

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:

- **November 29: What Your Financial Statements Look Like to External Evaluators**
- **No Meeting in December**

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 \$20 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: What Your Financial Statements Look Like to External Evaluators

Date: November 29, 2011

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

Time: 12:00 PM – 1:30 PM

You know the financial condition of your organization, but what do your statements look like from the outside? In particular, how is a lender/external funder interpreting your financial statements, and how can you anticipate the questions? If concerns arise, can you address the issues proactively with your executive leadership and possibly your board? Understanding what drives funding decisions can help you avoid unnecessary stress.

Emily Greenstein, a vice president in the Healthcare and Nonprofit division of Citizens Bank, and Treasurer of the US Green Building Council's Massachusetts Chapter will present her perspective

Recap of October Meeting

Performance Evaluations: Tips and Pitfalls

Gordon Gottlieb, an HR expert from TDC and a regular speaker for NPFM, presented on the tips and pitfalls of performance evaluation process. While many nonprofit managers excel at the program or finance side of their work, fewer feel as confident when it comes time to evaluate their staff. In every nonprofit, managers ask the same kinds of questions: What form is best? What should I write? What should I not write? Why does it take so much time? There are no easy answers but there are ways to address this important management task so that it

benefits both you and the person(s) you supervise.

According to Gordon, it would be great if you could make the performance evaluation process easy, effective, and fun. Unfortunately, it cannot be done. However, there are steps that you can take to make the process effective, mutually beneficial, and good for the organization. Performance evaluations need to be part of a larger management system. That system begins with a thorough and thoughtful initial orientation process. It is important to have a 90 (or some other limited period) day introductory or orientation period during which the employer or employee can decide that it is not working out, without the normal disciplinary steps (Gordon discourages calling it a "Probationary" period). You as the supervisor should talk about goals with the new employee on the first day of work. A formal evaluation should be completed before the end of the introductory period.

The next major step that leads to the effective evaluations is a schedule of regular one-on-one supervision sessions throughout the year. Effective supervision sessions are the most important tool for effective performance evaluations and will help avoid surprises down the line.

Next comes the formal performance evaluation meeting itself, which needs to occur at least once per year. There are certain steps that should be taken before this session which will make or break the evaluation. The following are some of the preparation steps. Solicit input from others. Look at the current job description. Have an initial conversation with the employee about the process and their role in the process. Check what was written last year and review the goals that were set for them. Think about the goals for next year. Check the budget to see if performance raises are possible. Prepare a draft and give it to the employee at least three days before your meeting. Let the staff person know if there is money available for raises. However, it is important to have separate meetings about performance and money. Dedicate uninterrupted time for the evaluation meeting and have it in a quiet place, ideally neutral territory. Start out the meeting with positive comments. Provide specific examples.

Keep in mind that the staff person being evaluated will probably focus on any negative comments.

Some other tips: Most performance evaluation forms are inadequate and they will never make up for a lack of supervision during the year. Don't let the form handcuff you. The performance being evaluated is what the person did in the past tense during the past year – do not write in the present tense as the evaluation is on prior performance. There is no legal requirement that the employee has to sign the evaluation. You do need to give them a certain amount of time to write a rebuttal (1 week, etc). The same form should be used across the board in your agency, unless the job categories are too different. If the amount of money available for a merit raise is small, it is not a big motivator. It is generally accepted that, psychologically, the threshold for a meaningful merit raise is 5%. Goals need to be as specific as possible and the narrative should be objective – describe behaviors, if that is called for. The performance evaluation that you conduct should be consistent and fair. Remember, even the best performance evaluation meeting is no substitute for regular conversations and supervision throughout the year.

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.