



P A R T N E R S H I P

Volunteer Lawyers Strengthening Nonprofits & Our Communities

# How Nonprofits Can Strengthen their Governance and Operations During a Time of Uncertainty

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Presented in collaboration with  
Hartford Foundation for Public Giving Nonprofit Support Program

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# Hartford Foundation Nonprofit Support Program (NSP) Resources

## Resources for Navigating Uncertain Times – by category

### **Organizational Planning**

- Organizational Assessments
- Technical Assistance Grants for strategic/scenario planning

### **Boards**

- Technical Assistance Grants for Board Development
- Board Leadership Program – fall 2025

### **Human Resources**

- Technical Assistance Grants for enhancing HR systems
- Building Human Resources Capacity Program



# Polling Question #1

Who is joining us today?

Please let us know what your role is with your organization:

- **Board Member**
- **Executive Director/CEO**
- **Other Staff Leader (i.e., CFO, COO, Development Director, etc.)**



# Legal Disclaimer

This presentation is provided as a general informational service to clients and friends of Pro Bono Partnership. It should not be construed as, and does not constitute, legal advice on any specific matter, nor does this presentation create an attorney-client relationship. You should seek advice based on your particular circumstances from an independent legal advisor.



# What is Pro Bono Partnership?

Pro Bono Partnership is a 501(c)(3) legal services organization that provides free business legal services to nonprofit organizations, through the services of our staff attorneys, as well as corporate and private attorney volunteers

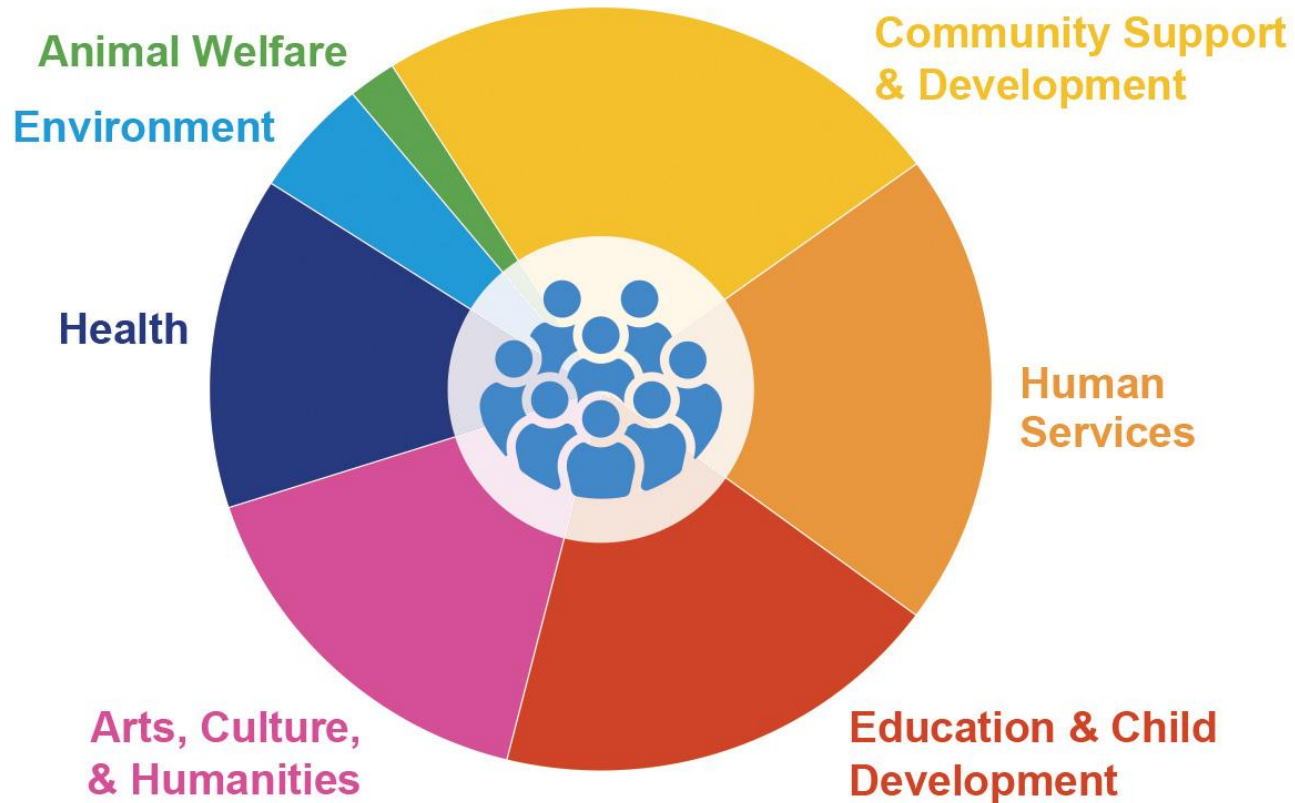


# Who Do We Serve?

- Our clients:
  - Serve the disadvantaged and enhance the quality of life
  - Are unable to pay for legal services without impacting their mission
  - Are located in CT, NJ, or NY (but not NYC)
  - Seek transactional (i.e., non-litigation) legal assistance
- Our volunteers:
  - Practice in their field of expertise
  - Choose their projects



# Types of Pro Bono Partnership Clients



# What Assistance Is Available?

Non-litigation, business law matters, in areas such as:

- Corporate structure and governance
- Contracts
- Employment law
- Intellectual property
- Real estate
- Regulatory compliance
- Tax law and tax-exempt status

***To apply, visit [www.probonopartner.org](http://www.probonopartner.org) and click on  
“Request Legal Assistance”***



# Customized Board Training

- Pro Bono Partnership attorneys work directly with your organization to develop training that responds to the concerns of your Board
- Trainings can be designed for a nonprofit at any growth stage, from start-ups to established organizations that need to address specific governance issues or engage in strategic planning
- Key topics addressed in board trainings may include:
  - Board members' fiduciary and legal duties to the organization
  - How to make effective and informed decisions on behalf of the organization
  - Maintaining good corporate records and properly documenting decisions
  - Common legal issues that tax-exempt organizations can face
  - The importance of inclusion, diversity, equity, accessibility, and belonging
  - The difference between “good governance” and “good management”
- This offering is available for a \$1,500 non-refundable fee
- More information is available here: <https://www.probonopartner.org/customized-board-training/>



# What is Racebrook Consulting?

Racebrook Consulting is an organizational & employee development consultancy practice founded by Jen Fournier, Esq. after spending over two decades working in non-profits.

As an executive leader and in-house counsel, Jen's career specialized in compliance, employment law, leadership development, licensure & accreditation, and organizational operations. Jen also has an extensive background in, and passion for, executive and emerging leader coaching and employee engagement & strategy.

Racebrook was launched by her passion for helping organizations navigate complex challenges and build strong, resilient teams from which mission driven work can sustain and develop.



# Who does Racebrook serve?

- Small to mid-size nonprofits & businesses seeking high-level expertise without the need for a full-time hire.
- Organizations in transitions or growth phases needing strong leadership, operational, and HR assessment, strategy, oversight, and practical help.
- Organizations that value customized support, whether for a single project or ongoing advisory services.
- Organizations seeking to strengthen or adopt an employee-centric approach for long term success.

# Racebrook's Services

Services offered include:

- Independent investigations
- Interim Executive Director support
- Fractional HR Leadership – cost effective HR support
- Executive coaching & personalized leadership development
- Emerging leaders/supervisors coaching
- Continuing education programs & workshops for teams/executives
- Policy development, risk mitigation, and compliance oversight
- Legal Counsel – corporate governance, employment law, contract reviews

Our Client Support Model:

- Flat fee billing for all engagements
- Flexible engagements on either a project or ongoing retainer basis
- Customized approach – we spend time with our clients to ensure our approach to problem solving is in line with their values, goals, risk tolerance, and culture.



# The Racebrook Approach to Today's Challenges

- Building strong partnerships strengthens our resiliency, compliance, and innovative thinking.
- Spending time with clients to be proactive in our approach to compliance, understanding risk tolerance, and mapping scenarios, is time well spent. (the longer we kick the can, the larger the can gets)
- We encourage clients to balance the need to be mindful with spending against investing in professional resources who provide supports and services which allowing for greater adaptability and professional growth. (this is not a game of freeze tag)



# Polling Question #2

What was the primary concern that prompted you to sign up for today's webinar?

- Board governance and leadership during this time of uncertainty
- Human Resources, Staff and Volunteer Retention
- Financial, Budget, Funding, Fundraising
- Continued program viability considering the current political landscape



# Today's Agenda

- The current U.S. political landscape
- What nonprofits can do to build strength in the face of external pressures – we will focus on two key areas:
  - Corporate Governance
  - Human Resources and Operations
- Questions to consider when thinking about how the current and future U.S. political landscape will impact nonprofits
- Your questions and concerns



# The Current U.S. Political Landscape



# The Current U.S. Political Landscape

Since January 20, we've seen Executive Orders and communications and actions from various Executive Branch offices that adversely impact:

- Immigrants, refugees, and undocumented individuals – and those who try to protect them
- The LGBTQ+ community – adults and children
- Training, instruction, and even discussion about Diversity, Equity, and Inclusion (DEI)
- The ability to rely on funding that originates from the federal government, even if that funding has been previously approved by Congress



# The Current U.S. Political Landscape (cont'd)

- Data privacy, as we've seen efforts by the Department of Government Efficiency (DOGE) to obtain access to various federal government agencies' systems
- Federal government employees, who have lost their jobs or are under threat of losing their jobs, and how these actual or threatened job losses impact service levels at various federal agencies
- The legal community
- Higher education institutions – including potentially targeting their tax-exempt status



# What Nonprofits Can Do to Build Strength in the Face of External Pressures



# Corporate Governance



# Corporate Governance Basics: Responsibilities of Board of Directors and Executive Directors – Refreshers

- Board of Directors is accountable to:
  - Public trust
  - Attorney General
  - Internal Revenue Service
  - Members (if you have them)
  - Donors
  - Mission (including beneficiaries)
  - Employees
- Directors must discharge duties:
  - In good faith
  - With the care of an ordinarily prudent person in a like position would exercise under similar circumstances
  - In a manner the Director believes to be in the best interests of the corporation



# Corporate Governance Basics: Responsibilities of Board of Directors and Executive Directors – Refreshers (cont'd)

- Directors' Responsibilities
  - General Administration of the Organization
  - Finance
  - Personnel Matters
  - Operations
  - Program
  - Fundraising/development
  - Public Relations
  - Strategic Planning
  - Self-assessment
- We will focus primarily on the top four on this list today



# Corporate Governance Basics: Responsibilities of Board of Directors and Executive Directors – Action Items

Make sure that you are following your corporate governance documents (certificate of incorporation, bylaws, conflict of interest policy, etc.)

- Board of Directors and Standing Committees (if any) are meeting when required and meeting minutes are being kept
- Annual meetings are being scheduled and held
- Notice periods are being met
- Voting complies with requirements under corporate governance documents
- Elections are being held when they are required



# Corporate Governance Basics: Responsibilities of Board of Directors and Executive Directors – Action Items

Confirm that all required filings are current

- Form 990 (IRS)
- Annual Reports (CT Secretary of the State)
- Charitable Solicitation Registration (CT Department of Consumer Protection)
- Filings in other states as may be necessary



# Corporate Governance Basics: Responsibilities of Board of Directors and Executive Directors – Action Items (cont'd)

- Arrange for appropriate and sufficient insurance coverage for the organization
  - Contact the organization's insurance agent/broker to review:
    - Commercial general liability (CGL) coverage
    - Directors & officers (D&O) coverage
    - Employment practices liability insurance (EPLI) (if the organization has employees)
    - Any other applicable coverages for the organization



# Corporate Governance Basics: Responsibilities of Board of Directors and Executive Directors – Action Items (cont'd)

- Ensure adequate financial resources and strong and responsible financial management
  - Formulate/approve operating budget (Board & Executive Director)
  - Monitor income and expenses (Budget-to-Actual is best practice)
  - Review/approve year-end financial report
  - Establish financial management procedures/confirm they are being followed:
    - Check writing
    - Expenditure controls
    - Separate intake and deposit functions
  - Audit function – separate from management staff



# Corporate Governance Basics: Responsibilities of Board of Directors and Executive Directors – Action Items (cont'd)

- Key financial questions every Board member should be able to answer (and every ED should know):
  - Have we run at a gain or loss?
  - Are our key sources of income rising or falling?
  - Is our cash flow projected to be adequate?
    - Can we pay debts as they come due? Do we have sufficient reserves?
  - Where are we compared to budget?
  - Is our financial plan (budget) consistent with our strategic plan?

# Corporate Governance Basics: Responsibilities of Board of Directors and Executive Directors – Consequences?

What are some of the consequences of not having sound corporate governance, not meeting filing deadlines, failing to have adequate insurance coverage, and not ensuring adequate financial resources?

- Board decisions could be challenged and determined to be invalid (if organizations do not adhere to their corporate governance documents)
- Tax-exempt status can be revoked by the IRS (if Form 990s are not filed 3 years in a row – automatic)
- Administrative dissolution by the CT Secretary of the State (if annual reports are not filed for more than 2 years – organization will receive notice and an opportunity to cure)
- Insolvency and bankruptcy (if organization fails to have adequate insurance coverage and/or fails to ensure adequate financial resources)



# Human Resources and Operations



# Human Resources – Risk management in general

- **Employment law compliance** - these issues are a significant source of potential liability
  - Federal, state & local laws change frequently
    - Policies & procedures must be up-to-date and employees educated on changes.
- **Leadership/Supervisor training**
  - Understanding the law & how it relates to their role
  - Understanding how the law ties into organizational policies & procedures, and grant requirements
  - Performance documentation
  - How to properly supervise (transparency, confidentiality, and being in the middle)

# Human Resources – Employee Lifecycle Considerations

- **Employee Lifecycle**
  - **Hiring**
    - Compliance with hiring laws and best practices
    - System that is fair, objective, and consistent (interviewing)
    - Job postings that go beyond the job description
  - **Onboarding**
    - Job classification (exempt/non-exempt vs. job status (FT/PT))
    - Independent Contractor (1099)
    - I-9 Compliance (copies of documents are *not* necessary)
    - Orientation
  - **Performance management**
    - Reviews/Performance Development & Improvement Plans
    - Accommodations & Leaves
  - **Separations**
    - Employment relationship is presumed to be freely terminable by either party at any time, for any reason, or for no reason (other than prohibited reasons)
    - **At-will employment is the law. Just cause is best practice**



# Questions to Consider Moving Forward



# U.S. Political Landscape – How Will It Impact Our Organization?

With today's political landscape in mind, review your organization's mission, the programs and services that it offers, and the funding that it receives

- Where are the risks and the potential gaps?
- Do you currently receive federal or other types of funding that is/are being cut or at risk of being cut?
- Will you have to find other funding streams to be able to continue to offer certain programming?
- Will your staffing needs change and do you need human resources support to address those changes?
- Are there opportunities to collaborate with other organizations with similar missions and complementary programming?



# Being Prepared for Financial Challenges

- Closer Examination of Financials – Now is a Good Time:
  - Board should consider requesting more frequent financial projections; budget to actual testing
  - Look for signs of financial distress:
    - Declining contributions or revenue
    - Increasing or disproportionately high expenses relative to revenue
    - Use of cash reserves and endowment funds to meet expenses
    - Depletion of line of credit
    - Failure to pay expenses in a timely manner
    - Failure to (1) meet payroll or (2) remit payroll taxes or plan contributions



# Being Prepared for Financial Challenges (cont'd)

It is also a good time to:

- Review existing vendor contracts and existing leases (to reduce expenses)
  - Watch for autorenewals on contracts and lease options that automatically kick in
  - Any opportunities to negotiate?
- Take a fresh look at donor communications (to stabilize and possibly increase revenue)
- Review the org's earned income opportunities (to increase revenue)
  - Is the org charging for any programs or services?
    - If so, has the org reviewed market rates for those? Is it underselling?
    - If not, are there any opportunities to monetize your programs or services through licensing fees, charging fees to participate, etc.?



# Being Prepared for Human Resources and Operational Challenges

- Nonprofits need to be **proactive, not reactive** in preparing for potential **reductions in force (RIFs) and furloughs** due to the uncertainty surrounding federal funding.\*
- **Prioritize essential roles:** Identify key staff and services that must remain operational.
- **Cross-train employees:** Ensure that knowledge transfer happens in case layoffs occur. (beware of who you lean on – burnout is always a big risk here)
- **Flexible staffing models:** Explore temporary contracts, job-sharing, or fractional roles to retain institutional knowledge.
- Map out potential RIFs **before** funding cuts happen, so decisions aren't rushed.
- **Be transparent with staff and volunteers** about financial challenges and potential outcomes.
- **Keep funders and donors informed** about the situation and how their support can help

\* "A reduction in force is the permanent elimination of more than one position due to organizational needs, unrelated to performance. A furlough, by contrast, is a temporary break in work, with the goal of reinstating employees when circumstances improve."



# Being Prepared for Human Resources and Operational Challenges (cont'd)

- **Follow labor laws:** Understand WARN Act requirements (if you have over 100 FT employees & reducing hours by 50% for 6+ months – 60 days notice is required), severance policies, and furlough regulations.
- **Transparent communication:** Have an internal communication plan to notify employees with dignity and fairness.
- **Review benefits options:** determine if health coverage is continued for furloughed employees
- **Provide outplacement support:** Offer resume workshops, networking opportunities, and job search resources.
- **Mental health resources:** Reductions impact morale—consider Employee Assistance Programs (EAPs), counseling, wellness days, additional PTO etc.
- **Maintain relationships:** Keep laid-off staff in the loop for potential rehires if funding is restored.



# Being Prepared for Human Resources and Operational Challenges (cont'd)

- **Compliance is not optional**—it's a legal and ethical responsibility. Getting it wrong doesn't just put your nonprofit at risk—it can shut it down.
- Every organization pays for HR, either as an up front, routine cost, or later during a crisis.
- Assigning HR responsibilities to the most organized person on staff because they are able to manage files and are good at administrative tasks is a common mistake organizations make.
- Now is not the time to trim HR and compliance staff and/or outside resources – they are essential to the functioning, sustainability, and growth of your organization.



# Scenario Planning and Considering Potential Collaborations or Strategic Alliances

- Scenario planning is a form of strategic planning that nonprofit consultants can assist with
  - Used by organizations to create flexible long-term plans by considering various potential future events and how they could impact the business environment
- Some organizations may conclude that some type of collaboration or strategic alliance with other organizations is a path forward, which can lead to:
  - Collaboration agreements to share services
  - Strategic alliances to deliver programming
  - Mergers or acquisitions
  - Nonprofit consultants can be helpful with these efforts, and legal support is generally advised



# A Case Study: *We Feed All Food Pantry*



# A Case Study – *We Feed All Food Pantry*

- Nonprofit We Feed All is a food pantry that provides healthy, fresh foods to those in need. It operates its food pantry from a 5,000 square foot warehouse that it rents from a local for-profit real estate company
- The building is two stories with refrigerated space on the first floor, office space on the second floor and has a fully functional finished basement
- The building is readily accessible by public transportation and has parking
- WFA rented the space 7 years ago and has 2 years left on its lease

# A Case Study – *We Feed All Food Pantry*

- Open Monday through Friday from 9-11 and 3-7
- It employs a staff of 6 and has over 100 volunteers
- The vast bulk of its funding comes from the Federal Government, including from the Emergency Food Assistance Program (TEFAP)
- In addition to providing food, it uses some of its office space for workforce development training, has a bank of computers available for its customers' use and does afterschool tutoring



# Operational Options

## What are some Operational options for *We Feed All*?

- Cut or reduce programming
  - Only provide food (can it technically/legally only be providing food) and eliminate the ancillary services it has determined to provide over time?
  - Refer people who are using these ancillary services to other providers?
  - Has it done a study to see when peak usage of food services arise? Maybe it could/should only operate M, W, F and Saturday?
  - Continue to operate on as many days, but for limited times?
  - Shift to a fee-for-service model and charge for services or programs based on a sliding scale?

# HR Considerations

What are some HR considerations for *We Feed All*?

- Reduce the number of hours staff works?
- Reduce benefits like sick pay, vacation days or personal days
- Require employees to pay, or pay more, for health insurance or
- Furlough employees



# HR Considerations (cont'd)

Remember the potential added cost of reducing workforce. *We Feed All* may:

- Need to fund unemployment benefits.
- Be required to pay terminated employees accrued but unused vacation and sick pay.
- Pay increased administrative costs like COBRA (health insurance) benefits which would have to be administered by the nonprofit.

*We Feed All* needs to remember:

- To review the language in its employee handbook, procedure manuals and hiring letters to make sure that employment decisions do not contradict previously stated policies or violate anti-discrimination laws.
- Vacancies cannot simply be filled with volunteer labor as this could create *de facto* employees



# Real Estate Considerations

*We Feed All* might consider negotiating with its landlord to:

- Give up some space and move to smaller or cheaper space in the same or a nearby location;
- Modify the lease so that it is paying less rent, especially if rents in the area have declined;
- Pay a smaller percentage of shared costs;
- Reduce previously scheduled rent increases;
- Sublet a portion of the leased space;
- Terminate the lease altogether

# Possible Changes to Corporate Structure

*We Feed All* might consider:

- Merger
- Consolidation
- Shared Services Agreement



# Negotiations with Creditors/Lenders

*We Feed All* might consider:

- Reviewing existing vendor contracts and existing leases (to reduce expenses)
- Collateralizing an asset to get short-term cash
- Lines of credit to address short-term cash flow issues
- Informal workouts -- extend the time to pay off obligations, change the interest rate required to be paid by *We Feed All* or reduce the principal amount of an obligation
- Negotiate some form of debt forgiveness that permits the creditor to take a tax deduction



# Your Questions and Concerns



# Contact Us

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# Additional Resources

- Resources for Nonprofits on 2025 Federal Actions – from Pro Bono Partnership:  
<https://probonopartner.org/nonprofit-legal-resources/>
- Nonprofit Legal Compliance in an Unfriendly Political Environment – from Nonprofit Quarterly:  
[Nonprofit Legal Compliance in an Unfriendly Political Environment - Non Profit News | Nonprofit Quarterly](#)
- Executive Orders Affecting Charitable Nonprofits – from National Council of Nonprofits (updated regularly):  
[Chart of Executive Orders](#)
- General FAQs on Executive Actions Impacting Nonprofits – from National Council of Nonprofits (updated regularly):  
[General FAQs on Executive](#)
- 12 Urgent Financial Action Steps for Nonprofit – from Nonprofit Financial Commons:  
<https://nonprofitfinancials.org/resources/12-urgent-action-steps-nonprofits-2025/>



# Thank You!



# Thank You!

Our sincere thanks go to the Hartford Foundation for Public Giving Nonprofit Support Program for hosting this workshop and for all the planning and technical assistance to make it happen!

