Guidance for Program Sustainability Plans

This guidance is to support DC EMA Ryan White Subrecipients in addressing the following criterion:

The Subrecipient Organization has determined a means of continuing and sustaining programs in the event of staff retirement or attrition and/or reduction/loss of funding.

Evidence required to substantiate this criterion include:

- Business Plan
- Sustainability Plan
- Succession Plan
- Contingency Plan
- Transition Plan

* Note that not all of these are required; one type of plan will suffice as long as it speaks to the criterion above.

When creating Sustainability and Contingency Plans, consider the following:
To help address and be prepared for issues of delayed, reduced, or discontinued funding,

- Diversify funding streams;
    - Look to increase the diversity of the agency's funding sources - a mix philanthropic, public (government), and fee for service funding.
    - This can include fundraising efforts and any other sources of funding that would sustain your organization
- Create/implement a reserves policy (ideally keep 3-6 months' of expenses in reserves but even a few weeks of reserves helps)
- Robust Emergency Manual with information on how to maintain services in the event of a disaster
- Contingency Planning
    - Work with your leadership team to create (and regularly revisit) a list of expenses that can be reduced or eliminated based on priority
        - Determine the impact of those changes and how the agency will adjust to cover what was lost (see examples below)
    - Contingency planning can include:
        - Identification of essential activities that must be performed

        - Alternate locations for performing essential activities regarding services.
        - Excepted employees to perform the essential activities, including continued command and control of the organization
        - Alternate communication means, including voice, fax, and electronic
        - Support services such as personnel and procurement
        - Leadership and support services for continued instructional and related services
- Increase use of volunteers where practical
- Program/service delivery changes
    - Reduce types of services offered
        - Ex. Food bank – reduce amount of food provided overall or reduce amount of more costly items like fresh produce or proteins to purchase cheaper, shelf stable items
    - Reduce number of people that can be served
        - Reduce number of referrals accepted per month
        - Create a waiting list for services
        - Discharge some clients from services (with appropriate written notice and transitioning their file to another provider as feasible)
- Obtain or increase line of credit

In the event of:

- ***Delayed* Funding:** If possible, use other resources to fulfill financial obligations until the funding is ultimately received. In exceptional situations, may involve working with the Board of Directors to release funds from reserves (with a plan for when/how to replenish reserves later).

- ***Reduced* funding:** Work with Board of Directors, fundraising and government relations teams to rapidly identify alternative sources of funding
    - Review contingency plans to identify non-essential spending that could be reduced and other areas of the budget to be adjusted if necessary. Examples might include delaying hiring for open positions that are not critical to the continuation of program operations.
    - Explore use of reserves (see above).

- ***Discontinued* funding:** Remain committed to continuing services to its existing clients unless and until their cases could be transitioned to another provider. Work with Board of Directors, fundraising and government relations teams to rapidly identify alternative sources of funding to make up for the funding loss.

- Depending on the amount of funding lost, then other avenues for cost cutting may need to be implemented
- Depending on which programming the funding supported, referrals for new clients to programs might be temporarily put on hold or slowed down.
- Review contingency plan for non-essential spending that could be reduced and other areas of the budget to be adjusted if necessary. Again, other options would be reviewed and implemented as needed and could include examples like could include delaying hiring for open positions that are not critical to the continuation of program operations.
- Call on reserves.
- For organizations with ownership of buildings and property, for example apartments within a housing program, consider creating a plan to move to a rental model to incur income and sustain the organization. Note that this would limit services.

External resources:

- Department of Homeland Security's Continuity of Operations (COOP) Plan, as well as example COOP Plans from other organizations, e.g. FEMA
  - COOP Plan Template Guidelines (FEMA).pdf
  - US Department of Homeland Security, Directive 9300.1, Continuity of Operations Programs and Continuity of Government Functions
  - coop_brochure.pdf

When creating Succession and Transition Plans, consider the following:
To address or be prepared for a planned or unplanned absence of leadership (e.g. the Executive Director/CEO), whether temporary or permanent,

- Identify the key functions of the Executive Director/CEO to be covered by an acting director
- Include multiple scenarios, such as:
  - Temporary, unplanned absence (short-term)
  - Temporary, unplanned absence (long-term)
  - Permanent, unplanned absence
  - Permanent, planned absence (e.g. retirement)

- Items to include:
    - Who may appoint the acting Executive Director/CEO and how
    - Who is the current appointee and who is the back-up appointee
    - Cross-training plans for appointees
    - Authority and restrictions of the appointee
    - Compensation
    - Oversight
    - For a planned absence, how much notice is needed

Acknowledgment: Current Ryan White subrecipients provided the information to create this guidance.