

5 Steps to Maintain Donor Engagement in a Tumultuous Time

By Robby Vanrijkel, BDO USA

Copyright © 2021 BDO USA, LLP. All rights reserved. www.bdo.com

COVID-19, the economy, and political shifts have resulted in tumultuous times for many nonprofits. Organizational resilience depends heavily on securing funding, and organizations are seeking out new ways to engage with donors to ensure they have the resources needed to continue their missions. Successful nonprofits understand that maintaining these relationships is imperative for the survival and continued growth of their organizations.

To maintain donor engagement during these times, we recommend following these five best practices:

1. **Scenario plan.** While organizations often are aware of their current financial status and most pressing risks, the events of the past year have proven that they need to go beyond assessing the status quo. Some risks are external in nature and incredibly difficult to foresee. Being aware of the full landscape of potential risks and conducting different scenario analyses to determine their impact to the organization are essential to both managing risk and communicating with donors. The future can be hard to predict, so having several scenarios to discuss both internally and externally is imperative to navigating tumultuous times effectively.
2. **Be agile and able to pivot.** During this time, many organizations are responding creatively to the challenges they face, particularly in program implementation and operations. Keeping donors aware of how the organization has pivoted to preserve programmatic impact while ensuring operational excellence is an opportunity to increase donor trust and confidence. Accordingly, this crisis created an opportunity for optimizing operating models not only to address the near-term issues but to secure long-term success by furthering donor relationships.
3. **Understand donor changes.** Many donors are offering flexibility with their grant-making and grant management process in several ways, including repurposing cost savings, extending grant terms, streamlining reporting processes and moving up payments, and converting project grants to general operating support. Ensure you are aware of any flexibility donors may be allowing and assess how these changes could affect your organization. If needed, ask donors to make adjustments that will assist your organization and allow you to increase your impact.
4. **Maintain consistent communication with donors.** Inform donors of the current financial and operational status of your organization and proactively make them aware of constraints when they arise. Donors may have additional funds, programs, or tools, such as COVID-related funds, core program funds, system enhancement grants, business planning grants, or technical assistance support, to support organizations that are facing challenges. However, donors cannot help you solve problems unless they are aware of them. While this is historically not a common practice, these are unique times that require adaptability from all

Keeping donors aware of how the organization has pivoted to preserve programmatic impact while ensuring operational excellence is an opportunity to increase donor trust and confidence.

parties. Work with donors on near-term support options, while seizing the opportunity to advocate for longer-term flexible support.

5. **Be honest.** It's important to share honest updates with donors about what is going well and what isn't to build trust in the midst of this crisis. Understanding and communicating the organization's financial story and potential strategies for the future in an open and transparent manner will help foster stronger relationships. While there is certainly a power dynamic that exists between donors and organizations, nonprofits should not shy away from having these conversations in an honest but delicate way. Many donors prefer to engage in strategically oriented partnerships and focus less on transactional grant-by-grant relationships. Having open and honest conversations will ensure that donors are aware of the organization's needs and how they can help.

While a year has passed since the outbreak of the pandemic, many organizations are still experiencing the aftereffects of the disruption it caused. Despite these challenges, there are measures nonprofits can take to ensure stability with donors. Following these five steps will not only build trust and confidence with donors, but also increase your organization's resilience.

About CapinCrouse

As a national full-service CPA and consulting firm devoted to serving nonprofit organizations, CapinCrouse provides professional solutions to organizations whose outcomes are measured in lives changed. Since 1972, the firm has served domestic and international outreach organizations, universities and seminaries, foundations, media ministries, rescue missions, relief and development organizations, churches and denominations, and many others by providing support in the key areas of financial integrity and security. With a network of offices across the nation, CapinCrouse has the resources of a large firm and the personal touch of a local firm. Learn more at [capincrouse.com](https://www.capincrouse.com).

CapinCrouse is an independent member of the BDO Alliance USA.

