

Nonprofit Financial Managers

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

Volume Twenty, Number one

September 2012

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:

- **October 30: Nonprofit Starvation Cycle**
- **November 27: Evaluating your Fund-raising Department's Efficiency**

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: State of the Nonprofit Sector
Date: September 25, 2012
Location: United South End Settlements
566 Columbus Ave., Boston
Time: 12:00 PM – 1:30 PM

Nonprofit Finance Fund 2012 Survey: After Year of Adaptation, Fundamental Challenges Remain

Earlier this year the Nonprofit Finance Fund (NFF) released the results of its 2012 State of the Nonprofit Sector survey. More than 4,500 nonprofits across the country responded sharing information about how they are managing within current economic conditions. Nonprofits reflected on their actual experiences in 2011 and expectations for 2012. The results are a sobering reminder of what many nonprofits face on a day-to-day basis. Antony Bugg-Levine, CEO of Nonprofit Finance Fund, had this to say "Nonprofits are adapting to continued economic pressure in all sorts of creative and substantive ways, but for many, these are stopgap measures that won't make up for the bigger forces at play: decreasing government support, the unwillingness of some private foundations to evolve funding practices, and a lack of necessary support from some boards. We must rethink the way we fund solutions to our most pressing social problems." An NFF representative will join us at the September meeting to review the findings, shed light on some of the broader conversations happening within the sector and answer questions from the group.

Recap of June Meeting

403(b)s: Considerations for Creating, Maintaining, and Staying in Compliance

Lauren Leidner, the Director of Non-Profit Retirement Plans at Sapers and Wallack, Inc., whose firm serves as consultants in conjunction with plan vendors such as TIAA-Cref, Fidelity, and Putnam Investments, gave a presentation about the challenges involved in administering 403B plans. Lauren highlighted the employer's fiduciary responsibilities and spoke about what is new in the world of 403(b)s.

Companies who have 403B Plans for their employees cannot eliminate their basic fiduciary responsibilities by contracting with an administrator. They can share the responsibility with that administrator, but still retain the main role of fiduciary. In the past, 403B plans were more individual contracts between the employee and the investment company, but during the past decade, there have been new regulations that shift the focus from the participant /provider relationship to the employer/provider relationship. Employers now have to have a written plan document in place and must have their plan audited if there are over 100 participants. A lot more oversight over the plan is required. The regulatory requirements for 403B plans are now similar to those for 401K plans, which have been more rigorously regulated for a much longer period of time. A lot of non-profits have both current and ex-employees enrolled in their plan. Lauren advised that nonprofits should encourage ex-employees to cash out or move their investments to another plan, in order to get under the 100 participant threshold requiring an annual audit of your plan. If the market value of the ex-employee's investments is less than \$5000 when he/she leaves employment, then you can require that person to leave your plan. However, there should be some provision in the plan document allowing the employer to do this. Just because the employer is not required to have an audit of their plan if they have less than 100 participants, you still need to comply with all of the same regulations.

Lauren also said that it was important to simplify your plans and to try to consolidate so that you are using just one provider. Employees should also consolidate their various accounts as much as possible – it makes it easier to man-

age their investments. If an employer has a 403B plan where the employer does not contribute and is strictly voluntary for the employee to contribute, then that plan is not subject to ERISA requirements. There are no exceptions for compliance with ERISA for 401K plans. Management, in conjunction with its Board Investment Committee, should review the investment choices offered by your plan provider at least once per year. Management should come up with an investment policy statement which you could then use to evaluate various investment choices. Lauren stated that your organization needs to have a fiduciary bond to cover employee dishonesty and benefits liability insurance to cover actions of you as the employer and anyone acting on your behalf. Finally, new regulations concerning fee disclosures by your investment provider have gone into effect this summer.

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. If your membership is current and you do not have access to the listserv, please contact Karen Kelley Gill, at kgill@cedac.org.

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.