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Introduction

Headline news. Something nonprofits dream of having — when it showcases the nonprofit organization and its services in a positive light. Unfortunately, the news media thrive on tragedy, drama and scandal — not the good news. Crisis in the nonprofit sector feeds the frenzy, because the organizations are community-based and community-serving. What better way to pique the interest of readers, viewers and listeners than to run a story that gets them where they live and grabs their hearts. This book is designed to help you anticipate, prevent or survive a crisis in your agency.

Crisis management requires your investment of time and common sense, rather than a large budget. You do what you can, as you can, keeping the final goal of preserving your vital mission at the forefront. Consider your organization as a physician considers a patient. Check the vital signs to establish a baseline for future diagnosis. When you detect an aberration, determine the source, identify treatment methods, apply the methods and evaluate the results. Schedule regular checkups to monitor the organization's vital signs: the ones that enable the nonprofit to fulfill its mission by meeting critical community and client needs. This process will make a critical difference in your nonprofit's future health.

If your organization is healthy, determine what you can do to keep it that way long term. However, if you find that the nonprofit has several system weaknesses, you'll need to assess the symptoms, make a diagnosis and begin a treatment plan to cure what ails it so it can thrive or, at the very least, ease the symptoms to enable it to survive. Weaknesses might exist in the financial area, human resources, or volunteer management. The symptoms could manifest as uneven cash flow, a sharp increase in formal grievances, or a steep reduction in volunteer hours. The financial treatment plan could involve distributing major expenses throughout the year or asking past

donors to increase their support. The human resources treatment plan might be to revise the staff and volunteer handbooks and provide training programs on expectations and procedures. The

You Might Be Facing a Crisis if ...



- ❑ You would like to answer the local reporter's questions, but the warden won't allow you out of your cell to meet with her.
- ❑ The bank imposes an additional surcharge to print your statements in red ink to reflect your deficit balance.
- ❑ Your employees aren't sure where to report to work because your building no longer exists.
- ❑ When you arrive at the Grand Hotel for your nonprofit's annual meeting along with 500 of your members, you learn that a yodeling convention is in full swing and your contract is for next week.
- ❑ The bank manager calls to inform you that your business checking account is in arrears. The negative number she recites doesn't match the \$200,000 balance appearing on the general ledger your trusted accountant gave you last Friday.

volunteer management plan would evaluate volunteer assignments in light of level of skills volunteers provide.

If possible, you'll want to make gradual changes, starting with the ones that will bring your nonprofit the most benefits, just as a sedentary patient with elevated blood pressure eases into lifestyle changes to bring the reading into a healthy range. You don't want the treatment to cause more damage than the disease. Instead of forcing a mountain of new policies and procedures on a staff accustomed to an informal work environment, which could send vital human resources running for the want ads, begin by looking at what works and what's missing.

As a leader who wants a healthier nonprofit, visualize what the organization would look like if it were strong and fortified to survive crises. Then divide and conquer the tasks

required to reach your goal. How much less stressful this will be on you and your staff — and more do-able than laying down this book and thinking: OK, today I'm writing a crisis management plan and putting safety initiatives into practice and ... and ... and ... or the place will fall apart tomorrow. The critical difference between success and failure is how you approach crisis management. Ease into making your organization healthier and more likely to avoid a preventable crisis and survive the one fated to occur, or you and your staff risk burnout without completing the job.

Wise Investment

The time you spend daily on crisis management is a wise investment in the well-being of your nonprofit's future. Daily? Yes, daily. The secret is to schedule meetings, and assign tasks and due dates. A little bit here and a little bit there adds up to a whole lot. There are many steps you can take to stop crises from occurring.

Something as basic as integrating safety and risk reduction awareness into your organization's culture can make a huge difference. Staff who keep "slip, trip and fall" top-of-mind will secure that piece of loose carpeting without being asked to do so and before the elderly client steps on it. A volunteer who receives an oddly wrapped

Seven Essentials



If you only have limited time to spend on crisis prevention, use that time to get started on the following essentials for any nonprofit.

1. Create a comprehensive directory of the organization's staff, board and key volunteers. Include home addresses, phone/fax/wireless/beeper numbers, as well as emergency contact information. Distribute the list to employees and keep copies off site, as well as in your offices. Update and redistribute the list at least once a year.
2. Maintain a backup of your computer file server and key databases and financial files. Update the backup every week (at least) and store a copy off site or in a fireproof safe.
3. Store a copy of all insurance policies, vehicle and property titles, vehicle registrations and bank account numbers in a safe deposit box or fireproof safe.
4. Engage an independent accounting firm to perform a comprehensive annual financial statement audit. The auditor should report directly to the board at a regularly scheduled board meeting or at a special session called to discuss the audit findings.
5. Establish an ongoing relationship with an attorney familiar with your state laws whom you can call upon from time to time for advice and assistance. If your nonprofit doesn't have the resources to pay a monthly retainer or substantial hourly rate, consider soliciting bids from prominent law firms, emphasizing the charitable work of your agency. Don't be surprised if you receive proposals offering pro bono or dramatically discounted legal services.
6. Review emergency and crisis management procedures at least once a year with all staff and key volunteers. If you don't have procedures indicating "who does what" in the event of an emergency, make it a top priority to create them.
7. Update your written personnel policies and procedures every year and brief staff on the intent and content of these key policies. And when doing so, always KISS: Keep it simple, sweetie. The more voluminous your policies, the less likely it is that anyone (including supervisory staff) has read them. Give your handbook to individuals to whom an offer of employment has been made. Then, require that when individuals accept positions at your nonprofit, they also certify in writing that they have read and agree to abide by your policies. Provide an opportunity for any staff member to ask questions or seek clarification about your employment policies at least annually.

package, will alert the proper person who can determine if the contents contain a bomb.

Making certain that your personnel policies and procedures are clearly stated and understood by staff and volunteers will avoid responses of "I didn't know I couldn't wear short shorts to the jail" or "But, I was only visiting adult-oriented Web sites during my lunch hour!"

Acknowledging financial vulnerabilities will open the door to finding alternate funding sources, establishing a line of credit during good times and tailoring an insurance program to meet the needs of your nonprofit.

For the impetus you have no control over, things like natural disasters, arson or the board chair dropping dead the same day your executive director takes a new job, for these you need a crisis management plan. This plan would indicate who needs to be notified, who would run the organization, how clients would be served, what insurance covers, how to deal with the media, and everything else needed to fulfill the nonprofit's mission.

Now, let's get started. The first thing to do is to peruse this book.