



# Turning the Tide

## Public Counsel's Response to the Economic Crisis

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## Information and Resources for Nonprofit Organizations

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## Public Counsel Information Sheets

Public Counsel Information Sheets were prepared by expert attorneys addressing timely legal issues that nonprofit organizations may be facing during these difficult economic times. Topics include the following:

TOPIC	DESCRIPTION	LAST UPDATED
<a href="#"><u>Bankruptcy</u></a>	In this information sheet, the topic of bankruptcy is explored through a series of questions addressing many common concerns of nonprofit organizations from both the perspective of debtor and creditor. The answers offer a starting point for a nonprofit to evaluate whether the remedy of bankruptcy can help it achieve a more sustainable economic future through a reorganization, or whether the time has come to “close with honor.” Also considered are the ramifications for a nonprofit when its landlord or a key supplier files for bankruptcy protection.	August 2009
<a href="#"><u>Employment</u></a>	In this information sheet, applicable California employment laws are explored through a series of questions addressing many common concerns of nonprofit organizations. The answers offer a starting point for a nonprofit to evaluate alternatives designed to reduce expenses, including reductions in salaries, work hours or benefits, as well as layoffs.	August 2009
<a href="#"><u>Lease Modifications</u></a>	In this information sheet, the topic of lease modifications is explored through a series of questions that address many of the common experiences and concerns of organizations leasing commercial real estate in these economically challenging times. The answers offer a starting point for a nonprofit to evaluate whether it can achieve a more sustainable economic future through rent abatement, rent deferral, sub-letting, or other lease concessions.	August 2009
<a href="#"><u>Loan Modifications</u></a>	In this information sheet, the topic of loan modification options are explored through a series of questions addressing many common concerns of nonprofit organizations that are struggling to manage outstanding debt. The answers offer a starting point for a nonprofit to evaluate when it may be appropriate to modify a loan, what some other alternatives may be, and how a loan modification might help the nonprofit organization to keep its doors open during this economic crisis.	August 2009

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## Helpful Resources

Below are additional resources that may be helpful for nonprofit organizations in our challenging economic environment. Resources are listed in alphabetical order.

### EMPLOYMENT

**Blue Avocado**, [www.blueavocado.org/content/nonprofit-layoffs-and-furloughs-do-them-right](http://www.blueavocado.org/content/nonprofit-layoffs-and-furloughs-do-them-right)

Through a blog question and answer format, a human resources expert provides advice on how nonprofits can ensure that lay-offs, furloughs, and temporary shutdowns are carried out in a legal manner. The human resources expert emphasizes that the lay-offs being considered must not put the organization at risk and gives useful information to nonprofits that are thinking about implementing furloughs.

**HR Specialist**, [www.thehrspecialist.com/eletters.aspx](http://www.thehrspecialist.com/eletters.aspx)

This free weekly email newsletter provides HR news, trends and practical information with a sampling from the dozens of new articles added to the paid subscription-based web site each week.

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### FINANCIAL MANAGEMENT

**Fieldstone Alliance**, [www.fieldstonealliance.org/client/tools.cfm#tools](http://www.fieldstonealliance.org/client/tools.cfm#tools)

Fieldstone Alliance provides both printed resources for sale as well as a capacity-building consulting service for nonprofit organizations. It provides a lot of excellent material for free on its website and through an email newsletter, "Nonprofit Tools You Can Use." Two particularly useful newsletter issues for nonprofits dealing with financial challenges can be found under these topic headings: "[Tough Times Strategies: Moving Beyond the Bake Sale](#)" and "[Adapting to Change: 22 Structural Strategies for Nonprofits](#)."

**Nonprofit Finance Fund**, [www.nonprofitfinancefund.org/details.php?autoID=177](http://www.nonprofitfinancefund.org/details.php?autoID=177)

Nonprofit Finance Fund is a national leader in financing nonprofits, strengthening their financial health and improving their capacity to serve their communities. Nonprofit Finance Fund aims to create a strong, well-

capitalized and durable nonprofit sector that connects money to mission. The Fund provides questions, answers, and additional resources related to navigating the financial crisis.

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## FREE LEGAL ASSISTANCE

**Public Counsel**, [www.publiccounsel.org](http://www.publiccounsel.org)

In this period of economic downturn, nonprofit organizations are facing increasing financial challenges. However, trying to address these challenges without legal advice could put your nonprofit at greater risk. Public Counsel's **Community Development Project (CDP)** provides [free legal assistance](#) with a variety of [transactional issues](#) to community-based organizations that serve low-income and underserved communities in Los Angeles County. For further information, please call us at (213) 385-2977, extension 200, or visit our [website](#).

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## OPPORTUNITIES ARISING FROM THE AMERICAN RECOVERY AND REINVESTMENT ACT ( "RECOVERY ACT")

### FOR ALL NONPROFIT ORGANIZATIONS

**Council of Nonprofits**, [www.councilofnonprofits.org/files/Special%20Report%207--%20White%20House%20briefing%20-%20April%2014.pdf](http://www.councilofnonprofits.org/files/Special%20Report%207--%20White%20House%20briefing%20-%20April%2014.pdf)

On April 9, the White House held a special "briefing for outside organizations about the American Recovery and Reinvestment Act (ARRA)" to provide an opportunity "to learn about how the ARRA funds are being distributed in the various departments and how you as organizations can participate." The National Council of Nonprofits attended the briefing and published this special report containing explanations and links to many ARRA resources.

### FOR NONPROFIT HOUSING DEVELOPERS

The following are links to resources related to the significant tax credit funding included in the federal stimulus bill:

**California Tax Credit Allocation Committee**, [www.treasurer.ca.gov/ctcac](http://www.treasurer.ca.gov/ctcac) (see the section titled "The Latest" for new information on federal stimulus funds)

**National Housing Trust's Current Report, [www.nhtinc.org/LIHTC/NHT\\_ARRA\\_HFA\\_Responses.pdf](http://www.nhtinc.org/LIHTC/NHT_ARRA_HFA_Responses.pdf)**  
(updated every Friday)

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## OTHER RESOURCES

**Chronicle of Philanthropy, [http://philanthropy.com/financial\\_crisis](http://philanthropy.com/financial_crisis)**

Chronicle of Philanthropy is a news source for charity leaders, fund raisers, grant makers, and others involved in the philanthropic enterprise. Chronicle of Philanthropy has published a special report on "How Charities Cope With a Troubled Economy."

**CompassPoint Nonprofit Services, [www.compasspoint.org/assets/445\\_mwordfinal2005.pdf](http://www.compasspoint.org/assets/445_mwordfinal2005.pdf)**

"The M Word: A Board Member's Guide to Mergers" is an excellent booklet examining how, why, and why not to merge nonprofit organizations, including alternatives to mergers.

**National Council of Nonprofits, [www.councilofnonprofits.org](http://www.councilofnonprofits.org)**

The National Council of Nonprofits is a network of state and regional nonprofits. The National Council assists small and midsize nonprofits to manage and lead more effectively, work together and share solutions, discuss important policy issues affecting the sector, and increase the impact that nonprofits have in their communities. Recently, in light of the economic crisis and its impact on nonprofits, the National Council of Nonprofits launched the Nonprofit Economic Vitality Center. This center puts together key information from across the country on how the economic downturn is affecting nonprofits.

**Nonprofit Risk Management Center, <http://nonprofitrisk.org/library/articles/strategy09002003.shtml>**

The Nonprofit Risk Management Center provides assistance and resources for community-serving nonprofit organizations. The center's offers a wide range of services to help nonprofits cope with uncertainty. The center provides information on sustaining nonprofits during economic downturns.

**Valley Nonprofit Resources, [www.valleynonprofitresources.org/vnr-staying-alive-guide.asp](http://www.valleynonprofitresources.org/vnr-staying-alive-guide.asp)**

For nonprofits in the San Fernando Valley, Valley Nonprofit Resources "Staying Alive" Initiative provides workshops, information resources and technical assistance for Valley nonprofits about how to survive and thrive in the current hard economic times.

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