

# Nonprofit Financial Managers

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

Volume Twenty, Number nine

June 2013

For information, go to [npfm.org](http://npfm.org), or contact Mitzi Fennel at 617-279-252 or Jessica Zander at 617-956-0215

## Mark Your Calendars

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

- **September 26: Enterprise 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 \$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 617-279-2252 for more information.

## The Next Meeting

**Topic: Cloud Computing**

**Date: Thursday, June 27, 2013**

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

**Time: 12:00 PM – 1:30 PM**

Is your organization in the cloud and are you aware of what cloud tools your staff might already be utilizing? What steps have you taken to mitigate risk and maximize productivity within these systems? Russell Greenwald, Director of IT Services for InSource Services, will define the different types of clouds, the values they can bring, and considerations to take when evaluating these options.

## Recap of May Meeting

### I am Not a Lawyer!

Bob Cowden, a long-time partner with the law firm of Casner & Edwards, gave a presentation about the topic of contracts relating to nonprofit organizations. He has served as counsel to charitable organizations, trade associations and to grant-making foundations. Drawing upon his extensive knowledge of the nonprofit sector, Bob discussed the types of contracts (e.g., service provider agreements, consultant agreements) that nonprofits are mostly likely to see; when nonprofit organizations need a contract; and what should be included in a contract. He also talked about how to review a contract and what to look for.

There several key elements of a good contract. First, you need to know exactly who or what entity you are entering a contract with. Next, it is very important to include a very detailed description of the work involved in fulfilling the contract – what are the two parties agreeing to? A good detailed work

statement protects you if the contract is not working out to your satisfaction. A detailed schedule of deliverables is very important. The clearer the contract is the better – putting the work into a good contract upfront is far preferable to incurring legal expenses at the end.

Standard contracts should have a clear termination and default clause. There are two types of terminations of a contract: termination for cause and termination for no cause. The termination for cause means that a party to the contract can terminate that contract if it determines that a breach of conditions has occurred. Termination for no cause allows either party to walk away from the contract, but you should have at least a 60 day notice period. State contracts usually have both types of termination clauses. Termination and default clauses are very important to avoid going to court about a dispute later on – nobody wants to end up in court.

Other clauses that are usually part of a standard contract are force majeure, return of materials, confidentiality and nondisclosure, and ownership and intellectual property clauses. Ownership of intellectual property usually goes to the purchaser in a contract. The indemnification clause covers the situation where you contract with someone to do something and you get sued as a result of their actions. You will need to have the party that you contracted with cover the damages or lawsuit expenses. The assignment clause usually limits the parties' ability to assign the contract to another entity without prior approval – you need to know exactly who you are dealing with. The governing law clause specifies that if there is a dispute, which state laws will govern and what jurisdiction the dispute will be litigated in.

As stated previously, it is much better to work out any disputes before going to court and incurring legal expenses. There are several methods for resolving contract disputes short of going to court. First, the two parties can try to work through any problems with each other. If that does not work, then there is mediation, where a neutral person works with both parties to the dispute and tries to cut an agreement to resolve it. However, the mediator has no authority to impose an agreement. If you go the arbitration route, the neutral arbitrator has the authority to impose a binding decision and does not have to follow any strict rules. The last resort to resolving a contract dispute is to go to court. The judge has to decide the case strictly by the law and usually one party wins

and one party loses. That is usually the least desirable and most expensive way to settle the issues.

### ***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-boston@googlegroups.com](mailto:npfm-boston@googlegroups.com). If your membership is current and you do not have access to the listserv, please contact Karen Kelley Gill, at [kgill@cedac.org](mailto: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 email or in person at a meeting.