budget Reconciliation that provides a legislative path forward to reduce or eliminate spending
 - ❑ Permanency of Tax Cuts and Job Act
 - ❑ Investment in Immigration Control and Military
 - ❑ Requires departments to find \$1.5 trillion in spending cuts – Possible Risks
 - ❑ Racial and Gender Justice
 - ❑ Climate Change/Environmental Justice
 - ❑ Any DEI-related initiatives
 - ❑ Conditional Funding for Arts, Libraries, Humanities
- ❑ Shifts Funding Burden to
 - ❑ States and Municipalities (Education/Medicaid/SNAP/Rental Assistance)
 - ❑ ACA health premium reduction to self-employed/small businesses & nonprofits (15K in DE)

Impacts to Those we Serve

- ❑ Federal and other workforce lay offs – greater need for services
- ❑ Targeted population segments – fear, trauma, detention, deportation
- ❑ Targeted population segments– loss of access to health, jobs, education, housing, safety assistance, civic engagement, cultural appreciation
- ❑ Communities – de-regulation/lost initiatives on air quality, environment, habitat protection, extreme climate effects



Implications for State Funding

☐ **Governor Meyer's Recommended Budget**

- 3% increase in Grant-in-Aid
- \$Millions set aside to address federal funding cuts
- Meeting with Philanthropy and/or DANA about strategy

☐ **State's Assessment of What they will need to cover:**

- Upwards to 9% of Education Expenses
- A sizeable portion of Medicaid/SNAP expenses - \$200mm
- Decisions to fund initiatives previously covered by Federal dollars vs State (crisis hot lines?)
- No understanding of the domino effect when certain funding streams are cut

☐ **Where to find the funds:**

- Stabilization Fund
 - Bond Bill
 - Grant-in-Aid
- 

Economic Climate will Impact Nonprofits

- ❑ Tariffs and cost of building materials and supplies
- ❑ Market declines will impact nonprofit reserves
- ❑ Softer investment portfolios may reduce amount donors give
- ❑ Uncertainty about inflation or jobs may hinder giving





So what do we do about it?



Why Contingency Planning Matters

- ❑ Focusing on Mission in Crisis
- ❑ Ensuring Program Continuity
- ❑ Protecting Staff/Volunteers/Clients
- ❑ Preserving Operations
- ❑ Retaining Stakeholder Confidence

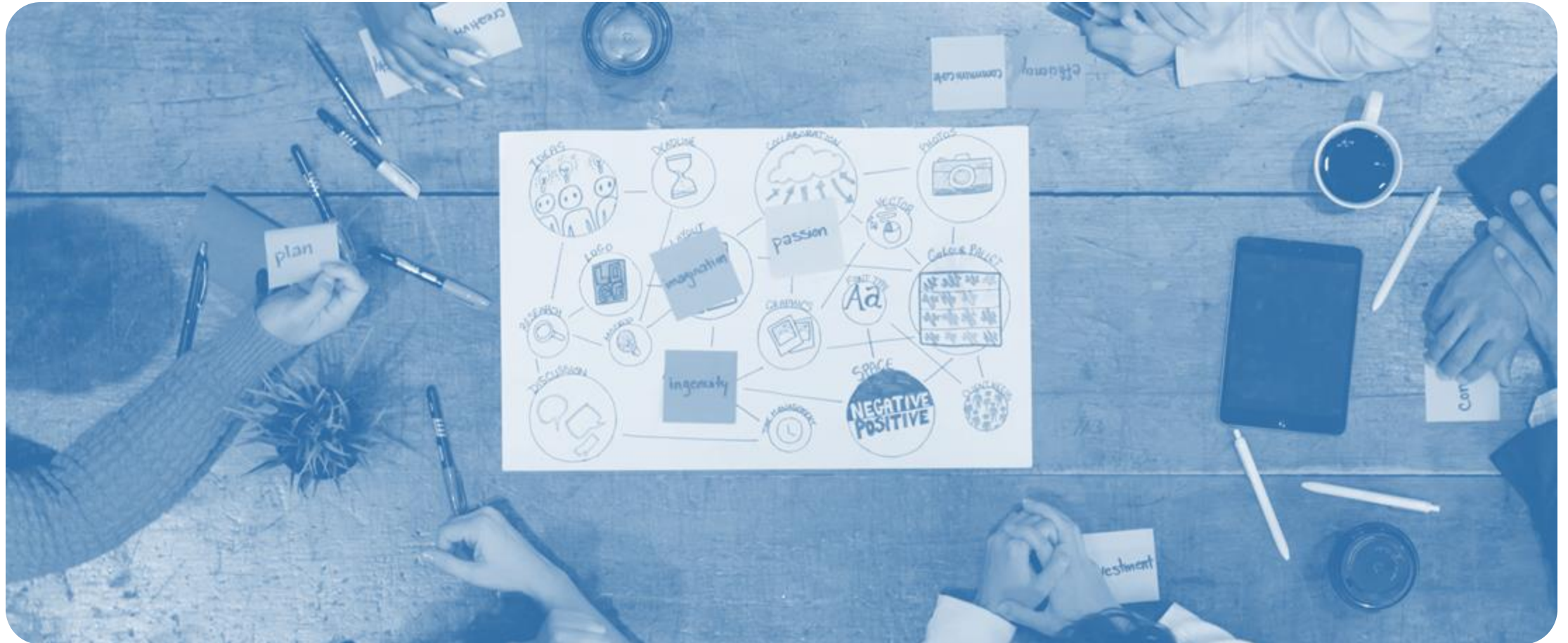


Contingency Planning

- ❑ Understand Mission Drivers
- ❑ Identify External Risk Factors
- ❑ Prioritize Contingency Plan Objectives
- ❑ Determine Response Actions
- ❑ Communicate



Contingency Planning is A Group Activity



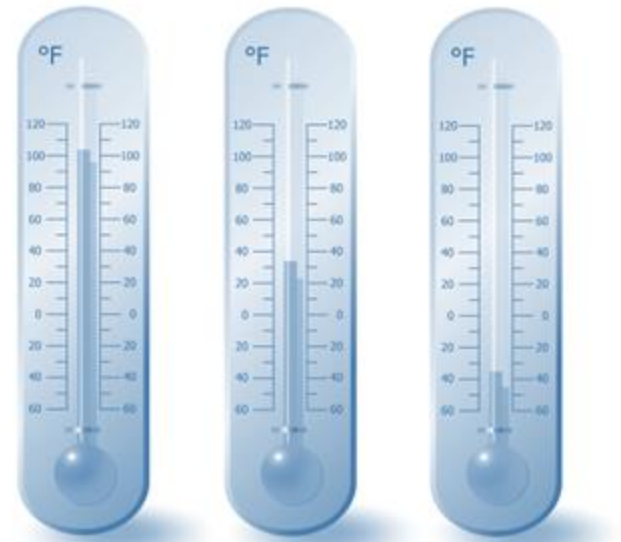
Mission Drivers & External Factors

❑ Mission Drivers (Financial and Outcomes)

- Program/Services – client needs and demand, accessibility, quality of execution
- Operations – delivery infrastructure, facility use, logistics
- Resources – fees, fundraising, talent, reserves

❑ External Factors

- Which factors impact mission drivers the most?
- What is the trigger?
- How urgent is this?



Activity: Small Group Discussion

Based on the Federal Policy Changes what Mission Drivers are Impacted?

What External Factors are high risk areas for those Mission Drivers?

How Urgent is the risk?



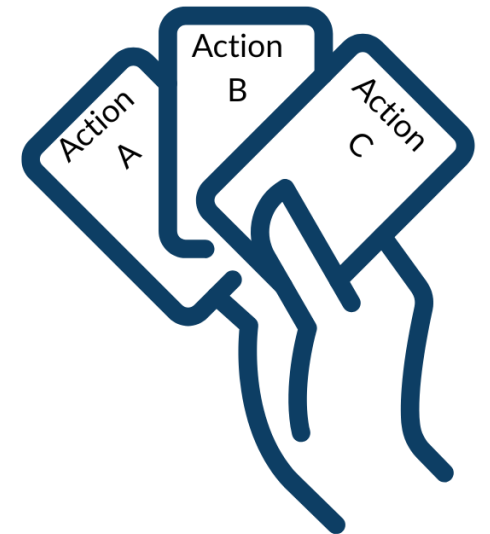
Contingency Plan Objectives

- ❑ What does Success Look Like for each Mission Driver impacted by the Risk
 - Programs/Services - Clients continue to access services through us or others
 - Operations - We have the staff to deliver internal/external functions
 - Communication - Community/Clients understand the situation
 - Funding – We understand our financial position and have identified alternative resources



Response Strategies

- ❑ Detail each strategy for each mission driver
- ❑ Outline steps by time frame (day 1, day 2 or week 1, week 2)
- ❑ Provide clarity on who is responsible (RACI)
- ❑ Develop communication plan



[Example Contingency Planning Template.xls](#)

Risk Mitigation Questions

- ☐ How many months of cash are in reserve? How liquid is it?
- ☐ How can cash reserves be built up?
- ☐ Are there low mission impact activities that can be eliminated?
- ☐ Who can we partner with to plan for supports for those we serve?
- ☐ What conversations can begin with donors?
- ☐ How are you informing policy makers of impact should the risk event happen?



Communication on Impacts and Actions

- ☐ Does your staff and board know the plan of action? Do they know their roles?
- ☐ Can you articulate the community impact if resources are removed?

“A reduction of \$100,000 for this health service impacts 10,000 people. The other providers can only increase their capacity to serve 1,000 people, so 9,000 people will not have access to this health service.”

“Eliminating this program will reduce the number of people who visit, shop, and stay in our community, resulting in \$1 million less in economic value to our town.”

“Our research program successfully identified a means to reduce this pollutant in our drinking water, without the final trial, which costs \$350,000, the solution to improve our drinking water will not materialize.”



Successful Contingency Planning

- ☐ Board and Staff working together
 - ☐ Agreement on the true risks and urgency of current environment
 - ☐ A shared understanding of what is mission critical and the full “cost” to deliver those programs/services
 - ☐ Clarity on financial position / number of cash months/weeks available
 - ☐ Alignment on what actions will be taken, what has to be done, and who is responsible
 - ☐ Clear communication internally and externally on plans and actions
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Resources

- ❑ [NCN Chart of Executive Orders and Memos](#)
- ❑ [NCN Federal Funding Risk Assessment](#)
- ❑ [NCN Checklist when Federal Grant or Contract is Terminated](#)
- ❑ [NPQ: Six Steps to Pivoting in a Crisis](#)
- ❑ [DANA Financial Health Resources - Cash Flow Tool](#)
- ❑ [Contingency Plan Example](#)

More Resources Coming!



May 1, 2025

2025 ANNUAL CONFERENCE

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<https://delawarenonprofit.org/annual-conference/>

