

# 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](http://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:

- **May 31: Social Media and the Workplace**
- **June 28: Effect of Federal/State budget decisions on nonprofits**

## **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: Social Media**

**Date: May 31, 2011**

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

**Time: 12:00 PM – 1:30 PM**

## **Social Media and the Workplace: How to Navigate This Ever- Changing Landscape**

Social media in the workplace is here to stay. The question is no longer “Should we allow social media in the workplace?” but rather “How do we manage social media in the workplace.” Many organizations have already embraced social media tools and are using them not only to reach external constituents, but for internal communications, helping to increase collaboration among employees and strengthen organizational culture. So how can organizations effectively manage information security, data privacy, employee productivity, even slander, defamation and libel issues? When is an employee representing themselves as an individual and when are they acting as a representative of the organization? What rights does an organization have to utilize social media tools such as Facebook, Twitter, blogs, etc, when making employment and disciplinary decisions? Laurie Alexander-Krom, legal counsel with Davis, Malm & D’Agostine P.C., in Boston, will help us to answer these questions and many more as we examine social media and the workplace.

## **Recap of April Meeting**

### **Risk Management**

At the April meeting, Mark Klevanosky, CPCU of Albert Risk Management Consultants, provided an overview of the “base level” of coverage that every nonprofit organization should have along with coverage levels/limits and what determines them. The Albert Risk Management Consultants company has served Boston and New England since the 1960s by advising companies about their insurance needs (they do not sell insurance). Mark discussed other coverage that should be considered. Mark also shared some information about what to consider or look for in your insurance coverage and how you can get the greatest level of coverage under existing policies with some additional review of the policy. Such a review could offer options for eliminating or consolidating coverage, or simply to get the most out of what your policies currently offer.

Every company in Massachusetts should have the following forms of insurance: Worker’s compensation insurance; commercial general liability insurance (\$1,000,000 limit per occurrence); commercial property insurance (business/ personal property/replacement cost); and automobile insurance for owned or leased vehicles (\$1,000,000 limit of liability per accident). On top of these basic policies, companies really should purchase an “umbrella” policy which provides coverage in excess of the limits of the basic packages. The umbrella package is optional but very important. Other important optional policies are: employee dishonesty and crime; management liability (directors and officers and employment practices liability); and professional liability (errors and omissions). Other insurances include: fiduciary liability; pollution liability; and privacy and security liability (“Cyber Risk”).

It is cheaper to buy an umbrella policy than it is to increase the limits of the other packages that it covers. Director and Officers Insurance covers the acts and omissions of the Board of Directors or senior management. Professional Liability insurance applies to the acts and omissions of those staff that have a professional license. Fiduciary liability insurance is designed to cover claims and losses arising out of claimed breaches of fiduciary duty. The coverage provided by these policies, like other policy features, can differ significantly. Fiduciaries are *personally* liable for losses incurred by a plan due to their breach. Although it isn’t required by ERISA – as is a bond – every

fiduciary of an ERISA plan should seriously consider obtaining fiduciary liability insurance. Under the bond requirement statute (ERISA §412), every fiduciary of an employee benefit plan and every person who “handles funds or other property of such a plan” is required to be bonded. The amount of the bond is 10 percent of the amount of the plan’s assets as of the beginning of each plan’s fiscal year. Unless the plan holds company stock, the maximum amount of the bond is \$500,000. The statute requires the bond to provide protection *to the plan* against loss by reason of acts of fraud or dishonesty on the part of the plan official, directly or through connivance with others.

Your insurance broker should be working for you – periodically surveying the market and presenting different options. An insurance agent could be a broker or might work directly for an insurance agency. Brokers and agents get paid through the insurance companies. It is advisable to have independent contractors who do work for you added to your worker compensation policy for the time that they working for you. The cost is not very high. Volunteers doing work for you should also be covered under your general liability policy and your workers compensation policy.

### **Job Openings...**

The NPFM group has a section on their website for job postings. Check out our website at [www.npfm.org](http://www.npfm.org) for a complete list of jobs. Contact David Richardson at [dr44@verizon.net](mailto: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](mailto: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.