

# 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 617-850-1752.

## **Mark Your Calendars**

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

- ◆ **January 27: 403B regulations and Plan Administration Issues**
- ◆ **February 24: To Be Determined**

## **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<sup>st</sup>, 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 617-547-1063, x235 for more information.

## **The Next Meeting**

**Topic: What are the new 403B rules and how do they affect your organization?**

**Date: Tuesday, January 27**

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

**Time: 12:00 PM – 1:30 PM**

Carolyn Howard will join us to review the new rules for 403b plans and look at plan administration issues. Carolyn will advise us on the role of a plan administrator, plan choices, and discuss matching contributions and regular contributions to plans. She will also address employer's deadline for submitting retirement contributions and possible changes to the Form 5500 and who needs to file one.

Carolyn is the founder and principal of Pegaesus Advisors. She has volunteered in various community service organizations over the years and has taught retirement planning at Technical Development Corporation. She is also a continuing education instructor to CPAs, attorneys, and Certified Financial Planners in Massachusetts.

## **Recap of December Meeting**

Pam Feingold, Senior Vice President at Wainwright Bank, and Hong Vuong, Vice President at Citibank, gave a presentation about the current banking situation as it relates to nonprofits. They presented from two different perspectives - one from a community, Boston-based bank, and one from a much larger national bank. Both have a broad understanding of nonprofit financial issues and a commitment to the nonprofit sector.

Wainwright Bank has been in business as a full service community bank since 1987. Ms. Feingold works on the community development side. She has been with the bank for 17 years. The bank has shifted its focus over the last 15 years towards becoming a more socially responsible banking operation. As a small community bank, Wainwright has not been affected by the sub-prime crisis. It lends in the community, holds mortgages, and keeps them. They are still making loans. The most important element of your relationship as a nonprofit with your banker is to stay in communication – keep your banker informed about your operations and your needs.

Ms. Vuong oversees non-profit operations at Citibank in this section of the country. Citibank has been in the news lately as the recipient of a \$25 billion bailout from the Federal Government. The bank, which has been around since 1812, is in the category of being too big to be allowed to fail. The good news according to Ms. Vuong is that the bank is still in business and will continue to pursue opportunities in the Boston market, where it has recently established a foothold. The bank is still making loans, although it is looking for quality credit risks. According to Ms. Vuong, loans in the amount of \$5 million or less are relatively easy to make.

Both banks are still advancing lines of credit. An agency should plan on setting up a line of credit long before it actually needs it. In evaluating the application for the line, the bank will look at the history of the applicant agency, its mission, and cash flow. Generally, the amount of the line will depend on the level of Account Receivables of the applicant. The rule of thumb is to extend up to 75% of the average value of the receivables.

The question was raised about the limits of FDIC insurance coverage for deposits. As it stands now, the FDIC will protect up to \$250,000 per tax ID number until December 2009. Money Market funds are similarly insured. Savings accounts, credit unions, etc. are insured through Massachusetts state insurance.

As for trends in the next year or two, interest rates will be all over the board. It will be harder for borrowers to meet credit standards. Funding for non-profits from private donations and state and local government sources will continue to

decrease. Even though the Fed. has drastically cut its rates, banks will not necessarily follow suit. Banks have to purchase insurance to guarantee the loans that they make and the cost of that insurance has gone up. Banks also have to make up some of their operating losses by keeping the interest rates they charge relatively high. As for charitable giving, Wainwright will only donate to its customers, while Citibank needs to return to a profitable status before resuming donations (which are ordinarily tied to a percentage of their profits).

### ***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.