Vol. 20, No. 1, Winter 2011

Nonprofit Risk Management Center
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Risk Management ESSENTIALS

Tips, Knowledge and Tools for Nonprofit Organizations

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Stepping Back: The Outer Rim of Risk

By Melanie Lockwood Herman

The discipline of risk management invites a close-up examination of events and circumstances that threaten the mission and goals of an organization or that offer the promise of mission-advancing benefit. Nonprofit CEOs, CFOs, senior staff and even board members are instinctively drawn to taking a closer look at the risks that cause them to lose sleep or inspire optimism about the future.

A close-up view of risk is beneficial and productive on many levels. By examining risk up close you may learn that something long perceived as frightening in truth warrants little or no cause for worry. Like a small lap dog with a loud and ferocious bark, some of the risks your nonprofit faces may be less worrisome when you open the door and venture a bit closer. For example, your concern about the potential difficulty of an orderly evacuation of a busy community center may lessen after a practice drill goes off without a hitch. Practice is one way of getting a close-up view. A close-up look may

also reveal weaknesses in your plans. With valuable data in hand, you can set about closing the gaps, fixing the leaks, and enhancing your readiness for risk. Taking a closer look at the risks that offer the opportunity for growth is a starting point for choosing the most promising path.

The irresistible lure of a close-up look may, however, have downsides for leaders seeking to transform basic risk management practice into a comprehensive, inclusive approach to risk. Why? Because appreciating and understanding risk and guiding organizational resources in the face of an always-changing risk landscape also require the view one gets by

continued on page 2

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Nonprofit Risk Management Center

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Stepping Back
continued from page 1

looking up and stepping back. Look no further than the birdfeeder on your back porch for an example of feathered risk managers at work. Notice how the goldfinch or cardinal looks up to scan the horizon without losing focus on the feast before him.

In his thought-provoking book, *The Courage to Lead*, R. Brian Stanfield devotes an entire chapter to "The Comprehensive Perspective." The subtitle of Chapter 7, "Resisting the Urge to Reduce" is a clever reminder about the downsides of simplification and getting too close to the matter at hand. Stanfield writes, "There are times when the overwhelming reality of life in the early 21st century makes us want to dig our heads in the sand like the ostrich, or confine our attentions to what we feel we can manage." He adds: "But life challenges us to stand present to all of life as it is happening to us. Comprehensiveness means that our map of reality, or our context, takes in everything we can: there is nothing left out."

When we limit our view of risk to threats we miss the other half of the risk equation and wrongly focus our entire risk management effort on risk aversion. When we opt for a telephoto lens through which to see risk in an organization we miss the beneficial vantage point of a distant perspective. Comprehensiveness is about looking at both halves of the equation, about positioning ourselves for a wide angle view, and about learning to anticipate events and situations that will affect our missions and organizations in the future. When we fine-tune our skills of anticipation we are in the best possible position to seize opportunities. By anticipating threats we can reduce their overall negative impact on mission-advancement and perhaps even turn a harvest of lemons into mission-quenching lemonade.

Stanfield offers several suggestions for leaders who seek to "be comprehensive." The following is an interpretation of these suggestions with the discipline of risk management as both a lens and backdrop.

- **Prepare to deal with the totality of risk.** The concept of "totality" reminds us to look far and wide as we work to understand the risks we face. Consider all points of view, your nonprofit's history, all of the stakeholders and people you rely on and serve, and the many facets and dimensions of your mission. Looking at the "totality" of risk in the context of your organization may not be easy, but it is a worthy goal given the importance of your work and the inarguable connectedness of organizations in today's world. The risks an agency faces arise from every component of its complex structure, ambitious mission and the world in which it lives. Focusing on one slice of that picture leaves the "whole" in danger of having "missed the boat" of opportunity.
- **Be thorough and commit to doing your homework.** Most of us have been witness to the occasional brilliant, mission-advancing idea that came "out of the blue." And from time to time the brilliant, on-the-spot-solution may be just what is needed to address your risk-related worries or ambitions. But in most instances the "solution" or most appropriate strategy in the face of risk requires data gathering, analysis and reflection: the "homework" of leaders committed

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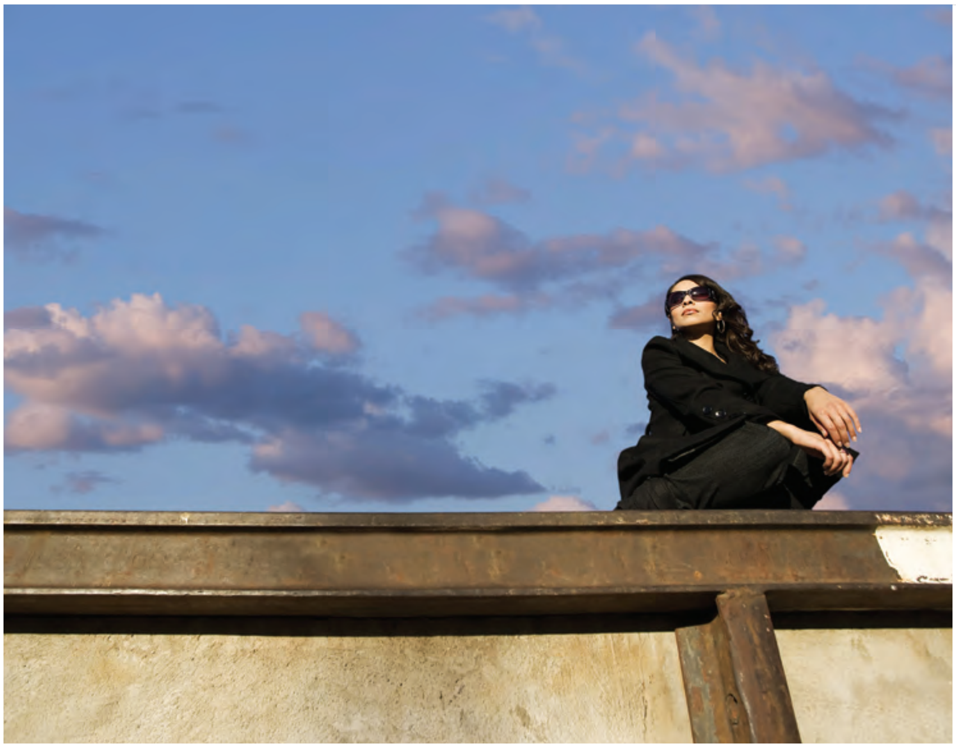


"Risk Management requires that we examine and discuss organizational weaknesses we would prefer to ignore and potential events that inspire dread."

to sound risk management. While doing our homework, however, we must also remember to periodically look up and about for the next opportunity or danger in the distance. Nonprofit boards occasionally make the mistake of being rash in hiring or firing a chief executive. The lure of a hurried hiring decision may be attributed to "recruitment fatigue," while a quick decision to fire is characterized as the "last straw." In both cases the mission of the nonprofit is better served by a board that takes the time required to gather information, consider the options, weigh the pros and cons, and ensure consensus about the decision. The importance of the nonprofit's mission and reputation warrants a sincere commitment to thoroughness at both ends of the employment relationship.

- **Be inclusive and adopt a wide screen view.** Stanfield reminds his reader that "To be comprehensive is to be inclusive: it sees to the inclusion of all aspects, even the parts you don't know or like." Unfortunately, many risks are viewed as distinct or isolated issues rather than as part of a continuum or panorama. Let's consider the example of a misbehaving volunteer. A close-up diagnosis may suggest a volunteer who broke the rules and therefore must be removed. A wide screen view of the same behavior might reveal lack of discipline in volunteer recruitment, lack of clarity in defining volunteer roles, and the absence of requisite supervisory skills in the staff member responsible for supervising volunteers. Risk management requires that we examine and discuss organizational weaknesses we would prefer to ignore and potential events that inspire dread. Peter Senge describes "systems thinking" as a cornerstone of a learning organization in his book, *The Fifth Discipline*, and cautions leaders about the downside of narrowing one's focus on the parts instead of finding ways to see

continued on page 4

Stepping Back
continued from page 3

"A comprehensive, wide-screen approach to risk isn't a new approach, but rather a different take on what should be common sense."

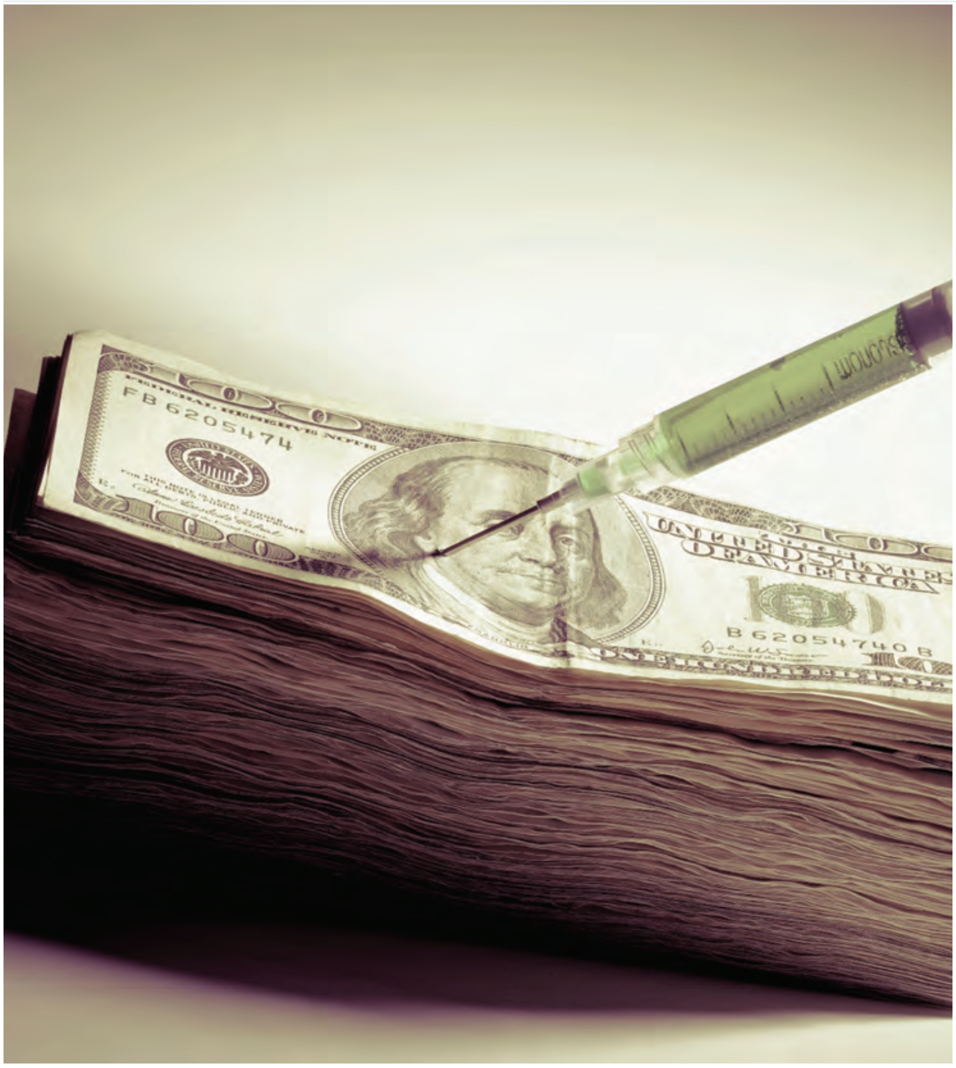
"the whole." When we see the nonprofit we serve as a dynamic system, we can resist the lure of short-term, close-up "solutions" to complex challenges.

- **Be consistent, grounded in reality and use common sense.** Stanfield reminds us that inviting "bold questions" is essential to a comprehensive approach to problem-solving. A culture of candor that invites bold questions also represents a common sense approach. Questions such as "What's left out?" and "Who have we omitted?" can help your team unearth hard to see elements in the landscape. When considering the errant behavior of a volunteer, remember the importance of seeing the behavior from more than one perspective. Remind yourself that the consistent application of agency rules and requirements is fundamental to success and avoiding unwanted surprises.

A comprehensive, wide-screen approach to risk isn't a new approach, but rather a different take on what should be common sense. Stepping back from a downside risk that has materialized in your nonprofit may require more time and thought than a swift, close-up solution. But by recognizing the value of a comprehensive perspective and taking the time to be thorough and see both potential and realized risks as elements of a complex system, you are investing in the long-term health of your organization. The thoughtful "solutions" you identify that are grounded in that comprehensive perspective may increase your readiness to seize opportunities on the horizon and avert mistakes, missteps and reasons for worry.

Melanie Lockwood Herman is Executive Director of the Nonprofit Risk Management Center. She welcomes your feedback on this article and questions about the Center's resources at Melanie@nonprofitrisk.org or (202) 785-3891.

Melanie's most recent books include *Ready...or Not: A Risk Management Guide for Nonprofit Executives*, and *EXPOSED: A Legal Field Guide for Nonprofit Executives.* Information on these titles can be found at www.nonprofitrisk.org/store/hot.asp.



Achieving Fiscal Fitness in 2011

By John Gillespie

Trends suggest that 2011 could be a make or break year for nonprofits of all sizes. Whether this is the year your organization plans to expand or transitions from treading water to gaining strength, it is imperative to take the time to assess your internal staff and procedures as well as conduct a financial assessment to ensure that your own processes aren't sabotaging the success of your organization.

As a starting point, consider the following steps to determine if it is time to make changes to your internal processes or team, and then size up your finances with the proposed four-phase process to ensure that your organization is on the right track.

Step 1 – Forecast for the future with a keen eye on the past.

As the saying goes, "hindsight is 20/20". It is inadvisable to forecast future performance without first looking in the rearview mirror.

For instance, does your organization consistently produce weekly revenue and cash updates as well as month-end closing reports within ten business days after the end of the month? And, do these updates compare actual versus budget numbers to ensure you are meeting your fiscal goals?

continued on page 6

Achieving Fiscal Fitness
continued from page 5

In addition, all bank accounts should be reconciled monthly. Other balance sheet accounts, such as cash, deferred revenue, prepaid expenses and accrued expenses should be reconciled quarterly. Historical financials—statement of financial position (balance sheet), statement of cash flows and the statement of activities (income statement)—if accurate, can also be helpful in forecasting.

> "While it is beneficial to have positive-minded employees, it is also potentially detrimental when these individuals are overly optimistic when it comes to the numbers they are forecasting."

Step 2 – Keep leaders informed of vital statistics in real-time.

Sharing important data facilitates discussion and paves the way for better decision making. To ensure that this occurs, your team should track metrics—cash on hand, gross revenue by revenue stream and summary expenses by department—and make that information accessible to internal leaders as well as board members via dashboards created in Excel or on your internal server. Consider rating each metric using a 'traffic light' system: red light flags a concern, yellow light indicates a problematic trend and green light signals that the nonprofit is meeting or exceeding expectations.

Step 3 – Re-forecast the forecast.

How often have you gotten to the middle of a budget year and found that an initial forecast was no longer valid? Things change, the economy tanks or thrives, and your numbers no longer jive with the initial prognosis. Nonprofits should re-forecast halfway through the year, allowing the organization to adjust the budget to reflect new programs, new hires, changes in donor levels and marketplace shifts. Revise your annual budget using the first half of the year's actual financial data in conjunction with your revised forecast for the rest of the year. Use a rolling 13-week cash flow forecast to ensure cash management remains a priority on a weekly and bi-weekly basis.

Step 4 – Manage risk with internal controls.

An area often overlooked is the importance of establishing, and following, policies and procedures to reduce the likelihood of something going wrong, and enable prompt detection when it does. From determining authorized personnel for check approvals and contract execution, to examining insurance needs, some nonprofits fall flat due to poor planning or not following established policies. Tracking adherence to key internal controls, monitoring compliance with funding requirements and evaluating the extent to which policies are followed are important risk management measures in every nonprofit.

Step 5 – Challenge the revenue forecast and development efforts.

While it is beneficial to have positive-minded employees, it also can be potentially detrimental when these individuals are overly optimistic when it comes to the numbers they are forecasting. It is vitally important to review sales, membership, development and other revenue pipelines, checking for accurate dollar value and timing to ensure that the numbers you are looking at are, in fact, achievable.

After going through these suggested steps, you may find that your organization is in a better place than you may have thought, or there may be areas that need work. The next step is to conduct a financial assessment to determine if your nonprofit is financially strong and on the right track.

Size Up Your Finances

Nonprofit leaders must understand the fiscal strengths and weaknesses of the nonprofits they serve in order to set realistic goals for 2011 and beyond. To get started, we recommend you consider the following four-phase financial assessment:

- **Phase One** – *Review Your Financial Processes* by conducting an in-depth review of how your financial operations are conducted. Look for internal control weaknesses and redundancies in processing, following the money in and out of your organization, understanding reconciliation gaps and analyzing financial reports to ensure they are effective. Consider comparing your processes and procedures with another organization of similar size.
- **Phase Two** – *Analyze Your Financial Systems* by identifying areas that could be automated within your organization, uncovering capabilities within your current systems that aren't fully leveraged and investigating what other systems similar nonprofit organizations are using.
- **Phase Three** – *Right Fit Your Financial Personnel* by separating the task from the person to determine effectiveness, understanding each finance employee's background and goals, encouraging development beyond technical accounting skills and clarifying roles to determine if someone is overburdened.
- **Phase Four** – *Develop an Action Plan* with the findings from Phases 1-3, weighing priorities against access to resources to create a timeline, knowing that some tasks can be done simultaneously, some will have more impact than others and some will be dependent on departments outside of finance.

Beyond the Bottom Line recently guided the Baltimore-Washington Conference of The United Methodist Church through a comprehensive financial assessment. The result was a clear assessment of the organization's financial reporting and distribution activities, and a helpful examination of every part of the organization's financial machinery. The project also looked at employee roles and responsibilities to determine if the organization had the right people in the right positions.

"When every detail is examined in the context of an organization's big picture, you come out with a crystal clear view of where you are and what needs to be done to improve overall," said Paul Eichelberger, CFO and treasurer for the Baltimore-Washington Conference of The United Methodist Church. "Now that we have a detailed readout of our current processes, we are free to upgrade those processes and take advantage of the most current technology to do so."

While it takes time and energy to analyze internal processes and procedures as well as execute an effective financial assessment, by taking these steps you will increase your nonprofit's potential to not only survive, but thrive in 2011 and beyond.

John Gillespie is president of Beyond the Bottom Line, an interim CFO and executive search firm for nonprofits and social enterprises, located in the Washington, D.C. area.

How to Lose Your 501(c)(3) Tax Exempt Status (Without Really Trying)

It's easy for a nonprofit organization to maintain its tax exempt status—and can be just as easy to lose it.

Each year, the IRS revokes the tax-exempt status of more than 100 501(c)(3) organizations. Organizations recognized as exempt from federal income tax under this section of the Internal Revenue Code include private foundations as well as churches, educational institutions, hospitals, and many other types of public charities.

But these organizations can maintain their tax-exempt status if they heed the rules in six areas:

- Private benefit/inurement
- Lobbying
- Political campaign activity
- Unrelated business income (UBI)
- Annual reporting obligation
- Operation in accord with stated exempt purpose(s)

(Note: The following subjects are described briefly. If you want more information about each area, visit the Tax-Exempt Status Virtual Workshop on the IRS educational micro-site, **www.stayexempt.irs.gov.**

1. Private benefit/inurement

Private benefit: "A 501(c)(3) organization's activities should be directed exclusively toward some exempt purpose," said Richard Crom, Staff Assistant for IRS Exempt Organizations Customer Education and Outreach office. "Its activities should not serve the private interests, or private benefit, of any individual or organization (other than the 501(c)(3) organization) more than insubstantially. The intent of a 501(c)(3) organization is to ensure it serves a public interest, not a private one."

Inurement: The concept of inurement states that no part of an organization's net earnings may inure to the benefit of a private shareholder or individual who, because of the person's relationship to the organization, has an opportunity to control or influence its activities.

"A 501(c)(3) organization is prohibited from allowing its income or assets to benefit insiders (people with a personal or private interest in the activities of the organization)," said Crom. "Insiders are typically board members, officers, directors, and important employees." He added that prohibited inurement includes the payment of dividends, the payment of unreasonable compensation to insiders, and the transfer of property to insiders for less than fair market value.

If a 501(c)(3) organization engages in inurement or substantial private benefit, the organization risks losing its exemption. Additionally, insiders guilty of inurement may be subject to excise tax.

2. Lobbying

When an organization contacts, or urges the public to contact, members or employees of a legislative body for the purpose of proposing, supporting, or opposing legislation, or when the organization advocates the adoption or rejection of legislation, it is lobbying. "501(c)(3) organizations are allowed to do some lobbying," said Melaney Partner, acting director for the IRS Exempt Organizations Customer Education and Outreach office. "However, if lobbying activities are substantial an organization risks losing its tax exempt status." She added that an organization can elect to have its lobbying activities measured by an "expenditure test" to determine whether or not the activities are substantial. This is known as a 501(h) election, so-named for the section of the Internal Revenue Code where the rules for the expenditure test are spelled out.

"By making this election, an organization agrees to not spend more than a certain percentage of its total expenses on lobbying activities," Partner said. "The other way to measure lobbying activity is to determine whether, based on all of the pertinent facts and circumstances, an organization's lobbying comprises a substantial part of its overall activities. This substantial part test is a more subjective method compared to the more mathematical, objective expenditure test."

Organizations must file Form 5768, Election/Revocation of Election by an Eligible Sec. 501(c)(3) Organization to Make Expenditures to Influence Legislation, in advance to be subject to the expenditure test.

3. Political activity

All section 501(c)(3) organizations are prohibited from directly or indirectly participating in, or intervening in, any political campaign on behalf of (or in opposition to) any candidate running for public office. The prohibition applies to all campaigns (federal, state and local level). "Political campaign intervention includes any and all activities that favor or oppose one or more candidates for public office," said Crom, who speaks to non-profit organizations on a regular basis about tax-compliance issues. "The prohibition extends beyond candidate endorsements."

Contributions to political campaign funds or public statements of position (verbal or written) made by or on behalf of an organization in favor of, or in opposition to, any candidate for public office clearly violate the prohibition on political campaign intervention.

Section 501(c)(3) organizations may engage in some activities to promote voter registration, encourage voter participation, and provide voter education, but they can't engage in activities that favor or oppose any candidate for public office. Whether an activity is political campaign intervention depends on all the facts and circumstances.

"The political campaign intervention prohibition is not intended to restrict

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free expression on political matters by leaders of organizations speaking for themselves as individuals," said Crom. "Nor are leaders prohibited from speaking about important issues of public policy. However, for their organizations to remain tax exempt under section 501(c)(3), leaders cannot make partisan comments in official organization publications or at official functions of the organization."

4. Unrelated Business Income (UBI)

Another activity that can potentially jeopardize an organization's 501(c)(3) tax-exempt status is having too much income generated from activities that are unrelated to the exempt function of the organization. This income comes from a regularly-carried-on trade or business that is not substantially related to the organization's exempt purpose. "An organization that produces unrelated business income as a result of its unrelated trade or business may have to pay taxes on that income," said Partner. "Income-producing activity must meet three conditions before the income is potentially taxable."

First, the activity must be a trade or business. Second, the trade or business must be regularly carried on. Third, the business activity is not substantially related to an organization's exempt purpose. In other words, the activity itself does not contribute importantly to accomplishing the exempt purpose, other than through the production of funds.

Some of the most common UBI generating activities include: the sale of advertising space in weekly bulletins, magazines, journals or on the organization's website; the sale of merchandise and publications when those items being sold do not have a substantial relationship to the exempt purpose of the organization; provision of management or other similar services to other organizations; and, even some types of fundraising activities. Generally, organizations that generate unrelated business income should file Form 990-T, Exempt Organization Business Income Tax Return, and pay tax on the income.

"An organization must be careful generating money in activities that do not further its specific exempt purposes," said Partner. "In addition to the taxability of income from unrelated activities, if those activities are substantial in relation to your exempt purpose activities, you may be putting your exempt status in jeopardy."

5. Annual reporting obligation

While 501(c)(3) public charities are exempt from Federal income tax, most of these organizations have information reporting obligations under the Internal Revenue Code to ensure they continue to be recognized as taxexempt. In addition, they may also be liable for unrelated business income tax as described above, employment tax, excise taxes, and certain state and local taxes.

Public charities generally file either Form 990, Return of Organization Exempt from Income Tax, Form 990-EZ, Short Form Return of Organization Exempt from Income Tax, or submit online Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations not Required To File Form 990 or 990-EZ.

"The type of form or notice required is generally determined by the public charity's gross receipts and the value of its assets," said Crom. For tax years ending on or after December 31, 2010, an organization may file Form 990-EZ if its gross receipts are normally less than $200,000, and if its total assets are less than $500,000 at the end of the year. If the organization's gross receipts are $200,000 or greater, or if its assets at the end of the tax year are $500,000 or more, the organization generally must file Form 990. If the organization's annual gross receipts are generally $50,000 or less, the organization may in lieu of Form 990 or 990-EZ submit online new Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations not Required to File Form 990 or 990-EZ.

There are some public charities that are not required to file Forms 990 or 990-EZ, including churches and certain church-affiliated organizations. Organizations can learn about filing and new requirements applicable to supporting organizations at the IRS Nonprofits and Charities website.

"The IRS will remove many organizations previously recognized as taxexempt from its Master File due to provisions of the Pension Protection Act of 2006," said Crom. "The act requires that all tax-exempt organizations—except churches and church-related organizations—must file an annual return with the IRS. And if they don't do so for three consecutive years, they automatically lose their exempt status."

The IRS conducted an extensive outreach effort over the past several years to remind tax-exempt organizations about this new legal requirement – and to file on time. "There were many organizations that we still did not hear from and we will post a list of those revoked organizations on the IRS website in February 2011," said Crom.

If an organization finds that its exempt status has been automatically revoked due to non-filing and it wants its tax-exempt status reinstated, it will need to reapply and pay the appropriate user fee. For more information on that process, visit the Charities and Non-Profits pages on the IRS website.

6. Operation in accord with stated exempt purpose(s)

"If you stop doing all or a significant amount of the exempt activities you told the IRS you were going to do in your original application for exemption—you could lose your exemption," said Crom. "If your organization's direction has changed, let us know. It could prevent future problems." He added that organizations must adhere to the guidelines inherent in these six areas. "If they do this, they will maintain their tax-exempt status and continue enjoying the benefits associated with it," said Crom.

To receive periodic updates on current Exempt Organization issues of interest, visit **www.irs.gov** and sign up to receive the EO Update by e-mail.

Professional Development and Training Calendar

In-person training programs offer great content, access to experts, and networking opportunities

BRAND NEW!

Nonprofit Employee Benefits Conference

May 16-17, 2011 – The Salvation Army Conference Center, West Nyack, NY

This conference will feature plenary sessions and workshops on the following topics:

- Health Care Reform: What You Need to Know
- Benefits Innovations: Cooperatives, Self-Insurance and Carve Outs
- How to Save Money and Pay for Health Care Benefits
- Benefits Communication
- Voluntary Benefits
- Health Risk Management: Developing a Culture of Wellness
- Developing a Strategic Benefits Plan
- Employee Leasing: A Closer Look
- 10 Employee Benefits Mistakes You Need to Avoid in 2011
- Retirement Benefits in the Nonprofit World: What's New and What You Need to Know

To learn more about the education program at this event, visit **www.nonprofitrisk.org/training/newconference/conference.asp.** Click the "Register" tab to register online. Seating is limited for this brand-new event; sign up today to avoid disappointment. Questions? Call (202) 785-3891 or write to info@nonprofitrisk.org.

SAVE THE DATE!

Risk Management and Finance Summit for Nonprofits

September 18-20, 2011 – Bell Harbor International Conference Center, Seattle, WA

Mark your calendar and plan to join experts in the fields of risk management and finance for the Center's 17th annual conference. Visit the Summit webpage (**www.nonprofitrisk.org/training/conference/conference.asp**) to learn more about this annual program for nonprofit leaders and nonprofit insurance specialists.

Webinars deliver high-quality, monthly training to your desktop

An internet and telephone connection is all that is needed and the Nonprofit Risk Management Center delivers live, expert instruction along with handout materials; teaching sound risk management principles and techniques.

Can't attend one of the programs of interest on the date it is presented? All webinars are recorded and archived so you can listen and watch on the Web when it's more convenient. Once you purchase the program and payment is made, you will receive a confirmation email with a link where you can download the handout materials and view the archived recording as many times as you wish.

1st Wednesdays

FIRST WEDNESDAYS IN 2011 –

A Webinar Series at 2 p.m. Eastern

Join the experts at the Nonprofit Risk Management Center for a series of practical, to the point programs on risk management in the nonprofit world. The series features twelve, 60-minute programs on topical risk issues. Each program is packed with information and offers time for interaction with the presenter around your toughest risk management challenges.

The series of twelve topics is ideal for in-service training, risk-management skills polishing and orienting staff, managers and board members to critical aspects of understanding and managing risk in your nonprofit organization.

REGISTER

- Each webinar program is $59.
- Register for all 12 webinars for $459.00, a savings of $249 if purchased separately!

First Wednesdays Schedule

Recordings of the following programs are available:

JANUARY 5, 2011: What's New? ERM, Risk Intelligence and Your Nonprofit

FEBRUARY 2, 2011: The 7 Deadly Sins of "Borrowed" Risk Management Policies

MARCH 2, 2011: Risk Communication

It's not too late to attend one of the following "live" programs. If you sign up for the series and miss a program, you can watch and listen to the recorded program at your convenience.

APRIL 6: *Managing Partnership and Collaboration Risk: What You Need to Know*

Partnering is second nature for many nonprofit leaders. Yet enthusiasm for partnering may create blind spots that obscure our view. Without a clear picture nonprofit leaders with good intentions may stumble. This webinar will explore practical steps for sizing up potential partners and increasing the odds of success, instead of missteps.

MAY 4: *Business Continuity Planning for Nonprofits*

Everyone knows that bad things sometimes happen to good people and great nonprofits. One possibility is an event that causes the interruption of normal operations. This webinar explores the process of creating a business continuity plan for your nonprofit. Learn what you need to do today (or as soon as possible!) to safeguard your mission-critical services and activities.

JUNE 1: *Insurance Coverage Q&A*

Many nonprofit leaders report difficulty understanding the terms of the insurance coverage on which their nonprofit organizations depend. This webinar offers the chance to pose any coverage-related question and receive an answer in plain language. The program will begin with a survey of common questions about the process of obtaining coverage and an overview of the typical coverages purchased by nonprofits. We'll conclude with your questions.

JULY 6: *Managing Employee, Volunteer and Board Discontent*

In a perfect world every nonprofit employee, volunteer and board member would be "content" 100% of the time. Few if any nonprofits live in such a world. This webinar will explore the risks associated with stakeholder discontent and offer practical suggestions for managing discontent. Find out what to do now to minimize the likelihood of unhappiness and learn how to respond with finesse to employee, volunteer and Board discontent.

AUGUST 3: *Accountability in Action: Enforcing Board Responsibilities*

Accountability is a popular buzzword in the nonprofit sector and most nonprofit board members recognize that the board sets the tone for organizational accountability. From time to time, however, some members of the board may forget that they too must be accountable and live up to their leadership commitments. Attend this webinar to learn how to effectively, and practically enforce board member responsibilities.

SEPTEMBER 7: *Fiscal Oversight, Risk and the Nonprofit Board*

One of the most important responsibilities of a nonprofit board is fiscal oversight. Yet many board members remain unclear about what exactly that means. This webinar will explore the board's role in providing fiscal oversight and risk oversight. Attend this program to learn more about these important responsibilities and how to inspire the board to strengthen its governance practices.

OCTOBER 5: *Volunteers, Risk and Reward: What's New?*

Most nonprofits depend on volunteers for mission advancement. Volunteers make our missions happen, but they also expose our organizations to risk. Attend this webinar to learn what's new and what's practical in the field of volunteer risk management.

NOVEMBER 2: *Financial Risk Management for Nonprofits*

The regulatory spotlight on fiscal oversight and finance-related risks has caused some leaders to sweat more than usual. This webinar will explore some of the recurring and evolving financial risk management challenges facing nonprofits across the sector. Learn what your organization can and should do to keep cool in a challenging environment. Topics that will be covered in this session include the dilemma of operating reserves, the board's role in fiscal oversight, unmasking conflicts of interest, and more. Expectations and interest in fiscal transparency and close scrutiny continue to grow: are you ready for your close-up?

DECEMBER 7: *Risk Management and Strategic Planning*

Nonprofit leaders are long accustomed to strategic planning exercises that involve the examination of strengths, weaknesses, opportunities and threats. The fine-tuning of an organization's "vision" and "mission" statements is often part of the process. This webinar will explore ways to integrate an appreciation for risk into your planning cycle. Learn how to update your planning framework by adding risk-related elements. This program will explain how to challenge assumptions, anticipate causes of failure, and evaluate the prospect of taking more (rather than less) risk.

THIRD THURSDAYS IN 2011 –

An HR Webinar Series at 2 p.m. Eastern

Join the experts at the Nonprofit Risk Management Center for a series of practical, to the point programs on HR risk and reward. The series features four, 90-minute programs on topical HR issues. Each program is packed with information and offers time for interaction with the presenter around your toughest HR challenges.

The series of four topics is ideal for in-service training, risk-management skills polishing and orienting staff, managers and board members to critical aspects of managing HR risk in your nonprofit organization.

REGISTER

- Each webinar program is $89.
- Register for all 4 webinars for $259.00, a savings of $97 if purchased separately!

Third Thursdays Schedule

Recordings of the following programs are available:

JANUARY 20, 2011: Getting and Giving References: Safely and Effectively

FEBRUARY 17, 2011: The Employee Handbook: Do's and Don'ts

MARCH 17: *Supervision and Performance Management*

A wide range of risks exist long after the screening process has been completed. Attend this program to hear practical supervision and performance management tips. Find out why it is hard to design a performance appraisal system that both aids decision making about compensation and promotion and serves as a useful tool for employee development.

APRIL 21: *Peaceful Endings: Managing the End of the Road*

The end of the employment relationship is fraught with risk. Attend this webinar to learn how to manage every separation with skill and finesse. Learn the legal and practical differences between RIFs, terminations for cause, and employee resignations. The program will conclude with a segment on volunteer separations.

How We Can Help You the Year Through

The Nonprofit Risk Management Center, established in 1990, provides assistance and resources for community-serving nonprofit organizations. As a nonprofit, the Center is uniquely positioned to both understand and respond to questions with practical, affordable suggestions for controlling risks that threaten a nonprofit's ability to accomplish its mission.

Our mission is to help nonprofits cope with uncertainty.

- We provide **Free technical assistance** by telephone, (202) 785-3891, or e-mail, info@nonprofitrisk.org, to nonprofit staff and volunteers.
- We produce affordable, easy-to-read **publications**. (Some are free!)
- We design and deliver **workshops** at events and conferences sponsored by nonprofit organizations, umbrella groups and associations, and insurance providers.
- We offer helpful online tools, including **My Risk Management Policies**, an easy to use, program that helps you develop custom policies in various areas, including governance, human resources, technology, volunteer management, facility safety, and more. Visit **www.myriskmanagementpolicies.org** to learn more or purchase a license allowing unlimited use for $179.
- We offer competitively priced **consulting services**, including risk assessments. Visit the Consulting tab at **www.nonprofitrisk.org**.

The Nonprofit Risk Management Center is a 501(c)(3) nonprofit organization. The Center does not sell insurance or endorse organizations that do.

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Inside This Issue