

Nonprofit Financial Managers

A Resource for the areas of Finance, IT, Human Resources, and Office/Facilities Management

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For information, go to npfm.org, or contact Mitzi Fennel at 617-547-1063 x235 or Jessica Zander at 617-956-0215

Mark Your Calendars

All of our meetings take place on the **last Tuesday** of each month. **No pre-registration required.** Upcoming dates:

- **February 22:** Finding the Right Internal Controls
- **March 29:** Top 5 Ways to strengthen HR
- **April 26:** Risk Management

NPFM Membership Information

The annual membership fee of \$100 covers monthly mailings and other operating expenses. The membership period is from September to August. A part-year membership for \$60 is offered for those joining after January 1, which covers membership through August. Full-time students are welcome to join at any time without paying a fee.

In addition to attendance at monthly meetings, members receive a monthly newsletter and access to the NPFM e-mail forum. Lunch is provided for all attendees at meetings. There is a \$12 meeting fee for non-members, and since membership is by organization, there is no limit of individuals from any one organization who may attend the meetings.

RSVPs for the meetings are not required.

For renewals or new membership fees, please make your check out to:
NonProfit Financial Managers
C/O Child Care Resource Center
130 Bishop Allen Drive
Cambridge, MA 02139

Contact Mitzi Fennel at 617-547-1063, x235 for more information.

The Next Meeting

Topic: Internal Controls

Date: February 22, 2011

**Location: United South End Settlements
566 Columbus Ave., Boston**

Time: 12:00 PM – 1:30 PM

Internal Controls: Finding the Right Ones for your Organization

In these days of increased attention to internal controls, **how do you think about the right internal controls for your organization?** What are the risks you need to consider? How do you balance the need for proper internal controls w/ limited resources?

Joel Aronson, CPA, nationally known for his work with non-profits for the past 37 years, and teacher on many aspects of non-profit financial management and budgeting, will present with a colleague from the firm of Alexander, Aronson & Finning.

Recap of January Meeting Cloud Computing

Dan Scharfman, Vice President of Information Solutions for Baird Associates (a technology consulting firm) gave a presentation about "cloud" computing. There are 2 basic interpretations of the meaning of cloud computing. The first kind involves Internet based computing, where the servers are maintained off-site; no matter where you log in, you can access the same information/programs. The second interpretation refers to the use of Internet resources like Flickr, Google, etc. to perform functions that were previously performed with software installed on individual computers. Basically, your servers, programs, etc. are stored in a "cloud" that you can connect to, but you do not know where the information is stored. Exam-

ples of traditional use of computers vs. cloud computing are as follows: encyclopedias on disk vs. Wikipedia on line; a physical back-up tape drive onsite vs. online backup; locally shared accounting software vs. QuickBooks on line; homegrown client databases vs. Client Track on the web, etc.

One advantage of cloud computing is that it is often less expensive than maintaining traditional local area networks. In the traditional system, you have the costs of ownership, maintenance and repair, the cost of lost time when the system is down, and security/privacy protection risks. With cloud computing, most of these costs and risks are carried by your outside vendor. You do have to make sure that your cloud vendor is reliable and established. Ask questions like: How many clients do you have? How long have you been in business? How many sites do you operate? How do you maximize security? In the cloud-based contract, the vendor owns the software and you own the content only.

Virtually any software or service you buy can be done in-house or you can do it with the cloud. When making the decision about which way to go, consider the traditional way of doing it and then compare that to the cloud way of doing it. You no longer have to maintain the same level of infrastructure with the cloud alternative. Some advantages of going with a cloud-based system are: low-acquisition costs; predictable monthly costs; minimal infrastructure to maintain; security and privacy concerns handled by an outside vendor; increased reliability; continuous upgrades; and fewer "headaches." With an in-house system, you have more control over the entire process but also have more responsibilities. In the cloud environment there is a single point of failure – if the internet goes down at your office, then you can work from home.

When you are making the decision whether to go in-house or go with the cloud option, it is very similar to making a *buy or lease* decision. Some factors to consider are as follows. What is the best practice option? Which option is the most cost-effective? Look at the high end and low-end on-line options. Look at the cost of purchase of in-house equipment, the cost of maintenance, and how long will the equipment

last. For every IT decision in the future, you should compare the in-house solution to cloud alternative.

Job Openings...

The NPFM group has a section on their website for job postings. Check out our website at www.npfm.org for a complete list of jobs. Contact David Richardson at dr44@verizon.net with questions or postings.

NPFM E-mail Forum

One of the benefits of membership in NPFM is a subscription to our e-mail listserv. We encourage members to post questions, announcements and new developments in finance and administration. All new members who provide e-mail addresses are automatically subscribed. To post messages send to npfm@topica.com

NPFM Steering Committee

The Steering Committee consists of several members who are responsible for the meeting topics, speakers, and other details surrounding the group. If you are interested in joining the steering committee, or in submitting ideas for future sessions, please contact any of the existing members, by e-mail or in person at a meeting.