



The Little Stuff



Sometimes small things can trip you up and lead to disaster. Here are six items to keep in mind.

By Don Griesmann

The most exciting parts of managing a nonprofit are mentoring staff, being involved in projects you love, and growing the organization's mission. If only you could spend all your time immersed in those matters and not worry about the pesky details of managing a nonprofit.

Unfortunately, however, it's the "small stuff" that could come back to bite you. Here's a checklist of little things you can't afford to ignore:

Articles or Certificate of Incorporation. Are the original incorporation papers available and easily accessible, along with any amendments? You need to review these papers regularly and compare them to the organization's current mission and activities. Then decide if

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you need to make any new amendments to match current and future plans.

Registered Agent. States require that the original incorporation papers list a registered agent and address (so the state will know whom to serve if any legal action is filed against the organization). State laws generally require that organizations file any changes concerning the registered agent. The state may have a special form, and you may need to pay a fee when filing. Some states appoint the board treasurer as the registered

agent until there's an official filing for a new agent.

Posters. You need to post information about the following federal laws in plain view of your employees: Equal Employment Opportunity Act, Job Safety and Health Protection Act, Federal Minimum Wage Act, Family and Medical Leave Act (FMLA), Employee Polygraph Protection Act, and Fair Labor Standards Act. Your state undoubtedly has statutes that require you to post information about other laws such as the minimum-wage law, laws against discrimination, and employee and community right to know about hazardous substances in the workplace. Check your state's Web site for a full list of state-required posters that apply to your organization.

Risks & Reports. Does your organization meet local, state, and federal requirements for games of chance, raffles, and other fundraising

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- **Salaries in Nonprofit Organizations** (Vol. 10, No. 4)
- **Does Your Board Need Liability Insurance?** (Vol. 12, No. 6)
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- **Should You Hold a Raffle?** (Vol. 13, No. 1)
- **Six Ways to Reduce Risk & Comply with the Law** (Vol. 26, No. 1)

activities? Do you have the appropriate licenses, permits, or registration? Is there sufficient insurance for the organization? Can you locate the insurance policies and current claims? Do you know what's insured? Have you checked and double-checked that all professional and provisional licenses are up to date? Is the organization filing annual reports, renewals, taxes, and pension information with the state as required by law?

Salaries. Our sector has been hit hard over the salaries paid to some nonprofit CEOs. Hidden below that visible part of the iceberg is the dirty little secret that many employees are badly underpaid with insufficient benefits. Many nonprofits are paying experienced, degreed, and certified workers less than half what the CEO is paid and not close to what comparable

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employees in government and the private sector earn. Often at the top of the benefit problem is underpayment for mileage. We need to have a fair, equitable, and comparable salary schedule and benefit plan for all employees, especially those who do so much of the grunt work, the street work, the outreach, and the client work. If we want our workers to care about the details that matter, we've got to care about them.

Succession Planning. Study after study states that only about 25% of nonprofit organizations have a

written succession plan if the CEO gets hit by a bus or up and leaves. Is the board prepared to make an immediate decision for temporary leadership until a recruiting process can be set in motion? Choosing someone to lead the organization into the future is one of the biggest "small" things of all. ■

Articles in this department are written by the staff and members of the Alliance for Nonprofit Management (www.allianceonline.org).

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