

NonProfit Financial Managers

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

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For more information, contact Mitzi Fennel at 617-547-9861 x235 or Jessica Zander at 617-939-5039.

Mark Your Calendars

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

- ◆ **February 27:** *Health Care Reform: Key Provisions of the law and important dates*
- ◆ **March 27:** *Workplace Safety*
- ◆ **April 24:** *12 Point Tax Check-Up*

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 1st, 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.

R.S.V.P's 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 617-547-9861, x235 for more information.

The Next Meeting

Topic: Health Care Reform

Date: Tuesday, February 27

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

Time: 12:00 PM – 1:30 PM

Massachusetts Health Care Reform:
Key Provisions of the Law and Important Dates

Are you in the dark, uncertain or confused about this landmark legislation?

Come listen to some industry experts provide an overview of the key provisions contained within this law. We will learn about useful resources and dates as sections of this legislation begin implementation. Learn how your organization will be affected; the new employer tracking and reporting obligations; and prepare for the financial impact to your annual employee benefit expenditures.

Our presenters are from Yozell Associates a long-standing, well-respected employee benefits firm in Boston. They will discuss the action items and important dates for employers of all sizes, and provide us with an understanding of how employers can take advantage of the various health savings vehicles such as FSA/HRAs and HSAs to minimize future health insurance increases.

Recap of January Meeting

Bob Cowden, a long-time partner with the law firm of Casner and Edward, gave a presentation on the topic of contracts relating to nonprofit organizations. He has a wealth of experience working as counsel to charitable organizations, trade associations, and grant-making founda-

tions. Some of the areas that he discussed are: the laws affecting non-profits, contracts, 990's, and surplus retention.

In general, the evolution of the written contract is a reflection of human nature. Most common provisions have grown out of past experience and court interpretations. One of the most important clauses of any contract is at the back end – **the termination provision**. It is very important to consider what will happen if the contract between the two parties unravels. You have to be very clear about what kind of **entity** you are entering into a contact with. Is it a corporation, an LLC, partnership, etc? Another issue that is crucial is the **term or length** of the contract. Does the contract automatically renew if no action is taken at its end date? You as a non-profit have to look out for one-sided contracts, which automatically renew at the termination date and obligate you to pay for a service at an increased rate (such as telephone, and copier contracts). Also, if your agency is entering into a contract with another organization based on a proposal, you should **clearly outline** in the contract what **services** or the nature of the project for which you are contracting. You may want to incorporate the proposal in the contract, with any necessary modifications. If you are contracting with the government and there is a clause that states that the government can terminate the contract at any time (based on funding levels), then you need to include the same in any sub-contracts you execute based on that original contract. The phrase “**time is of the essence**” is a legal concept – it is good practice to specify the date of execution of the contract and other important benchmarks and dates. The **schedule of payment** and the deliverance of the service or product should match. Contracts are sometimes drawn up “**at will**”, which means that either party can terminate without cause upon proper notice. Sometimes contracts include provisions for both terminations without cause and with cause. Terminations for cause usually involve a dispute and often lead to legal action.

Bob next discussed the issue of **independent contractor versus employee status**. The State severely limits the circumstances under which you can consider someone who is doing work for you as an independent contractor. Indemnification clauses are important; you should be named as an additional insured and should be protected from any harm that you may suffer as a result of the actions of the contractor.

Another issue is the **ownership of the final product** resulting from the contract relationship. It should be spelled out. Also, the issue of whether or not either party can assign the contract should be settled. Finally, the remedies for breach of contract should be clearly delineated.

Bob briefly touched on some of the other topics at the end of the meeting. Pending legislation proposed by the Attorney General that would affect the governance of non-profits (similar to extending **Sarbanes-Oxley provisions**) has been shelved for the time being for further study. Some provisions of the **990** have been changed, particularly referring to “related organizations.” The **Federal Pension Protection Act** probably will probably not impact non-profits at this time. With regard to the **surplus retention provisions** of the UFR, you need to pay attention to the annual limits and the cumulative limits, which some organizations may be bumping up against. And finally, if your organizations hires new employees with a “**hiring**” letter, it should clearly state that employment at your organization is “at will”, is subject to all of the provisions in your personnel policy, and that the salary is at an annualized, not an annual salary.

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.