

# **Resources for Open Society Foundations Grant Makers on Supporting Grantee Financial Resilience during the COVID-19 Pandemic and Beyond**

**GRANT MAKING SUPPORT GROUP**

April 2021

## Introduction

The COVID-19 pandemic is causing innumerable suffering and threatening the work and viability of organizations that are vital to open societies around the world. In the face of unprecedented challenges in these uncertain times, resilience—the ability to adapt and endure—has never been more critical for our grantee partners or for realizing the mission of the Open Society Foundations and the kind of enduring, long-term change we seek.

This document captures key questions and additional resources to aid grant makers in their understanding and assessment of the impact that the COVID-19 pandemic has had, or will have, on the financial resilience of our organizational grantees. We hope that the insights shared can help grant makers and our grantee partners working tirelessly to respond and adapt to the new realities caused by the pandemic. There will be much more to learn in the coming months and possibly years, about what it takes to respond and adapt to a global disruption of this magnitude.

### What will you find in this document?

This document is an optional resource for grant makers who are navigating the impact of the COVID-19 pandemic on their grantees. It shares questions and considerations that grant makers may use to approach these situations thoughtfully and meet the needs of our grantee partners during these challenging times. Developed in collaboration with colleagues across the network, it draws from the experience, good practices, and insights of Open Society grant makers and features a collection of related resources from the philanthropic sector.<sup>1</sup>

Although this document focuses on grantee financial resilience in the context of the COVID-19 pandemic, we acknowledge these considerations are also important when ending funding relationships with grantees in this environment. For specific guidance from the Grant Making Support Group on understanding the impact of exiting a funding relationship, please refer to [Ending Funding Relationships: Guidance on Exiting Strategically and Responsibly](#).

### Thoughts or questions about this guidance?

The Grant Making Support Group (GMSG) is constantly seeking to improve our guidance and knowledge products for grant makers by grounding them in real Open Society experience.

If you have best practices and insights that would be useful for other colleagues, we want to hear from you. Please get in touch with [gmsg@opensocietyfoundations.org](mailto:gmsg@opensocietyfoundations.org).

---

1 This document has been informed by GMSG research and conversations with OSF colleagues from the Human Rights Initiative, Economic Justice Program, Open Society Initiative for Europe, Roma Initiatives Office, Program on Independent Journalism, Eurasia Program, and Education Program. Special thanks to Borislav Petranov, Sarah Pray, Ali Khan, Shuwei Fang, JJ Robinson, Anita Czinkoczi, Manuela Demir Kariman, Tin Gazivoda, Anca Florian, Anna Segelman, and John Kowalzyk.

## Advice on Conversations about Financial Resilience

- **Trust is the most important commodity in any funding relationship.** Maintaining and creating a strong sense of trust is particularly important in conversations with grantees about financial resilience. Your strategy for these conversations should depend on the level of trust in your relationship with an organization.
- **Regularly engage grantees with patience.** Constant developments during the pandemic have imposed further limitations on organizations that may limit access to reliable information on a timely basis. It is also particularly difficult for new grantees, start-ups, or organizations struggling financially to open up for fear of losing funding. Given these factors, it is even more important to engage organizations through regular contact. Be as patient, empathetic, and flexible as possible.
- **Manage expectations by sharing your goals and timeframe for working with the organization.** Explain why you are asking these questions and how you will use the information to frame the conversation from the outset. The longer you hope to support an organization, the more you can delve into the organization's long-term strategy, business model or financial position in order to help them achieve their objectives.
- **Start conversations at a high level with open-ended questions before warming up to specific issues.** Closed, interrogative questions are likely to result in reluctance to discuss vulnerable issues. Initiate conversations with open-ended questions on general topics before gradually moving to specific topics such as financial planning, monitoring or management.

## Questions for the Grant Maker

- What has been your approach to engaging grantees in order to understand and support their needs during the pandemic?
- Based on your assessment of the organization, how have you tailored funding to help the organization's capacity, resilience, and long-term sustainability?
- If you are providing flexible long-term support, what strategies has the organization identified or developed to build resilience against risks in the long term?
  - Does the organization possess the capacity and resources to support this plan?
- If you are funding a time-bound project, what are the organization's opportunity costs by working on this project?
  - What are the tradeoffs for your portfolio and/or the greater field by funding this project?
- How will supporting the organization benefit or affect the larger field?
  - To what extent does/could this organization play a greater role in strengthening the resilience of the field?
- Are there other ways to support the organization beyond grant making? (*e.g.*, facilitating opportunities for networking, capacity building, funding diversification, directing to existing resources, connecting with consultants to address specific needs, seeking [Equivalency Determination](#) for the organization, etc.)

## Questions to Consider Related to Grantee Financial Resilience

Grant makers are encouraged to explore the following questions when assessing the impact of COVID-19 on their grantees. Please exercise judgment to tailor questions for the grantee's specific context and circumstances, rather than using these as a checklist or template.

### Operating environment

- What is the expected impact of this pandemic on the organization's work and the greater field in the short, medium, and long term?
- What are the biggest external risks to the organization beyond its control? (e.g., economic recession, changes in the funding environment, restricted access to rescue/aid packages, attacks on civil society organizations working with vulnerable populations, disinformation, etc.)
- Are there any threats or opportunities within the organization's sphere of influence?

### Mission and vision

- Will the grantees' mission and vision require re-thinking due to the changing operating environment? If so, how?

### Strategy/Impact/Influence

- What changes are the organization considering adopting in terms of strategies, practices, and/or policies in response to changes in its operating environment?
- What are the biggest challenges to the organization's ability to meet its strategic objectives?
- What previously expected outcomes will not materialize because of the pandemic, in the short, medium, and long term?
- Has the organization made changes to or reductions in existing or planned programming?
  - If not, is the organization expecting to discontinue or suspend activities because of the pandemic?
  - If so, which ones and by when? (e.g., communications, advocacy, training, litigation, etc.)
  - What insight/criteria did the organization use to make these decisions?

- Are there emerging opportunities in the field, and how is the organization rethinking its strategy to respond to them, if at all? (*e.g.*, expanding COVID-19 response advocacy, increasing online presence, constituencies or memberships, raising visibility within communities, etc.)
- Are there any target groups that the organization will reach/be able to represent less effectively than before the pandemic? If so, which ones?

### Operational

- What has been the impact of the COVID-19 pandemic on staff well-being?
  - What measures has the organization taken to protect and accommodate staff?
  - Is the organization complying with local laws and official health guidelines?
  - If the organization has moved to remote working, what systems and technology are required to support those efforts?
- Has the organization had to undertake budget modifications, operational adaptations, or fundamental restructuring? (*e.g.*, increased remote working expenditures, office closures, etc.)
  - If not, do they foresee having to do so in the future, and by when?
- Has the organization managed to adapt its operations to online platforms? (*e.g.*, key services and activities)
  - To what degree and in what ways has this shift been possible?
  - What has been the impact on the organization as a result?
- Has the organization had to (or foresee having to) adjust staffing, how and/or by when? (*e.g.*, redeployments, restructuring roles or responsibilities, pay cuts, furloughs, redundancies, etc.)
- Has the organization engaged more volunteers?
  - To what degree, and for how long, does the organization expect to be able to sustain its operations on a volunteer basis?
- Does the organization have a plan for crisis response and/or business continuity? What does it entail?
  - What strategies has the organization developed/identified to build resilience and preparation against future risks?

## Financial

- What has been the impact on the organization's finances this financial year and how does the organization anticipate being impacted going forward?
- Has there been (or is there anticipated to be) a disruption to the organization's cash flow?
  - What is/are the cause(s) of this disruption? (e.g., withdrawn or discontinued grant funds, more limited opportunities to fundraise from the general public, donors extending application timeframes, etc.)
  - How has this cash flow disruption affected the organization's budget and operations as a result?
- What is the current (or projected) loss to their unrestricted income and to their total income?
  - What has been (or will be) the impact on the organization as a result?
  - How long does the organization expect to be able to operate under current conditions?
    - How many days/weeks/months of cash on hand/liquidity is available to run the organization?
- What actions has the organization taken to address these impacts during the pandemic?
  - Has the organization drawn down its reserves (if any) and to what degree?
    - What is the plan to replenish reserves in the future?
  - Has the organization identified new funding opportunities or income generating activities?
    - If so, what are the revenue sources and type(s) of income the organization expects to cultivate? (e.g., unrestricted vs. restricted)
    - To what extent do these revenue streams replace any lost funds?
    - What impact, if any, do these new income streams or opportunities have on the organization's mission, vision or strategy?
  - Has the organization sought funder flexibility on their spending plans, project delivery, and reporting requirements?
  - Has the organization applied for new emergency funding or loans (assuming such resources are accessible)?
  - Has the organization launched public appeal for support?

- What is the most important thing for the organization’s sustainability and resilience?
  - What is critical for the organization’s ability to recover and rebuild, beyond immediate emergency needs?
  - What are the organization’s greatest risks and vulnerabilities not only at this moment, but also in the future?
- Are there any positive or negative outcomes that financial questions for the organization have not covered?

## Internal Resources for Supporting Grantee Resilience during the COVID-19 Pandemic

- [\*Organizational Resilience and Addressing Donor Dependency. A Guide for Open Society Grant Makers\*](#)—This guide explains why we care about grantee dependence on our funding and your role as a grant maker in helping to safeguard the ongoing work and survival of our grantees.
- [\*Organizational Assessment Guide: Using Eligibility Assessments to Understand Organizations and Advance your Grant Making\*](#)—A guide designed to help you think about the questions that lead to insight about an organization, and provide tips for how to write an assessment that is useful to you and to current and future colleagues.
- [\*Ending Funding Relationships: Guidance on Exiting Strategically and Responsibly\*](#)—This document, developed by the GMSG in collaboration with the Strategy Unit, offers guidance on strategically and responsibly exiting lines of work and ending funding relationships. Drawing from the experience and insights of Open Society grant makers and good practices from the philanthropic field, this guide shares questions to approach these situations thoughtfully and respectfully.
- [\*Funding Independent Journalism: How to Responsibly Fund Media Organizations\*](#)—This short guide, created by the Program on Independent Journalism with support from the GMSG, is intended for the many Open Society programs and grant makers beyond the journalism program that provide grants to support the work of independent media around the world.
- [\*Survey: Impacts of the COVID-19 Pandemic on NGOs\*](#)—A survey conducted in April 2020 by the Open Society Fund Prague showing that a vast majority of NGOs fear running into financial difficulties as a result of the COVID-19 pandemic, and are expecting a great reduction in the services they provide both now and in the future.
- [\*Defending Open Societies in the Context of COVID-19: The Role of Philanthropic Foundations in Responding to the Pandemic and the Case of the Open Society Initiative for Southern Africa\*](#)—This is a short paper by the Open Society Initiative for Southern Africa published on September 1, 2020, on the role of philanthropic foundations responding to COVID-19-induced health, democracy, and human rights threats.

- [\*Impact Framework to Capture Effects of COVID Decisions\*](#)—A guidance document produced by the Open Society Initiative for Europe on June 3, 2020, to provide a framework for understanding the impact of budgetary decisions on grantees and the greater fields in which they work, and how they compare/interact with the approaches of other donors active in the same spaces.

## External Resources for Supporting Grantee Resilience during the COVID-19 Pandemic

### General COVID-19 Resources for Funders

- Bridgespan, “[COVID-19 \(Coronavirus\) Resources for Philanthropists and Impact Investors](#)”—This collection of online resources is specific to the needs of funders, including individuals, foundations, and impact investors. It offers guidance on navigating the COVID-19 pandemic—both responding to immediate needs and preparing for the likely economic downturn.
- Candid, “[Measuring the State of Disaster Philanthropy](#)”—This platform is a data visualization application developed by Candid in partnership with the Center for Disaster Philanthropy. The platform provides a tool to map/visualize funding flows by philanthropy by disaster type or disaster assistance strategy; view and sort by donors, recipients, and funding data in table form; and see networks of philanthropic funding.
- Candid, “[COVID-19 Funding Summary](#)”—A pop-up page updated daily for nonprofits seeking support with the COVID-19 pandemic, funders wishing to learn what their peers are doing, and all seeking to know more about philanthropy's response to the pandemic.
- Center of Disaster Philanthropy (CDP), COVID-19 webinar series for funders who want to respond effectively and efficiently featuring expert panelists on pressing issues during the pandemic.
  - “[COVID-19: Past Epidemics and Vulnerability—Lessons for Funders Today](#)”
  - “[COVID-19: Making Effective Rapid Response Grants](#)”
  - “[COVID-19: Place-based Grant Makers and Investing in Local Communities](#)”
  - “[COVID-19: How Philanthropy Can Stand Up for Vulnerable Populations](#)”
- Charities Aid Foundation of America, [Future-Proofing Nonprofits for the Post-Pandemic World](#)—Webinar and report based on a poll of 805 charitable organizations representing 152 countries about the skills these resilient charities have relied on to persevere and those they have focused on strengthening as they strive to continue providing services through the pandemic and emerge stronger than before.

- Council on Foundations (COF), “[COVID-19 Resource Hub](#)”—This resource hub includes COF’s legal, FAQ, and public policy resources, links to other externally curated resources for foundations, examples of response funding opportunities across the United States and globally, and philanthropic news on COVID-19.
- EPIC-Africa and @AfricanNGOs, [The Impact of COVID-19 on African Civil Society Organizations: Challenges, Responses and Opportunities](#)—This report is the first of its kind to focus exclusively on the impact of COVID-19 on African CSOs based on a survey of over a thousand African CSOs from 44 countries. It captures how they are responding to the crisis while safeguarding their organizations, highlights opportunities and crucial challenges that emerged from the crisis which need to be addressed in support of the recovery and sustainability of African CSOs. This report fills a critical knowledge gap with data-based evidence to inform the engagement of funders with African CSOs, both during and after the pandemic.
- Public Allies, [COVID-19: Impact on the Nonprofit Sector](#)—Key findings from a survey of 320 nonprofit professionals that focused on three questions: Are organizations anticipating an increase in requests for services moving forward because of the economic impact of the crisis? If so, what are the types of services they anticipate being in demand? Do organizations envision needing to deliver services and programming differently going forward, and if so, what supports are needed? Not including financial support, what resources do organizations need to weather this crisis?
- Racial Equity Tools, “[COVID-19–Racial Equity & Social Justice Resources](#)”—A comprehensive collection of COVID-19 resources relevant for racial equity and social justice, conveniently organized by resource categories.
- Worldwide Initiatives for Grant makers Support, “[Resources in Response to COVID-19](#)”—Searchable database of the network’s members and partners crisis responses, includes resources from outside the network relevant in understanding the global response.

### Resilience

- S. D. Bechtel, Jr. Foundation, [Resiliency Guide](#)—Tool for grant makers to deepen thinking about where, when, and how to invest in capacity building as they assess an organization’s ability to adapt and achieve long-term success. The guide examines a dynamic context across seven factors: culture of learning, talent and leadership, context, planning and execution, reputation and communications, partnerships and alliances, and financial footing.
- IssueLab, “[Resilience at Work: How Nonprofits Adapt to Disruption. How Funders Can Help](#)”—How can nonprofits survive, and even thrive, amid shocks? This research points to seven crucial characteristics, and surfaces principles and practices for funders who seek to boost grantee resilience.

### Operating Environment

- Nonprofit Risk Management Center, [Anything Could Happen: The Wild, Wild West of External Risks \(handout\)](#)—Many nonprofit teams spend a great deal of time worrying about external risks—risks that are truly beyond their control to influence or prevent. This webinar explores the wide world of external risks and offers tips and strategies to build resilience and preparation.

### Financial Health

- Humentum, “[Webinars for NGO Resiliency during COVID-19](#)”—Free webinar series sharing tools and tips to help NGOs become more resilient during these uncertain times. Humentum covers topics related to resource mobilization, fundraising, financial management, and project planning.
- Nonprofit Finance Fund has assembled the following collection of [COVID-19 tools and resources for nonprofits](#):
  - [“Cash Flow Tool”](#)—An Excel tool to help organizations determine monthly and weekly cash flow projections
  - [“Scenario Budget Template”](#)—An Excel tool for organizations to quickly determine operating expenses and surplus/deficit.

### Risk Assessment and Management

- Mercy Corps, “[Basic Business Continuity Template](#)”—Simple Excel template for business continuity to ensure operations and core business functions are not severely impacted by a disaster.
- Nonprofit New York, “[Business Continuity and Disaster Recovery Plan Template](#)”—A robust Word template business continuity and disaster recovery plan intended to help nonprofits outline potential disasters they may confront and how they will respond.

### Governance

- Nonprofit Finance Fund, “[Best Practices for Nonprofit Boards](#)”—Nonprofit boards play a critical role in making sure that their organizations stay strong and healthy, especially during times of crisis. This resource features a video series of best practices for nonprofit boards, including special crisis tips to help boards prioritize specific actions they can take right now during the COVID-19 pandemic.
- BoardSource, “[What Nonprofit Board Members Should Be Doing Right Now to Address the COVID-19 Situation](#)”—This article reviews how nonprofit boards can provide steady and adaptive leadership in partnership with and in support of the CEO, with good questions for any nonprofit board/leadership to consider.

### Communications

- The Communications Network, “[COVID-19 Crisis Communications Triage Kit](#)”—Includes crowdsourced best practices, resources, and examples of effective crisis communications from foundations and nonprofits.

### Examples of Positive Adaptations during COVID-19

- [“Baptism by Fire: How Romania’s Community Foundations Rallied in the Face of COVID-19”](#)—Key insights from the experience of 17 Romanian community foundations that jointly raised more than €1.8 million for vital public health services and vulnerable groups in the face of COVID-19. Demonstrates how often large-scale results are best achieved through strong cross-sector coordination, rather than from the isolated intervention of individual organizations.
- PEAK Grantmaking, [“COVID-19 Grantmaking Survey: How Are Practices Evolving—and What Will Stick?”](#)—Breakdown of a PEAK member survey to understand how grants management practices are evolving for the better during this time of crisis, and changes that grant makers anticipate.
- TrendWatching and Business of Purpose, [“COVID Innovations: Nonprofits”](#)—Hundreds of posts on COVID-related innovations by nonprofits from around the world to provide inspiration on how to get organizations running again.