

# 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:

- **October 25:** Performance Evaluations and Process

## **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: Performance Evaluations: Tips and Pitfalls**

**Date: October 25, 2011**

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

**Time: 12:00 PM – 1:30 PM**

### **Performance Evaluations: Tips and Pitfalls**

Gordon Gottlieb, an HR expert from TDC and a regular speaker for NPFM, will present on the 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?

Sadly, 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.

## **Recap of September Meeting**

### **The CFO Role in Business Planning**

Thomas A. McLaughlin, MA, MBA, gave a presentation about the role of the CFO in Business Planning. Tom is a Principal in the Assurance Services Department at CCR, Certified Public Accountants and Business Advisors. Prior to joining CCR, Mr. McLaughlin served as an executive with two major Massachusetts social service agencies and as an Associate Director of the Massachusetts Council of Human Service providers. He specializes exclusively in not-for-profit consulting projects. Mr. McLaughlin is a nationally recognized expert in not-for-profit mergers and alliances, having consulted over 200 such collaborations. He is an expert in not-for-profit strategic positioning,

business planning and restructuring. He is also the author of the book "Streetsmart Financial Basics for Nonprofit Managers."

When an organization is formed, when an organization has a new program idea, when an organization is on the rocks – these are all times that call for a new business plan. When is the financial person called upon to contribute and what exactly is expected of the financial role in the planning process? How do we reconcile the inevitable conflict between the divergent thinking of the program people with the convergent financial mind?

If you ask 11 different nonprofit staff members (various levels) what the definition of a business plan is, you will usually get 11 different answers. Most direct care staff tend to focus on today and the next few days. Most nonprofit managers are oriented to the business cycle – the semester, the quarter, or the fiscal year. Many professionals such as accountants and auditors (recording past transactions), lawyers (laws based on precedents), and even engineers (what works already) are oriented to the past. However, CFOs need to be more future oriented – at least a few years out, but even 5 to 10 years out. The majority of the training of financial executives is not conducive to future oriented business or strategic planning. The larger the organization, the more crucial it is that the CFO fulfill this role.

Usually a nonprofit starts based on the vision of the founder or long-serving CEO. That leads to the mission statement, and from that, a strategy is developed to advance that mission. The strategy leads to an organizational structure, which drives the allocation of resources. According to Tom, business planning occurs after the strategic planning is done – it occurs at the "sweet spot of a football game" at the 40 yard line (or more than halfway through the process).

There are a lot of elements that can be part of a solid Business Plan: historical ratios and trends, staffing analysis, comparative and competitive analysis with similar organizations, cost benefit matrix, the current financial position, revenue and expense projections, new technology, "what if" modeling, facilities needs analysis, new costs, and market data.– identify-

ing elements that go into a Business Plan. Some people are drawn to certain activities more than others and it is important to understand one's own strengths and what the CFO brings to the process.

Tom briefly touched on what a mission statement should look like. It needs to be brief enough to fit on the back of a business card. The human mind can normally not grasp a lot of moving parts at the same time. When developing a Business Plan, you need to think carefully about who should be on the management team. The team needs to be creditable in the eyes of funders. The culture of your Board is very important. Often board members with a nonprofit background may clash with those who come from the for-profit sector. Also, Business Plans will differ if the organization is on the upside of the nonprofit economic market, versus one that is on the downside.

### ***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.