

AHEAD OF THE CURVE

September 28, 2016

Baruch College

9AM – 3PM

WELCOME



Diane Manning, Support
Center & JPMorgan Chase

Sharon Stapel, Nonprofit
Coordinating Committee of
New York

Keith Timko, Support Center
for Nonprofit Management

*On behalf of the Technical
Assistance Working Group
Members*

Housekeeping

WIFI Network: Baruch Guest WIFI

WIFI Password: Summit

#AOTC

Framing Risk Management

Katie Leonberger, Community Resource Exchange

John MacIntosh, SeaChange Capital Partners

Allison Sesso, Human Services Council

Hi! We are...



Zohra Zori

VP for Social Sector Outreach
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Tiloma Jayasinghe

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Some Ground Rules...

- Assume good intentions
- Be authentic
- Be kind to all
- Be present
- Honor different styles
- Let people finish talking
- Listen to understand; not to just respond
- Ask questions
- Respect the time; help us stay on schedule
- Let the facilitator facilitate
- Trust the process

Framing Risk Management Generative Discussions

OBJECTIVE: The table will identify their top 3 priority areas of risk and pass that forward to Facilitators to report back on

1. What does risk (both positive and negative) mean to you?
2. Among the risks we have discussed, what do we prioritize?

Identify up to 3 priority areas

'FRAMING' BREAKOUT

Q1: WHAT DOES RISK (both positive and negative) MEAN FOR YOU?



Q2: AMONG THE RISKS WE HAVE DISCUSSED, WHAT DO WE PRIORITIZE?



TOP 3 PRIORITY AREAS:



Framing Risk Management Report Backs

Notes:

- External and internal
- Sustainability (financial, reputational, operational)
- Leadership and governance
- Reputational risk
- Opportunities and failures (circle creativity)
- Negative: liability; positive: investment strategies
- Fiscal health
- Stability/sustainability
- Mission-driven impact/reputation/brand

Framing Risk Management Report Backs

Notes:

- Build a healthy org; Board support and talent; \$
- Fiduciary responsibility
- Financial stability
- Tone at the top; culture to embrace RM as ongoing responsibility (including Board)
- Financial health (transparency/reporting to Board)
- Ensuring quality of services and safety
- Redefine risk to take “scary” out
- Planning

BREAK

*Kindly return to your
table by 11AM*

Approaching Risk Management

Lane Harwell, Executive Director, Dance|NYC

Christine McMahon, President and CEO, Fedcap

Dave Meade, Executive Director, Southwest Brooklyn IDC

Moderator: Wendy Seligson, Wendy Seligson Consulting

Approaching Risk Management Generative Discussions

Objective: Identify 3 approaches to risk and 3 key ways organizations can build a culture of risk management

1. What approaches to risk do you currently use or have you seen other organizations use?

Identify up to 3 approaches to share with the larger group (5 minutes)

2. How do we build a culture of risk management?

Identify up to 3 key ways you have seen or believe that organizations can build a culture of risk management (5 minutes)

'APPROACHES' BREAKOUT

Q1: What approaches to risk do you currently use or have you seen other organizations use?



IDENTIFY TOP 3 APPROACHES:

Q2: How do we build a culture of risk management?



IDENTIFY TOP 3 ways you have seen or believe that organizations can build a culture of risk management:

Approaching Risk Management Report Backs

Question 1 - Notes:

- Board involvement
- Board and staff engagement re: transparency and issue id
- Embedding RM in SP x 3
- Collaborative governance
- Agency-wide risk assessment
- Planning strategically (short-, mid- and long-term)
- RM committee and grid of risks/threat/opportunity – planning to assess current conditions
- Continuous structured communications (top to bottom; bottom to top) x2
- Part of audit process – not just financial, but systems, IT, cyber, talent

Approaching Risk Management Report Backs

Question 1 - Notes:

- Agency-wide risk assessment
- Focus on balance sheet, profit and loss by program, benchmarking
- Communication for action and clear roles
- Org culture and practice of risk including procedures, policies and culture
- RM is a team sport involving staff, board, consultants, funders
- SWOT/SP

Approaching Risk Management Report Backs

Question 2 - Notes:

- Transparency and disclosure
- Communications at all levels of staff and board
- Articulate tolerance and philosophy for risk
- Starts at the top
- Collaboration involve staff at all levels and Board
- Build risk awareness to assure shared responsibility
- Open, facilitated communication with all constituents
- Assign risk managers that report out to Board and an action plan for each risk
- Multi-level meetings that move info throughout org
- Emphasis that RM and program are connected in the long run

Approaching Risk Management Report Backs

- **Question 2 - Notes:**
- Transparency and info-sharing
- 4 that CANNOT be separated – tight connection to mission and value which is the beginning
- Board presence/involvement at the org itself; staff at Board meetings
- Shared ownership of risk
- Creating safe space, involving everyone in conversations and encouraging discussions about risk
- Start with leadership (Board, Sr Staff) taking ownership and creating a safe space
- Open door policy – culture of communication

Lunch

Kindly return
to your table
by 1PM

Risk Assessment: Putting it into action with tools

Jeff Ballow, Community Resource Exchange

Elizabeth Perez, Lawyers Alliance for New York

Joshua Peskay, RoundTable Technology

The CRE Fitness Test (CREFT)

Comprehensive assessment tool helping nonprofit leaders identify risk vulnerabilities specific to their organizations as a first step toward managing or mitigating them

CREFT considered six categories of nonprofit organizational risk:

- Leadership, Governance & Strategy

- Personnel & Administration

- Finance

- Compliance & Legal

- Programs and Services

- External Environment

Mix of risk indicator questions looking at patterns of vulnerability and risk scenarios designed to test an organization's capacity to withstand a "catastrophic event"

Let's take some sample questions from CREFT!



CREFT Exercise

CREFT Exercise

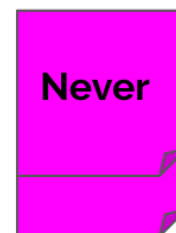
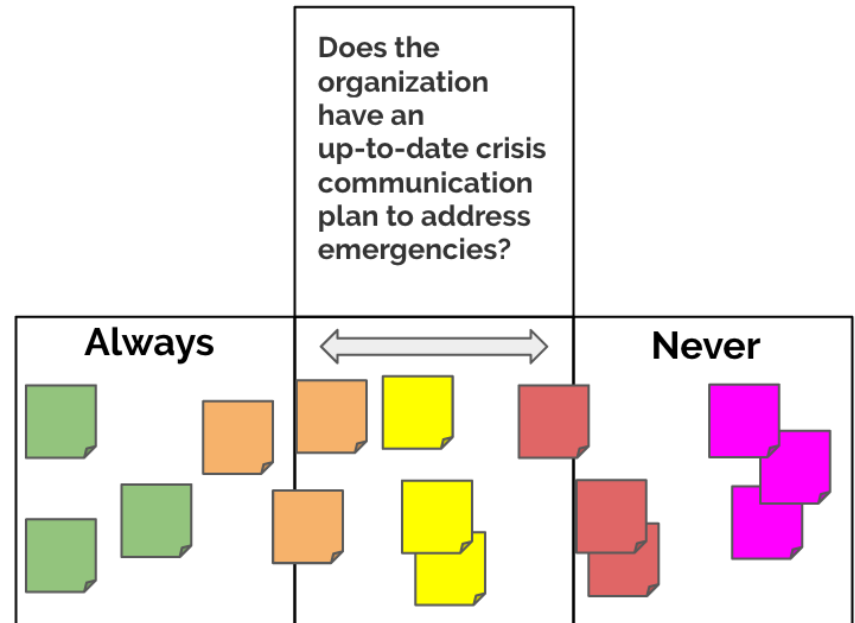
Everyone has a worksheet with twelve (12) questions from the CREFT. Everyone also has stacks of post-it notes in five different colors.

Around the room you will observe the same twelve questions written on large flipcharts. Underneath the flipcharts is a scale running from "Never" to "Always".

First, start going through your worksheet and filling in your responses, as best you can, for your organization.

When your table is asked, please walk to the first flipchart and place a post-it that corresponds with your response. Please put the proper color post-it in the appropriate range on the scale, as indicated. Continue along until you have placed a post-it on all twelve (12) charts.

When finished, return to your table.



CREFT Discussion Questions

- What was it like to answer these questions?
 - Hard? Scary? Thought-provoking? Confusing?
- What questions did you find the most challenging to answer – and why?
 - Which were easiest?
- What questions encouraged you to go back to your organizations and get more information?
- As you look across each table's responses, what strikes you about what you see?
 - Any interesting trends or observations?
- What practices do the groups represented here today seem to be doing well at?
- What practices seem to represent challenges?
- Based on what you see, which practices, as a group, do you think we should address first?

CREFT Discussion Questions

- Cybersecurity
 - – internal and external vulnerabilities – sharing data across organizations
 - policies and basic practices
 - Plus 7
- Dissemination of best practices around risk
- Instruction and process for risk review
- Board/Exec relations
- Internal fraud investigations
 - Plus 2
- Legislative changes – staying current
- Programs and services
 - Plus 1

**Where do
we go from
here?**

*Tiloma Jayasinghe,
Nonprofit Coordinating
Committee of New York*

*Zohra Zori,
Foundation Center*

Where do we go from here?

Generative Discussions

1. What support do you need around risk management?

Identify top 3 areas for support

'WHERE DO WE GO FROM HERE' BREAKOUT

Q1: What support do you need around risk management?



**IDENTIFY TOP 3 AREAS FOR
SUPPORT:**

Where do we go from here?

Report Backs

Notes:

- RM navigation tool (what lives where? Who does what?)
- Education on RM
- Warehouse for resource sharing (RM community)
- Roundtables and networking opps to share best practices and tools
- Easy access to resources and tools
- Support and identifying and implementing best practice risk mitigation strategies
- Information for benchmarking, templates and case studies
- Sharing best practices and tools and sample policies and templates
- Financial resources for outside consultants
- Room to fail !!!!!!!

Where do we go from here?

Report Backs

Notes:

- **Sample policies and tools, access to expertise and best practices**
- **Guidelines and tip sheets for lay and professional leaders on how to integrate RM into operations**
- **Consistent checklist / training across capacity builders for orgs and Boards**
- **List of places, people and resources to support areas and needs – ideally FREE**
- **Support (money, best practices, case studies, tools) for best practices implementation**

Thank You & Next Steps

*Keith Timko,
Support Center for
Nonprofit
Management*