# 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**, or contact Mitzi Fennel at 617-547-1063 x235 or Jessica Zander at 617-956-0215

Mark Your Calendars

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

- **May 30: I am not a Lawyer: How to Effectively Review a Contract**

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. <u>There is a $20 meeting fee for non-members</u>, and since membership is by organization, there is no limit of individuals from any one organization who may attend the meetings.

<u>**RSVPs for the meetings are not required**</u>.

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: Compensation Strategies on a Tight Budget
Date: Thursday, April 25, 2013
Location: United South End Settlements
566 Columbus Ave., Boston
Time: 12:00 PM – 1:30 PM

Compensation Strategies on a Tight Budget

Even in the best of times, how a nonprofit makes compensation strategies can be difficult: COLAs? Merit increases? Bonuses? What's best? What's fair? What's affordable? Does your board understand the challenges? There are no easy answers—especially in a tight economy, which is why salary administration has been called the art of distributing dissatisfaction equally. Our discussion will focus on the challenges different nonprofits face when it comes time to budget and issue salary raises.

Gordon Gottlieb is a human resources consultant at TDC, the nonprofit consulting firm. He offers a range of organizational development and HR-related services including technical assistance, coaching and training.

Recap of March Meeting

<u>Meet the Regulators!</u>
MA AG's Public Charities Division

Assistant Attorneys General Mary Beckman and Nora Mann, Chief and Deputy Chief of the Public Charities Division, spoke candidly about their work and gave some real-life examples of cases their office has seen. They discussed how to avoid common pitfalls and identified red flags to support a constructive relationship with the Division. They also spoke about the regulation of the nonprofit sector, and about their priorities to support a vibrant nonprofit sector and how they hoped to work with nonprofit leaders to prevent misuse of charitable funds and protect nonprofits and their donors from fraud and loss.

One of the main purposes of the Attorney General's Public Charities Division is to ensure the due application of charitable funds for the purposes for which they were donated and to prevent breaches of trust in the administration of those funds. The nonprofit sector has a very large impact on the economy of Massachusetts. No other government agency is regulating the sector as diligently as the Attorney General's Office. Charitable funds are those that are held in trust for charitable purposes. Key leaders of any nonprofit organization must operate in a fiduciary capacity that demonstrates due care and loyalty to the organization. A breach of trust is not a simple mistake or oversight. How does the AG's office provide oversight to the sector? They do it through compliance, enforcement, and support. There are approximately 26,000 charities in Massachusetts. Nora Mann stressed that nonprofits in trouble should seek help from the AG's office – that there is nothing short of stealing that cannot be undone of fixed. The AG's staff can help nonprofits enhance their system of internal controls. The job of the AG's office is to regulate and support nonprofits.

One area that the office is looking at is whether to reduce the scope of the Form PC that nonprofits have to file every year with the AG. Since the 990 has expanded dramatically in its scope in recent years, it would make sense to reduce the length of the Form PC. However, there will probably always be a section of the PC that deals with solicitation of funds because that is a major focus of the Division. One of the functions of the Division is to make sure that filings are submitted on time, are complete, and are available for the public to examine. One of the most frequent issues that arises is the improper usage or accounting of restricted funds. The AG's office is that only agency that regulates this area. Restricted funds must be used for their specified purpose as identified by the donor, within reason. If the organization goes bankrupt, restricted funds do not go to the creditors. Some red flags that might trigger further scrutiny by the AG are big changes in net assets, big swings in revenue, or a substantial increase in the number and size of related party transactions. Other red flags include the longevity of Board of Director tenure or of that of the Executive Director. The AG's Office will often hear complaints about nonprofits from the public or the press. The Division is very careful about making public statements about individual cases. When there is a problem with a nonprofit, the AG's Office will not seek to change the organization or stand in the shoes of the Board of Directors as long as key members of the organization are operating in good faith; they will offer advice and support and will only step in when absolutely necessary.

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-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.

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.