Ask the experts

When Should You Conduct Surveys?

The answer depends on the type of survey you're considering.

Q: How often should a nonprofit organization conduct a client survey?

A: There are two types of client surveys:

1. Conduct the **relationship survey** periodically (once a year or so) to find out how well your organization has been serving respondents' needs, what unmet needs they have, and their recommendations for improvement.

> Perform surveys to assess your clients' needs and to follow up on service encounters.

2. Send the **trailer survey** to follow up on a service encounter and ask the client to evaluate that service. Depending on the services you offer, you may want to do trailer surveys of all clients each time they're serviced, or every other time, or during certain weeks or months, or on some other basis.

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Also see the following Nonprofit World *articles at www.snpo.org/members: "Quick & Dirty Research" (Vol. 19, No. 3), "Using Surveys & Focus Groups to Gather Market Data" (Vol. 13, No. 3), "A Quick Way to Tell If Your Organization Is Meeting Its Goals" (Vol. 9, No. 3), and "Are You Using the Power of Assessments and Audits?" (Vol. 14, No. 3).*

Is Loan from Directors a Conflict?

Can you ask your board to help keep you afloat through tough times?

Q: Our nonprofit organization is facing a dire cash-flow problem. We're considering the idea of asking a handful of board members to lend money to the organization at low interest rates and with long paybacks. This is a contingency plan in case all other fundraising efforts and budget cutting moves fail to bear fruit in time. Is it a conflict of interest for those directors lending the money? Is it a wise idea?

> Our nonprofit organization is facing a dire cash-flow problem.

A: Any economic transaction between a director and the organization creates a conflict of interest, but that doesn't mean you can't do the transaction. It should be fully disclosed and approved by directors who are not involved and who assure themselves that it's fair and reasonable for the organization.

It's a time-honored tradition for directors and other supporters to lend nonprofits money to tide them over rough spots. They can often keep organizations afloat that would otherwise sink from their financial difficulties.

I would have some concern if the number of lenders is large and the amounts are substantial enough to be personally significant. If you have difficulty repaying the loans when due and if the lenders haven't been prepared from the outset to write them off if necessary, you could have a significant block of your directors looking at your activities through a lens of trying to protect their economic self-interest. That's undoubtedly not the best point of view for your organization. ■

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Be sure you have a conflict of interest policy and follow it to the letter when making decisions such as this one. See "Navigating Tough Conflict of Interest Situations," Nonprofit World, *Vol. 27, No. 1, at www.snpo.org/members.*