



Do You Need a Grievance Policy?

Should a small nonprofit have a grievance policy?

Q: I'm the executive director of a small nonprofit. With the help of a grant, we expanded our staff from two to five. Here's the problem: One of the new staffers is the daughter of a board member. There was a conflict between this staff member and her new supervisor. The daughter went to mom, and mom involved the board in the problem solving. I was completely left out. The board president acts as if it's unimportant. I feel like my authority with the staff has diminished. How should I approach this?

*It's a good idea to give examples of how **not** to handle a complaint.*

A: Whoa! You have to take control back fast! And you need a grievance policy, which I'm guessing you don't have. Without a grievance policy, employees can just complain and tie you up in a web of accusations that will spiral out of hand quickly.

Approach your board president again with the suggestion that your growing organization needs a grievance policy. Often this is handled by a personnel committee or executive committee. An ad hoc committee is fine too.

The grievance procedure should clearly outline who reports to whom, and what method an employee will use to lodge and resolve a complaint. Many grievance procedures use several layers of immediate supervisors or staff committees to resolve issues before they get to the board level.

A simple conversation is probably all you need.

Each employee should understand and sign the policy. It's a good idea to give examples of how *not* to handle a complaint, such as going directly to the board member who's your mom. Each board member needs to sign the policy also.

When your policy is in place and everyone has made a signed commitment to it, you'll have the beginnings of the authority you need to enforce it with staff and at the board level.

There are many sample policies available to help you get started. It's a good idea for a labor attorney to look it over before the board approves it. Your policy will be invaluable as your organization grows. Properly conceived and executed, it can help resolve differences at the earliest stage, and maybe keep you out of court. That's always a good goal!

Finally, I think you need a heart-to-heart with the staff member. She probably didn't realize what potential damage she was doing. A simple conversation is probably all you need to help her understand the boundaries of work and family. ■

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Can the Board Give the CEO a Bonus?

Q: I've been the executive director of my organization for about 20 years. We had a good year this year and my board wants to give me a one-time "achievement bonus" of a few thousand dollars. Is this okay?

A: Yes. Performance bonuses which aren't based on a percentage of the organization's "profits" or surplus, and which don't raise total compensation beyond the range of reasonableness (so that you don't face excess-benefit taxes), are perfectly legitimate.

The board should be sure to follow the safe-harbor provisions to provide a rebuttable presumption that the total is reasonable. ■

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To assure that total compensation is reasonable, see "Executive Compensation," Vol. 23, No. 5, Nonprofit World, www.snpo.org.