



ARCS Foundation, Inc.
Enterprise Risk Management Plan (ERM)
Tracking Spreadsheet

Purpose

The ERM Plan is designed to support ARCS Foundation’s mission of advancing science and technology by providing financial awards to outstanding U.S. students. By proactively identifying, assessing, and managing risks, the Foundation can sustain its reputation, strengthen operational resilience, and ensure continued support for scholars nationwide.

Scope

ERM supports ARCS Foundation’s strategic goals by safeguarding the organization’s **strategic** objectives, **financial** stability, **operational** efficiency, and protects ARCS Foundation’s external **reputation**. This plan applies to the National organization, including all operational and strategic functions.

Primary Objectives of the ERM Framework

- Identify potential risks that could impact ARCS Foundation’s mission and operations
- Assess risks based on its impact to ARCS Foundation (medium, high, very high)
- Assess risk probability based on the likelihood of the risk happening
- Develop effective mitigation and monitoring strategies
- Promote informed decision-making across all levels of the organization
- Provide clear accountability for managing risks and ensuring compliance

ERM Governance Structure

Effective risk governance is essential to ensure accountability, transparency, and consistent risk management across ARCS Foundation. The following structure defines the roles and responsibilities for overseeing and executing the ERM Plan.

Role	Responsibility
National Board of Directors	Provides strategic oversight and approves the ERM framework Reviews high-level risk reports and ensures alignment with the mission and fiduciary responsibilities
Executive Committee	Leads implementation of ERM Plan and coordinates with committees Reports key risks, mitigation progress to the Board
ERM Committee	Works with committees to assess and monitor risks assigned to their committee Works with committees to mitigate and report status of the risks
Committees + Staff	Reports emerging risks and implements assigned mitigation actions Participates in training and fosters a culture of risk awareness

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Risk Assessment

The following categories represent the key types of risks relevant to ARCS Foundation:

- **Strategic Risk:** Risk that affects ARCS Foundation’s abilities to achieve its objectives.
- **Financial Risk:** Risks that affect funding, investments, or fiscal oversight
- **Operational Risk:** Risks associated with internal processes and systems that affect an ongoing management process, including compliance with internal/external policy.
- **Reputational Risk:** Risks related to external perception or damage to ARCS Foundation’s brand and reputation.

Impact

Medium Impact
Failure to manage a medium item would mean a temporary setback to business results that require urgent solution
High Impact
Failure to manage high item would mean a serious setback to business results that would require major management attention to mitigate
Very High Impact
Failure to manage a very high item would impact the survival of the organization or its ability to meet the principal terms of its mission

Probability of Risk Occurring

This is an important metric to provide timely decisions and focus on the most urgent risks. Probability can be a means of communicating the urgent nature of some risks and increasing team members’ knowledge of risk mitigation mechanisms.	
1 – Rare	
2 – Unlikely	
3 – Possible	
4 – Likely	
5 – Almost Certain	

FY Operating Status

On Track
ARCS Foundation is operating on this item and no issues to flag
Ongoing Attention
Issue is in progress and under control
Off Track
Necessary attention needs to be paid immediately

	Potential Risk Description	Impact	Risk Probability Rate 1-5	FY Operating Status	Risk Definition	Responsible Committee(s)	Response Strategy	Risk Treatment Transfer Mitigation Acceptance	Procedure in Place
	Philanthropy								
P1	Insufficient donor pipeline in place for future years results in suboptimal fundraising results	High		Ongoing Attention	Strategic Financial	Philanthropy	<ul style="list-style-type: none"> Identify potential prospects VP Philanthropy works with contracted Development Director to secure grants for National and Chapters 	Mitigate	
P2	Absence of volunteer leadership for development efforts	High		Ongoing Attention	Strategic	Philanthropy Nominating	<ul style="list-style-type: none"> Volunteer succession planning for development is crucial 	Mitigate	

	leads to suboptimal fundraising						<ul style="list-style-type: none"> Development Director is great resource for VP Philanthropy, but organization needs staff and volunteers to create the infrastructure for grant processes 		
P3	ARCS Foundation does not have the best practice documents to apply for grants	High		Ongoing Attention	Strategic	Philanthropy	<ul style="list-style-type: none"> Develop Case Statement Grant Matrix 	Mitigate	
P4	Failure to identify compelling funding opportunities based on strategic funding (underwriting and sponsorship opportunities)	High		Ongoing Attention	Strategic	Philanthropy Executive Committee	<ul style="list-style-type: none"> Develop new ideas which motivate principal gift donors (individuals, foundations) to provide multi-year commitments to ARCS Foundation (operations for National, scholar award funding for Chapters) ARCS needs team to identify big donor potential 	Mitigate	
P5	Economic condition that reduces donor's willingness to make major commitments	High		Ongoing Attention	Strategic	Philanthropy	<ul style="list-style-type: none"> Fundraising efforts need to be sufficient to support operations during economic downturns and/or societal disasters 	Accept	
P6	Failure to adapt appropriate internal fundraising messaging and mechanisms to address funders' interest (foundations, corporations)	High		Ongoing Attention	Strategic	Philanthropy	<ul style="list-style-type: none"> Be an active listener in order to be adaptive in our messaging Be flexible/nimble/responsive in how we solicit funding 	Mitigate	

P7	Failure to complete reports for grant funders	High		Ongoing Attention	Operational	Philanthropy	<ul style="list-style-type: none"> Prepare a grants calendar identifying deliverables and responsible parties 	Mitigate	
	Governance								
G1	ARCS Foundation actions are inconsistent with governance documents	High		Ongoing Attention	Strategic Operational	Governance Executive Committee	<ul style="list-style-type: none"> Create schedule for updating all governing documents as listed in Governance & Organizational Documents in the Document Library (Affiliation, Chapter, National) 	Mitigate	
G2	ARCS Foundation policies and procedures are absent, not current, not understood, or not followed by employees and volunteers (includes policies for Finance, IS, Board of Directors, Board Committees, etc.)	Medium		Ongoing Attention	Operational	Governance	<ul style="list-style-type: none"> Develop and implement a policy on reviewing policies Specific policies including financial, expenditure distribution policy, code of conduct, confidentiality agreement, data security, document retention 	Mitigate	
G3	ARCS Foundation is not comprised of the appropriate number of people with the skill set and level of engagement who are effectively governing the Foundation's activities	Very High		Ongoing Attention	Strategic	Nominating	<ul style="list-style-type: none"> Create ongoing process to generate skilled candidates 	Mitigate	
G4	ARCS Foundation is not comprised of the correct committees to address current issues facing ARCS Foundation (Structure)	Medium		Ongoing Attention	Strategic	Executive Committee	<ul style="list-style-type: none"> Create ongoing process to assess board committees and staff to address the needs of national and support for chapters. 	Mitigate	

G5	ARCS Foundation does not maintain adequate collaborative relationship with leadership of Chapters	Very High		Ongoing Attention	Strategic	CoA/Chapter Support	<ul style="list-style-type: none"> Develop steps to build a stronger relationship with chapters for survival of the organization 	Mitigate	
G6	ARCS Foundation is not nimble	High		Ongoing Attention	Strategic	Governance	<ul style="list-style-type: none"> Streamline organizational documents for ARCS to be more flexible 	Mitigate	
G7	Incorporation status may create barriers for ARCS Foundation	High		Ongoing Attention	Strategic	Governance	<ul style="list-style-type: none"> Assess pros and cons of National being incorporated in CA 	Mitigate	
G8	ERM Plan not monitored	High		Ongoing Attention	Strategic	Executive Committee	<ul style="list-style-type: none"> Develop a process to monitor ERM Plan 	Mitigate	
	Financial Practices								
FP1	Volatility within the financial markets leads to investment losses	Very High		Ongoing Attention	Financial	Endowment	<ul style="list-style-type: none"> Recommend investment policies to balance risk vs reward Recommend philosophy regarding market volatility 	Mitigate	
FP2	Inappropriate investment decisions are made, resulting in significant capital loss	Very High		Ongoing Attention	Financial	Endowment	<ul style="list-style-type: none"> Best practices, policies and guidelines are in place and are reviewed annually to oversee investments 	Accept	
FP3	ARCS Foundation does not maintain predictable and reliable sources for funding operations	Medium		Ongoing Attention	Financial	Finance	<ul style="list-style-type: none"> Budget depends on multiple revenue sources. Finance Committee regularly monitors and reviews policies for clarification such as endowment distribution formula and timing. Endowment policies in place to address shortfall. 	Accept	

FP 4	Donor gifts, including DAFs, endowments, are used for purpose other than that provided by the donor	Very High		Ongoing Attention	Operational Financial Reputational	Finance	<ul style="list-style-type: none"> All donations are tracked and coded to the account specified by donor. Special-purpose donations are held in a restricted account until used for the specified purpose Budgeting process should include finance and president to oversee donor intent Finance and president are responsible for overseeing that the funds are being used for the designated purpose 	Accept	Review acceptable processes
FP 5	ARCS Foundation is not transparent with its constituencies about the organization's financial practices	High		Ongoing Attention	Operational	Finance	<ul style="list-style-type: none"> Streamline organizational documents for ARCS Foundation to be more transparent 	Mitigate	
FP 6	ARCS Foundation does not send year-end reports to initial donors of significant endowments	High		Ongoing Attention	Operational	Finance	<ul style="list-style-type: none"> Create system ensuring annual reports are provided to significant endowment donors per agreement requirements 	Mitigate	
FP 7	Unauthorized disbursements are processed or theft, forgery, embezzlement occurs	High		Ongoing Attention	Financial Operational Reputational	Finance	<ul style="list-style-type: none"> Finance team has all procedures documented in "risk management" documents that are completed and updated annually as part of the audit process 	Accept	

FP 8	Expenditures are made for services or items outside of ARCS mission	High		Ongoing Attention	Operational Reputational	Finance	<ul style="list-style-type: none"> The annual budget details appropriate expenditures for the year, the Finance Committee reviews monthly financials including all expenditures 	Accept	
	Capacity/Resiliency								
CR 1	The Board is not capable to reimagine ARCS in the future and the organization could become stagnant and unsustainable	High		Ongoing Attention	Strategic	Executive Committee	<ul style="list-style-type: none"> The Board needs to be a change agent by cultivating a forward-thinking mindset and bring along inherent mindset of the membership 	Mitigate	
CR 2	ARCS Foundation members are resistant to making strategic changes	High		Ongoing Attention	Strategic	Executive Committee	<ul style="list-style-type: none"> ARCS Foundation needs to be visionary and cultivate a forward-thinking mindset among the membership 	Mitigate	
CR 3	ARCS Foundation is not able to implement a new strategic plan and educate the members on the initiatives	Medium		Ongoing Attention	Strategic	Executive Committee	<ul style="list-style-type: none"> Identify a strong leader to understand and implement the vision 	Mitigate	
CR 4	ARCS Foundation is not able to foster an inclusive membership	High		Ongoing Attention	Strategic	Membership	<ul style="list-style-type: none"> Create a broad-based membership to bring different perspectives and ideas for the good of the organization 	Mitigate	
CR 5	ARCS Foundation is not able to continually improve and adopt/follow best business practices	High		Ongoing Attention	Operational	President Executive Committee	<ul style="list-style-type: none"> President and Executive Committee should set the tone for best business practices 	Mitigate	

CR 6	ARCS Foundation is unable to attract members and sustain growth	Very High		Ongoing Attention	Strategic	Membership	<ul style="list-style-type: none"> • Create a membership and organizational growth plan 	Mitigate	
CR 7	ARCS Foundation does not fulfill its purpose to support existing chapters at the risk of losing chapters	Very High		Ongoing Attention	Operational Reputational Financial Strategic	CoA/Chapter Support	<ul style="list-style-type: none"> • Chapters have sustainability problems. A Chapter Support Initiative placed in CoA. • Provide tools for chapters • Identify coaching and mentoring model • BoardSource • National Council of Nonprofits 	Mitigate	
CR 8	ARCS Foundation is unable to expand its footprint	Very High		Ongoing Attention	Strategic	Org Growth	<ul style="list-style-type: none"> • ARCS Foundation needs to think about becoming more externally focused to raise visibility 	Mitigate	
	Affiliated and Associated Organizations								
A O 1	Reputational risk from actions of affiliates (national, chapters, universities)	Medium		Ongoing Attention	Reputational	Executive Committee	<ul style="list-style-type: none"> • National provides leadership guidance and establish standards of excellence 	Mitigate	
A O 2	Organizational and financial risks from actions of chapters	Medium		Ongoing Attention	Financial Operational	Audit	<ul style="list-style-type: none"> • ARCS Foundation requires compliance and consistency to establish standards of excellence 	Accept	
A O 3	Negative news about affiliate occurs (national and/or chapters, universities)	Medium		Ongoing Attention	Reputational	Executive Committee	<ul style="list-style-type: none"> • ARCS Foundation to establish a team to address negative press/media 	Mitigate	
A O 4	Negative effect from outside organizations and/or individuals	Medium		Ongoing Attention	Reputational	Executive Committee	<ul style="list-style-type: none"> • Be aware of outside organization's policies, stands on issues and 	Accept	

							how this relates to ARCS Foundation		
A O 5	University partners withdraw their partner affiliation based on ARCS Foundation's scholar award policies	High		Ongoing Attention	Strategic	University Relations	<ul style="list-style-type: none"> Continue to communicate and network with university partners to avoid misunderstanding ARCS scholar award policies Create ARCS/University Scholar Award Agreement Template for standard language Add as an optional section - Exception process to fund Lawful Permanent Residents 	Accept	
A O 6	Chapters do not comply with donor requirements and/or lack adequate controls in order to receive grant money for scholar awards from National	High		Ongoing Attention	Operational Reputational	Executive Committee	<ul style="list-style-type: none"> Create system at the National level for compliance process 	Mitigate	
A O 7	Scholars are not receiving 100% of ARCS awards	Very High		Ongoing Attention	Operational Reputational Strategic	University Relations	<ul style="list-style-type: none"> Agreements with our university partners should be updated and reinforced annually. Create an agreement template for chapters 	Mitigate	
A O 8	High turnover of key personnel at the universities and ARCS volunteers impacts mutual understanding and partnership	High		Ongoing Attention	Operational	University Relations	<ul style="list-style-type: none"> Impress upon chapters to meet quarterly/bi-annually with right university staff/VIPs 	Transfer	Chapter level responsibility
A O 9	The value of the scholar award is not high enough to be prestigious	Medium		Ongoing Attention	Strategic Reputational	University Relations	<ul style="list-style-type: none"> Assess the quantitative value of the ARCS Scholar Awards and determine if the value 	Transfer	Chapter level responsibility

							is making the impact the chapter wants to make		
	Marketing and Communications								
M1	Communications during a crisis or event are not timely or appropriate, presenting ARCS Foundation in a negative light	High		On Track	Reputational	Communications	<ul style="list-style-type: none"> A disaster plan in place that should be updated annually. Need to also address non-disaster crisis communications 	Mitigate	
M2	Loss of donors due to inadequate stewardship	High		Ongoing Attention	Reputational	Philanthropy	<ul style="list-style-type: none"> Create a donor recognition program that most effectively responds and recognizes donors Establish a process with the business management firm to send out in memory/honor of acknowledgements 	Mitigate	
M3	Poor brand reputation or limited brand recognition	High		Ongoing Attention	Reputational	Communications	<ul style="list-style-type: none"> Enhance ARCS Foundation brand reputation and disperse among affiliates; conform to uniform branding via style guide 	Mitigate	
M4	National Communications lacks the funding to provide needed support and address all communications in an effective way	Very High		Ongoing Attention	Financial Operations	Communications	<ul style="list-style-type: none"> Inadequate funding could result in loss of management services and/or ability to address new needs 	Mitigate	
M5	ARCS Foundation doesn't effectively use survey instruments to collect information	Medium		Ongoing Attention	Operational	Evaluation	<ul style="list-style-type: none"> Assess the survey process/questions with the ultimate goal of collecting data that 	Mitigate	

	related to current needs of chapter, members, scholars and alumni, universities and to assess the effectiveness of organization in advancing mission						will validate and improve ARCS mission and better support constituents		
M 6	ARCS Foundation does not analyze and disseminate survey results.	Medium		Ongoing Attention	Strategic	Evaluation	<ul style="list-style-type: none"> Set up process to effectively assess data from surveys and share results with National and chapters 	Mitigate	
M 7	Chapters do not understand the need for National and how this is a risk to the organization	High		Ongoing Attention	Strategic Operational	CoA/Chapter Support	<ul style="list-style-type: none"> Create communication procedure so chapters/members understand the value of National 	Mitigate	
M 8	Culture of the organization is changing	Very High		Ongoing Attention	Strategic	Executive Committee	<ul style="list-style-type: none"> Involve members throughout the process when the organization is undergoing change 	Mitigate	
	Information Strategies/ Cybersecurity								
IS 1	Information (financial as well as personal information of donors, members, scholars on the website) is breached by outside party; either because of a computer security breach (hacking) or unauthorized access through other means	High		Ongoing Attention	Reputational Operational	IS	<ul style="list-style-type: none"> Maintain good protection strategies Our website does not keep credit card information Maintain password protected site – members and scholar login; can only see their own information 	Transfer	3 rd party vendor

IS 2	ARCS Foundation cannot access critical data from the website in the event of a disaster or other need	Medium		Ongoing Attention	Operational	IS	<ul style="list-style-type: none"> Create Disaster Recovery Plan in conjunction with vendors 	Mitigate	
IS 3	Critical system-generated reports not reliable due to incomplete or incorrect data	Medium		Ongoing Attention	Operational Strategic	IS	<ul style="list-style-type: none"> Determine group responsible for integrity of data used for the Annual Report and grant applications Refine the model for chapters to follow consistent data entry in format and content 	Accept	
IS 4	The payment processors used on the website are attacked	Very High		Ongoing Attention	Operational	IS	<ul style="list-style-type: none"> Create a list of approved payment processor vendors used on the website Create system to communicate with donors when payment processors are attacked Create system to communicate with chapters when payment processors are attacked 	Mitigate	
IS 5	ARCS Foundation does not have a clear policy on technology infrastructure and guidelines that govern its use	High		Ongoing Attention	Strategic Operations	Governance	<ul style="list-style-type: none"> The policy should cover ARCS members, chapters, and vendors who have access to ARCS data and use of its technology 	Mitigate	
	Legal/Contractual								
LC 1	ARCS Foundation does not regularly assess compliance with laws for non-profits, charitable organizations	Very High		Ongoing Attention	Operational	Governance Audit	<ul style="list-style-type: none"> Contract and retain outside counsel Refer to external resources i.e., BoardSource, National Council of Nonprofits, etc. 	Accept	

LC 2	ARCS Foundation is not in compliance with contractual obligations – includes agreements with vendors.	Medium		Ongoing Attention	Operational	Finance	<ul style="list-style-type: none"> VP Finance and Treasurer review all contracts Assure legal review of contracts before signing by president 	Accept	
LC 3	ARCS Foundation is not in compliance with grant funders	Medium		Ongoing Attention	Operational Financial Reputational	Philanthropy	<ul style="list-style-type: none"> Review and implement compliance criteria for each grant funder Establish process to manage grant deliverables 	Mitigate	
	Global/Social Drivers								
GS 1	ARCS Foundation is not able to adapt to social expectations and the implications of technology	Medium		Ongoing Attention	Strategic	Executive Committee	<ul style="list-style-type: none"> Steps are taken to educate ARCS leaders about new technologies and how the organization can benefit 	Mitigate	
GS 2	ARCS Foundation is not able to address the implications of diversity, equity, and inclusion	Medium		Ongoing Attention	Strategic	Membership	<ul style="list-style-type: none"> DEI is still important to our organization 	Accept	
GS 3	ARCS Foundation is not able to address educational system changes	Medium		Ongoing Attention	Strategic	University Relations	<ul style="list-style-type: none"> Develop process to learn about educational system changes coupled with the academic environment 	Accept	
GS 4	ARCS Foundation is challenged to maintain its identity as an organization of women philanthropists	Medium		Ongoing Attention	Strategic	Membership	<ul style="list-style-type: none"> ARCS National membership maintains identity awareness 	Accept	
GS 5	ARCS Foundation will be left behind if it does not have an AI strategy	High		Ongoing Attention	Strategic Operational	Executive Committee	<ul style="list-style-type: none"> Develop an AI program that can help improve organizational effectiveness by identifying areas of need through data 	Mitigate	Task force with AI expertise Scholar help?

							analysis, optimizing fundraising efforts, enhancing donor engagement, communication, and campaign targeting.		
GS 6	External factors limit ARCS ability to fulfill its mission	Very High		Ongoing Attention	Strategic	Executive Committee	<ul style="list-style-type: none"> Maintain constant contact with university partners Site visits are vital for gathering more information Federal cuts to science 	Accept	
	Talent Management - Internal								
TI 1	ARCS Foundation is not able to recruit National volunteers	Very High		Off Track	Operational	Nominating	<ul style="list-style-type: none"> Create streamlined infrastructure and position descriptions 	Mitigate	
TI 2	ARCS Foundation does not develop and implement adequate training and onboarding procedures for volunteer positions	High		Ongoing Attention	Operational Strategic	President	<ul style="list-style-type: none"> Work with ASG Create SOPs (Position Procedures Manuals) for volunteer positions Work with National and Chapter Support to develop and implement leadership training webinars and specialized consulting assistance 	Mitigate	
TI 3	Jobs are structured with high demands or require specialized skills	Very High		Ongoing Attention	Operational	Nominating	<ul style="list-style-type: none"> Create ways professional staff/contracted positions can offset specialized skills needed for specific volunteer positions 	Accept	
TI 4	Bylaws and Standing Rules are so complex they discourage	High		Ongoing Attention	Strategic Operational	Governance	<ul style="list-style-type: none"> Simplify Bylaws and Standing Rules! Educate volunteers on their key 	Mitigate	

	volunteer participation						responsibilities and key deliverables for performance prior to being slated		
TI 5	Succession planning in leadership at ARCS Foundation	Very High		Off Track	Operational	Nominating	<ul style="list-style-type: none"> Create and annually update succession plan for all leadership positions to ensure effective transition of organizational knowledge Ensure continuity of responsibilities, deliverables, and related timelines 	Mitigate	
	Talent Management - External								
TE 1	ARCS Foundation is unable to determine third party staffing needs to augment volunteer leaders and how to fund potential staff	Very High		Off Track	Strategic	Executive Committee	<ul style="list-style-type: none"> Assess staffing needs to alleviate volunteer hours 	Mitigate	
TE 2	ARCS Foundation is not able to recruit and retain professional staff/contracted positions needed to achieve its goals	Very High		Ongoing Attention	Operational Financial	Executive Committee	<u>Recruitment</u> <ul style="list-style-type: none"> Develop a transparent RFP process when contracting new individuals, firms, companies Develop position descriptions <u>Retention</u> <ul style="list-style-type: none"> Competency benchmarks are communicated with contracted positions Review current contracted positions to assess competency 	Mitigate	

TE 3	ARCS Foundation's professional staff/contracted positions are not appropriately screened, supervised, trained, or measured for competency	Very High		Ongoing Attention	Operational	Executive Committee	<ul style="list-style-type: none"> Develop measured competency benchmarks for professional staff/contracted positions 	Mitigate	
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ERM Committee Members:

Caron Ogg, Chair

Committee Members: Judy Benham, Jill Bray, Anne Crawford, Jane Dolinger, Gigi Ditz, Beth Wainwright

Risk Management Framework

Risk Treatment

Effective risk management involves several approaches to address identified threats to an organization. The following methods are commonly used in risk treatment within ARCS Foundation:

- Risk Transfer: Shifting the risk to a third party, such as through insurance policies.
- Risk Mitigation: Implementing controls and measures to reduce the impact or likelihood of risk events.
- Risk Acceptance: Choosing to accept risks that fall within the organization's established acceptable limits.

Risk Monitoring

Continuous monitoring is essential to ensure that risks remain within acceptable boundaries and that risk treatment plans remain effective over time.

- Establish regular review of identified threats so as not to exceed predefined thresholds ie quarterly, annually, etc.

Risk Remediation and Resolution

When risks materialize or controls fail, organizations must have procedures in place for remediation and resolution.

- Development and execution of incident response plans
- Crisis management protocols ie cybersecurity breach needing immediate containment

Risk Reporting & Metrics

Regular risk reporting ensures that all stakeholders:

- Are informed about the status of risks, treatment strategies, and any incidents or changes in the risk landscape
- Have a comprehensive understanding of the organization's risk profile

Design reports to apply to specific operational teams to ensure relevancy, ie quarterly risk report for a board vs monthly report for operations team