

Nonprofit Board Members Response to COVID-19

Now more than ever, nonprofit boards are being called upon to take the lead in ensuring organizations have the resources (financial, human, capital) needed to operate, especially in times of a crisis like the COVID-19 pandemic. You can read more about the role of boards in fundraising [here](#). In light of the current situation, solid practices dictate that nonprofits boards, in partnership with their executive director and development staff, must take the initiative to seek out funding from a variety of sources, including non-traditional sources.

While grants and general charitable contributions are two forms of support, the level of need in the community will exceed the capacity of these traditional resources. The recently passed CARES act includes specific language about charitable organizations' eligibility for loans, some forgivable, meaning there is direct funding support available through the federal stimulus. To weather this crisis, nonprofits will need to access all sources of support, including loans.

Nonprofit lending may be a new concept for many board members, so staff and board should become educated about what accessing loans means for the organization, and what the board's fiduciary responsibilities are with regard to taking out loans. We encourage nonprofits to visit with the organization's CPA or the firm that conducts the yearly audit, and the organization's bank for advice, education and support.

A L I C O

We have included additional resources about loans and where nonprofits can obtain assistance in applying. Please also check mclennanonprofits.org and actlocallywaco.org/cvresources for updates. Nonprofits should be advised that federal loans are first come, first served, and to be prepared to apply as quickly as possible.

Check out the resources below to learn more.

Nonprofit Finance Fund on What Nonprofits Should Do Right Now
<https://nff.org/blog/covid-19-what-nonprofits-should-do-right-now>

Chamber of Commerce Foundation Briefing on Coronavirus Funding for 501(c)(3) Nonprofits
<https://www.youtube.com/watch?v=IzqDIKbc3G0>

Propel Nonprofit's Guide to Borrowing for Nonprofit Organizations
<https://www.propelnonprofits.org/resources/using-loans-guide-borrowing-nonprofit-organizations/>

