Center For
Nonprofits & Philanthropy
THE BUSH SCHOOL • TEXAS A&M UNIVERSITY

ADAPTING TO TURBULENT TIMES

COVID-19: BUDGETING DURING A PANDEMIC

Sean Hale – Sean Hale Consulting

October 15, 2020

Moderated by Dr. Kenneth Taylor

Center for Nonprofits & Philanthropy

Excellence ★ Respect ★ Leadership ★ Loyalty ★ Integrity ★ Selfless Service

Founded in 2017, the Center operates with the belief that that nonprofits are instrumental in creating opportunities for all. This happens through capable leadership, excellent governance, and engagement of stakeholders. We also recommit to the principles of *public service and democracy* and the value of *diversity of thought and expression* that have helped The Bush School since its inception.

Our Mission: The CNP supports a vibrant nonprofit and philanthropic sector in Texas and beyond, through high quality research, professional outreach and engaged learning.

Our Values

Nonprofits
Opportunity for all
Board governance
Leadership
Engagement

Educational Opportunities

- Master of Public Service & Administration
- Executive Master of Public Service & Administration
- Certificate in Nonprofit Management
- Continuing & Professional Education Courses

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You should engage a professional to obtain advice with respect to any specific financial or operational matter to ensure it is applicable and appropriate to your specific situation

SEAN HALE

- 20+ years in the nonprofit sector
- Former CFOO at Mission Capital
- Today = Independent Consultant
- Specializes in nonprofit administration:
  - Finance
  - Technology
  - HR
  - Operations
  - Saving money
  - Working smarter (not harder)

BUDGETING DURING A PANDEMIC

1. Frugal vs Cheap
2. Buy in for Difficult Decisions
3. Managing Wild Cards

CULTURE OF CHEAPNESS

- Puritan and Calvinist Roots
- Overhead Myth
- Lose sight of the big picture

"COMPANIES THAT BALANCE CUTTING COSTS AND INVESTING TO GROW DO WELL AFTER A RECESSION"

Gulati, Nohria, and Wohlgezogen

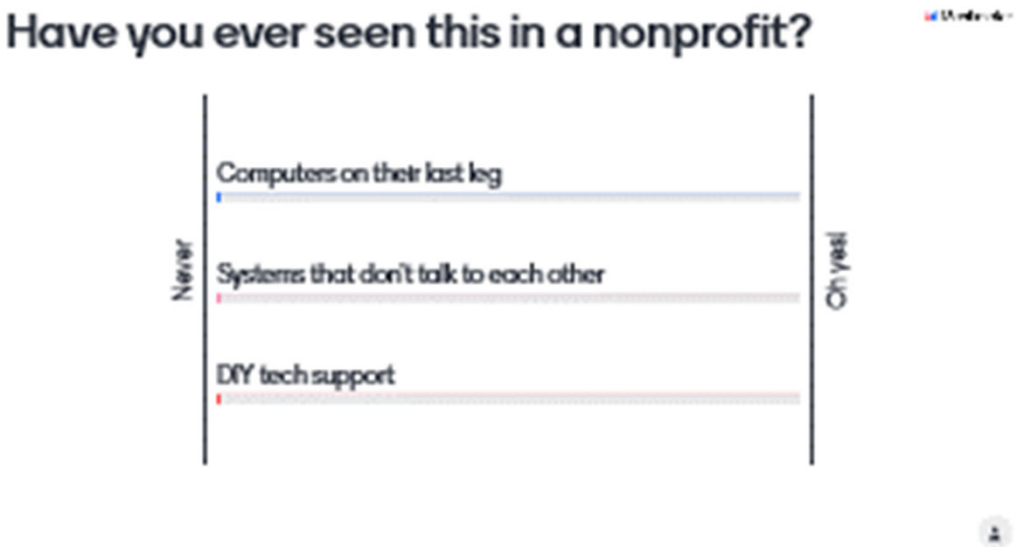
March 2010

Harvard Business Review

FRUGALITY IS SO MUCH SMARTER

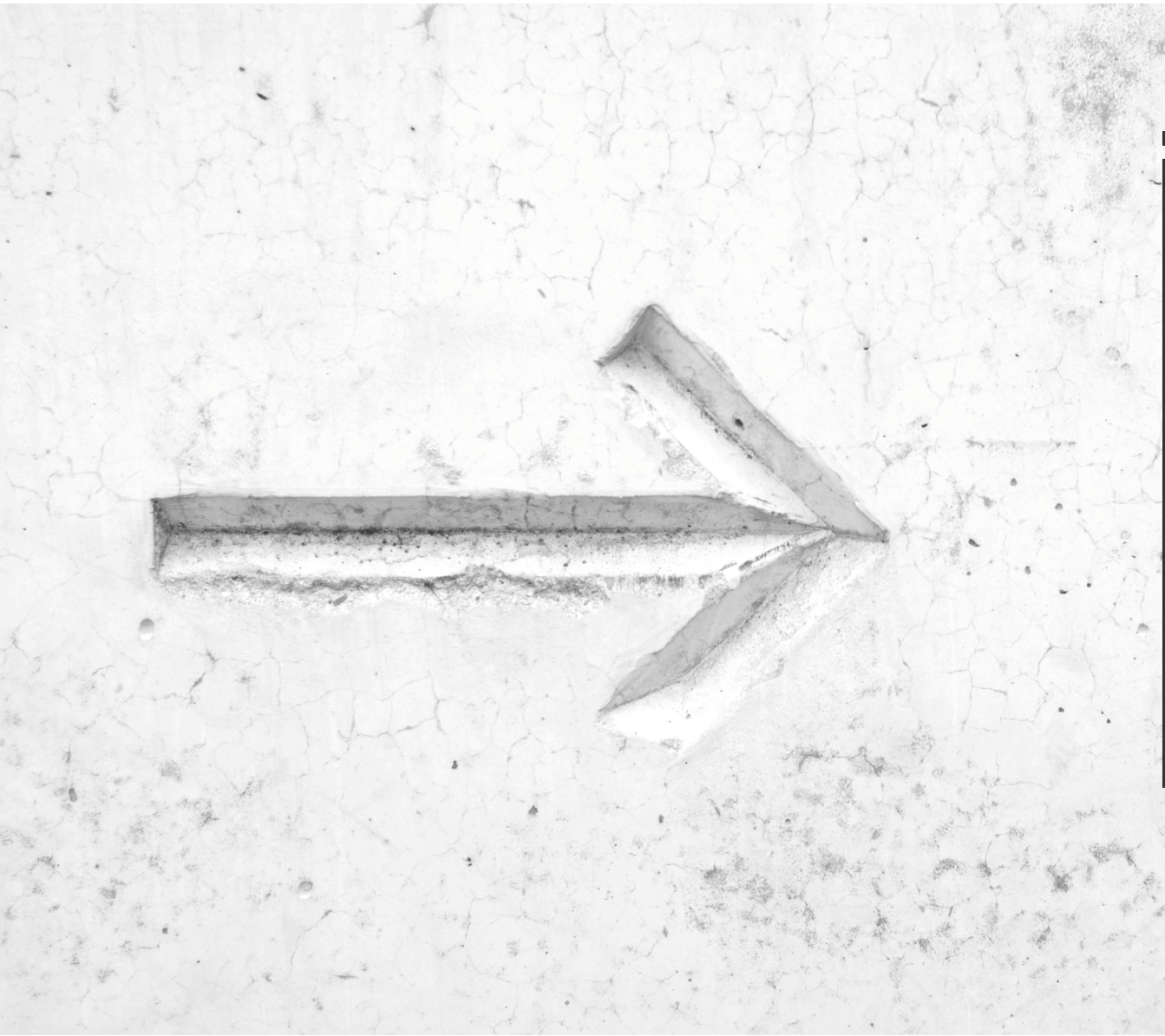
- How long will this product last?
- How efficient is this tool?
- What's the overall impact of using X versus Y?

DOES THIS LOOK FAMILIAR?
GO TO WWW.MENTI.COM – CODE 11 81 77 2



TRANSITIONING

FROM CHEAP TO FRUGAL



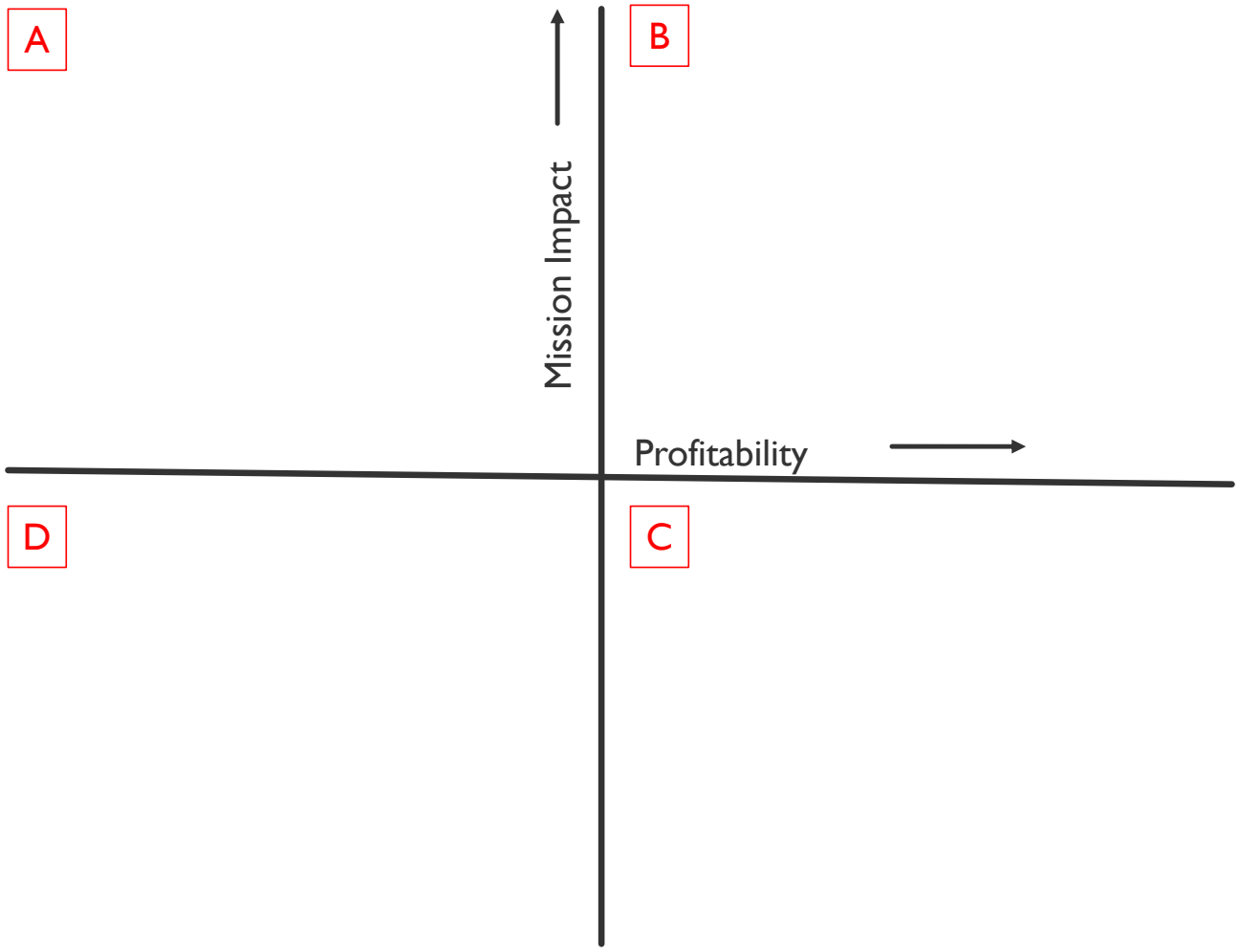
- 15 min/day = 60 hours/yr
- Comp of $50k = $25/hr
- $25 x 60 = $1,500/yr

- New laptops = $700

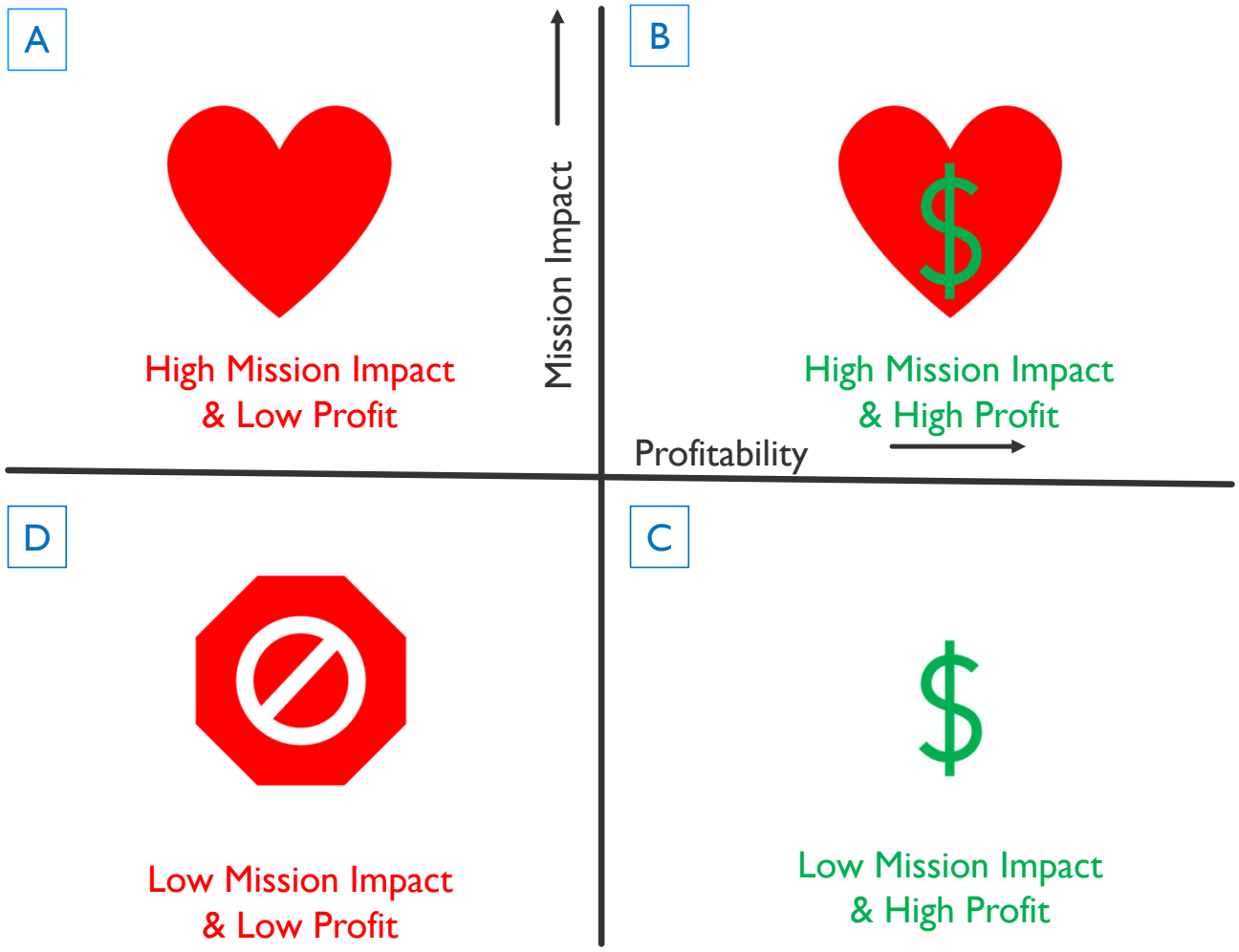
CREATING BUY IN FOR DIFFICULT DECISIONS

THE MATRIX MAP

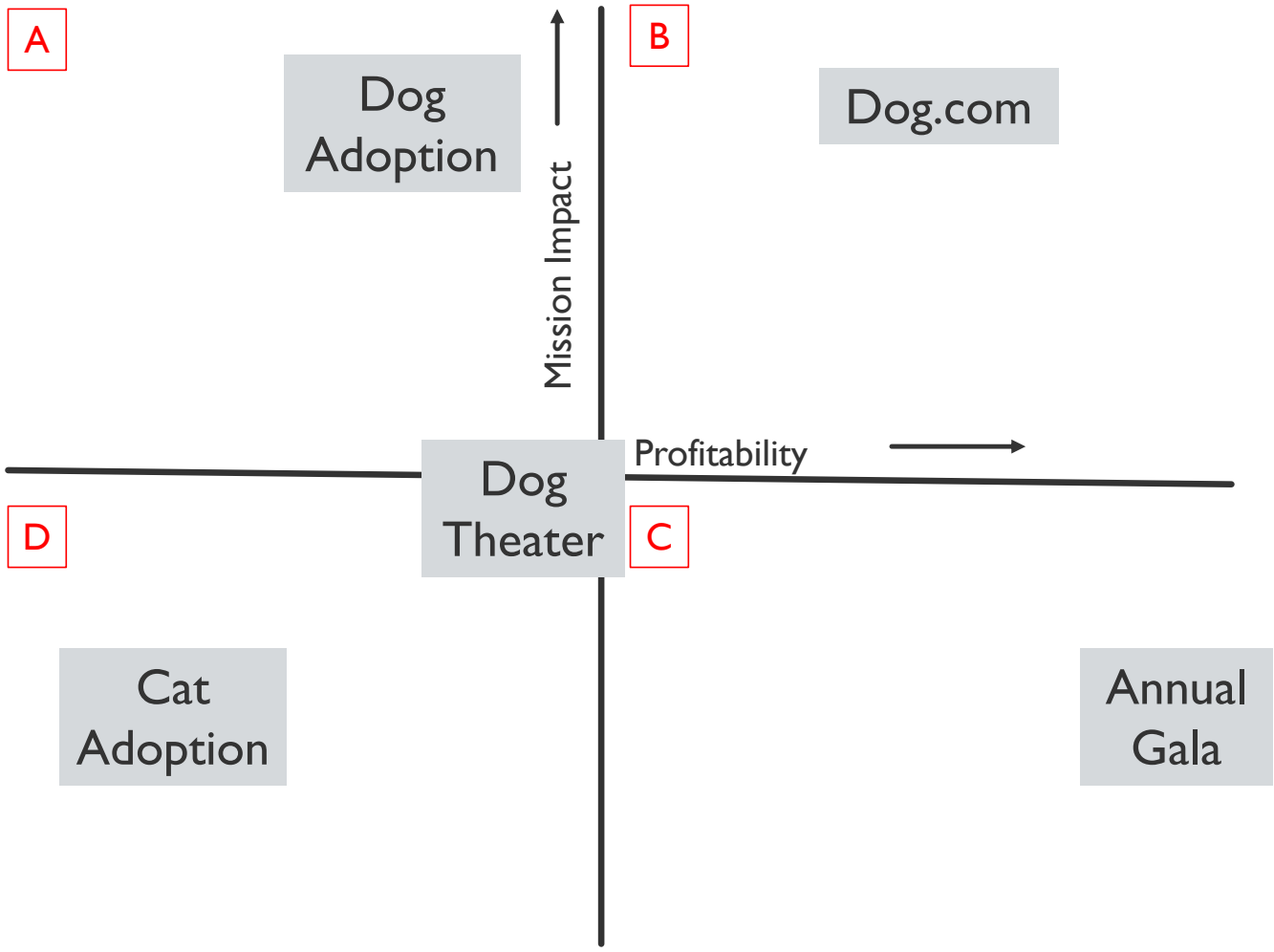
MATRIX MAP



MATRIX MAP


A
B
D
C
Mission Impact
Profitability
High Mission Impact
& Low Profit
High Mission Impact
& High Profit
Low Mission Impact
& Low Profit
Low Mission Impact
& High Profit

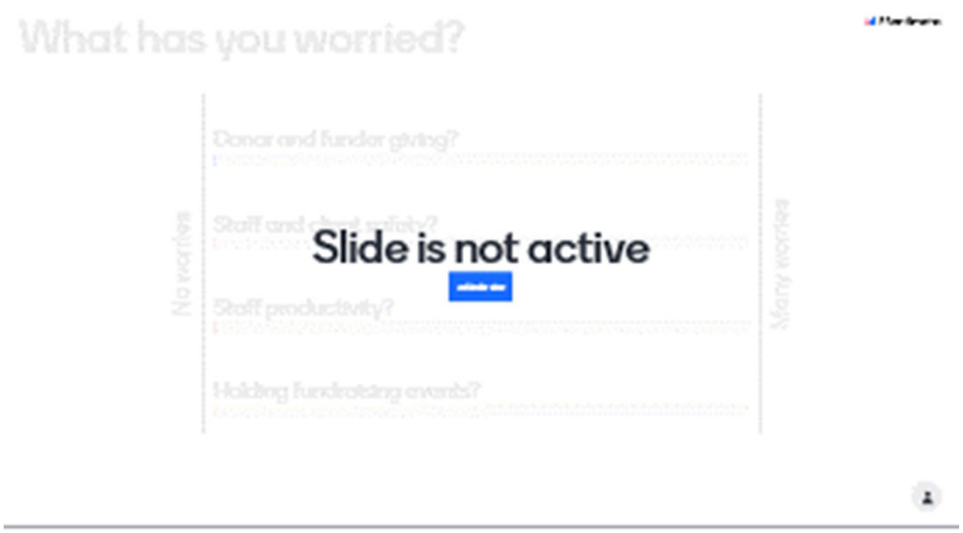
MATRIX MAP


A
Dog Adoption
B
Dog.com
Mission Impact
Profitability
Dog Theater
D
C
Cat Adoption
Annual Gala

THE MATRIX MAP

BUDGET WILDCARDS

UNCERTAINTY CREATES WORRY
GO TO WWW.MENTI.COM – CODE 11 81 77 2

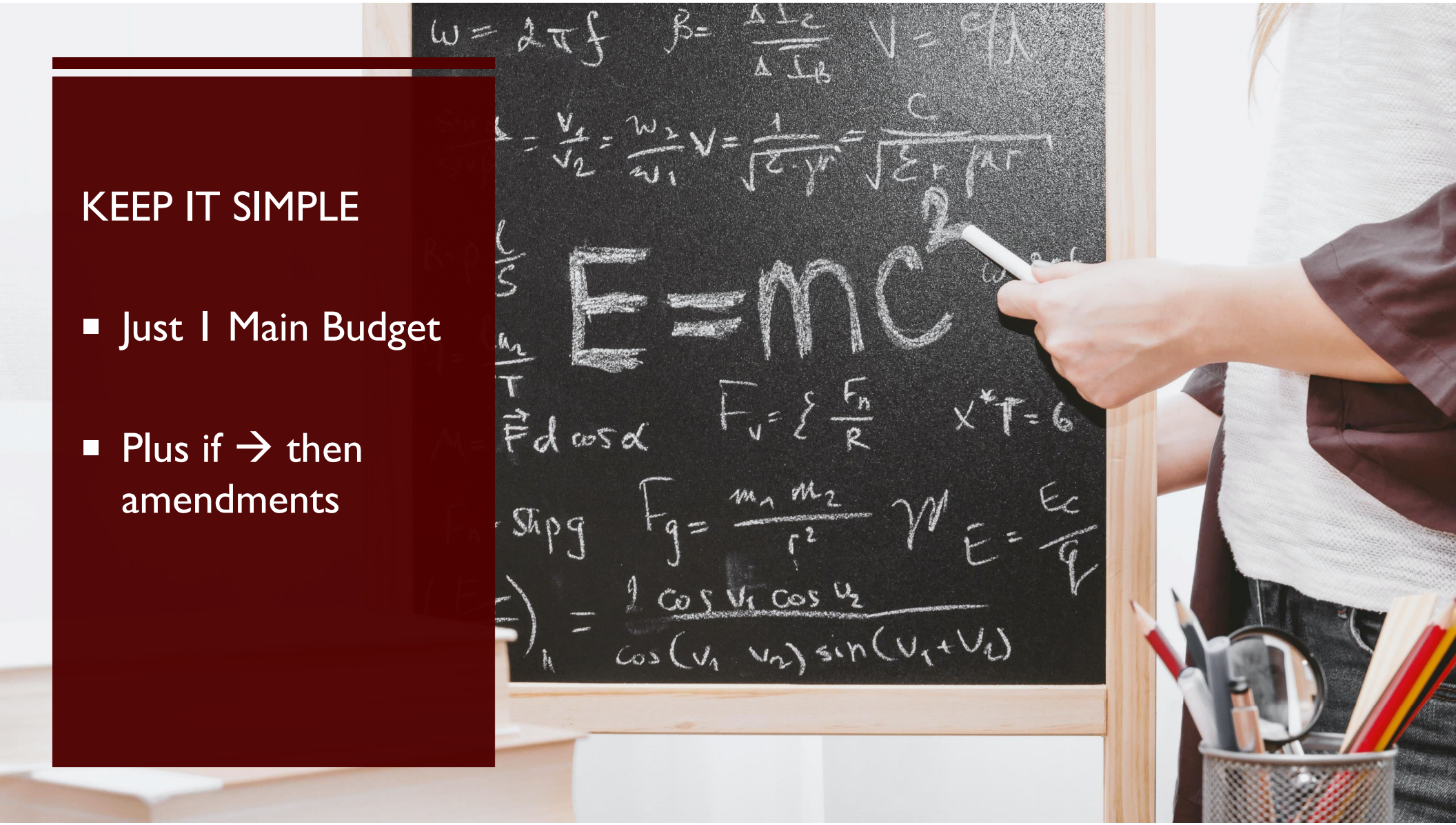


MAKING YOUR BUDGETS

MOST LIKELY CASE

KEEP IT SIMPLE

- Just 1 Main Budget
- Plus if → then amendments



SAMPLE BUDGET
SAVE THE DOGS SOCIETY

Most Likely budget

- Core programs continue: Dogs.com, Dog Adoption
- Gala Continues @ 75%
- Cat Adoption Cancelled (grant not renewed)
- Dog Theatre spun out

SAMPLE BUDGET
SAVE THE DOGS SOCIETY

Worst Case Scenario

- Dogs.com revenue down 50%
- Gala down 50%
- Dog Adoption down 25%
- Cat Adoption Cancelled (grant not renewed)
- Dog Theatre spun out

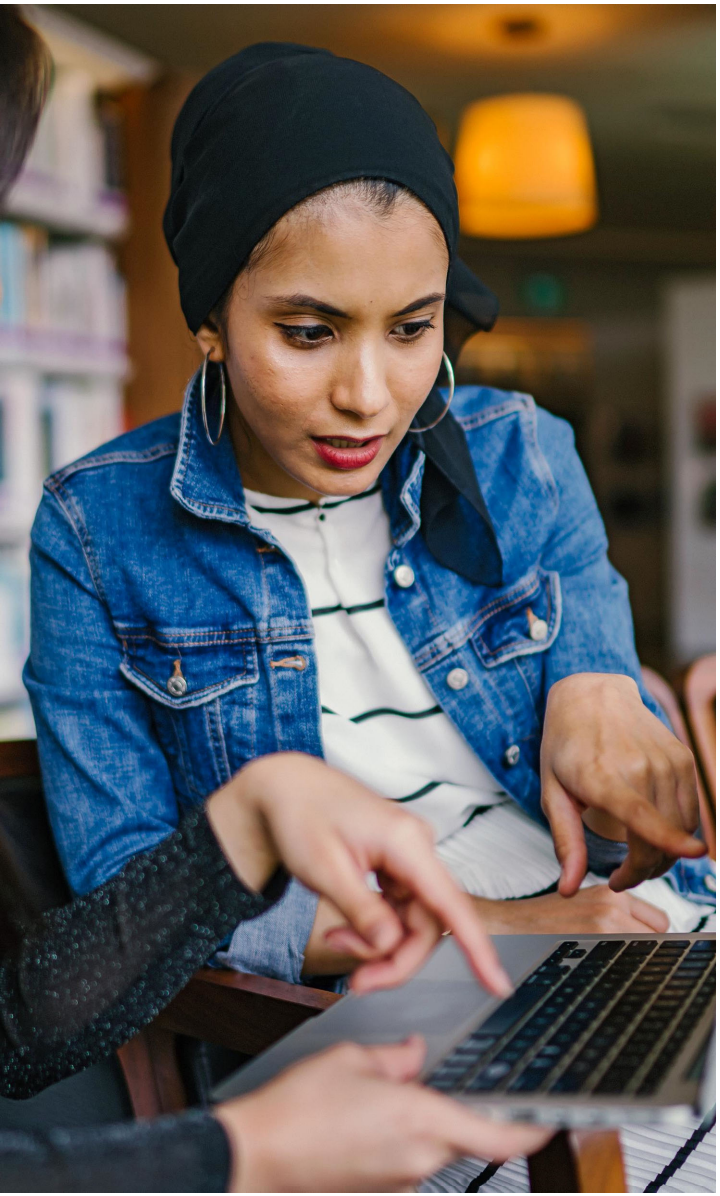
SAMPLE BUDGET
SAVE THE DOGS SOCIETY

Best Case Scenario

- Cat Adoption grant renewal
- Angel donor for Dog Theatre
- XYZ Foundation grant offsets revenue shortfall

MORE BUDGET TIPS

- Nonprofits can run a deficit
- Nonprofits can make a profit
- If revenue fluid, plan to adjust budget every 3-months



SUMMARY

- Frugality – How are you going to make the change?
- Matrix Map – Clarity and Buy-In
- Budgets – Might need multiple scenarios

SEAN HALE

- Nov 17 Webinar
  "Beyond Belt Tightening"
  Promo Code: CNP

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