



Organizational Warning Signs

Make a list of the warning signs that your organization might experience that could significantly impact or change the organization.

For example:

Client Demand

- Has there been a significant change or could there be a significant change in client demand for services or community needs?
 - Are your client numbers up or down from last year, last quarter?
 - Any significant change in community need or your numbers may require scenario planning.
- Are there any significant differences in the clients, their demographics, level of need, problems or issues or other information that may need to be addressed by your organization?

Outcome Measures

- Are your outcome measures on track for what you projected? Are you seeing any trends or changes in the measures that need to be evaluated?
- Are any measures much higher or lower than anticipated? Have you evaluated why?
 - If the measures (targets) are higher or lower, this may indicate that you need to evaluate and determine what is happening and a rationale for the difference.
- Are the measures providing information not only for funding but for program management? Is the data useful to spotting trends, program planning, and budgeting?

Funding Changes

- What is happening to your key or major funders (defined as funding over 30% of budget)?
 - Are any of your major funders expected to make cuts in this or next fiscal year? How secure is your funding from them?



- Are funders cutting or projecting cuts in the near future.
- What does the current year and the next year look like in terms of continued funding? How are your individual donations, events, or other contributions compared to last year and the year before?
 - Any significant loss of funding (10% or more) would require scenario planning to adjust the organization's budget.
- What are the current and future economic forecasts? Any significant trends? Is there a potential for the loss of funds or some type of looming economic crisis that will change the landscape for what you do, how you deliver services, or how you are funded?
 - Any significant job lay-offs in your community could mean a reordering of services and funding priorities. The economic crisis of 2008-09 means most nonprofits need to be doing scenario planning.

Fundraising Changes

- Individual donations and events may need to be reconsidered and revised. Fundraising trends should be reviewed and analyzed.
 - If your organization relies on one large fundraising event per year to fund a significant portion of your expenses, it might be time to do some scenario planning to develop additional ways to fund your organization.
- If the mid year evaluation indicates, that fundraising efforts are not meeting goals, it is time to reevaluate and strategize around fundraising plans.

Financial Changes

- What is the current financial situation of your organization? Did you have a deficit last year? What are you projecting for this year?
- Are your revenue sources on track with your cash flow and budget projections?
- What is your cash flow both current and projected? Do you have sufficient cash flow projected to cover payroll and current expense?
 - A deficit last year and a projected deficit this year mean you need to start scenario planning early in the year.



Adjustments only become more difficult the longer an organization waits to react to a crisis.

- Is every program providing the revenue to cover its expenses?
 - Do you have a program based or line of business budget so that you can see each core program by line of business with both the revenue and expenses aligned by program.
 - Is your chart of accounts set up so that you can produce financial statements by your programs or lines of business?



WORKSHEET

Checklist guideline to follow:

List concerns under each bolded title that need to be reviewed for your business:

- **Community:**

- **Client driven:**

- **Major funding sources:**

- **Economic Issues:**

- **Financial Health of the Organization:**

- **Fundraising Patterns/Expectations:**