

# 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:

- ◆ **December 2: The Economy and Banking**
- ◆ **January 27: 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: The Effects of the Economy on NonProfits' Relationship with Banks**

**Date: Tuesday, December 2nd**

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

**Time: 12:00 PM – 1:30 PM**

Please join us on December 2nd to hear from bankers from Wainwright Bank and Citibank about the current banking situation as it relates to nonprofits. Financial managers should be considering, as we evaluate our banking relationships, the status of our accounts, and lending or line of credit relationships. We expect to have 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, so it should be an informative presentation. Pam Feingold, Senior Vice President, Wainwright Bank is coming from Wainwright, and Hong Vuong, Vice President, is coming from Citibank, N.A.

## **Recap of October Meeting**

James Stanton, a Consulting Manager with Grant Thornton, gave a presentation on data privacy, focusing on the type of data collected from the following groups: donors, employees, and clients. Mr. Stanton discussed key considerations around data collection, storage, and access. Mr. Stanton is a member of Grants Thornton's Boston Not-For-Profit group. He advises clients on business risk and internal control issues. His nonprofit clients span a wide array of industries including colleges and universities, independent private schools, social service organizations, and cultural institutions. Also

presenting material was Rich Davis, the lead partner at Grant Thornton Advisory Services, specializing in IT security.

Safeguarding the privacy of data collected from your various constituencies and stakeholders is important for many reasons – adverse ramifications of a data breach can be legal, reputational, and/or financial. The first task in assessing the level of privacy needed is to assess your risks: What could happen? How could it happen? And what if it does happen? You need to know what data your Agency collects, who collects it, how and where it is stored, and who has access to it. How secure are your passwords and where is the data physically stored? If you have sensitive data stored in a file cabinet, probably just one person should have the key. Once you know the risks, the next task is to determine how to mitigate them. You need to develop an action plan, implement controls, and then evaluate those controls. The five key considerations for data privacy are: 1) data – what is collected; 2) systems – how is it stored and protected; 3) people – who has access; 4) location – where is it stored; and 5) processes – how is it collected? Some additional questions need to be asked. Do you really need to collect that particular data? Are your systems to maintain the data secure? Who has access to the data and does that make sense? Are all of the physical locations and access points necessary? What is the flow of the data and are all of the steps or multiple inputs necessary?

The following stakeholders must be protected by a non-profit: donors, employees, and clients. Be very careful about handling, sharing, and publishing donor lists. Employee information needs to be safeguarded, especially name and address, social security number, bank account information, and medical information. Client records must be protected and access to them limited. Carefully assess the risks of having an outside vendor handle any of your data – remember it is the reputation of your organization that is at risk, not theirs.

You should have a written or otherwise documented set of policies and procedures to protect data privacy and an enforcement tool. Evaluate the system for effectiveness on a regular basis. At a minimum, you should review access rights to data at least once per year. Training of staff

is very important – you have to let staff know how important this task is. In the event of a breach of data security, you need to take steps to secure the data, notify those at risk, document actions steps, review the causes, and correct them.

In summary, you as the Financial Manager need to think about the data universe for your organization and your role in safeguarding sensitive data from the beginning to the end of the process. You need to ask yourself what would happen if there was a data breach and what needs to happen to reduce the risk of that happening. The three components to any kind of data security policy are people, process, and technology. You need to evaluate the risks associated with each.

You can visit [www.massnonprofitnet.org](http://www.massnonprofitnet.org) and join the organization.

### ***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.