NONPROFIT World

Advancement Through Sharing

Volume 23, Number 1
January/February 2005

How to Talk to Your Board

Secrets from a Communication Expert

PLUS:

The One Job Volunteers Can't Do

Where Can You Find a Fundraising Consultant?

How to Prevent an Information Disaster

Published by the Society for Nonprofit Organizations

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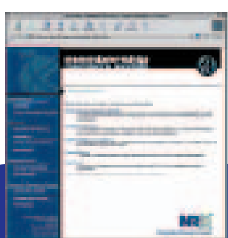

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on the cover

It may be your most crucial job as a nonprofit executive — communicating with your board. Your organization's future hinges on it. For communication secrets, see "How to Talk to Your Board" on page 10.

Purpose

The Society for Nonprofit Organizations is a 501 (c) (3) nonprofit organization. Through Nonprofit World and other communications with its members, the Society is dedicated to bringing together those who serve the nonprofit world in order to build a strong network of professionals throughout the country.

This logo symbolizes the goal of the Society, which is to unify diverse segments of the nonprofit world, to draw them together, and to create a dynamic whole without losing their individuality.

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NONPROFIT WORLD is published bi-monthly at the subscription price of $79 per year by The Society For Nonprofit Organizations. Single copies are available, prepaid, at $15 per copy. NONPROFIT WORLD is available at no charge to members of The Society For Nonprofit Organizations. To subscribe or to become a member of the Society, write: The Society For Nonprofit Organizations, 5820 Canton Center Road, Suite 165, Canton, Michigan 48187. Telephone: 734-451-3582. Organizational Membership $99. Individual $59. **Organizational members may purchase additional memberships for their board, staff, and volunteers at $15/membership/year.** Change of address: Send both new and old address, with mailing label if possible, to: The Society For Nonprofit Organizations, 5820 Canton Center Road, Suite 165, Canton, Michigan 48187. Allow six weeks for corrections.

ISSN 8755-7614. POSTMASTER: Send address changes to The Society For Nonprofit Organizations, 5820 Canton Center Road, Suite 165, Canton, Michigan 48187. **E-mail: info@snpo.org. Web page: www.snpo.org.**

Unsolicited manuscripts and letters to the editor are welcomed. They should be addressed to Jill Muehrcke, Editor, *Nonprofit World*, P.O. Box 45346, Madison, WI 53744-5346 or muehrcke@charter.net.

Editor's *page*

The Best Medicine

Andrew Carnegie once noted that "there is little success where there is little laughter." Rarely have truer words been voiced. For without laughter, there's no energy, no joy, no spirit.

Jill Muehrcke, *Editor*

And without spirit, there's low productivity and scant chance of fulfilling dreams.

> *"Give people food for their heads and hearts."*

In a study of great leaders, Danny Cox found that they all share a desire to support and encourage others (see *Leadership When the Heat's On*, by Danny Cox, Mc-Graw Hill, www.mcgraw-hill.com). Within such a nurturing environment, where pettiness is eliminated and ideas are openly exchanged, individuals become more than the sum of their parts. They produce tremendous results while growing, learning, and having fun in the process.

You can create such a culture by promoting a sense of community in your organization. (See "Ten Steps to High Morale" on page 32). Help people encourage each other. Find ways to recognize people's contributions to the organization's greater purpose. Surround your workers with respect (see "R-e-s-p-e-c-t, Find Out What It Means to Employees" on page 32). Flood them with affirmation and recognition.

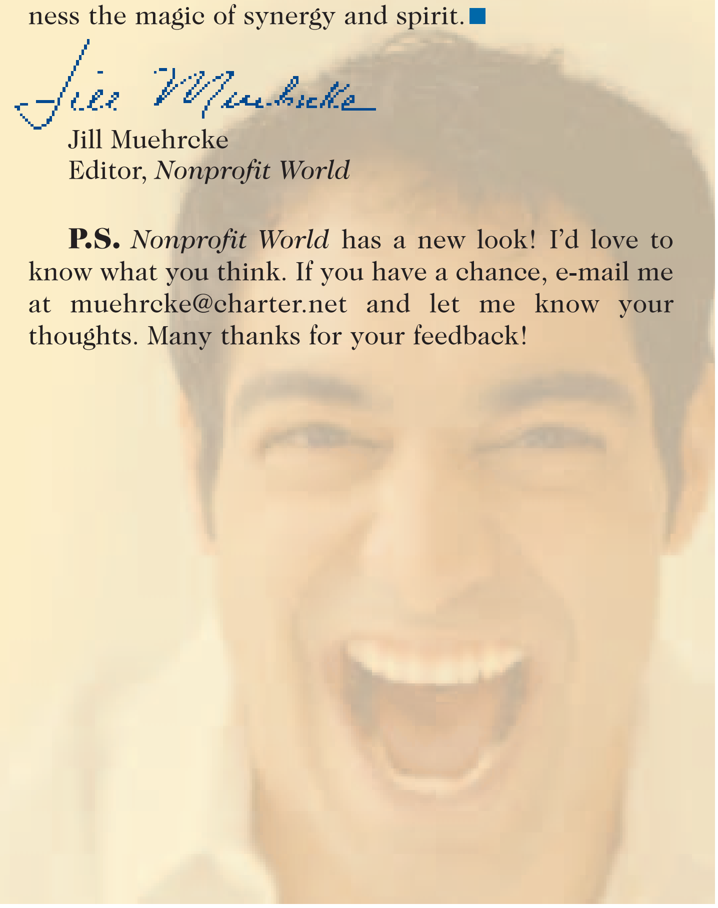
Napoleon said that if he had enough medals to distribute to all his troops, he could win any war. It's good advice for anyone who wants to build a winning team. In lieu of medals, you could try letters of recognition, invitations to lunch, free training, and work-life programs such as flexible scheduling and wellness programs (see "Don't Let 'Sick' Workers Undermine Your Organization" on page 14). Give people food for their heads and hearts, as Cox urges.

When infusing spirit into your organization, don't forget your board. Lavish board members with appreciation for their service. Parties, dinners, and recognition events are vitally important, as Larry Lauer makes clear in "How to Talk to Your Board" (page 10). Frequent get-togethers aren't just play; they're essential for team building and unified action.

Nonprofit organizations can't be successful unless they foster expressive behavior, as David Mason tells us in "Put the Expressive Dimension to Work" (page 23). Expressive behavior, he explains, is action as an end in itself rather than for a defined goal. It is play for the sake of play, work for the sake of work. His thought-provoking article reminds us to find ways to help staff and board members love their jobs. People who love what they do can't get enough of it. Those who stay away from work often cite stress as the reason (see "Top Causes of Stress at Work" on page 31).

You can't eliminate stress, but you can turn it from a toxic force into a rousing challenge by making work a chance to learn and grow. People get excited and energized when they learn something new. Inspire them to learn new things every day.

Just as laughter is contagious, so are enthusiasm and passion. All three are powerful tools. Use them to transform tension, build a high-energy team, and harness the magic of synergy and spirit. ■



Jill Muehrcke
Editor, *Nonprofit World*

P.S. *Nonprofit World* has a new look! I'd love to know what you think. If you have a chance, e-mail me at muehrcke@charter.net and let me know your thoughts. Many thanks for your feedback!

NEW from the Society

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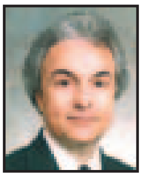

President, Center for Public Skills Training, Milwaukee, Wisconsin

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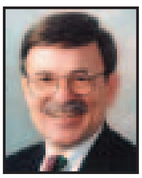

President and CEO,
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Course Objective: Learn techniques for acquiring, renewing and upgrading donors.

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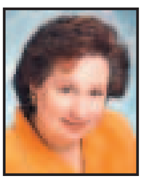

President, Board Builders
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Faculty: Jerr Boschee

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Course Objective: Understand the critical success factors in adopting entrepreneurial strategies.

7. Volunteer Management
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Founder and President, ENERGIZE, Inc.
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Course Objective: Understand the steps to successful volunteer recruitment, management and evaluation.

8. Strategic Alliances
Faculty: Richard L. Jones

President and CEO, Metropolitan Family Services, Chicago, Illinois

Course Objective: Explore the types of strategic alliances and the principles critical to their development.

Faculty: David Campbell

Vice President for Programs,
Community Service Society of New York
New York City, New York

To learn more about this affordable educational opportunity, visit the Society's Learning Institute Web site at:

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Letters *to the editor*

Insult to Volunteers Not Intended

I feel I need to respond to Nick Levinson's letter to the editor regarding my article ("Nonprofits without Audit Committees Risk Disaster," Vol. 22, No. 2). I empathize with Mr. Levinson's point that nonprofits grow, and grow safely, by using volunteers to do important work. In fact, many of our great charitable organizations were built by volunteers. As a supporter of the nonprofit sector, I wholeheartedly agree that we must encourage the American spirit of volunteerism within our nonprofit organizations.

That said, volunteers are called on from time to time to handle money, significant sums at times. Cash donations, for example, can be significant — think of the collection plates at our places of worship or our cash boxes at county fairs and community events. When the volunteers' job is done, the money is usually turned over to paid staff. CPAs, financial professionals, attorneys, and the like universally recognize the need for strong financial controls to prevent the potential fraud mentioned in my article. Certainly, I did not intend to imply that volunteers are more likely to steal or waste money while volunteering, merely that when money is handled in a casual or unsophisticated manner, the likelihood of fraud increases.

For this reason, we must do all we can to encourage volunteerism but, at the same time, insist on having audit committees and boards of directors monitoring strong financial controls to head off the potential for mismanagement of our invaluable charitable resources.

John R. Owen, III
Polity & Smock, P.C.
Pittsburgh, Pennsylvania

Thumbs Up for Past Articles

I am so impressed with the *Nonprofit World* articles you've compiled in your book *Volunteer Management, Leadership Series*! I would like to adopt this book for a class I am teaching on volunteer management and fundraising at Western Illinois University.

I notice that the copyright on this book is 1990. I am wondering if you have a newer edition.

Daniel G. Yoder
Western Illinois University
Macomb, Illinois

We don't have a more recent print compilation. However, in 1996, we put all past articles from Nonprofit World *onto a CD (1983-1996). In 2001, we produced another CD with all the articles from 1995 to 2001. And on our Web site we have all the current articles.*

The CDs can be purchased from our Resource Center (on the Web site, www.snpo.org). The most recent articles can be accessed in the "Members Only" section of the Web site. Membership is as little as $29 a year and will get you a discount on the CDs and unlimited access to our online archive of articles.

All the articles are organized by subject and are easy to print out and organize for use. You may find the hundreds of articles in categories from "Board Development" to "Fundraising" useful for your students as well.

— Ed.

Why, Thank You

I realize there is much I haven't seen yet, at the tender age of 49. *Nonprofit World* is the best management publication yet. It is clear, concise, relevant, and a fun read. You're the best! Many thanks! ■

Mark Henke
Catholic Charities,
Catholic Community Services
Kansas City, Kansas
mhenke@CatholicCharitiesKS.org

Please Get in Touch

We would love to hear your response to anything in *Nonprofit World*, your comments about any aspect of the nonprofit sector, and your concerns about your daily work. Please get in touch in any of the following ways:

Drop us a note at: Letters to the Editor, *Nonprofit World*, P. O. Box 45346, Madison, Wisconsin 53744-5346.

E-mail to: muehrcke@charter.net

Please include your name, address, and phone number. If you'd like your comments to appear anonymously, please let us know. We look forward to hearing from you!

Nonprofit World • Volume 23, Number 1 January/February 2005
Published by the Society for Nonprofit Organizations
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Where Can You Find a Fundraising Consultant?

Q: *Where do you recommend finding a good fundraising consultant?*

A: As a starting point, I suggest you seek out professional organizations that have strong codes of ethics. For example, the Association of Fundraising Professionals (AFP) in Alexandria, Virginia, places strong emphasis on ethical fundraising practices. The AFP can refer you to a list of consultants in your area or in a specialized field. Contact them online at www.aft.org.

If you're looking specifically for a consultant in direct mail fundraising, turn to the Association of Direct Response Fundraising Counsel (ADRFCO) in Washington, D.C. For a directory of members, call them at 202-293-9640.

Mal Warwick, Chairman
Mal Warwick & Associates
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Berkeley, California 94710-2516
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How Soon Should You Make the "Second Ask"?

Q: *After we have received the first gift from a donor, how long should we wait before asking for a second gift?*

A: A good rule of thumb is to wait three to six months after you receive the initial gift. However, make sure to send the donor a prompt thank-you note after the first gift and include them on appropriate mailing lists to receive general information from your organization.

Jimmie R. Alford, CFRE
Founder and Chair
The Alford Group, Inc.
1603 Orrington Avenue
Evanston, Il 60201
847-425-9800
www.alford.com

First *alert*

Blowing the Whistle on Fraud

The Sarbanes-Oxley Act requires public boards to create a whistleblower policy — a confidential way for employees who suspect fraudulent activities to raise their concerns without fear of retaliation. Although nonprofits aren't bound by the Act, they would benefit from having such a policy. Yet only 16% of nonprofit organizations have one, according to results of a survey by Grant Thornton. And, of those without a policy, only 21% are planning to create one.

"A whistleblower policy is a risk management tool for the board of directors," says Grant Thornton's Chuck Violand. "It minimizes the risk of serving on a board and provides another avenue for dictating compliance."

For more information, contact www.grantthornton.com, charles.violand@gt.com. Also see "The Sarbanes-Oxley Act & Nonprofits," *Nonprofit World*, Vol. 22, No. 5, www.snpo.org. ■

Deductions Denied without Substantiation Letter

The Tax Court has once again ruled that a taxpayer may not deduct donations over $250 without a substantiation letter from the charity. In this case (Hill v. Commissioner, T.C. Memo 2004-156), taxpayers claimed $21,439 in donations but had no substantiation letters to back them up. Thus, their tax deductions were denied.

It's always in your best interest as a nonprofit to provide a substantiation letter when you receive a donation. This letter should state the amount of the donation and say whether you provided any goods or services in return for the gift (and if so, give a "good-faith estimate" of the value of these goods or services). If your donors lose their tax deductions because you failed to provide such a letter, it's unlikely you'll get more gifts from them, and the reputation of your organization and the entire sector will suffer. For more information, see "Ready Reference Pages 1 and 2" (www.nonprofitissues.com) and "Are You Giving Your Donors Proper Receipts?" (www.snpo.org).■

Free Guide to Employing Disabled People

The majority of people with disabilities become disabled during their working life, and the incidence of disability increases steadily from age 45. Employers need to consider how to make reasonable adjustments to retain an employee who becomes disabled, as well as to recruit new staff who may have disabilities. An excellent guide, "Employing Disabled People: A Good Practice Guide for Managers and Employers" is available for download at the Disability Rights Commission's Web site (www.drc-gb.org). Although the organization is based in the UK, much of the information on its Web site and in the guide are relevant to employers anywhere in the world who want to follow good employment practices and promote equal rights in the workplace. ■

Life Cycle of a Nonprofit

A new resource from the IRS provides forms, guides, and other information to help nonprofits comply with their legal obligations. See "Life Cycle of a Public Charity" at http://www.irs. gov/charities. ■

Are You Up to the Standard?

A unique institute has been established to promote a high ethical standard for nonprofits across the country. The Standards for Excellence Institute awards a "seal of excellence" to nonprofits that meet the ethical and accountability criteria. Its benchmark exceeds the minimum legal requirements, covering eight areas of nonprofit operation: (1) mission and program, (2) governing body, (3) conflict of interest, (4) human resources, (5) financial and legal, (6) openness, (7) fundraising, and (8) public affairs and public policy. The Institute has developed educational materials, public education efforts, and a certification program to help nonprofits act ethically and accountably in their management and governance, while enhancing the public's trust in the nonprofit sector.

The Institute is one of several efforts by nonprofit groups to raise accountability in the sector. Several legislators are introducing laws to tighten nonprofit oversight, including a proposed requirement that charities reapply for nonprofit status every five years.

"If the sector does not start to self-regulate, it's going to end up in a world of pain," cautions Paul Light, a New York University professor of public service. He urges nonprofits to follow this golden rule: "Do unto yourself before Congress does unto you."

For more information on the standards, see www.standardsforexcellenceinstitute.org, www.washingtonpost.org.com, and www.fdncenter.org. For ways to assure ethical governance and accountability in your organization, see these *Nonprofit World* articles at www.snpo.org: "Turn-around Needed! How to Get Started" (Vol. 22, No. 6), "The Sarbanes-Oxley Act & Nonprofits: But I Thought That Didn't Apply to Us" (Vol. 22, No. 5), "A Board Member Self-Assessment" (Vol. 15, No. 6), "Nonprofits without Audit Committees Risk Disaster" (Vol. 22, No. 2), and "The Ethics Audit: A Tool Whose Time Has Come" (Vol. 13, No. 6). ■

Fundraising *forum*

A Revolutionary Fundraising Opportunity

Life Settlements

Looking for a Big Chunk of Cash you can use any way you want? Here is the answer.

by Jolene D. Fullerton

Amid fundraisers' concerns about the charitable giving climate, dampened by the erratic stock market and shaky economy, a new fundraising opportunity has emerged—life settlements.

What Is a Life Settlement?

A life settlement is the sale of an existing life insurance policy for a lump sum of cash that is more than the cash surrender value. A life insurance policy is property, like a car, house, stocks, and bonds, that can be legally sold in accordance with applicable laws. Through a life settlement, a policy owner can realize value today from an asset that is generally thought to have a benefit only when the insured passes away.

> You can sell already-donated policies for cash and put the money to work right away.

How Can Life Settlements Be Used in Fundraising?

You can incorporate life settlements into your planned giving program in a variety of ways, using many estate and tax planning strategies. In its simplest terms, the process works like this: A donor who owns a life insurance policy gives it to your organization, and you, in turn, immediately sell the policy for a lump sum of cash.

To be eligible for a life settlement, a policy must meet the following criteria:

- **The insured individual** must be over 65 or have a serious illness.
- **The life insurance policy must have a face value** of at least $100,000.
- **The policy must have been issued** over two years ago.

What Are the Benefits to Donors?

- **People can make a donation** to their favorite charity without depleting their cash reserves or losing income-producing assets.
- **Donors receive a tax deduction** for the fair market value (selling price) of the life insurance policy instead of only the cash surrender value.
- **People can see their donation** put to use during their lifetime.
- **Donors no longer need to pay premiums** on the policy.
- **A taxable asset is removed** from the donors' estate if the policy was individually held.

What Are the Benefits to Your Organization?

- **You receive a donation** from someone who otherwise might not have been in a position to contribute at all.
- **Your organization collects a lump sum of cash** today instead of waiting for the insured's death to collect the proceeds.
- **You don't have the financial burden** of paying premium payments to keep the policy in force.
- **The life settlement process provides a valuable option** to donors, encouraging them to make future gifts to your organization.
- **Your organization's annual budget forecasting ability** is improved.

continued on page 8

CREATIVE FUNDRAISING IDEAS

Team Up with Restaurants

The San Francisco Institute on Aging holds an annual event in which they ask restaurants to donate a certain number of dinners or to donate a free dinner for every dinner purchased at a discounted price. It then groups the restaurants into price categories. The event is held on the Tuesday before Valentine's Day. (Tuesday is traditionally a slow day for restaurants.) On that evening, the organization's supporters have dinner at the restaurant of their choice and pay full price. The difference is donated to the charity. For more fundraising ideas, see *Hank Rosso's Achieving Excellence in Fund Raising* (Jossey-Bass, www.josseybass.com).

Seek Out Second Homes

Identify people on your mailing list who own a second residence. They may be helpful in many ways. For example:

- They may be willing to donate a free week or weekend stay at their residence as an auction item or door prize for your special event.
- They might host a reception on your organization's behalf at their residence.
- The residence could serve as a retreat location for your board, staff, or planning committee.

Arranging for someone to loan you their residence is also a great way to involve them in your organization with little work on their part. For more creative fundraising ideas, see www.stevensoninc.com.

Hold a House Party

One way to overcome the fear of asking for money is to hold a fundraising house party. Invite people to come to the home of someone who supports your organization. Make it clear the evening will be a fundraising event. When people arrive, serve them refreshments, and give a brief presentation. Then have a peer—someone articulate, enthusiastic, and respected—ask everyone to make a contribution. For tips on holding such an event, see *The Fundraising House Party,* www.warshawski.com.

How Does a Life Settlement Work?

Once the donor is considering gifting a life insurance policy to your organization, the policy should be appraised. A life settlement broker can determine the policy's eligibility for a life settlement and will seek to obtain the highest possible offer for the policy.

The value of a life insurance policy is determined by a number of factors, including, but not limited to, the age and medical condition of the insured, type of insurance policy, rating of the issuing insurance company, and amount of premium payments needed to keep the policy in force. Most types of insurance policies — including universal, whole life, and converted term — can qualify.

When a mutually agreed-upon price is determined, you are paid a lump sum in cash, and the ownership and beneficiary rights are transferred from your organization to the purchaser. All future premium payments are the responsibility of the purchaser, and upon the death of the insured, the death benefit is paid to the purchaser.

Your organization can use the cash proceeds from the life settlement in any way. There are no restrictions regarding the use of the funds. You can invest the money or spend it on current projects. Because some life settlement brokers offer fundraising support, it makes sense to partner with them for their expertise.

What Laws Regulate Life Settlements?

Eighteen states have enacted statutes addressing the sale of life insurance policies insuring people who aren't terminally or chronically ill. An additional 17 states have laws that regulate the sale of life insurance policies only to those insuring terminally or chronically ill individuals. Fifteen states don't regulate the transaction at all.

What about Policies Donated in the Past?

Like many nonprofit organizations, you may currently own life insurance policies that have been donated in the past. If there is an immediate need for funds, or if the premium payments are becoming burdensome, you can use life settlement transactions to sell those policies for lump sums of cash and put the money to work right away. ■

Resources

Alford, Jimmie, *Resource Development Videotape.*

Clough, Leonard, "Why Planned Giving?", *Nonprofit World*, Vol. 12, No. 2.

Staecker, Delmar, "Insure Your Fundraising Future," *Nonprofit World,* Vol. 13, No. 2.

These resources are available from the Society's Resource Center, www.snpo.org.

Jolene D. Fullerton, practicing attorney for 18 years and former director and vice president of the Viatical and Life Settlement Association of America, the industry's trade association, is general counsel for a leading life settlement broker company, First Secured Life, www.firstsecuredlife. com/nonprofit.html.

Nonprofit World • Volume 23, Number 1 January/February 2005
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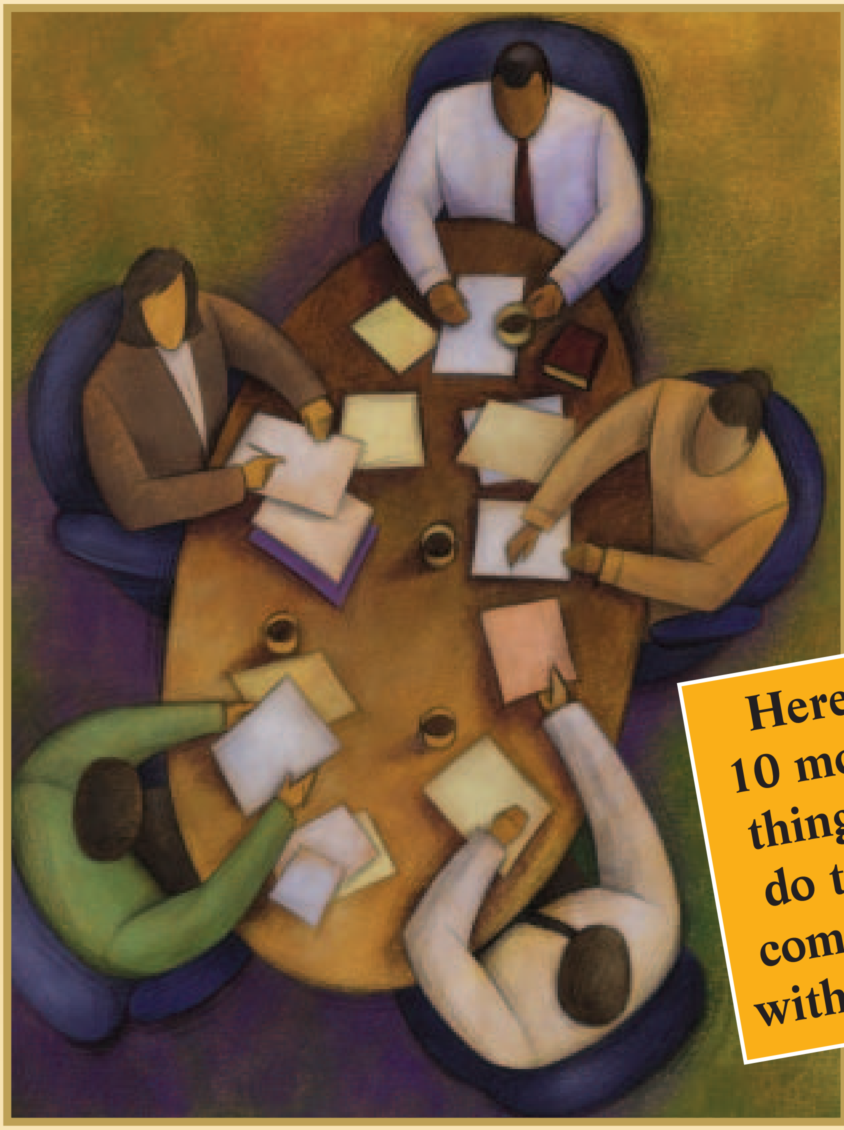
How to Talk to YOUR BOARD



Here are the 10 most crucial things you can do to improve communication with your board.

by Larry D. Lauer

One of your most crucial jobs as a nonprofit executive is to communicate with your board. Only if you communicate effectively with board members will they stay motivated and productive. Here are 10 steps to powerful communication with your board:

1. Nurture Relations with Your Board Chair.

Your success hinges on your relationship with the board chair. When seeking a new chair, look for someone who's on your wavelength, who shares your organization's communication and management styles.

For example, businesspeople accustomed to an autocratic style may want to run the show rather than create a team. If possible, avoid such people. If that's not possible, use these techniques to defuse the situation:

Give Them Strokes. Appreciate the good qualities they bring to the board, and express your appreciation often and loudly. Just giving them the recognition they crave will often work miracles.

Gain Support from the Whole Board. Cultivate overall support so that disagreements between you and the chair won't develop into serious matters. Bring other key board members up to date – letting others initiate any comments about the chair's performance. Your objective is not to talk about the chair, but to impress other board members with your leadership.

Keep Disputes Private. Take care not to disagree with the chair in public or in open board meetings. Bringing a disagreement into the open can cause a disastrous split. Even if you are right in principle, you may lose the support of good people as a result.

Keep All Board Members Informed. Launch a regular program of telling all board members everything the organization is doing. Accurate information can help put an over-zealous board chair in perspective.

2. Revisit Your Mission.

It's essential that you meet periodically with your board to discuss your mission – what your organization was founded to do. Picking the right time for such a discussion can unite the board with a crucial sense of purpose.

The right time is usually an annual retreat or special meeting. If there is no clear mission statement, the first assignment is to write one. If there is a clear statement, it is productive to re-articulate it in light of current marketplace conditions.

With the mission statement as a guide, ask board members if the organization is still on track. If they believe it is, move on quickly. If they don't, list the reasons why and take these reasons to the staff for further discussion. Then bring staff suggestions to the next board meeting. Even disagreements will lead to greater commitment by both board and staff.

3. Emphasize Your Vision.

While mission is what the organization came into existence to do, vision is what it wants to become. To some organizations, vision is a broad statement of expectations and desired recognition. Others state their vision in the context of specific objectives.

Many CEOs are criticized for lacking vision or being unable to articulate it. But the truth is, different people mean different things by the term. So, the first order of business for a board is to define what "we" mean by the word. What factors must go into expressing "our" vision? What statement do members expect leadership to be making?

There's nothing like the joy of serving on the board of an organization that knows where it's going.

Again, you and your board should revisit your vision statement periodically, perhaps annually. How have environmental conditions changed? How does the statement hold up? If it needs revision, take the time to do it. Share the board's ideas with the staff, and bring staff members' thoughts back to a later board meeting.

This is all an exercise in building a unified team, and none of it will be a waste of time. In fact, it will increase your board's enthusiasm for what you do. There's nothing like the joy of serving on the board of an organization that knows where it's going.

4. Prepare a Board Policy Manual.

We all know that "the board establishes policy," but the word "policy" often creates confusion. "Policies" are simply the principles which guide management decisions in fundraising, financial management, marketing, operations, personnel, and communications.

Produce a book for the board which describes all these policies in one place, in simple, non-legal language. Your board policy manual should include the following information:

Fundraising policies should declare that all board members are expected to raise funds and contribute their own money to the organization. Board members should approve all budgets associated with raising funds as well as annual fundraising goals – including how much each of them will give. They should be available to rate the giving potential of prospects from lists provided by staff and consultants. They should agree to make solicitation calls, by themselves or with other volunteers or staff. And they should give generously themselves – so that they won't just be asking for money but asking others to join them in supporting the cause.

Financial management should be clearly identified as a board responsibility. Approving the budget, establishing safeguards related to audits, and overseeing investments are board tasks which must have policies to guide them. Some organizations have a balanced budget as policy; others will permit deficits under specific conditions. All must review audits and investments and have policies guiding the selection of those who perform these services.

Your **marketing policy** should explain what percent of your budget will be spent on marketing activities. It should also list the marketing duties you expect the board to perform. For instance, you might have board members make speeches. Or start word-of-mouth efforts with community opinion leaders. Or ask printers or PR agencies to donate services. Or organize special events. Design your marketing policy to motivate members to tell "the story" on a continuing basis.

Operations policies should clarify the board's role in managing the organization's affairs. Board members shouldn't have control of daily transactions. They should

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> **A board newsletter is one of the most important things a CEO does for the board.**

take a wide view, making sure that management methods are advancing the organization's culture, mission, and values.

Likewise, **personnel policies** should make it clear that the board has no authority over hiring or firing anyone except the executive director. Again, their role is a broad one. They must insure that benefits are appropriate and that personnel laws are followed.

Few organizations have **communications policies**, but they should. Such policies should answer the following questions: What communication functions will board members and executives perform? Are they expected to go into the community and tell the organization's story? What priority is communication given in the organization? What are the procedures to follow with sensitive issues and crises?

5. Draw a Clear Financial Picture.

If fiduciary responsibility is a primary board responsibility, giving your board good financial information is critical. Be careful, however, not to give them too much. The key is to give them only what they need, in a form they can understand.

Prepare a simplified financial report especially for board members. It should include a simple list of income categories, expense categories, balances, investments with performance noted, and issues of concern. This format will provide all the data board members need. Of course, the finance committee should ask for more information if questions come up which require deeper inquiry.

6. Create a Board Newsletter.

A board newsletter is an essential way for you to keep board members informed. A newsletter will insure that political issues and leadership styles won't get in the way of all board members receiving the same information.

The format of such a newsletter will vary from organization to organization. Desktop publishing allows many formats, ranging from one laid out to look like a printed piece to a conventional letter on the CEO's letterhead. A memo-style format, using separate headings and brief explanations, works well. List activities and accomplishments, the status of on-going issues, and any new financial information – including new gifts, bequests, income, or surprise expenses. Applaud board and staff achievements.

While you can call your newsletter "periodic," you should send it out at least quarterly. Bi-monthly or monthly would be better. It should arrive frequently enough that board members feel a kind of dialogue with the CEO.

> **Businesspeople may want to run the show rather than create a team.**

CEOs often say they don't have time to produce such a piece. Usually, however, someone has already compiled the necessary information – activities, on-going issues, finances. That same person can put the information on a few sheets of paper, and the CEO's task is one of simple editing.

We make time for what's important, and a board newsletter is one of the most important things a CEO does for the board. It's the difference between feeling in touch and impressed with the organization and feeling unmotivated and uninvolved.

7. Be Sure Meetings Run Smoothly.

Using a newsletter to report on activities means that you can keep board meetings short and uncomplicated. During board meetings, you need give only a quick review of activities.

The board meeting agenda and format should be simple. The chair should lead the meeting, the CEO should be allowed to comment on each agenda item, and the number of items should be limited so that good discussion is possible.

The board agenda can be set under three basic headings: (1) what is going on, (2) problems and issues for discussion, and (3) financial update. Don't provide too much material; keep it as simple as possible. Otherwise, boards can get bogged down in detail and lose sight of the big picture for which they are responsible.

8. Hold Social Events.

Communication theory tells us that the better people know each other, the better they communicate. When people's experience overlaps, they have not only a shared background but a common understanding of the meaning of words. When they come to like each other, they have more tolerance of their differences. When they share a common purpose, they will work harder to keep their differences from slowing progress.

Thus, board activities such as annual dinners, picnics, receptions, and parties are vitally important. Keep in mind that this is not just play; it's serious business. It's essential communication, pure and simple. And it's necessary for team building and unified action.

9. Show Appreciation Constantly.

Recognition is important not just for the few hard workers but for every board member. It can't be periodic; it must be constant.

One volunteer for a university athletic program is especially effective at giving board members constant recognition. Every time he visits them, whether it's to ask

> **This is all an exercise in building a unified team, and none of it will be a waste of time.**

for a favor or thank them for helping, he takes something with him. It might be a cap or T-shirt or ticket to the next game. He has a frame shop on stand-by and frames everything from newspaper articles to old football jerseys. He even mats and frames ticket stubs of memorable games to give to those who helped.

Yes, such recognition costs him money. But he spends less than you might think, and the results are almost unbelievable. People do what he asks and feel good about it.

The lesson is that you simply can't recognize people too often. Try the athletic program volunteer's approach, and you will be amazed. Take your organization's T-shirt when recruiting a board member. Give out coffee mugs, key chains, or other tokens whenever you have a chance. Frame invitations to special events with personalized citations to give as recognitions. And, of course, continue giving the usual plaques for special service.

10. Evaluate Board Members.

It's vital to evaluate board members' performance and give constructive feedback. To do so, you must first have clear expectations in place. Recruit board members with a job description explaining what you expect of them, including:

- amount of money you expect them to raise or contribute each year
- number of hours you expect them to work for your organization
- number of board meetings they must attend
- time you expect them to spend spreading the organization's story.

Once a year, have a nominating committee review each board member's performance. Have board members who don't fulfill expectations meet with the nominating committee. They will usually offer to do better or to resign. If necessary, be willing to accept resignations and move on. ■

Nonprofit World • Volume 23, Number 1 January/February 2005
Published by the Society for Nonprofit Organizations
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Resources

Eadie, Douglas C., "Boards Can't Go It Alone: How to Forge the Board-Executive Partnership," *Nonprofit World*, Vol. 14, No. 2.

Jenson, Donna, "Sharing the Vision: Every Leader's Obligation," *Nonprofit World*, Vol. 8, No. 5.

Lauer, Larry D., "How Well Does Your Board Communicate?," *Nonprofit World*, Vol. 15, No. 2.

Vogt, Jean, "Demystifying the Mission Statement," *Nonprofit World*, Vol. 12, No. 1.

These publications are available through the Society's Resource Center, www.snpo.org.

Larry D. Lauer is the author of Communication Power: Energizing Your Nonprofit Organization *(Aspen Publishers), from which this article is adapted.*

Rate Your Communication with Your Board

For each question, give yourself a score from 1 to 10 (with 10 being perfect):

____ Do you review mission and vision statements periodically with your board to keep everyone operating on the same page?

____ Do you have a special policy book for board members which clearly explains management principles for all areas of the organization? Does this book explain the role you expect board members to play? Does it include a communications policy?

____ Do you recruit board members with a job description spelling out expectations? Does the nominating committee use those job descriptions to evaluate board members at least once a year?

____ Do you make a special effort to forge a good relationship with your board chair?

____ Do you maintain support throughout the board by keeping all board members well-informed of what's going on?

____ Do you work with the board chair to develop simplified board meeting agendas and materials? Is the board format simple, keeping information to what's essential?

____ Do you prepare a special financial report for the board which tells them only what they need to know in a clear, simple format?

____ Do you hold regular board activities, such as parties or informal gatherings at which board members can socialize and get to know one another?

____ Does your communication program include a variety of initiatives to keep board members informed, motivated, and committed?

____ Do you send board members a newsletter or executive memo every few months, updating them on the organization's activities?

____ Do you make sure the board is active in fundraising and marketing?

____ Do you recognize all board members often? Do you give tokens of appreciation at least once a year in addition to other recognitions for special achievements?

Score: 120-100 = A; 99-79 = B; 78-59 = C; 58-39 = D; 38-0 = F.

Don't Let "Sick" Workers Undermine Your Organization

In a recent survey, employers report that 60% of unscheduled absences are due to reasons other than physical illness.[1] Yet even human resource professionals who recognize the effectiveness of work-life and absence-control programs in curbing absenteeism and its cost (averaging $610 per employee per year) report that their organizations haven't implemented these practices.

Why Aren't They Working?

More often than not, calling in "sick" has less to do with the employee's health than other reasons, the survey found. Cited most often as the reason for no-shows are:

1. **family issues** (21%)
2. **personal needs** (20%)
3. **employees' entitlement mentality** (14%)
4. **stress** (5%).

The results provide good news and bad news, says Nancy Kaylor, a workplace analyst for CCH, which sponsored the survey. "You can't cure the common cold, but you can do something to reduce the number of unplanned absences due to the non-illness needs that account for most no-shows."

To better understand how organizations can reduce unscheduled absences, the survey asked employers about their experiences with work-life and absence-control programs. Surprisingly, the survey found that programs perceived to be most effective aren't the ones most used.

Which Work-Life Programs Work Best?

On a scale of 1 to 5 (with 5 being most effective), the work-life programs ranked highest by human resource professionals for reducing unplanned absences are, in order of effectiveness:

1. **flexible scheduling** (3.8)
2. **compressed work week** (3.8)
3. **leave for school functions** (3.6)

4. **on-site health services** (3.6)
5. **job sharing** (3.5)
6. **telecommuting** (3.5)
7. **employee assistance program** (3.0)
8. **work-life seminars** (3.0)
9. **wellness programs** (3.9)
10. **child care referral programs** (2.8).

As to what organizations put into practice, only flexible scheduling was used by a majority of respondents. Two-thirds (66%) of respondents use flexible scheduling. However, another of the leading work-life programs seen to reduce unplanned time off–compressed work week–was offered by only 28% of responding organizations.

The work-life program most employers have in place is an employee assistance program, with nearly three-quarters (73%) reporting use. Yet employee assistance programs received only an average effectiveness rating of 3.0, as did wellness programs, which 41% of employers use.

Other work-life programs used by respondents are: job sharing (25%), leave for school functions (24%), on-site health service (23%), telecommuting (20%), work-life seminars (25%), and child care referral programs (14%). Figure 1 summarizes these findings.

On average, employers report that they have 3.4 work-life programs in place. The survey found that the organizations with "good" to "very good" morale offer a greater number of work-life programs (3.6) than those with "fair" to "poor" morale (3.1).[2]

Which Absence-Control Programs Work Best?

While employers realize that absence-control programs can reduce absenteeism, there is, again, a disconnect between the programs they rate most effective and those they actually put into use. On a scale of 1 to 5, the absence-control programs ranked most effective are:

1. **paid leave banks** (3.9) (Paid leave banks, also known as paid time-off programs, provide employees with a bank of hours to be used for various purposes instead of traditional separate accounts for sick, vacation, and personal time.)
2. **no-fault systems** (3.7) (No-fault systems limit the number of unscheduled absences allowed, regardless of circumstances, and take specific disciplinary actions if that number is exceeded.)
3. **disciplinary action** (3.5)
4. **buy-back programs** (3.4) (Under a buy-back program, employees are compensated for the allotted time off that they don't use.)
5. **yearly review process** (3.2)
6. **personal recognition programs** (3.10)
7. **bonus programs** (3.10).

As these results show, the most effective programs give employees control over their own time. Paid time-off programs provide the best way to avoid unscheduled absences, because employees can plan ahead to meet upcoming personal needs rather than calling in "sick" at the last minute for personal appointments they may have known about well in advance.

Although paid leave banks are the most effective program, only 21% of the organizations offer them to employees. Disciplinary action is the most-used program, with 88% reporting use. Over half the respondents (58%) use the yearly review process, while 33% use personal recognition programs, 31% use no-fault systems, and 17% use buy-back programs. Figure 2 summarizes these findings.

What Do These Results Mean for You?

If you're serious about curbing unplanned absences, the survey points a clear path for how to do so. You need to step back from the

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FIGURE 2

Effectiveness and Use of Absence Control Programs

Absence Control Programs	Effectiveness Rating (1: Not Very Effective to 5: Very Effective)	Percentage Use
Paid Leave Bank	3.9	21%
No Fault	3.7	31%
Disciplinary Action	3.5	88%
Buy Back	3.4	17%
Yearly Review	3.2	58%
Personal Recognition	3.1	33%
Bonus	3.1	21%

FIGURE 1

Effectiveness and Use of Work-Life Programs

Work-Life Programs	Effectiveness Rating (1: Not Very Effective to 5: Very Effective)	Percentage Use
Flexible Scheduling	3.8	66%
Compressed Work Week	3.8	28%
Leave for School Functions	3.6	24%
On-Site Health Services	3.6	23%
Job Sharing	3.5	25%
Telecommuting	3.5	20%
Wellness Programs	3.0	41%
Work Life Seminars	3.0	15%
Employee Assistance	3.0	73%
Child Care Referrals	2.8	14%

day-to-day management of employees who call in "sick" at the last minute and approach the problem strategically. Rather than use tools you already have in place, such as disciplinary action or a yearly review, consider new approaches, such as these:

1. Reconsider what a "work week" looks like. That may mean providing more flexible hours, compressed work weeks, time off for school events, or other arrangements that will help your employees strike a successful balance between their personal demands and their jobs.

2. Give employees more control over their time. Provide paid time-off programs that let employees use their "sick" time for personal reasons.

3. Offer programs that encourage proactive, cooperative absence planning between employers and employees.

4. Understand your employees and the issues they face. Implement programs and policies that are responsive to their needs. See "Ten Steps to Reduce Absences" on this page.

5. Take back control. Many employers are slow to adopt new human-resource programs for fear of losing control over their employees, the study found. The irony is, employers don't actually have control, only the illusion of control. In many cases, employees have taken charge, determining when and how they want to use "sick" days. By helping employees balance work-life demands, employers become partners with their workers in managing workflow.

> **Organizations with "good" to "very good" morale offer more work-life programs.**

> **"You can't cure the common cold, but you can reduce absences due to non-illness needs."**

6. Take a new look at costs. The survey found that many organizations avoid new work-life and absence-control programs for fear they will cost too much. As the survey shows, however, ignoring such programs can be even more costly to an organization.

As Kaylor points out, "There is no one-size-fits-all solution, and not all work-life or absence-control programs are appropriate for all organizations. You need to understand your workforce and what programs will best support your people. Then, carefully consider the cost and effect of implementing those programs against the cost of standing still. Only with that analysis can you make the decision that's best for your organization." ■

Footnotes

[1] The "CCH Unscheduled Absence Survey" was conducted by CCH (2700 Lake Cook Road, Riverwoods, Illinois 60015, 800-449-9525, www.hr.cch.com), a leading provider of human resource and employment law information.

[2] See "Building Morale: The Key to Successful Change," *Nonprofit World*, Vol. 13, No. 3 (www.snpo.org).

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Glasrud, Bruce, "Here Comes Your 21st Century Workforce!", *Nonprofit World*, Vol. 17, No. 4.

Neddermeyer, Dorothy, "Employee Assistance Programs: Tackling Employee Dysfunction in the Workplace," *Nonprofit World*, Vol. 4, No. 5.

These resources are available through the Society's Resource Center, www.snpo.org.

Ten Steps to Reduce Absences

1. **Find out why** employees aren't at work. One way to do so is with a focus group or survey. Track absences for a six-month period.
2. **Take a demographic snapshot of your workforce** to help understand your employees' needs. Be sure to capture different employee constituencies, if applicable, to determine if there are any specific patterns of which you should be aware.
3. **Review your organization's policies, benefits, and programs** to determine what is currently offered.
4. **Measure usage** of existing programs.
5. **Compare the fit** between existing programs and the current and projected needs of your workforce. If differing employee needs surfaced in the demographic snapshot, make sure your comparative analysis considers these needs.
6. **Identify new policies and programs,** or fine-tune existing ones, to fill any gaps you identify.
7. **Consider your organization's culture and workflows** to ensure that your proposed programs will support your organization's objectives and that people will use them.
8. **Communicate and reinforce the value** of balancing work responsibilities with personal and family needs, and make people aware of your benefits and programs.
9. **Evaluate** your absence-control and other employee programs regularly.
10. **Measure unscheduled absences at set intervals** to see if offerings continue to make sense for your organization.

Nonprofit World • Volume 23, Number 1 January/February 2005
Published by the Society for Nonprofit Organizations
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Legal *counsel*

How to Assess Credibility In WORKPLACE INVESTIGATIONS

It's the key to any successful inquiry. Here are the steps to take.

by Melanie A. Kastl, Louis Avitabile, & Brian H. Kleiner

Problems such as harassment and violence in the workplace are growing and always require an investigation of some depth. When workers make a complaint, it's the employer's responsibility to look into the charges. You should be able to answer "yes" to these questions:

• **Are complaints taken seriously** and investigated promptly?

• **Can employees validate** your sincerity and objectivity in investigating complaints?

• **Do you know what you want** the investigation to accomplish?

• **Do all participants in the investigation** receive fair treatment?

• **Are the investigation's findings** reported? Is the report useful and thorough?

• **Is the investigation designed** to prevent similar problems in the future?

Is an Investigation Needed?

When someone brings a problem to your attention, the first step is to decide if an internal investigation is required. To make this decision, answer these questions:

• **Do the charges place your organization in danger** of breaking laws or organizational policies?

• **Is more than one** employee involved?

• **Do you need** more information before you can make a decision?

• **Is expertise required** from others in the organization to make an informed and accurate determination of the facts?

If the answer to any of these questions is yes, an internal investigation may be necessary. If the answer to all these questions is no, you may be able to resolve the issue by talking to the people involved and explaining the appropriate policies and guidelines.

> **The interviewer's role is that of information gatherer, not judge.**

Who Should Lead the Investigation?

If you decide an investigation is warranted, the next question is: Are you the proper person to investigate the complaint? Use this checklist to determine the answer:

• **Do you have any conflicting interests** such as personal relationships, bias, or anything to gain from the investigation?

• **Are you able to meet deadlines** and keep information confidential?

• **Will you put the best interests** of the organization first?

• **Are you fair** and impartial? Can you keep from being influenced by peer pressure?

• **Can you instill confidence** and establish rapport with the respondent, complainant, and other interviewees?

• **Are you able to diffuse** anger and tension?

If you don't have the time, skills, or neutrality to lead the investigation, find someone who does.[1]

How Should Interviews Be Conducted?

Here are steps for the interviewer to take:

• **Prepare interview questions** in advance, based on your knowledge of the facts.

• **Whenever possible, give** face-to-face rather than telephone interviews so that you can assess the non-verbal messages being sent.

• **Create a comfortable environment** by being cordial and respectful to interviewees. Thank them for their participation, and stress that their disclosures will be kept as confidential as possible and revealed only on a "need-to-know" basis.

• **Explain** the process and purpose of the interview, seeking the interviewee's commitment to full disclosure.

• **Ask interviewees** to describe the event in their own words. Then use a checklist to gather other needed information. Hearing interviewees tell their own stories is the best way for you to assess their truthfulness, consistency, and credibility.

• **Listen** attentively, and watch

for non-verbal cues, such as attitude, body movements, and facial expressions. Such body language makes up 50% to 60% of a conversation.

• **Keep in mind** that the interviewer's role is that of information gatherer, not judge. Seek to understand the experiences and perceptions of the witness.

• **Jot down** your impressions during the interview. If possible, have someone else there to take more detailed notes. It is difficult to watch people's body language and take notes at the same time.

• **When gathering information, use** open-ended questions, which require more than a "yes" or "no" answer. Such questions give you a chance to probe, explore, and clarify feelings and situations.

• **Keep the conversation** focused while challenging the interviewee with confrontational exchange.

• **Allow enough silence** for the witness to think and for you to observe body language.

• **Near the end of the interview, summarize** the evidence, and review it with the interviewee to assure accuracy.

How Do You Judge Credibility?

After the interview, the next step is to assess the credibility of the complainant, respondent, and witnesses. Sometimes — in sexual harassment cases, for example — the validity of the allegations may rest on a single person's testimony. Thus, your ability to evaluate the reasonableness of the facts is vital. Here are ways to assess credibility:

• **Evaluate the truth** of the information given by different parties. Give less weight to facts that are vague, sketchy, or contradictory. Give more weight to information presented honestly and straightforwardly without attempts to hide or exaggerate.

• **Be suspicious** if a person shows lack of cooperation or inability to recall important details.

• **Weigh** people's body language. It can point to inconsistencies, contradictions, and other signs of deception. See Figures 1 and 2 for details on decoding body language.

• **Go with** your gut feelings. If interviewees strike you as reluctant or hostile, there is probably good reason to be wary.

• **Pay attention** to people's hand movements when they answer questions. If they gesture away from the body, the answer is probably truthful. If their hands touch their body — wiping the forehead or nose, for example — their answer is most likely deceptive.[2]

• **Consider** people's posture. It shows three things: their level of interest, their level of confidence, and their emotional involvement. (See Figures 1 and 2.)[3]

• **Draw conclusions** from the way interviewees' use pronouns, nouns, and verbs. When trying to draw attention away from themselves, people use words such as "they" or "them," rather than "I" and passive phrases such as "The files were lost" rather than "I lost the files."

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Figure 1 **The Basics of Posture**

There are two groups of body postures: (1) **open** or **closed** and (2) **forward** or **back**. People who sit forward with their body relaxed and their arms out are willing to communicate freely. Those who sit back and hunch their body closed, crossing their arms, are unwilling to cooperate.

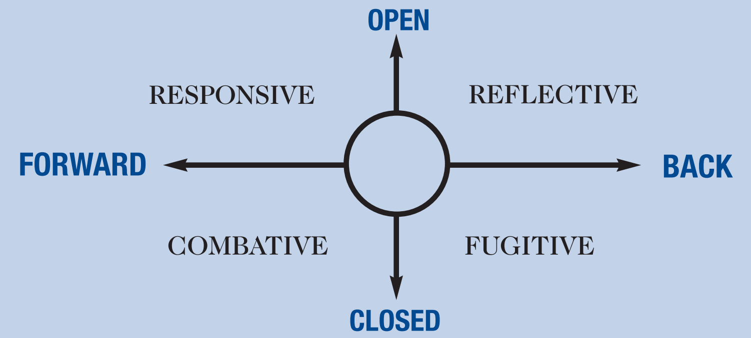

Figure 2 **Decoding Body Language**

There are four forms of body language. The first two show truthfulness and willingness to cooperate. The third and fourth indicate someone who has something to hide and is unwilling to cooperate.

1. RESPONSIVE

Engaged: leans forward with open body, open arms, open hands

Eager: leans forward with open legs, feet under chair, on toes

Ready to Agree: closes papers, nods, puts pen down, lays hands flat on table

2. REFLECTIVE

Listening: tilts head, nods, makes lots of eye contact, has high blink rate

Evaluating: sucks glasses or pencil, strokes chin, looks up and right, crosses legs or puts ankle on knee

Attentive: smiles, puts arms behind back, stands with feet apart

3. FUGITIVE

Bored: stares into space, doodles, taps foot, has slumped posture

Let Me Go: looks around, buttons jacket, aims feet toward door

Rejecting: sits or moves back, folds arms, frowns, looks down

Defensive: points feet toward each other, clenches hands

4. COMBATIVE

Let Me Speak: taps fingers, taps foot, stares

Aggressive: points finger, clenches fist, leans forward in a threatening way

Defiant: puts hands on hips, shakes head, glowers

Lying: touches face, puts hand over mouth, pulls ear, looks down, glances at you out of corner of eyes

• **Notice** the pitch and tone of people's voices and whether they answer questions too quickly or too slowly.

• **Gain additional evidence** by asking people to write their version of the incident in their own handwriting and by tape-recording their statements. Sometimes clues will jump out at you when you read or listen to these transcripts. If not, you may need to hire a professional to analyze the transcripts.

How Do You Reach a Conclusion?

After you've reviewed all materials and assessed people's credibility, it's time to make a decision.

• **Decide whose version of events** is most believable. Based on this conclusion, determine whether you need to discipline anyone.

• **Review results** in light of laws and organizational policies, and decide what action to take.

• **Match** the disciplinary action to the severity of the infraction. You may, for example, provide resources to help employees change unacceptable behavior or order them to undergo sensitivity training. Or, if the offense is serious enough, you may need to suspend or terminate the guilty party.

• **Be sure** the disciplinary action is legal, enforceable by law, and will stand up to a challenge by the employee in court.

Glossary of Legal Terms

Complainant: Person who has a complaint or grievance. Always thank the complainant for bringing an issue to your attention.

Credibility: Worthiness of belief. Credibility is the watchword of any investigation and is the ultimate source of strength when litigation is inevitable.

Due Diligence: A complete amount of work expended toward a subject. When a worker complains about an action, it is the employer's responsibility to exercise all due diligence – that is, to take whatever steps are necessary to lessen the effects of the action.

Harassment: Behavior of one or more employees which unreasonably interferes with another worker's performance or creates an intimidating, hostile, or offensive working environment. Make it clear to everyone that harassment will not be tolerated in your organization.

Investigator: Person who gathers information in a search for the truth. It is important to choose an investigator who employees respect.

Neutrality: Taking neither side, no position. The investigator must assume a position of neutrality throughout the investigation. Doing so will promote confidence by employees and the feeling that the investigation is in the organization's best interests.

Respondents: People who are called upon to answer a complaint about them. Body language is especially important when interviewing respondents, since they may have reason to disguise the truth.

How Full Is Your Toolbox?

Every manager's kit should contain these tools to maintain stability in the workforce and to prevent employee litigation:

- complete and updated policy manuals, including anti-harassment and anti-discrimination policies
- frequent performance evaluations
- performance improvement plans
- an internal complaint and disciplinary process
- an in-house investigation process, such as the one described in this article.

• **Once you have concluded the investigation, communicate** the results to the involved parties as soon as possible.

• **Monitor the situation** to be sure the unacceptable behavior has ceased. ■

Footnotes

1 See Angelica in "Resources."

2 See *Techniques of Legal Investigation* (Illinois: Thomas), *Get the Facts on Anyone* (New York: Macmillan), *If You Only Knew* (California: Griffin Publishing), and *Gentle Art of Interview and Interrogation* (New York: Prentice Hall).

3 See these online articles: "Decoding Body Language" (http://johnmole.com/articles18.htm), "Evaluating Hand Behavior During an Interview" (http://reid.com/materials), "Statement Analysis: New Investigative Processes to Help You Uncover the Truth" (http://www.pimall.com/nais/n.intera.html), and "Template for Investigating Discrimination and Harassment Complaints at the University of Alberta" (http://www.ualberta).

Resources

Angelica, Marion Peters, "Eight Steps to Managing Conflict," *Nonprofit World*, Vol. 20, No. 4.

Conroy, Charles, "Sexual Harassment: Don't Let It Destroy Your Organization," *Nonprofit World*, Vol. 10, No. 2.

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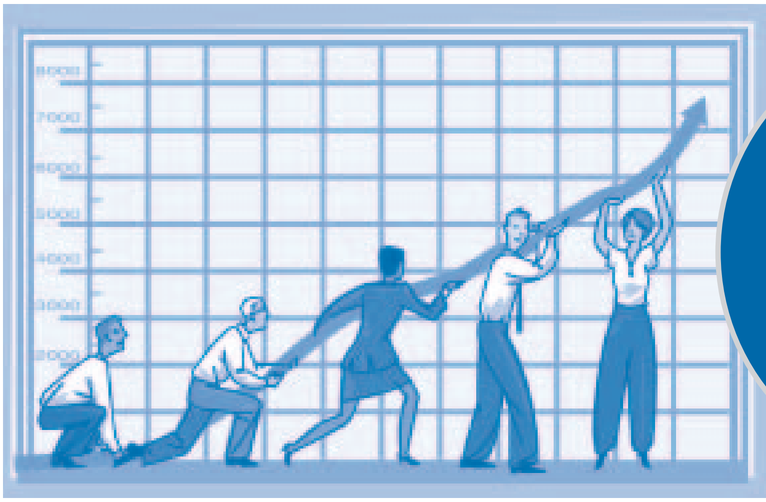
Van Vlaenderen, Heidi & Brian Kleiner, "Your Duty to Investigate Workplace Complaints," *Nonprofit World*, Vol. 19, No. 3.

These publications are available from the Society's Resource Center, www.snpo.org.

Melanie A. Kastl is a researcher with special interest in minimizing workplace investigation bias. Louis Avitabile is a researcher with special interest in assessing credibility in workplace investigations. Brian H. Kleiner, Ph.D., is a professor of human resource management, Department of Management, California State University, Fullerton, California 92634.

Nonprofit World • Volume 23, Number 1 January/February 2005
Published by the Society for Nonprofit Organizations
5820 Canton Center Road, Suite 165, Canton, Michigan 48187
734-451-3582 • www.snpo.org

The One Job Volunteers Can't Do



What's the one task you should save for the paid consultant?

by Nick Levinson

There's one type of job volunteers can't do. Everything else, yes, they can do. They can raise money. They can recruit people for you. They can do drudge work, and they can do the core work of your mission.

They can get your message out. They can supervise other volunteers. They can help you select and screen staff hires. They can research, investigate, and report. They can explain, counsel, and listen.

They can handle money and finish the accounting. They can provide legal advice and other professional services.

You can give volunteers almost any type of job, except one. Don't ask volunteers to conduct scientific polls.

Why? Because scientific polling requires objectivity. Since volunteers are inherently enthusiastic and subjective about your cause, they're liable to prejudice any poll they conduct for you.

Studies have shown that seemingly little things affect the way people answer survey questions. Even the name a pollster uses skews answers. People tend to say what they think the pollster wants

People tend to say what they think the pollster wants to hear.

to hear. To prevent such bias, pollsters can't be people who care how respondents answer their questions.

If caring about content is a bad idea, are volunteers useless in helping you with surveys? No it's just the direct, hands-on polling and canvassing they shouldn't do. They can still design the study (because joint editing, thoughtfully and sensitively done, can reduce biases). They can compile results, even sophisticated cross-tabulations of data.

If you asked open-ended questions, you might want to have outside consultants categorize the answers, using scientific methods. But once you have the conclusions of your study, volunteers can apply the results to your problems and implement the necessary reforms, if any. They can edit and publish results, disseminating them to a variety of audiences. That's especially useful for studies on public policy.

Being blasé is the one thing volunteers can't do well. But that leaves so much they can do that you shouldn't have any trouble using enough volunteers to fill a phone book. Go ye, then, and fill your phone book. ■

Nick Levinson (P.O. Box 8386, New York, N.Y. 10150) hopes you didn't mind a little teasing, but there's a desperate need to get a lot of work done among nonprofits, so it's an abomination that volunteers are idle most of the time.

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How to Prevent

An Information Disaster

Don't neglect this key aspect of risk management. Once disaster occurs, it's too late.

by Van Carlisle

Imagine the crisis you would face if you lost records crucial to your organization's operation. To prevent such an information disaster, you need to establish a vital-records protection program. Here are the steps to take:

Maintain a backup of your main computer file server. Keep backup copies of key databases and financial files. Vital records include:

- contracts that prove ownership of property, equipment, vehicles, and products
- operational records such as current or unaudited accounting and tax records, current personnel and payroll records, client account histories, and shipping delivery records
- current case history files.

Back up your data at least once a week. Store a copy offsite or, if that's not feasible, store your data in a fireproof safe. Most organizations, especially since 9/11, are shifting to a combined on and off site storage. This is sometimes referred to as a "belt and suspenders" approach.

Store one copy of your insurance policies, vehicle and property titles, vehicle registrations, and bank account numbers in either a fireproof safe or a safe deposit box (which will be fireproof by default).

Procure fire-resistant safes and filing cabinets for on-site storage. You will always, at one point, have vital records on site, and obviously, no one can predict the precise time a business interruption will occur.

Be wary of products that claim to be "built to" a certain UL class specification claim.

Many managers believe that standard filing equipment offers fire protection. This thinking is erroneous and dangerous. Remember, you're protecting your most vital information assets. Seek products tested by Underwriters' Laboratory (UL) or other nationally known independent testing labs. Steer clear of equipment with manufacturers' or non-independent ratings. UL is the best, as no other testing and standards organization matches its reputation.

Be wary of products that claim to be "built to" a certain UL class specification claim. This is marketing-driven wordplay, pure and simple. It leads people to falsely believe they're getting a UL rating, but in reality it's just the manufacturer's dubious claim. UL has never tested it, and how it will stand up to a real fire is anyone's guess. ■

Resources

For a crisis-management fact sheet, see www.nonprofitrisk.org. Also see these *Nonprofit World* articles at www.snpo.org:

- **Will You Be Ready When Disaster Strikes?**, Vol. 18, No. 3.
- **Too Precious to Lose: Backing Up Your Data**, Vol. 7, No. 1.
- **Do You Need a Record-Saving Policy?**, Vol. 19, No. 6.
- **Contingency Planning: Facing Disaster and Surviving**, Vol. 11, No. 3.

Van Carlisle became CEO of Fire King, a security and loss prevention company, at age 24 in 1975 and acquired controlling interest in the company a year later. He studied criminal justice at the University of Louisville and served six years in the Air National Guard Security Police Force.

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Put the Expressive Dimension to Work

DAVID E. MASON

To gain the most from employees, cultivate an expressive culture.

by David E. Mason

Many people criticize nonprofit organizations because they're not like businesses. The cure, they think, is to make profits and eliminate volunteers. Believing that economic production is the only reasonable motive for human effort, they regard any entity that fails to generate a surplus of wealth as dysfunctional.

What such critics don't understand is that all organizations, especially nonprofits, have two dimensions:

1. The ***instrumental dimension*** includes behavior that leads to a concrete, measurable goal, such as a profit.

2. The ***expressive dimension*** includes action for direct, intangible gratification rather than for a defined goal. Expressive behavior is play for the sake of play, work for the sake of work, energy spent for the sake of the spending.

We often start and sustain organizations because we want to do something (expressive behavior) as much as because we *want something done* (instrumental behavior). Organizations in the nonprofit world lend themselves to *doing for the sake of doing*. They are a positive, expressive arena of choice.

We need expressive activity. We hunger for it.

We aren't compelled to be involved in the voluntary world. We get involved because nonprofit organizations can fulfill both our desire to act and our desire to accomplish. Nonprofits are instruments for people who want something done and arenas for people who seek expressive involvement. Those who want to understand nonprofit organizations and operate them at full capacity must understand and use both their instrumental and expressive dimensions.

Has the Pendulum Swung Too Far?

Expressive behavior — activity for its own sake — is characteristic of our species. We've been forming organizations to enhance such natural activity since prehistoric times. We need expressive activity. We hunger for it. If the government outlawed it, we would go underground to get it.

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On the other hand, we also like to improve things. We spend much energy cleaning things and putting them in order. We like to fix broken things. Occasionally, our ardor pushes us to fix unbroken things.

This urge to improve swung like a pendulum in the direction of the nonprofit world in the early 1960s. American business was doing so many good things following World War II that some of us wondered how to apply this know-how to nonprofit organizations. When we tried it, it worked. Our nonprofits became more efficient, more effective, and more accountable. They grew and prospered and spawned more organizations. Outsiders began to notice the voluntary sector as if it had just been born.

Any organization will appear inefficient if an observer compares its costs to only part of its outputs.

The pendulum may now have swivelled too much. Nonprofits' successes are attracting those who should be in business. They want nonprofit tax benefits, so they devise joint ventures to link those benefits to the profit motive. They try to transform nonprofits into for-profits. Some even start their new businesses under a nonprofit cloak.

Some financially challenged nonprofit leaders have piggybacked on this trend. The changes they've made in their organizations verge on throwing the baby out with the bath water. They're losing the motive power that nonprofits gain from expressive behavior. The swing of the pendulum has helped the sector by bringing in some positive business practices, but it's now time for the pendulum to move toward the center again, before it ceases to be a pendulum and becomes a wrecking ball.

Who can say that benefits to the learners are more important than benefits to the teachers?

Specifically, the nonprofit world has swung far from its base of broad voluntary participation and too far toward the practice of hiring paid professionals to do what volunteers once did. It has swung too far from support by contributors and toward fees for service. It has swung too far away from principle and toward expediency, away from affiliation toward efficiency, away from serving participants toward serving managers, and away from independence toward dependence on government, corporate, and foundation grants. Most of all, it is swinging away from the expressive dimension.

We need a new point of view. We need to recognize nonprofit organizations' relationship to people's expressive needs. That new perspective may tilt the pendulum in a better direction, conserving the best from our recent gains but also capturing our new enlightenment.

How Great Is the Chasm between Sectors?

We have only recently recognized the commonalties among the diverse entities that make up the nonprofit world. Indeed, *voluntary nonprofit sector* is itself a new term, and the study of the sector is still maturing. Gifted scholars are shining a light into many dark crevices and making significant discoveries. Yet a problem affects their studies: Many of them know more about their discipline than about the inner reality of nonprofit organizations. Moreover, they start with theories developed for other species of organizations. And when they look at nonprofit organizations through those lenses, they search for a reality that is not the nonprofit reality, and they often ignore the expressive dimension.

A profound cultural chasm separates the business and government sectors from the nonprofit world. Typically, business owners worry that expressive activity may undermine profits; to them, it is dysfunctional. So they work to reduce expressive activities or to harness them for instrumental ends. Their norms say, "Do that sort of thing on your own time. You're here to work!" In nonprofit organizations, on the other hand, we optimize expressive activities; we often see them as ends rather than means, as legitimate in themselves.

Government's power controls. Businesses' exchange mechanisms produce profit. Nonprofits, according to Peter Drucker, produce changed human beings.[1] Similarly, Thomas Jeavons writes, "The work of business revolves around wealth. The work of government revolves around power. Around what, then, does the work of...nonprofit organizations revolve? I would contend

Consider how often we base our images of individuals on information about their group affiliations.

that the answer to this question is values." Nonprofits are engaged in both "providing a service and making a statement about the values that undergird their motivation for and commitment to service."[2]

As organizations that emphasize human values above profit, nonprofits elicit great commitment and loyalty. They are communities where individuals can function without economic pressures and reach goals consistent with their personal agendas. Nonprofits are incubators for innovation without utilitarian constraints. They're where individuals are appreciated for who they are. In short, they are our primary expressive arenas.

Are Expressive Outputs Worthwhile?

Expressive behaviors have been ignored and condemned for so long that it's vital to ask whether they are valid organizational outputs. If the answer to that question is yes, nonprofits suddenly appear in a different light. Those who have had a problem fitting nonprofits into their paradigms will have to realize that, far from lacking an important ingredient, nonprofits have a double advantage, since their outputs are both instrumental and expressive.

Expressive outputs, unlike instrumental outputs, are often unstated. Yet satisfied expressive participants are both consumers and products of nonprofit organizations. Should we not have organizations that feed the needs of people whose other activities restrict their expressive behavior? Is that not a legitimate goal? For example, an adult literacy program involving volunteer tutors has the instrumental output of *X* number of adults increasing their reading ability by *Y* number of grade levels. It also has the expressive output of *A* number of tutors learning *B* number of skills and experiencing *C* amount of satisfaction. One might add the serendipitous benefit of *Z* amount of cross-cultural rapport. Who can say that benefits

> **The expressive dimension should be consciously acknowledged, enhanced, encouraged, and enshrined among nonprofits' cultural norms.**

to the learners are more important than benefits to the teachers? Surely, both benefits contribute to society.

Any organization will appear inefficient if an observer compares its costs to only part of its outputs. Effective evaluation of nonprofit organizations must include both their instrumental and expressive outputs. There is no reason to see expressive behavior as dysfunctional and to attempt to purge it. Our society has a robust business sector for organizations that exclude "unnecessary" expressive action. For nonprofit organizations, the expressive dimension is crucial and should be consciously acknowledged, enhanced, encouraged, and enshrined among their cultural norms.

Expressive activity in organizations is important not only because people *need it as an end in itself* but also because *the opportunity for expressive activity attracts and motivates participants to work for instrumental purposes.* As one example, volunteers who work for charitable causes are more likely than other people to contribute money to charity.

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Participation in expressive organizations influences decisions that affect people's lives. Listen in at an informal reunion of people who once worked together on a campaign or project. The conversation will revolve around humorous, difficult, or even unsuccessful problem solving and decision making. Participation "plugs people in," giving them a functional identity.[3]

Consider how often we base our images of individuals on information about their group affiliations. Participation establishes part of our reality. We see this when people change their affiliations and then begin to see the world from a different point of view.

Though studies tend to discount expressive behavior, we need to recognize it as natural, legitimate, and potent in achieving a wide range of ends. The more we understand expressive behavior and apply this understanding, the more effective our nonprofit leadership and our nonprofit organizations will be. ■

Footnotes

[1] Drucker, Peter, *Managing the Non-Profit Organization,* New York: HarperCollins (www.harpercollins.com).

[2] Jeavons, Thomas, "When Management Is the Message: Relating Values to Management Practice in Nonprofit Organizations," *Nonprofit Management and Leadership,* 1992, 2(4).

[3] Mason, David E., "How to Build a Cohesive Organization," *Nonprofit World,* Vol. 22, No. 6 (www.snpo.org).

In addition to his work with nonprofit organizations, David E. Mason (3352 Ocean Drive, Corpus Christi, Texas 78411) is himself a successful entrepreneur. He is listed in Who's Who in Finance & Industry *and has received ARNOVA's Award for Distinguished Lifetime Achievement. This article is adapted from his book* Leading and Managing the Expressive Dimension.

Nonprofit World • Volume 23, Number 1 January/February 2005
Published by the Society for Nonprofit Organizations
5820 Canton Center Road, Suite 165, Canton, Michigan 48187
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20 Ways to Optimize Expressive Outputs in Your Organization

1. **Encourage** expressive behavior through rituals and ceremonies.
2. **When measuring outcomes, include expressive criteria** as part of the calculation.
3. **Provide training** not only for utilitarian reasons but also to help employees learn skills of personal value to them.
4. **Constantly remind** employees — both paid and volunteer — of your organization's traditions, purposes, and objectives.
5. **Use teams and task groups** to boost comradery and reinforce common values and goals.
6. **Develop a communication plan** that inspires, motivates, stimulates interaction, and builds cohesion among everyone in your organization.
7. **Acknowledge and enhance** expressive behavior by making it part of your organization's cultural norms.
8. **Celebrate** successes throughout the organization.
9. **Make employees feel part of the organization by sharing stories** of its founding and key events in its history.
10. **Give employees a sense of ownership** in the organization's plans, goals, and decisions by encouraging their input and keeping lines of communication open.
11. **Add an expressive dimension to your staff meetings** by asking people to share personal triumphs.
12. **Create an environment of integrity, openness, and sincerity** in which trust can flourish.
13. **Offer frequent occasions** for employees to socialize and have fun together.
14. **Paint word portraits** of the dream you envision so that others can picture it and share in its attainment.
15. **Tell personal stories** of how you overcome problems and reach goals to show others in the organization how to do the same.
16. **Give employees opportunities** for self-expression, personal challenge, visible achievements, and development of abilities. Let them try new things.
17. **Recognize and reward** accomplishments, and praise the work of both teams and individuals.
18. **Ask volunteer and paid employees** about their personal goals, and match those goals to the work they do.
19. **Help people make the connection** between their work and the organization's mission and vision. Reinforce to them how they are making a difference in the world.
20. **Break the routine.** Provide new perspectives. Help people see things in different ways.

For more on creating an expressive culture, see the series of articles on communications by Larry Lauer in *Nonprofit World*, Vol. 11, No. 5 to Vol. 15, No. 2, www.snpo.org.

How Much Are You Really Worth?

Here's the latest on nonprofit salaries.

The composite executive with the highest annual income in a nonprofit organization in the U.S. is a CEO of an international, national, or state organization with 10 or more employees and an annual budget of $5 million or more. While the median income of nonprofit CEOs is $81,000, some of the highest-paid CEOs in nonprofit organizations make well over $700,000.

The median incomes of other nonprofit jobs are shown below.

This information comes from a survey of over 89,000 employees in 130 benchmark jobs reported by nonprofit organizations of widely differing types. The three-volume report is available from Abbott, Langer & Associates, 548 First St., Crete, IL 60417, www.abbott-langer.com. ■

Median Annual Incomes in Nonprofit Organizations

Psychiatrists	$138,175
Chief Legal Officers	$102,506
Directors of Government Relations	$88,000
Chief Financial Officers	$74,893
Publishers	$67,810
Planned Giving Managers	$66,653
Directors of MIS	$66,653
Directors of Marketing	$60,350
Directors of Conventions	$60,000
Member Services Director	$54,591
Human Resources Managers	$50,880
Marketing Development Managers	$50,783
Directors of Public Relations	$50,327
Directors of Program Services	$50,259
Editors (Books & Periodicals)	$50,000
Artistic Directors	$49,000
Registered Nurses	$48,855
Directors of Information	$47,330
Sales Managers	$46,000
Speech Pathologists	$46,000
Curators	$43,100
Field Staff Directors	$42,000
Donor Research Managers	$40,000
Special Events Fundraising Managers	$38,808
Interpreters	$38,804
Building Superintendents	$38,127
Social Workers	$38,075
Grant Proposal Writers	$38,000
Training Generalists	$37,250
Secretaries to the CEO	$36,077
Physical Therapy Aides	$35,810
Nutritionists	$35,546
Client Records Managers	$34,750
Food Service Managers	$32,532
Senior Account Clerks	$33,525
Directors of Volunteers	$32,458
Payroll Clerks	$30,996
Gift Shop Managers	$30,950
Outreach Workers	$25,814
Maintenance Workers	$25,157
Clerk-Typists	$24,758
Medical Assistants	$24,136
Day Care Teachers	$24,000
Landscaping Services Workers	$21,825
Cooks	$20,800
Activity Specialists	$19,697
Residential Living Assistants	$19,615
Janitors	$18,944

Fixed Asset Management

The Key to Stretching Your Funds

You may have more fixed assets than you realize. Here's how to be sure.

Stretching Your Funds

by Elisabet Hardy

Many nonprofit organizations overlook the importance of managing fixed assets and taking advantage of depreciation regulations. Fixed asset management can dramatically impact an organization's month-to-month activities and save both time and money — two invaluable resources for any nonprofit.

Where Can You Start?

Fixed asset management starts with taking an inventory of your organization's capital assets, including computers, furniture, file cabinets, phones, and the like. Set a cost limit on the assets you include in your inventory. You don't want to track assets that are too small, like office supplies and other items with low dollar values.

Next, decide what information to capture for each fixed asset. Detailed information will help when it's time to run inventory reports and track the whereabouts of assets. If you have a lot of fixed assets, you may decide to track less information to limit the time needed to conduct the inventory.

Let's say your organization has decided to inventory all assets over $1,000 and track 10 attributes for each asset. Attributes could include such information as location, description, condition, and custodian (owner) of the asset.

You can conduct your inventory in several ways. You can take inventory by hand, using a clipboard and paper. Or you can use spreadsheet programs or a software system.

By-hand or spreadsheet options are less expensive than special software. But a software solution takes far fewer hours and may save money in the long run. "Using [an automated fixed asset management] system is so much more efficient than trying to keep track of fixed assets by hand or on a spreadsheet," says Diane Rowland, director of accounting services at Promise Keepers, a Denver-based nonprofit. "The solution's great because it allows us to view fixed asset groups in a number of different ways. In accounting terms, it's our subsidiary ledger."

Not only does software reduce the time spent conducting the inventory, but it also makes it easy to consolidate information into reports showing the history, condition, and current value of all capital assets. Such reports are vital for auditing your organization's books and providing your board and constituency with an accurate financial picture.

What's the Right Solution for Your Organization?

As a nonprofit organization with fixed assets, you should consider several things when selecting a tool to help make sense of it all. Ask yourself the following questions:

Can barcode scanning devices be used? Hand-held barcode scanners, used to scan barcode tags attached to your property, can reduce the time it takes to complete a fixed asset inventory. Scanners will read and log the barcode tag number. If you use barcodes, be sure the inventory solution you choose can interact with scanners, as well as automatically upload the collected data from the scanner to an inventory module for further analysis and reporting.

Can information fields be customized? When evaluating software solutions to manage fixed assets, make certain they can track information in a format that fits your organization's needs. A comprehensive solution should offer a multitude of information fields, with options to customize fields.

Are reports generated automatically? Standard reports should be included in your fixed asset management solution. Report templates speed up the time needed to generate reports. That means you can start reporting your fixed assets soon after you complete your first inventory. The benefit of standard reports is that they're generated directly from the system, so they don't require you to write report queries or use third-party reporting tools, which can be complicated.

"The standard reports built into [our fixed asset management solution] facilitate our year-end accounting entries for depreciation, additions for the year, and gains or losses upon disposal, and provide our outside auditor with the necessary information for our annual audit," says Sharon Peterson, accounting supervisor at Sacred Heart League, a Walls, Mississippi-based nonprofit using automated fixed asset management software since 1987.

Eliminating ghost assets can be a direct benefit of proper fixed asset management.

Can the inventory data be exported to a general ledger? General ledger solutions use different reporting templates and fields to generate financial year-end reports. A complete fixed asset management solution lets users export information to industry-standard general ledger systems, without requiring them to reformat data. Export utilities should automate the transfer process, decreasing the time it takes to share data between systems.

Is the product easy to use? Selecting a fixed asset management solution with a user-friendly interface is especially important for nonprofits, since turnover rates within organizations can be high.

Necessity or "Nice To Have"?

The most common mistake organizations make when considering a fixed asset management solution is deciding it would be "nice to have" but not really necessary. It's not until the savings, in time and dollars, are revealed that organizations see the real value. Many mid-sized organizations with one or several offices have trouble pinpointing the location and condition of their fixed assets.

If you don't track and manage your assets on an ongoing basis, the task becomes time-consuming and prone to human errors — errors that can cost your organization money. Accurate fixed asset management and tracking can eliminate the purchase of duplicate assets, thus helping you maximize your resources.

Insurance is another large expense for nonprofit organizations. "Ghost assets" are assets that no longer exist or whose useful life has expired. If fixed asset inventories are inaccurate, you can continue to pay insurance premiums for assets that should no longer be in your inventory. Eliminating ghost assets can be a direct benefit of proper fixed asset management.

Mission = Fixed Asset Management

Your bottom line is about furthering your mission. You shouldn't have to spend a great deal of your most valuable resource — people — on administrative tasks or worrying about the location and condition of equipment. An automated fixed asset accounting and inventory solution can minimize time spent on these tasks, freeing up staff to focus on mission-critical activities. ■

Elisabet Hardy is a product manager at Best Software, Inc., a leading developer of business management products and services. The company delivers easy-to-use, scalable, and customizable applications through its portfolio of leading brands, including FAS Nonprofit fixed asset management solutions, MIP Fund Accounting solutions, and MIP Fundraising solutions, developed especially for nonprofit organizations of every size and budget.

Nonprofit World • Volume 23, Number 1 January/February 2005
Published by the Society for Nonprofit Organizations
5820 Canton Center Road, Suite 165, Canton, Michigan 48187
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Relevant *reviews*

The Value of Capacity Building

Two books explore ways to boost nonprofit performance.

by Terrence Fernsler

Capacity Building for Nonprofits

Edited by David J. Kinsey, J. Russell Baker III, and Lilya D. Wagner.
117 pages. Softcover. Hoboken, NJ: Wiley Periodicals, www.wiley.com.

This book is number 40 of the New Directions for Philanthropic Fundraising series. Using the McKinsey capacity building tool, nonprofit leaders share their experiences with capacity building.

What does it mean to build capacity? It means focusing on your organization's core activities, such as mission, vision, values, strategy, and effectiveness. Capacity building is a long-term, imperfect process, but it can transform your organization into high performance.

Capacity building is often ignored, because program work is still commonly favored over organizational work, especially by major funders. Also, nonprofit leaders are often confused about how to build capacity and frustrated because it takes time to show results.

But increased capacity does lead to increased impact. Setting a clear purpose and strategy is often the first step toward dramatic improvement. The sooner organizations and funders realize this, the better they, the people they serve, and society will be. ■

Investing In Capacity Building: A Guide to High-Impact Approaches

By Barbara Blumenthal.
278 pages. Softcover. New York, NY: The Foundation Center, www.fdncenter.org.

In this groundbreaking book, Barbara Blementhal investigates three innovative ways funders can improve nonprofits' management practices. The first is to use capacity grants to help nonprofits identify needs and hire consultants for on-site work that is otherwise beyond their means. The second is for grantmakers to select a consulting group, called a development partner, to work with a nonprofit. The third is to require nonprofits to go through specific steps in exchange for consulting support.

All three approaches depend on consultants, which goes against conventional wisdom. It is widely believed that consulting isn't suited to capacity building for three reasons: An organization may not be committed to input offered by consultants; consultants are reluctant to deal with critical issues for fear of losing the organization's support; and consultants typically address the presenting issue (which is usually only a symptom of a larger problem) rather than emphasize the need for change and learning. Blumenthal explains how to address these concerns by using what she calls developmental consulting, which encourages client candor, defines roles and expectations, and incorporates learning.

The book is written primarily for grantmakers, but it can also help nonprofits clarify their case for capacity building assistance and discover the approach best suited for them. It is essential for anyone concerned about nonprofit effectiveness. ■

Terrence Fernsler is development director for Columbia-Pacific Resource Conservation and Economic Development District in Montesano, Washington.

Top Causes of Stress at Work

According to a survey by *Worklife Report*, the causes of work-related stress, from most to least stressful, are:

1. Deadlines
2. Budget restraints
3. Financial stress/earnings
4. Constant change
5. E-mail overload
6. Poor organizational communication
7. Layoffs/reduced staff
8. Performance expectations
9. Urgent tasks
10. Co-worker conflicts
11. Family pressure
12. Meetings
13. Dealing with the problems of others
14. Political stresses
15. Personnel-related grievances
16. Job security
17. Personal financial concerns
18. Personal health concerns/lack of sleep
19. Pressure from subordinates

Confidence in Nonprofits Remains Low

The number of Americans expressing little or no confidence in nonprofit organizations soared between July 2001 and May 2002, largely due to controversy surrounding disbursement of 9/11 funds and scandals regarding several large charities and foundations. The hoped-for rebound hasn't occurred, and confidence in nonprofits remains 10-15% lower than in the summer of 2001.

It's not that people question whether nonprofits have the right priorities. Rather, many increasingly wonder if nonprofits have the

continued on page 32

Planning for Risk

To lead your organization to success, you must have the courage to take risks. But you need to manage those risks in a strategic way.

Strategic risk management differs from traditional risk management, as a new book, *Enlightened Risk Taking: A Guide to Strategic Risk Management for Nonprofits* (Nonprofit Risk Management Center, Washington, D.C., www.nonprofitrisk.org) explains. Traditional risk management focuses on the downside risks of accidental loss. Strategic risk management aims to enhance opportunities for gain.

This 112-page guidebook shows you how to prepare for upside surprises, such as unexpected funding, and downside risks, such as a financial crisis. It presents a five-step process that will help you seize opportunities for gain, counter losses, and make strategic choices to prepare for the future.■

— reviewed by Terrence Fernsler

Confidence in Nonprofits Remains Low *(continued)*

right fiduciary and capacity-building systems, as Paul Light of the Brookings Institution explains in *Sustaining Nonprofit Performance*. Survey findings reveal that only 11% of Americans believe that nonprofits do a very good job of spending money wisely, and 70% believe nonprofits are inefficient.

These findings "support the notion that confidence will not rebound without demonstrable action to improve actual performance," Light says. "The charitable sector will not pull itself out of the current crisis by telling more success stories, complaining about negative media coverage, or fretting about legislative change. Rather, [nonprofits] need to embrace the call for reform, invest in core operating improvements, and police [their] poor performers. The sector does not need to invest its scarce resources in convincing Americans that charities make miracles every day — Americans already believe it. Rather, philanthropies, donors, boards, and executive directors would be wise to invest in the core capacity needed to assure the highest level of organizational performance."

For more information, see www.brookings.org. Also see "Turnaround Needed! How to Get Started," *Nonprofit World*, Vol. 22, No. 6 (www.snpo.org)

Report Probes Nonprofit Partnerships

"Partnerships between Large and Small Cultural Organizations" (www.urban.org) examines how nonprofits with vastly different financial resources and audiences worked together as part of the Community Partnerships for Cultural Participation (CPCP) initiative. The lessons they learned can help you evaluate the benefits and challenges of partnerships and conduct more successful collaborations. ■

Need Web Assistance?

For free Internet access and help with Web design, contact (www.eNonprofits.org). This Internet-service organization offers comprehensive Web and e-mail services to nonprofits. ■

R-e-s-p-e-c-t, Find Out What It Means to Employees

Surveys have found that half of all American employees think they're not treated with respect by their employers. When this happens, employees become resentful, less motivated, and no longer committed to the organization. How can you minimize this problem?

- **Begin at the top of your organization.** If senior managers treat each other and their subordinates with respect, this sets the stage for respect among all employees.
- **Act on employee suggestions.** Simply asking for input isn't enough. Acting on good suggestions is an imperative. And be sure to give employees credit for their ideas.
- **Allow for scheduling flexibility.** Letting employees come in late or leave early on occasion is a strong way of showing respect.
- **Don't keep finances hidden.** Making employees aware of the financial condition of your organization and the reasons for decisions lets them know you trust them.
- **Avoid layoffs if at all possible.** Other methods of cutting costs should be made first, and employees should be made aware of these efforts.
- **Invest in employee training and career development.** It's an investment in the employees themselves, and they will respect the organization that provides it.
- **Provide immediate and positive feedback at all times.** If you want employees to do good work, compliment them to encourage their behavior. ■

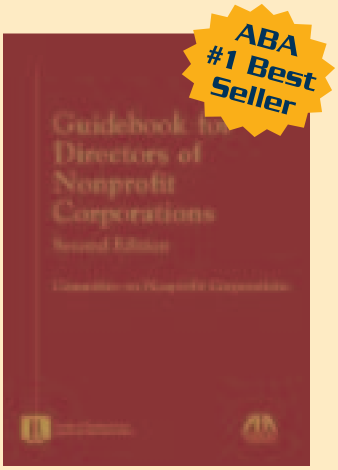
— adapted from www.discoverysurveys.com

Ten Steps to High Morale

1. **Keep jobs interesting.** Give workers constant feedback about how their jobs contribute to the organization's success. Involve them in figuring out ways to do their jobs better. Rotate mundane tasks as often as possible.
2. **Treat people fairly.** Be consistent. Make sure rules and regulations are necessary, appropriate, and equitable.
3. **Assign responsibility.** People will welcome responsibility as long as it fits their abilities.
4. **Invite new ideas.** Actively encourage employees to share their suggestions and insights. Without new ideas, organizations die.
5. **Foster a sense of accomplishment.** If people throughout your organization feel they have an important role to play, morale will be high.
6. **Recognize effort.** Find visible ways to acknowledge that people's work is important and helpful.
7. **Offer fair and appropriate compensation.** Salary, benefits, and incentive plans reveal how honestly management backs up its expressions of recognition and fair treatment.
8. **Support personal growth.** Personal growth is the opposite of shrinking as a person. Don't let that happen to your employees! Encourage them to take courses, learn new skills, and meet new challenges.
9. **Promote a sense of belonging.** Promote a healthy level of participation and involvement. Help people encourage each other.
10. **Provide opportunity.** Offer a ladder of success for people to climb. Foster an ongoing sense that your organization is alive with hope for the future. ■

— from *Leadership When the Heat's On*, by Danny Cox (McGraw-Hill) www.ababooks.org

What Every Nonprofit Director and Manager Should Know about Effective Governance for Nonprofits



Nonprofit Governance Library

Just Published

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This *Library*, including three publications, *Guidebook for the Directors of Nonprofit Corporations, Second Edition*; *Nonprofit Governance and Management*; *Nonprofit Resources: A Companion to Nonprofit Governance*, offers legal guidance on directors' duties, rights, risks and obligations; practical how-to-commentary; sample forms and letters; handy checklists; and pointers for both nonprofit directors and staff. Also, the third title in this *Library* is a reference listing books, handbooks, professional journals, government publications, foundation reports, case and statutory citations, and Internet sites related to nonprofit governance. **The Three publication titles within the *Library* are described as:**

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By the Committee on Nonprofit Corporations, ABA Section of Business Law
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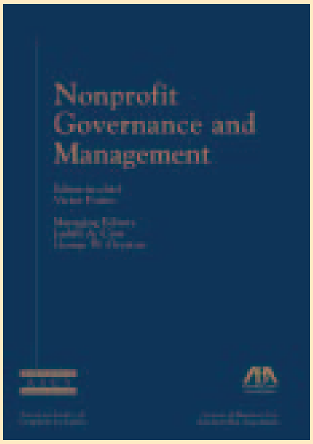

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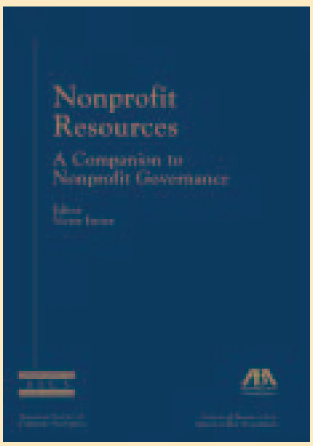

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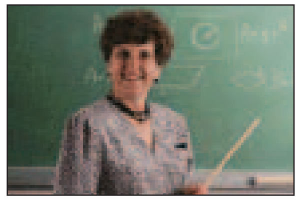

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