

Be Thankful... By Getting Ready



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Countless Americans will take time this week to pause and give “thanks”—for healthy families, for regular employment, and for a beautiful meal prepared with skill and love. During these reflective moments many of us will think about the nonprofit sector organizations that improve our lives, brighten our communities and give us renewed hope about living in a global society. One of the most valuable “gifts” we can give the nonprofits we serve is the gift of planning for an uncertain future. But there is no need to wait for a crystal ball to arrive during the upcoming holiday season. The truth is that none of us can predict, with any degree of certainty, exactly what the future holds for the nonprofits where we serve as staff members or volunteers. Yet rather than inspiring a sense of hopelessness—or worse—panic, recognizing the inherent uncertainty of the future should reinvigorate our commitment to plan... and think ahead.

With “thinking ahead” in mind, I’ve drafted a list of questions to inspire your creative thinking. My Thanksgiving wish is that these questions will help you “get ready” for 2012, and that the answers will enable you to anticipate the New Year with renewed confidence in your mission and capabilities.

The Budget

- Does our draft Budget for FY 2012 reflect what we have learned about evolving donor, funder, client and member wants, needs and preferences?
- Does the draft Budget accurately reflect the Board’s overall philosophy, such as the desire to rebuild depleted reserves, operate on a break-even basis, or spend a portion of unrestricted net assets to continue or expand critical services?

Our Risk Management Program

- Does our existing collection of [risk management policies](#) suit our needs for 2012? What additional policies or changes in policy are warranted by our changing environment, challenges, or structure?
- When was the last time we conducted a [Risk Assessment](#) to identify and evaluate our critical risks? Have we followed up and followed through on the action items from the Assessment?
- Is our Risk Management Committee engaged and effective? What changes in focus or activity might be in order to increase the value of our risk management activity in 2012? How might we re-engage this important team of ambassadors to support and advance our risk management goals and objectives?

Governance

- Is our current governing structure (e.g., size and authority of the board, relationship of the board to the staff, number and focus of board committees) well-suited for the challenges we will face in 2012? If not, are we actively exploring the opportunity to update our structure, or waiting for it to “break”?
- Are the key governance policies of the organization organized in an easy-to-use policy manual accessible to all board members?
- Are board meeting agendas structured to help the board focus on strategic issues or are we using an antiquated agenda with routine reports up front and controversial or strategic issues saved until the end of the meeting when energy levels are low?

Answering the questions above won't ensure a surprise-free 2012. But exploring these questions is one way to help your nonprofit get ready for the inevitable changes and the occasional surprise you're certain to face.

Melanie Lockwood Herman is Executive Director of the Nonprofit Risk Management Center. She welcomes your ideas about any risk management topic, feedback on this article and questions about the Center's resources at Melanie@nonprofitrisk.org or 703.777.3504. The Center provides risk management tools and resources at www.nonprofitrisk.org/ and offers [consulting assistance](#) to organizations unwilling to leave their missions to chance.