NonProfit Financial Managers

Volume Thirteen, Number One

For more information, contact Mitzi Fennel at 617-547-9861, x235 or Doug Kline at 617-868-5050, x202

Mark your calendars now...

All of our meetings take place on the last Tuesday of each month. Upcoming dates are:

- **October 25, 2005**

Outsourcing IT

- **November 29, 2005**

The Demands of Overhead

- **December, 2005**

No Meeting. Happy Holidays!

NPFM Membership Information

The annual membership fee of $100 covers monthly mailing and other operating expenses and covers the period from September to August of each year. A part-year membership for $60 is offered for those joining after January 1st, and covers membership through August. Students are welcome to join at any time at a rate of $25.

In addition to attendance at monthly meetings, members receive a monthly newsletter and participation in the NPFM e-mail forum. Lunch is provided for all attendees at meetings. There is a $12 meeting fee for non-members. Contact Mitzi Fennel at 617-547-9861, x235

NonProfit Financial Managers
C/o Child Care Resource Center
130 Bishop Allen Drive
Cambridge, MA 02139

The Next Meeting

Topic: **Outsourcing IT**

Date: **Tuesday, October 25, 2005**

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

Time: **12:00 PM – 1:30 PM**

Not many of us can afford to have a staff member exclusively devoted to serving us and our machines. Most small nonprofits are in the market for outside help with Information Technology (IT). Our October meeting will be an opportunity to discuss what we have collectively learned about how to make IT outsourcing work for us. Rosemarie Boardman of Health Care for All and Karen Kelley from CEDAC have agreed to share their experiences as nonprofit financial managers in charge of IT, and Dan Scharfman of Baird Associates will bring his experience from the IT consulting side. Members of the group will be encouraged to participate so we can learn from one another's triumphs and ghastly mistakes. (And you thought nothing good could come from the thousands of dollars poured down the IT drain!)

Recap of September Meeting

Laura Watkins gave a presentation on crisis management preparation – what every organization needs to prepare in advance in order to minimize business loss and maximize operational recovery. Laura is a strategic planning and transition management consultant with Dovetail Associates, who has over 30 years experience in non-profit management. Laura actually experienced a crisis management situation when working for a non-profit in Wilkes-Barre, Pa., which suffered severe flooding from Hurricane Agnes in the seventies. She asked those in attendance to list some of the crises that their organizations had gone through. Examples included: Someone broke into the data system and also stole equipment; identity theft; disgruntled employees stealing or committing sabotage; an employee stalking another employee; and the death of a program participant at a summer camp. Agencies in Boston had to decide how to deal with the events of September 11th even though they physically occurred elsewhere. At the time not much was known about who, what, where, and why, so agencies made different decisions. Some closed for the day, some had employees stay, some had only essential employees stay, and others sent all employees home.

The first step in crisis management is prevention – try to control what you can and anticipate what might happen under certain circumstances. Planning ahead of time and forming a crisis management team is essential. The safety of your staff, participants, and those that live in your community is first and foremost. Also, you cannot automatically assume that employees who are designated as essential will report to work or even be able to do so. The team should meet regularly, at least once per quarter, devise a plan to deal with a crisis, and then rehearse that plan at regular intervals. Part of the plan should deal with the back-up of your computer network – is it actually happening and stored off-site periodically? Your human resources policies should identify staff roles in an emergency. ICE (in case of emergency) contacts should be programmed into agency cell phones. Communication strategies and hierarchies need to be established. Your accounting department needs to safeguard financial data and human resources needs to safeguard personnel information.

Another form of crisis can be a financial crisis, such as a case of embezzlement. It is important to involve senior leadership and the Board of Directors immediately, so that they will be on your side. Some of the biggest exposures are the unauthorized or personal use of an agency credit card or someone opening an unauthorized bank account in your agency's name. Be observant if you are aware of a key employee who is under severe financial hardship.

No matter what the crisis is, it is best to take action as soon as possible, rather than be passive, and be honest in dealing with those who have a need to know. It is better for them to hear it from you rather than from some outside source like a newspaper. It is important to have a plan and a team in place ahead of time. The crisis management team or senior management needs to act in the manner that a "thinking" person would logically act. Communication is often the biggest challenge during and after a crisis. And finally, keep in mind that a crisis or disaster is not forever – it takes patience and resolve to work through it.

Job Openings…

The NonProfit Financial Managers group has a section on their website for job postings. Check out our website at www.npfm.org and you'll find the complete list of jobs. Contact David Richardson at 617-558-8112 or drichardson@templeemanuel.com

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