



THE NONPROFIT  
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OREGON

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## Planning During Change: Financial Scenario Toolkit Instructions

This toolkit has been developed to provide nonprofits a starting point as they consider near- and mid-term plans for their organization amid uncertainty.

**This portion of the toolkit covers instructions for:**  
Financial Scenario Modeling  
Weekly Cash Flow Planning

### What these tools are:

- An opportunity to take stock of financial scenarios you may face and plan responses
- A tool to conduct some cash-flow projections for response planning
- A launching point for conversations with board, staff and stakeholders

### What these tools aren't:

- A final answer to your unique situation
- A static place you must or will stay in

### How to use it:

- Have the person responsible for keeping your organization's finances do a rough draft of the modeling and cash flow with the ED or Board Chair first so there is a starting scenario. This will provide team members something to react to when you bring them together for their reflections and "testing" the hypotheses in the documents.
- Take reflections from the people responsible for delivery of the mission.
- Dial up and dial down your expectations of the scenarios and notice any new or different expenses and gaps in funding you may need to fill.
- Don't let this plan sit on a shelf! Use it and fine tune it. It can be an incredible management tool!

## Financial Scenario Modeling

Once you have set some parameters around your operating environment, what drives need and your capacity, and made some assumptions about possible futures, it's time to build some financial scenarios to guide your action plan. The Financial Scenario Modeling Excel tool helps you to think through possible scenarios for changes in your revenues and expenses.

The tool is made up of three sheets:

- Scenario REVENUE
- Scenario EXPENSE and
- Scenario SUMMARY

By using the planning you did in the “Planning Your New Normal - Plan on a Page,” you can now make projections on what revenue goals you may not achieve, what new or changed expenses you may have for operating, and what those look like in a summary projection for your organization.

Step 1: Put your current budget in Column B on the “Detailed Scenario REVENUE” sheet.

Step 2: Determine if a revenue is fixed or variable and the % variability.

Step 3: Dial up and dial down your assumptions on the likelihood of getting the funding identified on each line. (The results of these steps give you three scenarios of your revenues for each line and totals at the bottom.)

Step 4: Repeat the same on the Detailed Scenario EXPENSE sheet, but here you are looking at three scenarios for the each expense line.

Step 5: On the Detailed Scenario SUMMARY sheet you will have the tabulations linked from the revenue and expense sheets, as well as space to make detailed notes-to-budget for the scenario planning you did in the “Plan on a Page” tool.

Remember, try not to get lost in the uncertainty of the future. Instead use this as a time to consider the range of impacts your organization may face. You can revisit your assumptions at any time based on new information you gain. The situation is dynamic, you need to be as well!

## Cash Flow Projections

The Cash Flow Projection Template allows you to monitor your vitals and triage your cash position on a weekly and monthly timeframe. This tool will allow you to consider the range of impacts that cash availability may have on your organization's financial health and future. Be sure to project *ACTUAL* cash in and cash out. “Hope” should be scrubbed from your projections; be real with yourself and your team. Shoot for accuracy, try not to assume. Your gaps will become your goals and it is better to know the gaps you have so you can take actions to close them. Remember, you can revisit your assumptions at any time based on new information you gain. The situation is dynamic, and your cash position will be dynamic as well!