Society of St. Vincent de Paul

STORE OPERATIONS MANUAL

For operating a successful St. Vincent de Paul Store

SOCIETY OF ST. VINCENT de PAUL
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by the Council of the United States,

Society of St. Vincent de Paul.

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## Change Log

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Society of St. Vincent de Paul
Thrift Store Mission Statement

St. Vincent DePaul Thrift Stores throughout the United States are mutually formed in an association of lay employees and volunteers dedicated to serving our needy sisters and brothers. All who come to our Stores are welcomed with dignity and respect. Our hope is they leave as friends and return to shop with us again. Those who cannot afford the clothing, furniture and other household items are provided them through a Vincentian referral system.

Customers, employees and volunteers are treated equally without regard to race, color, creed, age, gender or national origin. All, including the disadvantaged, handicapped and persons with special needs, are employed so that we may all benefit from the talents and abilities of everyone seeking employment.

Serving Christ's needy is the primary goal of all St. Vincent DePaul Stores. In this ministry, we pledge to use sound business practices. Surplus funds will be dedicated to the support of Parish Conferences and charitable causes of the Society approved by our Councils and Boards of Directors.

"You are the servant of the poor . . . . They are your masters, and the more difficult they will be, the more unjust and insulting, the more love you must give them. It is your love alone that the poor will forgive you the bread you will give them."

St. Vincent de Paul, 1581-1660

Revised September 2003
INTRODUCTION

The Purpose of This Store Operations Manual Is Three-Fold:

1. To provide guidelines and recommendations for both new and established Society of St. Vincent DePaul Thrift Stores, recognizing that to be successful in our mission of charity, we must adhere to sound and fundamental business practices.

2. To examine all present methods of operation to determine if they are in keeping with the goals of the Catholic church and the Society of St. Vincent DePaul.

3. To initiate changes where they may be needed to bring about a clearer understanding of our mission and a new spirit of service and friendship for those whom we serve in our communities.

"The body is one and has many members, but all the members, many though they are, are one body; and so it is with Christ. It is in one spirit that all of us, whether Jew or Greek, slave or free, were baptized into one body, . . . if one member suffers, all the members suffer with it; if one member is honored, all members share its joy. You, then, are the body of Christ. Every one of you is a member of it."

(Cor 12:12-27)

As Catholics we have been invited to explore the connection between our faith and the lives we live as Christians in society. Since the first social encyclical written over one hundred years ago, Pope after Pope has addressed issues some would term purely social or political or economic. The Church has seen those issues as moral and religious. It is not only appropriate but essential that Catholics be involved in working for social, political, and economic justice.

This is not an optional or peripheral part of our faith nor is it a new idea. Rather it is at the heart of our faith and is deeply rooted in the Gospel. As Christians we are a community of people who have a mission to transform the world on behalf of justice and human dignity. The faith we profess is a profoundly social faith which requires us to show love to others not only in an individual sense, but also socially, by working to make social structures and social institutions more just.

The thoughts in the preceding paragraph were taken from a pastoral letter on social justice titled 'Reviving the Common Good.' It was written by John R. Roach, Archbishop of St. Paul and Minneapolis, Minnesota.

Archbishop Roach has stated it is essential and not an option for Catholics to be involved in working for social, political and economic justice. The American Manual of the Society of St. Vincent DePaul is titled The Society — What It Is. ' It expresses clearly to all Vincentians, "The Society of St. Vincent DePaul is an international Catholic organization of lay persons, who seek, in a spirit of justice and charity and by person-to-person involvement, to help those who are suffering." And again. "It tries not only to alleviate poverty but also to discover and remedy situations which cause poverty. It does not and will not hesitate to take unpopular stands in order to obtain justice and combat the alienation of the poor."
It follows then that justice and charity are inseparable. We Vincentians have made a ‘commitment to compassion’ to our poor sisters and brothers. As we perform works of charity we must also work to make social structures and social institutions more just. The Society has the resources and strengths of its members for 'reviving the common good.'

Society of St. Vincent de Paul Thrift Stores are well known for their service to the poor. The stores are the most visible sign of the Society and for many poor and hurting people, a place to receive not only the goods they need, but a place where compassion, friendship, love, and a smile are freely given to one and all.

This Store Operations Manual is an effort by many to provide not only the 'how to' but to go beyond essential business practices and present essential Christian values and ethical behaviors necessary in the work we do. Because we have presumed to serve the public good we also have assumed the public trust. We believe in the values and ethics of our St. Vincent DePaul Society and must have a constant commitment to these behaviors.

Presenting thoughts and ideas about ethical behavior here was not prompted by any lapses or omissions, but instead by a statement prepared by the Independent Sector of Washington, D.C. This organization is a coalition of over 800 corporate, foundation and voluntary members with national interest in philanthropy and voluntary action. They have stated that ethical behaviors and values are the essential values of society and it is right for us to model them. We, therefore, encourage every Vincentian, store employee, volunteer and manager to become part of an ongoing process to heighten our own and each others awareness of the importance of ethics and values in our conduct in serving the poor. An executive summary of the statement by the Independent Sector can be found at the beginning of this manual.

This manual has been updated and provided in electronic form to make it more accessible to Vincentians. A few tips about the new Stores Operation Manual format are in order.

1) You can navigate to any section of the document by holding the Ctrl button, move the mouse over the section in the Table of Contents (TOC) and clicking the left mouse button.

2) Many of the sections have been replaced by links to web pages that contain much more timely information than could be place in this document.

3) There is an accompanying document to this manual that contains an excellent presentation on merchandising. It is recommended that this document also be reviewed.

The National Stores Committee was formed to assist stores in the Unites States to become more effective operation. The preceeding spiritual reflection gives a foundation for the stores operation. It is also essential that good business practices be followed to make store profitable as well as a source for goods to the needy. The following provides additional information on the Nationals Stores Committee

**St. Vincent de Paul National Stores Committee:**

The National Stores Committee was established by the trustees of the Society of St. Vincent de Paul at the 1990 business meeting in Buffalo, New York.
The National Stores Committee is composed of two representatives from each Region, appointed by the Regional Chair. The National President appoints the Chair of the committee.

Their first goals were:

1) Publish a newsletter at least four times a year.
2) Write a Mission Statement for all stores people.
3) Publish a Store Manual.

Goal number 1 has continued to the present. Goals 2 and 3 were completed and the Store Manual is available from the national office. The current Stores Committee was formed in September 2005 with the election of our new National President, Joe Flannigan.

Newsletter – Frederic’s E-Gazette

The News & Views was published on a quarterly basis since the National Stores Committee was established. This has now been replaced with articles published periodically in the Frederic’s E-Gazette.

Workshops at Annual Assembly

At the National Assembly held in late August, early September, a full day of workshops is held that deals specifically with stores topics. A sample of these topics are: merchandising, employee relations, OSHA rules, safety, spirituality of stores, human resources, rules and regulations, paid vs. volunteer stores, advertising, wholesale clothing, recycling, employment law, hiring practices and many others.

Annual Report of Stores

The National Stores committee has been responsible for collecting the annual report data from store operations, consolidating a report for the National Office. This report demonstrates the good that is done by the stores throughout the country. It is also part of the accountability of the structure of the National Office of the Society of St. Vincent de Paul. This information is also critical to the National Office when reporting the activities of the Society, applying for grants for use by the organization, being a advocate for the poor and working with governmental entities on rules that govern nonprofit organizations.

Stores Reviews

The stores reviews was set up to help pay the travel expenses of stores committee members or stores professionals to visit other store operations for the purpose of assisting them through a difficult time or to give general help in store operations. In order to have a visit the requesting store must go through their local National Council Member, who in turn will make a request from the Regional Chair. The Regional Chair would then make a request to the stores committee. After the visit the person who makes the visit will then submit a report to the requesting store and Stores Committee. It has been extremely successful.

Maintain and add to the St. Vincent de Paul Stores Manuals. These manuals include very helpful information on starting a new store, accountability, employee relations, legal requirements, store policy examples and many other topics. The newly added Visual Merchandising Standards was developed in consultation with Zen Genius, Inc. of Columbus, OH.

**Stores Startup Fund**

A fund was set up by the National Stores Committees to assist Regional Chairs in setting up new store operations. This fund was established to assist in establishing store operation to assist new District Councils as part of the extension programs instituted by the Regions.

**Meeting Travel**

This is a budget item that was set up to assist store directors/managers in attending the workshops at the National Midyear meeting. These workshops have proven to be very helpful to the attendees. The other very useful aspect of the Midyear Meeting is the opportunity to talk to other stores professionals.

**Collaboration With National Disaster Committee**

The St. Vincent de Paul Stores are a key front line resource in case of disasters. The National Stores Committee collaborates with the National Disaster Committee to provide disaster relief throughout the United States. The most recent demonstration is the stores response to hurricanes Katrina and Rita. The St. Vincent de Paul Thrift store in Austin, Texas was instrumental in starting the House-In-A-Box program during the fires that occurred in Bastrop, Texas in 2011 and again in the fertilizer plant explosion in West, Texas. The Disaster Committee then took the model for this to the National level. There numerous other examples of where thrift stores help in coordinating relief with the National Disaster Committee.

With the dissolution of the National Stores Committee Special Fund, local store disaster such as fire, wind, storm damage, etc. the National Disaster Committee is committed to assist with assistance in getting back up and in operation as quickly as possible.

Thanks to all who have contributed to the preparation of this store manual. We intend to keep it current making changes and additions as needed.

James A. Boe

Updated by Ray DuPont

Chairperson, National Stores Committee Society of St. Vincent DePaul

There is a wealth of additional information on the National website and the specific area for National Stores Committee. The National Stores Committee is constantly working to make additional information available. Please contact your National Stores Committee Regional Representative for additional information.
ETHICS AND THE NATION'S VOLUNTARY AND PHILANTHROPIC COMMUNITY

Ethics of an organization is key to its survival, especially the non-profit sector. Below are some references to websites that cover this subject and are well worth the time to review and gauge your organization against these principles.


http://www.ssireview.org/articles/entry/ethics_and_nonprofits

http://www.scu.edu/ethics/dialogue/candc/cases/fundraising.html
SECTION 1: THE LOCAL STORE COMMITTEE

The SVDP Council having jurisdiction and responsibility for one or more Thrift Stores forms the St. Vincent de Paul Society Store Committee. The primary responsibility of the Committee as given by the SVDP Council Board of Directors is to set policies and goals for store operations. Success of store operations depends on good communication and adhering to the chain of command of Council, Store Committee and Store Management. The Committee does not become involved in day-to-day operation of stores.

It must be clearly stated to all employees, volunteers and members of the Society that the purpose of stores is to care for the needs of poor sisters and brothers and to operate using sound business practices. The SVDP Council, Conferences and Stores are mutually dependent! Successful stores contribute surplus funds to the Council to be used for Society approved programs.

Composition and Size of the Store Committee

Members of the Store Committee are selected based on their belief in the need for Christian Charity and knowledge of business and retail experience. It may be desirable to ask persons outside the Society to serve on the Committee if they have the necessary experience and share in the goal of service to the poor. The chairperson should have organizational skills and a strong background in the above areas. The size of the Committee will depend in part on the number of stores to be served but usually five to ten members is sufficient to make sound decisions.

Terms of Members

Length of service will vary but usually terms expire when the Council President leaves office. A plan for continuity is recommended. The new President may ask members to remain on the Committee. The important thing is to have an active Committee looking for new ideas and new approaches to problem solving. The Committee should meet regularly, maintain open communication with the Council and not grow stagnant or become complacent. New members should be sought to replace those who have left or where new vitality is needed.

Duties and Responsibilities In Conjunction With Store Director/Manager

• Set policies and goals for Store operations
• Develop a business plan for the stores and review at least annually
• Prepare an annual budget in cooperation with store management and submit to the Council Board of Directors
• Identify with management the goals for the year and incorporate into the annual budget
• Plan with management the calendar of promotions, special events and special works such as: Summer sales, $.99 Coat sales, Bundle sales, Half-price sales, wearin' of the Green sales, Spring Clothing sales, etc.
• Institute the use of a personnel manual for all SVDP employees
• Insure performance reviews are made for all employees annually

• Set policies for free distribution to individuals, conferences or other agencies; use a referral system

• Establish principles of honesty for all store personnel

• Ensure monthly, quarterly and annual reports are made to the Council, Bishop, National Office of the Society and others as required

• Institute hiring policies in accord with the Americans With Disabilities Act (See section on Government Regulations)

• Provide a barrier-free environment for the handicapped (See section as above)

• Chairperson should provide a copy of meeting agendas in advance of meetings

**Store Committee vs Director/Manager**

A critical item is to establish boundaries between the Store Committee and Store Director/Manager. The Store Committee sets policies and evaluates the Store Director/Manager on the execution of the policies. The Store Director/Manager manages the day-to-day operation of the stores and manages the people employed or volunteers that run the store. It is critical that the committee not interfere with the managers duties.

The Society of St. Vincent de Paul Thrift Store is a special work of the Society. Stores should be neat, clean and attractive and should project the Vincentian goal of service to those in need. We must continuously nurture the seeds of charity that have been planted!
SECTION 2: ACCOUNTING, REPORTING AND AUDITING

ACCOUNTING AND BOOKKEEPING

Prior to opening a new store a key consideration is how will the accounting and bookkeeping be handled. If you are part of a larger organization you will want to be sure your accounting and bookkeeping is compatible with the larger organization.

The second key requirement in a store operation is to consider the flow of merchandise from receiving to the point of sale. A system should be able to track all aspects of the operation and be capable of generating reports that will permit the management and Board to review the overall business operation.

In order to properly operate any business, and stores operations is certainly a business, certain record keeping is a must. A sound accounting system is required that permits the organization to know how it is operating and what has to be done to achieve its goal. This is certainly true also of a St. Vincent de Paul Stores operation.

Furthermore, the organization must comply with many government regulations and reporting requirements and any information submitted must be based on reliable information. In addition, the officers, members, and contributors wish to receive reports to gauge if policies and directions are being followed. In short, the organization's programs revolve around finances which must be accounted for through good record keeping.

Regardless of the size of the operation or the organization, the responsibility for maintaining financial records is in the hands of the Treasurer or his/her designee. This means that the Treasurer must know some basic bookkeeping procedures and will see that they are being followed. All reports prepared for the board and membership must be complete and straightforward and have the following characteristics:

1. They should be easily understood so that anyone taking the time to study them will understand what is happening.
2. They should be concise so as not to get lost in detail.
3. They should have a focal point for comparison such as the same period in the previous year or against the budgeted figures for this year.
4. They should be prepared on a timely basis and reviewed accordingly to be of value.

Accounting is the analysis and presentation of financial data for the benefit of interested parties. Bookkeeping, on the other hand, is the recording of transactions that affect financial data, summarizes transactions and maintaining the paperwork which documents transactions.

When the operation is small and the activity is minimal, this job may be handled by the treasurer or a volunteer. However, as the operation grows, this job becomes much more
demanding and generally a bookkeeper is hired. The obtaining and keeping of a good employee in this job should be of primary concern. Pay a few extra dollars for the right person; it will prove beneficial.

It is highly recommended that the organization at a minimum purchase a software package to do the accounting and bookkeeping. An excellent choice would be Quickbooks that has become a standard in the small to medium business community. These packages can be purchased for $100 to $300, are very easy to learn and provide an excellent means of providing all records for auditing.

These packages also have the capability to track vendors, customers, expenses, payroll and write checks. They have a checkbook register built in so it is easy to keep track of all the deposits and check.

The key feature of these software packages is that they enforce bookkeeping rules so is much less prone to errors.

Appendix A shows a sample chart of accounts that can be used to set up your initial bookkeeping system.

**Should the organization be unable to hire a full-time bookkeeper because of the volume of work other possibilities exist such as:**

1. Breaking down the tasks so that other employees could give assistance.
2. Hire an outside service bureau.
3. Hire a part-time bookkeeper — retiree.

**There are three possible choices that can be utilized in setting up a bookkeeping system which are:**

1. Cash basis.
2. Simplified accrual basis.
3. Full accrual basis.

**Cash basis bookkeeping** is a very simple way of keeping records as the only transactions entered into the records are those affecting cash. The principal records in such a system are those of receipts and disbursements. These records can be as simple as using the stubs in your checkbook or more formal as a cash receipts and disbursements book. What is extremely important is that systematic records be kept and are summarized into meaningful classifications.

**Simplified accrual basis bookkeeping** is basically using the cash basis method throughout the period and then recording the necessary adjustments at the end of the period to convert to an accrual basis at that date. To use this method, it is recommended that a certified public accountant be used to make or assist in making these adjustments used.

**Full accrual basis bookkeeping** is generally for the larger more complex operations that would employ an accountant or full charge bookkeeper and have its records audited or at least reviewed by a certified public accounting firm. When using the cash basis and the checkbook, as "The Original Book of Entry" the check stub should be clearly marked to indicate what the receipt or disbursement was for.
Before the operation starts to have a volume of financial activity, it must have a formal account and bookkeeping system in place. This package will have the following capabilities.

1. Cash Disbursements Book - each check disbursed is recorded in the same manner as on the checkbook stub.
2. Cash Receipts Book - each cash receipt is recorded in the same manner as on the checkbook stub.
3. General Ledger - which is used to summarize all transactions.
4. Trial Balance - lists all accounts in the general ledger and proves the total of the "debits" and "credits" in the general ledger is equal.

The accounting package will enforce the characteristics of a good financial reporting system such as:

1. All transactions are accurately reflected.
2. The financial position of the operation is accurately reflected.
3. Accurately presents information needed to manage operations and prepare required reports.
4. Provide a means for auditing of the books
5. Provide all the reports necessary to report results of the business

The accounting packages also have a very powerful set of reports that allow customization for your particular organization. Some of the important reports required are:

1. Balance sheet
2. Profit and loss
3. Budget vs. actual income and expense
4. Payroll and generation of 941 for employment tax submission

Any of these reports can be generated on any time frame that is required for your reporting.

**Trial Balance**

A "trial balance" should be taken from the general ledger each month after the cash disbursements book, the cash receipts book, and individual entries from the general journal have been posted to the general ledger. A trial balance is simply a listing of every account in the general ledger along with the balance in each account. The trial balance is shown with the debit balance amounts in one column and the credit balance amounts in the other. Again, the debit column is on the left side, and the credit is on the right side. Here is an example of a trial balance:

Stores Committee and/or Board of Trustees

Once the financial records are developed, what do you do with them? Well, for one, they can be used to report to the Board and members the results of operations for a given period such as on a monthly, quarterly or yearly basis. Furthermore, they can be compared with budgets and/or prior period results to analyze what progress is being made and is the operation on track according to the goals of the organization.
Whatever system is set up for following the results of the operation make use of it. Do not figure it is
the thing to do but that it does not apply to our operation — this generally is one of the sure ways to be
unsuccessful in your endeavor.

Should there be some special projects that can be developed as a result of your operation generating a
sizable surplus that more or less can be depended upon, then certain amounts can be committed for
this purpose. Reporting to regulatory bodies is also an important consideration for maintaining current
and accurate records.

1. IRS — Federal withholding tax and FICA for employees. These reports are required on a basis
in relation to the dollars withheld. For example, if $3,000 or more dollars are withheld each
pay day, the tax must be deposited with a bank within three days of the pay day. Other rules
apply for lesser amounts and these can be obtained by contacting the IRS where the forms
necessary to file are obtainable.

2. State and local withholding filings are required where taxes have been imposed and the
method has been set up to require withholding and payment by the employer. Again, the
necessary forms, rules and filing requirements must be obtained from the government agency.

3. Other reports at times must be submitted to your insurance carrier, etc. and the more detailed
information that you can generate from your financial records, will facilitate the filings.

Budgets

The purpose of preparing a budget is to set a financial picture of what is expected
considering the facts as you see them in regard to operation of the stores for a given period,
example 1 year.

The process for setting up a budget is to call upon the results that have been obtained
in the past along with what plans you have for the coming year. In case of a new venture, you
may need to consult with another St. Vincent DePaul operation in your region for assistance,
or in the case of last resort, the National Committee through St. Louis.

A simplified budget may be prepared for the fiscal year using the major categories of
revenues:

<table>
<thead>
<tr>
<th>Income:</th>
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<tbody>
<tr>
<td>Store Sales</td>
<td>$80,000</td>
</tr>
<tr>
<td>Wholesale Clothing</td>
<td>$10,000</td>
</tr>
<tr>
<td>Misc.</td>
<td>$ 2,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$92,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Wages</td>
<td>$42,000</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>$6,000</td>
</tr>
<tr>
<td>Rent / Mortgage</td>
<td>$ 7,000</td>
</tr>
<tr>
<td>Fuel</td>
<td>$ 8,000</td>
</tr>
</tbody>
</table>
Operating Expenses | $20,000
---|---
**Total:** | **$83,000**
**Surplus:** | **$ 9,000**

The accounting package will permit these numbers to be entered and tracked throughout the year. The can be input as annual numbers spread by month or if the date of the item is know it can be put in on a specific month. A report on budget vs. actual can then be generated to report to Councils or Store Committee on a time line set up by them.

Appendix B gives a detail budget that can be used as a model.

**AUDITS**

Auditing is the examination of the financial statements, accounting systems and transactions to gain confidence in the accuracy of dollar amounts. The more organized the system, the more likely amounts will be accurate. However, there is always the possibility that amounts may be misstated because of misunderstandings, mistakes or dishonesty.

It is recommended that audit be conducted annually but a minimum of every three years is required to be viable business. If 990’s are required to be submitted then they should be based on audited numbers.

The various audits that may be conducted are:

1. **Certified Audit** — done by CPA firm of your choice.
2. **The IRS** — Withholding Taxes.
3. **State** — Withholding taxes and sales.
4. **Insurance Companies** — workers compensation, disability, benefits and liability policies.
5. **Internal Audit** — conducted by committee generally appointed by Board.

We will discuss here the internal audit which is generally designed to make sure the controls instituted by the Board are followed. There are several reasons for having good controls, one of which is to prevent loss through theft. Another is to prevent honest employees from making a mistake that could ruin their lives. Employers have a moral responsibility to avoid putting undue temptation in front of employees. Furthermore the board has an obligation to use prudence in protecting assets and not allowing something to happen which could be embarrassing.

One control would be that receipts being deposited daily would be checked against the cash register receipts and any irregularities be accounted for.

Another control would be that disbursements would only be made by check that would require two signatures, one of which would be a volunteer. If supporting documents such as a bill would not be available for the disbursement then a check requisition could be required, signed by the requester and approved by another officer of the operation. Bank statements should be reconciled monthly and reviewed at least quarterly to determine if any irregularities exist. Internal audits should be conducted at least annually and more often if it is deemed necessary.
The audit committee should be appointed by the Board and should consist of three to five members. They should be directed to review the financial records and controls of the organization. A formal report of the findings and recommendations should be presented to the Board for its action and approval.

**SUMMARY**

To summarize what has been set forth in the preceding pages, you should keep before you what your needs are and what you can commit to greatly improve your chance of having a more successful operation.

1) The accounting records must be prepared completely, accurately and timely.

2) The reporting must be credible and meet the needs or requirements of the Board, members and government regulatory and taxing agencies.

3) Budgets are useful tools for planning and following the operations progress.

4) Audits are designed to be beneficial for the Board in conducting its duties and to avoid putting temptation in front of employees.
The 2016-2017 Report Form Is Enclosed. It is requested that the completed reports be returned:
**NO LATER THAN THE DATE THAT THE MAIN ANNUAL REPORT IS DUE FROM THE CONFERENCE/COUNCIL THAT OWNS/OPERATES THE STORE**

**DATABASE INFORMATION**

The information requested will make possible a National database that is current. Having it at the national level will facilitate communications and mailings to all concerned. Also, knowing store openings and closings will help to track the direction of our stores program. **PLEASE USE ADDITIONAL PAPER FOR MORE STORES.**

**CONSOLIDATED INCOME STATEMENT**

This allows Councils to track revenue, expense, and profits versus forecasts, and identifies areas of operation needing particular attention. It makes possible the development by the National Stores Committee of operating indices which will be made available to all Councils and Conferences. Operating indices such as “expense to revenue,” “wages to total expense,” “value of free goods to total revenue,” etc. should assist Councils to better manage their stores.

**PLEASE DO NOT ADD OR CHANGE CATEGORIES - ADD ALL NON-LISTED STORES' EXPENSES UNDER “OTHER EXPENSE.” IF YOU HAVE A SIGNIFICANT EXPENSE IN A NON-LISTED CATEGORY, ADD A NOTE TO THIS REPORT.**
Council or Conference Name ________________________________

Region __________________ (Arch)Diocese ________________________________
For the fiscal period ______ to ________________________________

Address ___________________________________________________________
City/State/Zip _______________________________________________________
Contact person ___________________________ Phone # ______________________
Email address _______________________________________________________
Name & address of person who is official contact for store(s) (if different from above) ___________________________________________________________

Number of Stores at end of Fiscal Year ________________________________
Number of Warehouses/Distribution Centers ________________________________
Number of Stores that are Free Distribution Centers (no income from sales) ____

Store Locations (use additional sheet if necessary), provide details on page 6.

<table>
<thead>
<tr>
<th>Store Address/City/State/Zip</th>
<th>Phone</th>
<th>Sales Area</th>
<th>Sales Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ____________________________</td>
<td></td>
<td>__________</td>
<td>________</td>
</tr>
<tr>
<td>2. ____________________________</td>
<td></td>
<td>__________</td>
<td>________</td>
</tr>
<tr>
<td>3. ____________________________</td>
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<td>__________</td>
<td>________</td>
</tr>
<tr>
<td>4. ____________________________</td>
<td></td>
<td>__________</td>
<td>________</td>
</tr>
<tr>
<td>5. ____________________________</td>
<td></td>
<td>__________</td>
<td>________</td>
</tr>
<tr>
<td>6. ____________________________</td>
<td></td>
<td>__________</td>
<td>________</td>
</tr>
</tbody>
</table>

Names of Stores Opened/Closed (indicate) During the Fiscal Year - Dates and Address

Personnel - please give number of people in each category

<table>
<thead>
<tr>
<th></th>
<th>Paid</th>
<th>Volunteer</th>
<th>Volunteer Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Full Time</td>
<td>Part Time</td>
<td>Full &amp; Part Time</td>
</tr>
<tr>
<td>Director/General Manager</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Store Manager</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Store Employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warehouse Managers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warehouse Employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drivers/Helpers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The Thrift Store operation supports and adheres to the mission and Rule of the Society

<table>
<thead>
<tr>
<th>Council or Conference Name</th>
<th></th>
</tr>
</thead>
</table>

STORES CONSOLIDATED INCOME STATEMENT

**REVENUE (Round To Nearest Dollar) – CASH BASIS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store Sales (not paid by SVdP)</td>
<td>$0.00</td>
</tr>
<tr>
<td>Bulk Clothing</td>
<td>$0.00</td>
</tr>
<tr>
<td>Vehicle Sales</td>
<td>$0.00</td>
</tr>
<tr>
<td>Scrap / Recycling Sales</td>
<td>$0.00</td>
</tr>
<tr>
<td>Cash Donations</td>
<td>$0.00</td>
</tr>
<tr>
<td>Revenue from Donated Goods</td>
<td>$0.00</td>
</tr>
<tr>
<td>Revenue from Goods Purchased for Resale</td>
<td>$0.00</td>
</tr>
<tr>
<td>Other</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$0.00</strong></td>
</tr>
<tr>
<td>Stores Sales Paid by Conferences/Councils</td>
<td>$0.00</td>
</tr>
<tr>
<td>Funds received for Capital Campaign</td>
<td>$0.00</td>
</tr>
<tr>
<td>Other Income from SVdP</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>Total All Store Income</strong></td>
<td><strong>$0.00</strong></td>
</tr>
</tbody>
</table>

**EXPENSES (Round To Nearest Dollar) – CASH BASIS**

**EMPLOYEE EXPENSES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages</td>
<td>$0.00</td>
</tr>
<tr>
<td>Employer Contribution (FICA)</td>
<td>$0.00</td>
</tr>
<tr>
<td>Benefits (health, life, etc.)</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>Total Wages &amp; Benefits</strong></td>
<td><strong>$0.00</strong></td>
</tr>
</tbody>
</table>

**OPERATING EXPENSES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent/Lease</td>
<td>$0.00</td>
</tr>
<tr>
<td>Mortgage / Loan</td>
<td>$0.00</td>
</tr>
<tr>
<td>Purchase of New Goods</td>
<td>$0.00</td>
</tr>
<tr>
<td>Expenses from Donated Goods:</td>
<td>$0.00</td>
</tr>
<tr>
<td>Expenses from Goods Purchased for Resale:</td>
<td>$0.00</td>
</tr>
<tr>
<td>Operating Expense (Please Identify)</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>Total Operating Expense</strong></td>
<td><strong>$0.00</strong></td>
</tr>
</tbody>
</table>

**(EXPLAIN ANY SIGNIFICANT OTHER EXPENSE ON A SEPARATE SHEET)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenses (Wages, Benefits, Operating)</td>
<td><strong>$0.00</strong></td>
</tr>
<tr>
<td>Stores Surplus (Loss) Revenue-Expense</td>
<td><strong>$0.00</strong></td>
</tr>
<tr>
<td>In-Kind Goods: Free materials distributed by stores (value)</td>
<td>$0.00</td>
</tr>
<tr>
<td>In-Kind Services: Free professional services given (value)</td>
<td>$0.00</td>
</tr>
<tr>
<td>Dollars Spent in Direct Aid to Those in Need</td>
<td>$0.00</td>
</tr>
<tr>
<td>Number of People Helped (Direct Aid and In-Kind)</td>
<td></td>
</tr>
<tr>
<td>Volunteer Hours (members, community service, etc.)</td>
<td></td>
</tr>
</tbody>
</table>
### STORES CONSOLIDATED INCOME STATEMENT

**REVENUE (Round To Nearest Dollar) – CASH BASIS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store Sales</td>
<td>0.00</td>
</tr>
<tr>
<td>Bulk Clothing</td>
<td>0.00</td>
</tr>
<tr>
<td>Vehicle Sales</td>
<td>0.00</td>
</tr>
<tr>
<td>Scrap / Recycling Sales</td>
<td>0.00</td>
</tr>
<tr>
<td>Cash Donations</td>
<td>0.00</td>
</tr>
<tr>
<td>Income from SVdP</td>
<td>0.00</td>
</tr>
<tr>
<td>Funds received for Capital Campaign</td>
<td>0.00</td>
</tr>
<tr>
<td>Other</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>0.00</td>
</tr>
</tbody>
</table>

**EXPENSES (Round To Nearest Dollar) – CASH BASIS**

#### EMPLOYEE EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages</td>
<td>0.00</td>
</tr>
<tr>
<td>Employer Contribution (FICA)</td>
<td>0.00</td>
</tr>
<tr>
<td>Benefits (health, life, etc.)</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Wages &amp; Benefits</strong></td>
<td>0.00</td>
</tr>
</tbody>
</table>

#### OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent/Lease</td>
<td>0.00</td>
</tr>
<tr>
<td>Mortgage / Loan</td>
<td>0.00</td>
</tr>
<tr>
<td>Utilities</td>
<td>0.00</td>
</tr>
<tr>
<td>Refuse</td>
<td>0.00</td>
</tr>
<tr>
<td>Maintenance for Buildings</td>
<td>0.00</td>
</tr>
<tr>
<td>Maintenance for Vehicles &amp; Equipment</td>
<td>0.00</td>
</tr>
<tr>
<td>Interest Other Than Real Estate</td>
<td>0.00</td>
</tr>
<tr>
<td>Purchase of New Goods</td>
<td>0.00</td>
</tr>
<tr>
<td>Advertising</td>
<td>0.00</td>
</tr>
<tr>
<td>Truck Rental</td>
<td>0.00</td>
</tr>
<tr>
<td>Truck Purchase</td>
<td>0.00</td>
</tr>
<tr>
<td>Insurance</td>
<td>0.00</td>
</tr>
<tr>
<td>Supplies</td>
<td>0.00</td>
</tr>
<tr>
<td>Professional Fees</td>
<td>0.00</td>
</tr>
<tr>
<td>Solidarity Contribution</td>
<td>0.00</td>
</tr>
<tr>
<td>Other Expense (Please Identify)</td>
<td>0.00</td>
</tr>
</tbody>
</table>

(Explain any significant other expense on a separate sheet)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Operating Expense</strong></td>
<td>0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenses (Wages, Benefits, Operating)</td>
<td>0.00</td>
</tr>
<tr>
<td>Stores Surplus (Loss) Revenue-Expense</td>
<td>0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers to Council/Conferences (not included as expense)</td>
<td>0.00</td>
</tr>
<tr>
<td>Escrow (Grants, Capital Campaign, Building Sales, etc.)</td>
<td>0.00</td>
</tr>
<tr>
<td>In-Kind Goods: Free materials distributed by stores (value)</td>
<td>0.00</td>
</tr>
<tr>
<td>In-Kind Services: Free professional services given (value)</td>
<td>0.00</td>
</tr>
<tr>
<td>Dollars Spent in Direct Aid to Those in Need</td>
<td>0.00</td>
</tr>
<tr>
<td>Number of People Helped (Direct Aid and In-Kind)</td>
<td></td>
</tr>
<tr>
<td>Volunteer Hours (members, community service, etc.)</td>
<td></td>
</tr>
</tbody>
</table>
### 2017
NATIONAL COUNCIL OF THE UNITED STATES
SOCIETY OF ST. VINCENT DE PAUL

**Special Comparative Data**

<table>
<thead>
<tr>
<th>Number of Stores Listed in this Report</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Square Footage of All Stores Listed</td>
<td></td>
</tr>
<tr>
<td>Total Number of Donors</td>
<td></td>
</tr>
<tr>
<td>Retail Program – Expenses from Donated Goods</td>
<td>$</td>
</tr>
<tr>
<td>Retail Program – Expenses from Goods Purchased for Resale</td>
<td>$</td>
</tr>
<tr>
<td>Donation Sources Used by Stores (check all that apply)</td>
<td></td>
</tr>
<tr>
<td>Donation Boxes</td>
<td></td>
</tr>
<tr>
<td>Donations at Store or Warehouse</td>
<td></td>
</tr>
<tr>
<td>Parish Collections</td>
<td></td>
</tr>
<tr>
<td>Home Pickups</td>
<td></td>
</tr>
<tr>
<td>Special Event Donations</td>
<td></td>
</tr>
<tr>
<td>Attended Donation Center</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

**Store Address** | **City** | **State** | **Zip** | **Phone** | **V/P/C** | **Square FT** | **Revenue**

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This report should be submitted online. If it is to be submitted on paper, send to the Council or Conference that owns and operates the store. Isolated Conferences should submit their report online or send to:

Stores Annual Report
National Council - Society of St. Vincent de Paul
58 Progress Parkway

INSTRUCTIONS FOR NATIONAL STORES COMMITTEE ANNUAL REPORT

This report form is intended to promote more timely, accurate, and consistent reporting. It is essential to have your annual report completed properly and returned on time so that we can responsibly publish our consolidated National results and comply with the requirements of our tax-exempt status.

This annual report form must be used for all stores. Please do not use older versions of this form. Remember that the key to good reporting is keeping good records throughout the reporting year [i.e., monthly and quarterly reporting]. Please read these instructions carefully. If you have any questions on reporting, contact your local Council for support.

Your cooperation is appreciated.

DEFINITIONS AND QUESTIONS:

FOR THE FISCAL PERIOD: Always a 12-month period; fiscal year (Oct. 1 – Sept. 30). This could be a shorter period for new stores or closed stores.

CONTACT PERSON / PHONE # / EMAIL ADDRESS: Enter the information related to the person submitting this report.

NAME OF PERSON WHO IS OFFICIAL CONTACT FOR STORES: Enter the information for the official contact for the store(s) if it is different than the one indicated above.
2017
NATIONAL COUNCIL OF THE UNITED STATES
SOCIETY OF ST. VINCENT DE PAUL

NUMBER OF STORES AS OF END OF FISCAL YEAR: Enter the number of stores that are included in this report.

NUMBER OF WAREHOUSES / DISTRIBUTION CENTERS: Enter the number of warehouses and/or distribution centers that are included in this report.

NUMBER OF STORES THAT ARE FREE DISTRIBUTION CENTERS: Enter the number of stores that are free distribution centers (receiving no income from sales of goods) that are included in this report.

STORE LOCATIONS: Enter the location information, staffing code, number of square feet, and total sales for each store included in this report. If the report includes more than six stores, continue the information on page 6 of this report. If you need more room, include additional pages at the end of the report. Staffing code is designated as V/P/C: enter V if the store is all volunteers, enter P if the store is all paid staff, or enter C if it is a combination of volunteer and paid staff.

PERSONNEL: Enter the number of people in each category. There are a number of job titles listed. Enter the number of paid staff (Full Time and Part Time) who have that title or its equivalent. Enter the number of volunteers (combined full and part time) who have that title or its equivalent. Then enter the number of hours worked this fiscal year by volunteers in each category. Enter the total at the bottom.

STORES CONSOLIDATED INCOME STATEMENT – CASH BASIS

REVENUE

Store Sales (not Paid by SVdP): This is total income from sale of merchandise in the store(s). This does not include sales paid for by SVdP Conferences and Councils (i.e. vouchers).

Bulk Clothing: This is total income from sale of bulk clothing. Typically, this refers to rag sales, but it may take other forms rather than baled clothing.

Vehicle Sales: Many SVdP operations receive vehicles as donations. This is the total income received from the re-sale of those vehicles. If you work through a broker, this is the net you receive from those sales.

Scrap / Recycling Sales: Many stores do bulk sales of scrap, cardboard, metal, etc. from merchandise that does not sell in the store(s). Enter the total income from those sales.

Cash Donations: Occasionally, stores receive monetary donations intended to help those in need. Enter the amount received this year.

Revenue from Donated Goods: Enter the dollar value of all sales related only to donated goods (all stores).
2017
NATIONAL COUNCIL OF THE UNITED STATES
SOCIETY OF ST. VINCENT DE PAUL

Revenue from Goods Purchased for Resale: Enter the dollar value of all sales related to goods that were purchased for resale (all stores).

Other: All other sources of income (e.g., interest, bank adjustments, etc.).

Total Revenue: Enter the total of all of the above revenue figures. This is the figure that is entered as store income on the main annual report of the Council or Conference that owns/operates the store. This is the amount used in the solidarity calculation.

Store Sales Paid by Conferences/Councils: Total of all stores sales paid for by SVdP Conferences or Councils (i.e. vouchers). (Exempt from the solidarity calculation)

Funds received for Capital Campaign: This includes all money received for a formally defined, non-operating capital campaign funds for your store. (Exempt from the solidarity calculation)

Other Income from SVdP: All other funds received from SVdP Conferences or Councils. (Exempt from the solidarity calculation)

Total All Store Income: Enter the total of all of the above revenue figures.

EXPENSES

EMPLOYEE EXPENSES

Wages: Enter the total wages paid to employees (hourly and salaried) for the year.

Employer Contributions: Enter the FICA contribution paid on behalf of employees for the year.

Benefits: Enter the total contribution this year paid on behalf of employees for healthcare, life insurance, workers comp, etc.

Total Wages & Benefits: Enter the total of all of the Employee Expense figures.

OPERATING EXPENSES

Rent/Lease: Funds spent for rent or lease payments for the store(s).
Mortgage / Loan: Funds expended as interest and principal on mortgage/real estate loans for the store(s).

Purchase of New Goods: This is the amount expended to purchase new merchandise for resale in the store(s).

Expenses from Donated Goods: Enter the dollar value of all expenses related only to donated goods (all stores).

Expenses from Goods Purchased for Resale: Enter the dollar value of all expenses related to goods that were purchased for resale (all stores).

Operating Expense: All other expenditures not covered by another category. This includes utilities, refuse, maintenance for buildings, maintenance for vehicles and equipment, interest other than real estates, advertising, truck rental, truck purchase, insurance, supplies, professional fees, and solidarity contributions.

Total Operating Expense: Enter the total of all of the Operating Expense figures.

Total Expenses (Wages, Benefits, Operating): Combine the totals for wages and Benefits with Operating Expenses and enter here. This is the figure that is entered as store expenses on the main annual report of the Council or Conference that owns/operates the store.

Store Surplus (Loss) Revenue - Expense: Subtract Total Expenses (Wages, Benefits, Operating) from Total Revenue and enter the amount here. This reflects the net of the operations of the Store(s).

In-Kind Goods: This is the value of merchandise (clothing, furniture, household items, etc.) received as donations that was given free to those in need. This amount should be included in the main annual report of the Council or Conference that owns/operates the store.

In-Kind Services: This is the value of the professional services (attorneys, plumbers, doctors, etc.) that were arranged for and given free to those in need. This amount should be included in the main annual report of the Council or Conference that owns/operates the store.

Dollars Spent in Direct Aid to Those in Needs: Funds spent as payment for direct aid (rent, utilities, medical, etc.) to those in need. This also includes new merchandise that was purchased for resale and then given free to those in need. This is not an expense item. This amount should be included in the main annual report of the Council or Conference that owns/operates the store.

Number of People Helped: This is the total number of people who were helped with in-Kind Goods and Services as well as with Dollars Spent in Direct Aid. This amount should be included in the main annual report of the Council or Conference that owns/operates the store.
Volunteer Hours: This is the total number of volunteer hours worked in the store(s). This includes members, community volunteers, those doing community service, etc. The amount entered here should be the same as is on the bottom of page 2 of this report. This amount should be included in the main annual report of the Council or Conference that owns/operates the store.

Special Comparative Data

Number of Stores Listed in this Report: Enter the number of stores owned and operated by the Council/Conference that are listed in this report.

Total Square Footage of the All Stores Listed: Enter the total square footage (sales area only) of all of the stores owned and operated by the Council/Conference that are listed in this report. This does NOT include warehouse/storage space.

Total Number of Donors: Enter the total number of people who have made donations of goods to the stores. If an individual makes donations on five different occasions, count it as five donors. We are not asking for unduplicated numbers.

Donation Sources Used by Stores: Identify all of the various sources that are used to receive donated goods for the stores operated by the Council/Conference. Check all of the sources that apply: donation boxes or bins, direct donations at a store or warehouse, parish collections, home pickups, special event donations, attended donation centers and/or other sources. Parish collections go by various names, such as Bundle Sundays. Attended donation centers include standalone facilities established for donations only with someone overseeing the operation. This may include a weekly truck at a shopping center, a separate storefront or standalone building used only for donations, etc.
SECTION 3: GOVERNMENTAL REGULATIONS AND COMPLIANCES

An Overview

It is impossible to provide a complete and thorough checklist of all legal considerations for SVDP stores. Each store may vary because of the numerous jurisdictions in which the stores are located. Also, the legal status of the stores is quite diverse. In some instances, the store is incorporated, in others, it is not. This fact (incorporation) will affect the method of operation.

Each store should consult a lawyer in its area to assure that it is in full compliance with all applicable regulations.

Any store should consider the following: (This is not intended to be exhaustive)

1) Is the store incorporated? Should it be incorporated?

2) The District/Diocesan Council can provide excellent information on tax (Sec. 501(c) (3) I.R.S.) considerations and requirements, FICA, sales tax, employment taxes, etc.

3) Personnel — Employment — Human Resources. The federal, state and local requirements should be discussed with an attorney, or someone familiar with those requirements, in the area in which the store is located.

4) Insurance needs. Liability, casualty, workers’ compensation, pension, health, business interruption, D&O, audit and oversight committee and accident insurance should be discussed with the appropriate individuals competent to give the store advice.

5) The Secretary of State (of the state in which the store is located) can provide very helpful information concerning state requirements for a store. Contact the Secretary of State's office.

As stated above, it is not practical, or possible, for the Stores Committee to provide all the information needed for a particular store to comply with all regulations. These are a few areas for your consideration.

Because of the ever changing laws it is not possible to keep this manual updated with all of the changes. Therefore, a series of websites is listed here that will permit you to get the latest information available. To go to the webpage click Cntl + click (left mouse button).

Federal Equal Employment Opportunity (EEO) Laws

Title VII of the Civil Rights Act of 1964

Prohibits employment discrimination based on race, color, religion, gender, or national origin;

http://www.eeoc.gov/policy/vii.html

The Equal Pay Act of 1963

Protects men and women who perform substantially equal work in the same establishment from sex-based wage discrimination;
The Age Discrimination in Employment Act of 1967
Protects individuals who are 40 years of age or older:
http://www.eeoc.gov/policy/adea.html

The Americans with Disabilities Act of 1990, Titles I and V
This is the main site for the Americans With Disabilities Act:
http://www.ada.gov/
This is the specific site for the ADA regulations:
http://www.eeoc.gov/policy/ada.html
Here is an excellent web page that gives a good introduction to the ADA:
http://www.ada.gov/adaintro.htm

The Rehabilitation Act of 1973 Sections 501 and 505
Prohibits discrimination against qualified individuals with disabilities who work in the federal government:
http://www.eeoc.gov/policy/rehab.html

The Civil Rights Act of 1991
Among other things, provides monetary damages in cases of intentional employment discrimination:
http://www.eeoc.gov/policy/cra91.html

Nonprofits’ Risk Management Center
This is a website that is specifically for the nonprofit sector and how to reduce the risk. The main website is:
http://www.nonprofitrisk.org/

Smoking in the Workplace
There are currently no federal laws that regulate smoking in the workplace, however many of the state and local governments have enacted regulations.

All SVDP Stores will be a smoke free environment for employees and customers. Smoking areas are to be provided away from the main entrances of the facilities.

Check with your state and local government for these regulations. Up-to-date information can be found on the American Lung Association website.

There are also many publications available from the National Cancer Institute:
https://cissecure.nci.nih.gov/ncipubs/searchResults.asp?subject2=Tobacco%2FSmoking
U.S. Consumer Product Safety Commission

The U.S. Consumer Product Safety Commission is charged with protecting the public from unreasonable risks of serious injury or death from thousands of types of consumer products under the agency's jurisdiction. The CPSC is committed to protecting consumers and families from products that pose a fire, electrical, chemical, or mechanical hazard or can injure children. The CPSC's work to ensure the safety of consumer products - such as toys, cribs, power tools, cigarette lighters, and household chemicals - contributed significantly to the 30 percent decline in the rate of deaths and injuries associated with consumer products over the past 30 years.

The main website is:

http://www.cpsc.gov/index.html

Every store manager, employee and particular sorters should be familiar with this website and check it often. This is the place where you will find the articles that should be discarded and not sold to the public.

In addition to being familiar with the articles that are to be removed store must keep a log of items that have been discarded. Ideally there would be pictures of items that have been discarded along with a log book of these items. Having a log and pictures is the most effective way to prevail in case a law suit is every brought against the organization.

Here is an example of the information that can be found on this site. Being informed of these items will allow you to remove them from the product stream and protect your customers.

FOR IMMEDIATE RELEASE
September 22, 2006
Release #06-266

Playskool Voluntarily Recalls Toy Tool Benches after the Death of Two Toddlers

WASHINGTON, D.C. - In cooperation with the U.S. Consumer Product Safety Commission (CPSC), Playskool, of Pawtucket, R.I., is voluntarily recalling about 255,000 Team Talking Tool Bench toys following the deaths of two young children.

Playskool received reports that a 19-month-old boy from Martinsburg, W.V., and a 2-year-old boy from League City, Texas, suffocated when oversized, plastic toy nails sold with the tool bench toys became forcefully lodged in their throats. Though the toy nails are not considered a small-part, and the toys are intended for children age 3 and older, Playskool is voluntarily conducting a recall as a precaution to prevent additional incidents.

The Team Talking Tool Bench™ is a 20-inch tall plastic toy tool bench with an animated red toy saw, a yellow toy drill and a blue toy vice. The toy talks and makes various sound effects, including tool sounds. The product also includes a toy hammer, screwdriver, two 2¼-inch plastic screws, two 3-inch plastic nails and pieces to build a small toy plane. The red Playskool logo is on the front of the brown surface of the tool bench.
The toy was sold at Toys R Us, Wal-Mart, Target, KB Toys stores and various other stores nationwide from October 2005 through September 2006 for about $35.

Consumers should immediately take the two toy nails away from children and contact Playskool to get information on returning the nails for a $50 certificate for a Playskool (or its related companies') product.

For additional information, call Playskool at (800) 509-9554 anytime, or go to their Web site at www.playskool.com

Consumers can also view a video clip about this recall. This video is from Hasbro's web site www.hasbro.com and requires Adobe Flash Player.
The U.S. Consumer Product Safety Commission is charged with protecting the public from unreasonable risks of serious injury or death from thousands of types of
consumer products under the agency’s jurisdiction. The CPSC is committed to protecting consumers and families from products that pose a fire, electrical, chemical, or mechanical hazard. The CPSC’s work to ensure the safety of consumer products - such as toys, cribs, power tools, cigarette lighters, and household chemicals - contributed significantly to the decline in the rate of deaths and injuries associated with consumer products over the past 30 years.

To report a dangerous product or a product-related injury, call CPSC’s hotline at (800) 638-2772 or CPSC’s teletypewriter at (800) 638-8270, or visit CPSC’s web site at www.cpsc.gov/talk.html. To join a CPSC email subscription list, please go to https://www.cpsc.gov/cpsclist.aspx. Consumers can obtain this release and recall information at CPSC’s Web site at www.cpsc.gov.
SECTION 4: CUSTOMER RELATIONS

This section of the policy manual on customer relations or customer service is one we all agree needs to be studied, reviewed and updated so it can be distributed to the rank and file. But all of us have a hard time expressing to others what is the best customer service.

We have all heard the different clichés about customer service, "The customer is always right," "We love our customers," and my favorite, "When is the customer right? Whenever they think they are right."

All these slogans are nice and cute but are meaningless unless the rank and file is committed to customer service. Do you remember the last time you were in a store that advertised and shouted real loud about how great their service is and you received blank stares from half the people in the company? Are the people in your company any different? If your employees are dedicated to your customers, you should be congratulated. If not, you should be making store policy changes immediately.

To give good customer service you have to start with high employee morale. I cannot stress this enough! St. Vincent de Paul Society store employees with poor attitudes and bad work habits will transfer their feelings and moods to your customers. Those employees that smile enjoy challenges and have a skip in their step will create an ambient mood that no amount of banners, signs or Smiley face buttons can duplicate. Take good care of your employees, and your employees will take care of your customers.

Customer service is something that we always talk about as our #1 concern. But as soon as a merchandising, bookkeeping or insurance problem arises; customer service is pushed aside and retrieved at one's own convenience. It is extremely important that if you have this habit, change it now. Retail operators, to be successful, must always have customer service as a #1 priority and it is that manager's responsibility to react to the ever changing demands of customers so he/she will always stay one step ahead of the competition.

It is also one of the duties as a SVDP store manager to see that the customer's needs are met. Some of the customer's needs and wants are tangible and these types of needs are very easy to meet. Some customers just want to buy a product that is a good value for their dollar. As a thrift store operator you are supplying that product and fulfilling their need.

Other customers demand an intangible need. This is the harder of the two to satisfy because you have to figure out how to treat this customer without them telling you what they want. Some of them may like your refund policy, a clean store, quick service at checkout or friendly service from clerks who are enthusiastic and actually care about people.

These and other intangible needs are the backbone of customer service. This is what forces us as managers to sometimes step back and take a close look at our operation. Then you must decide, is this a place I would do my shopping.

Even with the best customer service operation, it is still possible to have customer complaints. How you choose to deal with these complaints is very important. Do you use the complaint as a learning tool to improve, or do you become defensive because you feel an attack on your store is an attack on you personally. Of course a good manager is personally involved with the store and it is an automatic reflex to put up defensives if attacked upon.
But remember this: **Nothing is gained by winning an argument and losing a customer.** Repeat this one more time and then try to memorize it. If you handle a customer's complaint to his/her satisfaction, you have just turned an angry shopper into a loyal customer.

**When dealing with customer complaints, follow a few simple guidelines:**

1. Try to find out the root of the problem in the first 30 seconds.
2. Repeat the problem back to the customer; this clarifies to you and the customer that you understand the problem. (You don't want to waste precious time in the first minute on the wrong problem.)
3. Always be sympathetic.
4. If the customer is very angry, let the customer blow off some steam at you (99% of the customers will later apologize for their actions, but this strengthens your credibility as a professional and shows you are concerned about her problem).
5. If you are verbally abused, stop the conversation at once and tell him or her you can only communicate with them on a professional basis.
6. Try to resolve the complaint at once for the customer.
7. Use the right tone in your voice and remind them that you are there to help them.
SECTION 5: EMPLOYEE RELATIONS

An Employee/Volunteer Manual for Employees/Volunteers of the Stores Operations, Chicago Archdiocesan Council, Society of St. Vincent de Paul

PLEASE NOTE:

The Society's intent of these policies and procedures is that employees/volunteers of the Society's Stores Operations will know their obligations and responsibilities.

Any such Policy Manual cannot contain a rule, regulation or policy to cover every situation and this policy statement does not attempt to do so. Every effort has been made to state policy as clearly and completely as possible. This commitment will continue throughout any future provisions of these policies and procedures. This Policy Manual, therefore, may not be construed as an employment contract, but rather as a guideline for day to day practices. The Society's Stores Operations reserves the right to vary these policies and procedures to meet special needs.

This section is presented as an example of an Employee/Volunteer Manual. Your store operation must develop a suitable manual and have it reviewed by your legal council.

Introduction

The Society of St. Vincent de Paul is a lay association of men and women volunteers freely gathered together to enhance their personal spiritual growth and development and, as a result of this growing spirituality, to act out their Faith commitment in service to one another and to the other needy of the community as a whole and of the Church. Vincentians (members of the Society) are established in groups known as Conferences, usually but not always affiliated with a Roman Catholic parish. The Works of the Conferences are to give person-to-person service, assistance with problems of a spiritual nature, provision of temporary assistance in emergencies with funds raised from various resources, and diagnosis and referral to suitable professional agencies of individuals and families in more serious, long-term need.

General Personnel Policy

The Society's Stores Operations is an Equal Opportunity Employer. It is the policy of the Society's Stores Operations to provide equal employment to all qualified individuals without regard to their age, race, gender, color, creed (or lack thereof), or national origin. These factors have no bearing in any personnel area including recruitment, evaluation, selection, promotion, compensation, and termination.

Volunteers

Volunteers are a very important part of the Stores Operations. Volunteers are people who donate their time to do a job. Volunteers are not paid or compensated for their work. Volunteers and employees are to adhere to the Society's policies and rules.

Volunteers are given a job description of their job. Volunteers are expected to do the work at hand.
The volunteer is to give the appropriate manager a schedule of day or days that he/she is able to work. If the volunteer cannot work his/her scheduled day, he/she is expected to call the appropriate manager before his/her shift starts.

The Thrift Stores accept freewill donations of all useable clothing and household goods.

**Clothing and household goods are utilized for one of the following purposes:**

1) To provide, when feasible, good quality and serviceable items to families and/or individuals in need through a voucher system initiated by SVDP Conferences, recognized agencies of both the private and public sectors, or any other care giver who can demonstrate integrity, the need, and appropriate follow-through with the needy person(s).

2) To offer, at nominal cost, clothing and household goods to persons of limited income, or to thrifty shoppers, thereby meeting operation costs of wages, rent, utilities, maintenance, costs of processing, and general overhead expenses of the Stores Operations.

3) To provide a recognized channel for the donations of people within the community who wish to assist the lonely, the suffering, and the deprived.

Any funds which are over and above the operating costs of the Stores Operations are used for further Works of the Society of St. Vincent de Paul.

Every individual involved in the Stores Operations, whether paid staff or volunteer, is considered an important and integral part of the Society's efforts to assist the needy and suffering in the spirit of Jesus the Lord without regard to age, race, gender, color, creed (or lack thereof), or national origin.

Every individual in the Stores Operations subscribes to the goal of "seeking and finding the forgotten, the suffering, or the deprived so that we might bring them God's Love."

Every individual in the Stores Operations is, in the public's eye, a representative of the Society.

**NOTE:**

The policies and practices offered in this section are intended to assist the management and all employees of Society of St. Vincent de Paul Thrift Stores in accomplishing the best service possible to the poor and all customers who shop in our stores. Certain practices and policies may vary to meet local needs.

**Employment Classifications and Procedures for Employment**

**Administrative/Management:** Those employees whose primary job functions include planning, consulting, and managing both business and personnel areas as they affect the Stores Operations. Compensation is salary.

**Non-Management:** Those employees whose job functions are clerical, cleaning and maintenance, warehouse operations, and display and sale of donated items. Compensation is on an hourly basis.

**Procedures for Employment:**

1. All candidates for employment must submit a signed application with names of references.

2. All candidates for employment must undergo a personal face-to-face interview.
3. No candidate for employment will be accepted unless he/she is of good character and is physically fit to the extent that the applicant is physically able to carry out the normal duties of the position without jeopardy to his/her health or the health and welfare of other employees.

4. All potential employees are required to undergo a complete physical before they are hired. If the potential employee passes the physical and is otherwise acceptable, he/she will then be notified (if hired) of a starting date. Local practices may vary on the requirement for a physical.

5. All new hires must have the required uniform or adhere to dress code.

**Job Training**

Each employee/volunteer is given his or her job description to read and initial on the first day of work. Each employee/volunteer will also receive the Employee Manual to read and initial. The job description and Employee/Volunteer Manual is reviewed with the new employee(s)/volunteer(s) within the first week of employment. Each new employee/volunteer will be introduced to his/her Supervisor/Manager for one-on-one training for a period of one (1) week.

Employee/volunteer will be reviewed on job performance on or about 90 days, or sooner if determined by the Manager and/or supervisor.

New drivers will be assigned to drive with a driver as a passenger for one (1) week. The new driver will drive the vehicle with the assigned driver as a passenger for one (1) week.

All employees/volunteers are hired with a three (3) month probationary period during which the employee and the Manager can determine if the employment is mutually satisfactory. The Manager or the employee may terminate employment at any time during this probationary period.

An employee must have completed the three (3) month probationary period to be eligible for employment benefits. Health care and holiday pay both take effect after three (3) months of full-time employment. Health care is only for employees who choose to participate in the health program. It is not an automatic benefit.

An employee who is promoted also has a three (3) month probationary period in the new position but of course, existing employment benefits continue during this period. A job performance review will be done at the end of the three (3) month probationary period or sooner if determined by the Manager and/or Supervisor.

**Employees are hired and classified as one of the following:**

1) **Full-time:** employees regularly working forty (40) hours a week

2) **Part-time:** employees, whether permanent or temporary, who work fewer than forty (40) hours a week

3) **Permanent:** full-time and part-time employees who have completed the probationary period

4) **Temporary:** employees hired for a limited length of time to perform a specific task

5) **Volunteer:** applies to persons who donate time to the organization and do not receive financial compensation for their service
Performance Evaluations

Once a year, on the anniversary of the day you began your job, employee/volunteer job performance will be evaluated by your Manager/Supervisor as to how you are performing your duties. The Manager/Supervisor may schedule Performance Evaluations at any appropriate interval. The evaluations serve many purposes. They will show you what progress you have made in learning your job's duties and how well you are performing those duties. They will show your Supervisor what improvements, if any, you need to make. Also, the review of your performance will show what you and your Supervisor expect of each other. The results of your evaluations are factors that will be considered in granting merit raises or promotions. Wages will be reviewed and an increase may be given on the basis of merit, budget permitting.

Your Supervisor will discuss the evaluation report with you before it becomes an official part of your personnel file. You are asked to sign your performance evaluation report. Your signature on the report does not mean that you necessarily agree with its contents, but that the report has been discussed with you. You may state on your report whether you agree with the appraisal. If you disagree with the report, you may state your reasons, in writing, for disagreement.

Policy

The Store Manager or General Manager arranges work-time schedules, assignments, and days off.

The Federal Wage and Hour Law, and the State, require that the Stores Operations maintain a complete and accurate record of hours worked. These records are kept by the use of the employee time clock. Each employee is personally responsible for his/her time card and for personally ringing in and out at the beginning of the shift, lunch break, and close of shift. Any employee ringing in or out for another employee, or allowing another employee to do so, is subject to termination.

Any employee falsifying data on a time card is subject to termination.

Employees must work the full day or part day for which they are scheduled. Employees must give written notification of a request to leave early or request a day off, other than a sick day, and must have approval from the Manager and/or General Manager. All written requests must be sent to the General Manager's office for approval. If an employee leaves early or takes a day off, other than a sick day, without approval, employee is subject to termination.

Employee must notify Manager or Supervisor and punch in and out when leaving the premises for lunch. Employee must return on time from lunch. Violation of this policy is regarded as a Failure to Report.

Overtime: Overtime refers to the rate of pay granted to a non-management employee in return for additional work time over 40 hours per week. Overtime pay will be computed on the basis of the employee's regular hourly rate of pay. As a general policy, overtime is actively discouraged. It is not inclusive of paid holidays.

Absence, Failure to Report: Absence from work is considered time off. Store personnel must notify the Store Manager the day scheduled. The employee must call in each day he/she is off. If the employee is off five (5) days in a row, he/she must bring in doctor's note to return to work.
Failure to notify the appropriate Manager by the proper time and/or failing to report for work is considered "Failure to Report." The usual disciplinary procedure for "Failure to Report" is as follows:

1) First time: written warning
2) Second time: three consecutive days off without pay
3) Third time: termination

NOTE:

St. Vincent de Paul Thrift Stores may not use a time clock. The Supervisor in charge is responsible for employee adherence to scheduled hours of work.

Tardiness: Tardiness is defined as an employee not being at the work station ready to work at the beginning of the shift. Tardiness may result in a reduction in pay ("a dock") for that shift. Frequent tardiness will also subject an employee to disciplinary procedure for "tardiness" as follows:

1) First: verbal reprimand
2) Second: written reprimand
3) Third: final written reprimand, three (3) consecutive days off without pay
4) Thereafter: termination without further notice

Paychecks: All paychecks must be cashed within 30 days of distribution. Lost, stolen, or misplaced paychecks must be reported immediately to the appropriate Manager. Employees are held strictly accountable for all employment and payroll records, including their true name, address, zip code, marital status, and withholding statements. Employees who make untruthful or misleading statements in these records will be subject to termination. Paychecks are given to the employees only, or mailed to the employee's home.

Purchasing Merchandise: Employees and volunteers cannot save or set merchandise aside for future purchases. All merchandise must immediately be put on the Store's floor. Employee/volunteer may only make purchases on his/her day off and can only purchase what is on the selling floor. Employees and volunteers purchasing merchandise on his/her scheduled work day or have set merchandise aside may be subject to termination.

Benefits

Vacations: Vacations are scheduled with the approval of the Manager and/or General Manager and at the mutual convenience of the Supervisor and the employee. Vacation time will be available on a calendar year basis (January 1 through December 31). Accumulated vacation time must be used the year in which it applies or it will be forfeited.

Eligibility:

A. Full-time employees who have been employed for twelve (12) consecutive months are eligible for one (1) week paid vacation. Full-time employees who have been employed for twenty-four (24) consecutive months will be eligible for (2) two weeks paid vacation. Full-time employees with twenty (20) years are eligible for three (3) weeks paid vacation.

B. Part-time (permanent) employees who have been employed for twelve (12) consecutive months are eligible for two-and-a-half (21) days paid vacation.
C. Earned vacation will be given to an employee who resigns during the year (with appropriate notice-guidelines for this are under resignation) on the basis of one (1) day's vacation pay for each ten (10) weeks worked after the first year.

D. Vacation weeks may be split, but not vacation days. Vacation time must be taken one (1) full week at a time, starting at the beginning of the week, not at mid-week or at the end of a week.


**Holiday Pay is only granted to full-time employees who have satisfactorily completed the probationary period.** To be eligible for holiday pay, the scheduled working day before and the first scheduled working day after the holiday must be worked. Thirty-two (32) worked hours must be completed for the week in which the holiday falls to be compensated for the holiday pay. Worked hours do not include sick pay.

**NOTE:**

Local practices may vary.

**Personal Day:** Any full-time employee who has 10 years or more service will receive his or her birthday off as a paid personal day. If the birthday should fall on scheduled day off, the day will be taken on the next scheduled work day. This personal day may not be taken in conjunction with other holidays or vacation days.

**Sick Leave:** Sick leave is a benefit to full-time and regular part-time workers and is intended to provide time off for recovery from illness without loss of income. Five (5) days annual sick leave will be allowed to full-time employees after one year's service; three (3) days will be allowed to regular part-time employees after one year's service. Notification to the appropriate Manager must be made before your shift. Sick leave is a benefit intended for recovery from illness. It is not simply time off. Any abuse of the sick leave benefit will be grounds for termination.

**Death in the Family:** A one (1) day leave with pay will be granted to full-time and regular part-time employees in case of death in the immediate family. Immediate family is defined as: spouse, child, brother, sister, parent, grandparent, and in-law. Any additional time off without compensation is at the discretion of the appropriate Manager.

**Accident Insurance:** Work-related injury incurred on the job is covered by Workmen's Compensation. The appropriate Manager must be notified immediately of any work-related injury. There is a 24 hour maximum time allowed for notification in order to qualify for Workmen's Compensation benefits. The Society and/or the insurance carrier handling Workmen’s Compensation may challenge any notification after 24 hours.

**Hospitalization:** All full-time employees who have met the ninety (90) days probation required can participate in the company's group health plan. Health care is only for full-time employees who choose to participate in the health program. It is not an automatic benefit. The Society will contribute to the cost of your medical insurance. The employee will pay the other portion via payroll deduction. The employee must sign up for this program.
Jury Duty: The Society will pay the difference between the regular pay and the jury fee — up to two (2) weeks of jury service — for full-time employees with one (1) year or more service.

Military Leave: Employees will be granted leave without pay for obligations relating to military service. Upon the employee's separation from military service under honorable conditions, and return to employment, he/she will be given full credit for prior service in establishing compensation and other benefits.

Maternity Leave: Full-time female/male personnel may be granted a maternity leave for a period of six (6) months without pay and without loss of accumulated service. The employee must notify, the appropriate Manager in writing, three (3) months prior to the expected leave date. A maternity leave may also be applicable in the case of adoption, and in this case the three (3) month prior notification will be negotiated.

Work Breaks: All full-time employees are required to take a 1/2 (one half) hour lunch break each working day. Work breaks are a benefit, not a right. If authorized, breaks are fifteen (15) minutes each four (4) consecutive hours worked. These breaks should be taken about the middle of each work shift, preferably one in the morning and one in the afternoon. Work breaks cannot be accrued or accumulated.

Termination and Grievance Procedures

Resignation: If it is necessary for an employee to resign, he/she is asked to submit a written notice to the General Manager as follows:

1) Managers: 4 weeks in advance
2) Asst. Managers/Supervisors: 3 weeks in advance
3) All others: 2 weeks in advance

All benefits, with the exception of medical care, are terminated on the resignation date (medical care benefits terminate according to the specific policy).

Future references and some possible accrued benefits may depend upon the manner in which an employee terminates employment.

Disciplinary Actions: Appropriate Managers are responsible for all disciplinary actions. All such actions must be confirmed in writing, signed by the appropriate Manager and the employee, and filed in the employee's personnel folder. Disciplinary actions may include: warnings, suspensions, disciplinary time off, termination.

Terminations: Full authority for termination rests with the appropriate Manager. Grounds for dismissal include, but are not limited to, the following:

1) Mistreatment of customers, clients, other employees, donors, guests, or volunteers.
2) Theft of anything from anyone, including items donated to the Thrift Store.
3) Willful damage to the Society's property or the property of anyone else.
4) Committing or attempting to commit damage to company property by act or neglect.
5) Intoxication or other drug abuse on the job, or prior to the shift so as to impair the employee's ability to carry out the job.

6) Falsification of any record.

7) Insubordination.

8) Unsatisfactory job performance.

9) Conviction of a felony or serious misdemeanor.

10) Excessive absenteeism and/or excessive tardiness.

11) Employee/volunteer violating the purchasing of merchandise policy.

12) Violating company rules which will result in the loss of assets to the company.

13) Failure to work in harmony with fellow employees.

14) Fighting.

15) Endangering the health or safety of the customers, employees or volunteers.

**Grievance Procedure:** Any employee experiencing on-the-job problems should bring the matter to his/her Manager's attention. If the employee is dissatisfied with the action taken by the Manager, then the employee —with the Manager's knowledge — may bring the matter to the attention of the General Manager for final disposition. If still unsatisfied, the employee may request a hearing with the Executive Director. Such a request must be submitted in writing giving full details and reason for the request.

**Miscellaneous**

**Garnishments:** The Society of St. Vincent de Paul does not look favorable upon wage garnishments.

**Reduction in Work Force:** If it becomes necessary to reduce staff, the affected employees will be given written notice at least ten (10) days prior to the lay-off date. Lay-offs will be done on a seniority basis with length of service the main criterion. If possible, preferential consideration will be given to employees laid off due to force reduction when force additions are made.

**Telephone Use:** Telephone lines must be kept clear for business use. Employees are permitted to make and/or receive telephone calls for emergencies only.

**Personal Property:** Personal property brought into a Thrift Store, or onto the grounds, is the responsibility of the employee. While normal care will be exercised by the Society, the Society will accept no responsibility for personal property lost, stolen, or damaged. Further, employees are actively discouraged from bringing large amounts of money or personal valuables onto the work site.

**Uniform Code:** All employees are expected to come to work in uniform or required dress code.

**Recommendations for female employee’s uniform consist of:**
1) White Uniform — Solid White Shirt, Solid White Pants
2) White Hose or Socks
3) White Uniform Shoes
4) White Sweater may be used
5) Name Tag
6) No colors, absolutely no variations

Recommendations for the male employees and driver’s uniform consist of:
1) Navy Blue Work Pants
2) Steel-Tip Shoes — Black
3) Navy Blue Long or Short Sleeve Shirt
4) Black Belt
5) White Socks
6) Patch
7) Name Tag
8) No off-color socks — No Blue Jeans

Grooming: All employees/volunteers are required to adhere to grooming standards including (not limited to) the following:
1) Uniform/clothes clean and ironed
2) Personal hygiene means showers, controlling body and mouth odors, and no overpowering colognes
3) Male employees: Hair, beards, mustaches, and nails short and clean
4) Female employees: Hair and nails neat and clean

When an employee violates uniform and/or dress code and/or grooming:
1) First Offense: written warning
2) Second Offense: written warning and three (3) consecutive days off without pay
3) Third Offense: termination without further notice. Every employee is expected to have uniform/clothes neat and cleaned daily.

Volunteers may wear street clothes but street clothes must be neat and clean. Also, volunteers must wear white smock with name tag.

Below is one example of job descriptions, an additional approach will be presented after this one.

<table>
<thead>
<tr>
<th>I. JOB ELEMENT:</th>
<th>II. STANDARDS OF PERFORMANCE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsibilities (list individually)</td>
<td>DRIVER (list for each responsibility)</td>
</tr>
<tr>
<td>General Responsibilities</td>
<td></td>
</tr>
<tr>
<td>--------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>1. Vincentian Presence</td>
<td>To, provide with dignity all services, in assisting coworkers, customers, and voucher recipients without regard to race, color or creed.</td>
</tr>
<tr>
<td>2. Work Hours</td>
<td>Have come in on time and is ready to work at assigned time.</td>
</tr>
<tr>
<td>3. Lunch</td>
<td>Have taken allotted 30 minute lunch break and returned to work on time.</td>
</tr>
<tr>
<td>4. Fleet Operations</td>
<td></td>
</tr>
<tr>
<td>A.</td>
<td>Adhere to safety regulations, policies, and rules of the road.</td>
</tr>
<tr>
<td>B.</td>
<td>Does assigned route within the allotted 8 hour day or within allotted time period assigned.</td>
</tr>
<tr>
<td>C.</td>
<td>Maintains truck gas, oil, radiator and other fluids daily.</td>
</tr>
<tr>
<td>D.</td>
<td>Maintains a clean truck.</td>
</tr>
</tbody>
</table>
| 5. Uniform               | Have followed uniform code, which consists of:  
|                           | Navy Blue Pants |
|                           | Light Blue Shirt |
|                           | Black Belt |
|                           | Black Steel Toe Safety Shoes |
|                           | St. Vincent de Paul Emblem |
| 6. Organizational Responsibilities | Reports directly to the Assistant General Manager. |
|                           | This is to include all other duties assigned by Management. |
**I. JOB ELEMENT:**

<table>
<thead>
<tr>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>(list individually)</td>
</tr>
</tbody>
</table>

**II. STANDARDS OF PERFORMANCE:**

<table>
<thead>
<tr>
<th>CASHIER/RUNNER</th>
</tr>
</thead>
<tbody>
<tr>
<td>(list for each responsibility)</td>
</tr>
</tbody>
</table>

**General Responsibilities**

1. **Vincentian Presence**
   - To provide with dignity all services, in assisting customers and voucher recipients without regard to race, color or creed.

2. **Work Hours**
   - Have come in on time and is at work station at assigned time.

3. **Lunch/Break**
   - Have taken allotted lunch and break and returned to work station on time.

4. **General Responsibilities**
   - **A.** Must ring individual items on the register.
   - **B.** Has counted register bank money correctly.
   - **C.** Take customer's money and makes proper change.
   - **D.** Make sure a valid receipt is given to customer.
   - **E.** Must keep register closed and locked except to make change from a sale.
   - **F.** Bag the merchandise for the customer.
   - **G.** Maintain a clean and neat work area.
   - **H.** All merchandise is tagged.
   - **I.** All clothing is put away in color coordinated areas on a timely basis.
   - **J.** Clothing is put into proper category.

5. **Organizational Responsibilities:**
   - All cashiers report to the Front End Manager and runners report to the Back Room Manager. In their absence, report to the Assistant.

6. **This is to include other duties assigned by Management.**

7. **Uniform Code**
   - Have followed uniform code, which consists of white shirt, white pants, and white shoes.
<table>
<thead>
<tr>
<th>I. JOB ELEMENT: Responsibilities</th>
<th>II. STANDARDS OF PERFORMANCE STORE/WAREHOUSE HELPER E:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(list individually)</td>
<td>(list for each responsibility)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Vincentian Presence</td>
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<tr>
<td>2. Work Hours</td>
<td>Have come in on time and is at work station at assigned time.</td>
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<tr>
<td>3. Lunch/Break</td>
<td>Have taken allotted lunch and break and returned to work station on time.</td>
</tr>
<tr>
<td>4. General Responsibilities</td>
<td></td>
</tr>
<tr>
<td>A.</td>
<td>Assist customers with bringing in donations through warehouse and front of store.</td>
</tr>
<tr>
<td>B.</td>
<td>Keeps back room supplied with hangers from front of store.</td>
</tr>
<tr>
<td>C.</td>
<td>Keeps bathrooms and lunchroom neat, clean and cleans floors.</td>
</tr>
<tr>
<td>D.</td>
<td>Sweeps store floor at end of each day.</td>
</tr>
<tr>
<td>E.</td>
<td>Assists customers with loading merchandise purchased from store.</td>
</tr>
<tr>
<td>5. Organizational Responsibilities</td>
<td>Reports to Front End Manager</td>
</tr>
<tr>
<td>6.</td>
<td>This is to include other duties assigned by Management.</td>
</tr>
<tr>
<td>7. Uniform Code</td>
<td>Have followed uniform code, which consist of blue shirt, blue pants, and uniform shoes or white shoes.</td>
</tr>
<tr>
<td><strong>I. JOB ELEMENT:</strong> Responsibilities (list individually)</td>
<td><strong>II. STANDARDS OF PERFORMANCE:</strong> RUNNER/SUPERVISOR (list for each responsibility)</td>
</tr>
<tr>
<td>---------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
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<tr>
<td></td>
<td></td>
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<td>4. General Responsibilities</td>
<td></td>
</tr>
<tr>
<td>A.</td>
<td>All merchandise is tagged.</td>
</tr>
<tr>
<td>B.</td>
<td>All clothing is put away in color coordinated areas on a timely basis.</td>
</tr>
<tr>
<td>C.</td>
<td>Clothing is put into proper category.</td>
</tr>
<tr>
<td>5. Organizational Responsibilities</td>
<td></td>
</tr>
<tr>
<td>A.</td>
<td>Reports directly to the Back Room Manager.</td>
</tr>
<tr>
<td>B.</td>
<td>Supervises Back Room employees when Back Room Manager is off duty.</td>
</tr>
<tr>
<td>6. Uniform Code</td>
<td>Have followed uniform code, which consists of white shirt, white pants, and white shoes.</td>
</tr>
<tr>
<td>7.</td>
<td>Perform other duties assigned by Management.</td>
</tr>
<tr>
<td>I. JOB ELEMENT: Responsibilities</td>
<td>II. STANDARDS OF PERFORMANCE: CASHIER/FLOOR PERSON/SUPERVISOR</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td>(list individually)</td>
<td>(list for each responsibility)</td>
</tr>
<tr>
<td>General Responsibilities</td>
<td></td>
</tr>
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<td>1. Vincentian Presence</td>
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<td>2. Work Hours</td>
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</tr>
<tr>
<td>3. Lunch/Break</td>
<td>Have taken allotted lunch and break and returned to work station on time.</td>
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<tr>
<td>4. General Responsibilities</td>
<td></td>
</tr>
<tr>
<td>A.</td>
<td>Must ring individual items on the register.</td>
</tr>
<tr>
<td>B.</td>
<td>Has counted register bank money correctly.</td>
</tr>
<tr>
<td>C.</td>
<td>Take customer's money and makes proper change.</td>
</tr>
<tr>
<td>D.</td>
<td>Make sure a valid receipt is given to customer</td>
</tr>
<tr>
<td>E.</td>
<td>Must keep register closed and locked except to make change from a sale.</td>
</tr>
<tr>
<td>F.</td>
<td>Bag the merchandise for the customer.</td>
</tr>
<tr>
<td>G.</td>
<td>Maintain a clean and neat work area.</td>
</tr>
<tr>
<td>H.</td>
<td>Put hangers on hanger rack up front.</td>
</tr>
<tr>
<td>I.</td>
<td>Put clothing in designated area.</td>
</tr>
<tr>
<td>J.</td>
<td>Keep the floor clean of clothing.</td>
</tr>
<tr>
<td>K.</td>
<td>Maintain clean and neat racks.</td>
</tr>
<tr>
<td>L.</td>
<td>Supervises front room employees when Front Room Manager is off duty.</td>
</tr>
<tr>
<td>5. Organizational Responsibilities</td>
<td>Reports to the Front End Manager.</td>
</tr>
<tr>
<td>6.</td>
<td>This is to include other duties assigned by Management.</td>
</tr>
<tr>
<td>7. Uniform Code</td>
<td>Have followed uniform code, which consists of white shirt, white pants, and white shoes.</td>
</tr>
</tbody>
</table>
## I. JOB ELEMENT:
### Responsibilities
(list individually)

<table>
<thead>
<tr>
<th>1. Vincentian Presence</th>
<th>To provide with dignity all services, in assisting coworkers, customers, and voucher recipients without regard to race, color or creed.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Work Hours</td>
<td>Have come in on time and is ready to work at assigned time.</td>
</tr>
<tr>
<td>3. Lunch/Break</td>
<td>Have taken allotted lunch/break and returned to work on time.</td>
</tr>
<tr>
<td>4. General Responsibilities</td>
<td></td>
</tr>
<tr>
<td>A.</td>
<td>Supervises sorting area in hanging good useable clothing.</td>
</tr>
<tr>
<td>B.</td>
<td>Supervises the tagging and pricing of clothing according to management prices.</td>
</tr>
<tr>
<td>C.</td>
<td>Supervises the racks of clothing to selling floor on a timely basis.</td>
</tr>
<tr>
<td>D.</td>
<td>Supervises and processes the bric-a-brac area.</td>
</tr>
<tr>
<td>E.</td>
<td>Keeps work area neat and clean at all times.</td>
</tr>
<tr>
<td>5.</td>
<td>Organizational Responsibilities</td>
</tr>
<tr>
<td>A.</td>
<td>Reports directly to General Manager or in his/her absence the Assistant General Manager.</td>
</tr>
<tr>
<td>B.</td>
<td>This is to include other duties assigned by management.</td>
</tr>
</tbody>
</table>
### I. JOB ELEMENT: Responsibilities

| II. STANDARDS OF PERFORMANCE: MAINTENANCE PERSON |
|---|---|
| (list individually) | (list for each responsibility) |

**General Responsibilities**

1. **Vincentian Presence**
   - To provide with dignity all services, in assisting coworkers, customers, and voucher recipients without regard to race, color or creed.

2. **Work Hours**
   - Have come in on time and is ready to work at assigned time.

3. **Lunch**
   - Have taken the allotted 30 minute lunch break and returned to work on time. Lunch and break times are to be taken before 4:00 p.m.

4. **Baling**
   - Rag out and ragged clothing from all the stores into neat bales as needed daily.

5. **Window Washing**
   - Daily window washing when weather permits.

6. **Organizational Responsibilities**

   **A.**
   - Loading and unloading trucks as trucks come in.

   **B.**
   - Assist customers with donations, loading merchandise purchased by customers.

   **C.**
   - The store must be completely picked up and dry mopped at the end of each day.

   **D.**
   - Bric-a-brac area and furniture area must be cleaned and neatly presented at the end of each day.

   **E.**
   - Shopping carts must be brought in from the grounds at the end of each day.

   **F.**
   - Must inform Front End Manager at 4:00 p.m. where you are and what you are doing at all times.

   **G.**
   - This is to include all other duties assigned by Management.
<table>
<thead>
<tr>
<th>I. JOB ELEMENT: Responsibilities (list individually)</th>
<th>II. STANDARDS OF PERFORMANCE: FRONT-END MANAGER (list for each responsibility)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Responsibilities</td>
<td></td>
</tr>
<tr>
<td>A1. Store Goals</td>
<td>A1. — Have achieved, or surpassed last year's sales goals.</td>
</tr>
<tr>
<td>A2. Vincentian Presence</td>
<td>A2. — To provide with dignity all services, in assisting all employees, customers, and voucher recipients, without regard to race, color, or creed.</td>
</tr>
<tr>
<td>A3. Volunteer Workers</td>
<td>A3. — Have assigned job responsibilities to volunteer workers within the store.</td>
</tr>
<tr>
<td>A4. Management</td>
<td>A4. — Have supplied Management direction to all front end employees.</td>
</tr>
<tr>
<td>A5. Check Approval</td>
<td>A5. — Must approve all checks including verifying with Telecheck.</td>
</tr>
<tr>
<td>A6. Work Hours</td>
<td>A6. — Have scheduled all employees work hours for maximum coverage at the store.</td>
</tr>
<tr>
<td>A7. Training</td>
<td>A7. — Have trained all new employees.</td>
</tr>
<tr>
<td>A7A.</td>
<td>A7A. — Have trained all front personnel.</td>
</tr>
<tr>
<td>A8. Store Hours</td>
<td>A8. — Have opened and closed store at assigned time.</td>
</tr>
<tr>
<td>A10. Lunch Breaks</td>
<td>A10. — Have taken and scheduled allotted lunch breaks and AM and PM breaks.</td>
</tr>
<tr>
<td>B1. Financial Responsibilities and Reports</td>
<td>B1. — Have reported daily, weekly, and monthly deposits to the General Service office before 9:00 a.m.</td>
</tr>
<tr>
<td>B1A.</td>
<td>B1A. — Have written monthly spread sheet completed and in General Service office on the first working day of each month, error free.</td>
</tr>
<tr>
<td>B1B. Vouchers</td>
<td>1B. — Have vouchers handed in to the General Service office on a weekly basis.</td>
</tr>
<tr>
<td>B2. Safe Operations</td>
<td>B2. — Have deposited day receipts into provided receptacle at the end of each day, error free.</td>
</tr>
<tr>
<td>B2A.</td>
<td>B2A. — Have kept the safe locked at all times.</td>
</tr>
<tr>
<td></td>
<td>B2B. — Have the correct monies, checks, charges and deposit slips in the deposit envelope.</td>
</tr>
<tr>
<td>Section 5: Employee Relations</td>
<td></td>
</tr>
<tr>
<td>-------------------------------</td>
<td></td>
</tr>
</tbody>
</table>

**B3. Banking/Funds/Change**
- B3. — Have ordered change from the bank.

**B3A.**
- B3A. — Have maintained overages and shortages to under $100.00 for year.

**B4. Hours of Work**
- B4. — Have correctly figured hours worked.

**Organizational Responsibilities**

<table>
<thead>
<tr>
<th>C1.</th>
<th>C 1. — Have reported directly to the General Manager.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C2.</td>
<td>C2. — Have directly managed all non-management front end personnel</td>
</tr>
<tr>
<td>C3.</td>
<td>C3. — Have paged manager at the end of each day with totals.</td>
</tr>
<tr>
<td>C4.</td>
<td>C4. — This is to include other duties assigned by management.</td>
</tr>
<tr>
<td><strong>I. JOB ELEMENT:</strong> Responsibilities (list individually)</td>
<td><strong>II. STANDARDS OF PERFORMANCE:</strong> PROCESSOR (list for each responsibility)</td>
</tr>
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<tr>
<td>4. General Responsibilities</td>
<td></td>
</tr>
<tr>
<td>A.</td>
<td>Responsible for placing good, useable items on shelves.</td>
</tr>
<tr>
<td>B.</td>
<td>Placed soiled and/or not useable clothing and/or bric-a-brac in gurneys for baling.</td>
</tr>
<tr>
<td>C.</td>
<td>Tag clothing and/or bric-a-brac according to management.</td>
</tr>
<tr>
<td>D.</td>
<td>Bring rack of clothing and/or bric-a-brac to selling floor quickly.</td>
</tr>
<tr>
<td>E.</td>
<td>Hang garments and/or bric-a-brac in proper manner on store racks.</td>
</tr>
<tr>
<td>5. Organizational Responsibilities:</td>
<td>Reports directly to the Back Room Manager or his/her absence to the Assistant.</td>
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<td>6.</td>
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<tr>
<td>7. Uniform Code</td>
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<td>II. STANDARDS OF PERFORMANCE: RUNNER (list for each responsibility)</td>
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<td><strong>4. General Responsibilities</strong></td>
<td><strong>A.</strong> All merchandise is tagged.</td>
</tr>
<tr>
<td></td>
<td><strong>B.</strong> All clothing is put away in color coordinated areas on a timely basis.</td>
</tr>
<tr>
<td></td>
<td><strong>C.</strong> Clothing is put into proper category. Place in color coordinated section.</td>
</tr>
<tr>
<td><strong>5. Organizational Responsibilities:</strong></td>
<td>Reports directly to the Back Room Manager.</td>
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<td><strong>6. Uniform Code</strong></td>
<td>Have followed uniform code, which consists of white shirt, white pants, and white shoes.</td>
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<td></td>
</tr>
<tr>
<td>A.</td>
<td>Have greeted customers, &quot;good morning,&quot; &quot;good afternoon,&quot; &quot;thank you,&quot; at the end of sale.</td>
</tr>
<tr>
<td>B.</td>
<td>Must ring individual items on the register.</td>
</tr>
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<td>C.</td>
<td>Has counted register bank money correctly.</td>
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<td>D.</td>
<td>Take customer's money and makes proper change.</td>
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<td>E.</td>
<td>Make sure a valid receipt is given to customer.</td>
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<td>F.</td>
<td>Must keep register closed and locked except to make change from a sale.</td>
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<td>Bag the merchandise for the customer.</td>
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<td>Maintain a clean and neat work area.</td>
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<td>I.</td>
<td>Put hangers on hanger rack up front.</td>
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<td>Put clothing in designated area.</td>
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<td>K.</td>
<td>Keep the floor clean of clothing.</td>
</tr>
<tr>
<td>L.</td>
<td>Maintain clean and neat racks.</td>
</tr>
<tr>
<td>M.</td>
<td>Monies to be facing up and to the right.</td>
</tr>
<tr>
<td>N.</td>
<td>All checks must be approved by Manager on duty.</td>
</tr>
<tr>
<td>5. Organizational Responsibilities:</td>
<td>All cashiers report to the Front End Manager or in his/her absence, the Assistant.</td>
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</table>
TITLE:
Stores Director / Operations Manager

DEFINITION:
The position of Stores Director / Operations Manager is responsible to the Council Executive Director or Stores Board.

DISTINGUISHING CHARACTERISTICS:
This position is required to work within the frame work of the St. Vincent de Paul Society's mission and thrift store's objectives. The Store Director's / Operations Manager’s have profit and loss responsibility for all store operations.

There will be an annual evaluation and this job description is open to revision.

EXAMPLE OF DUTIES:

1. Establishes profit and loss goals for Store Managers and works toward their achievement.
2. Provides training for Store Managers to assist in meeting goals.
3. Implements distribution to the needy in accordance with policies and procedures established by the District Council.
4. Responsible for all cash management in accordance with SVDP policy with regard to bank deposits, daily receipts and the preparation of cash register, etc.
5. Responsible for daily control of all controllable expenses.
6. Conducts performance reviews at regular intervals with all full and part-time employees.
7. Conducts periodic store meetings with Store Managers to inform and to communicate store goals and concerns to store personnel.
8. Monitors customer service to insure a sincere, warm and friendly atmosphere.
9. Displays merchandise in an appropriate and timely manner to generate sales, continually altering displays so that maximum exposure of merchandise can be attained. Promotes specific items by utilizing feature display areas and verbally suggestive selling.
10. Recommends special sales promotions centered on local occasions and special events and coordinates its implementation with the Stores Operations Manager.
11. Maintains awareness of SVDP Society membership and conference needs filled at the store level, and assures a warm and friendly atmosphere exists with all store personnel and volunteers helping conferences.
12. Maintains an awareness of local consumer needs/desires, and communicates them to the Stores Operations Manager.
13. Reviews comparison shopping of stores in area and reviews competition with Stores Managers.
14. Trains all Store Managers in accordance with personnel policies, store policies and job descriptions.
15. Ensures all employee/volunteer discounts are given in accordance with SVDP policy.


QUALIFICATIONS:

Knowledge of:
Extensive knowledge of good management practices, human resources, store merchandising principles, interpersonal communications, accounting and supervisory skills.

Ability to:
Learn, apply and interpret policies related to the operation of the thrift stores. Communicate effectively with staff, members of the SVDP, and the general public. Deal effectively and openly with staff, achieving results through positive human relationships. Write required reports in an intelligible manner. Maintain accurate accounting of all financial transactions. Price merchandise according to current rates and economic demands.

EXPERIENCE:
Progressively responsible merchandising experience and basic skills in personnel supervision.

EDUCATION:
A college degree in business administration, management, or equivalent experience is preferred. A demonstrated ability to successfully manage multiple store operations is required.
TITLE:

Store Manager

DEFINITION:

The position of Store Manager is responsible to the Stores Operations Manager.

DISTINGUISHING CHARACTERISTICS:

This position is required to work within the frame work of the St. Vincent de Paul Society's mission and thrift store's objectives. It is the Store Manager's responsibility to generate optimum sales volume and profit.

There will be an annual evaluation and this job description is open to revision.

EXAMPLE OF DUTIES:

1. Establishes daily sales objectives and works toward their achievement.
2. Communicates the sales objectives to store personnel, exercising skills to achievement.
3. Implements distribution to the needy in accordance with policies and procedures established by the District Council.
4. Responsible for all cash management in accordance with SVDP policy with regard to bank deposits, daily receipts and the preparation of cash register, etc.
5. Responsible for daily control of all controllable expenses.
6. Conducts performance reviews at regular intervals with all full and part-time employees.
7. Conducts periodic store meetings to inform and to communicate store goals and concerns to store personnel.
8. Monitors customer service to insure a sincere, warm and friendly atmosphere.
9. Displays merchandise in an appropriate and timely manner to generate sales, continually altering displays so that maximum exposure of merchandise can be attained. Promotes specific items by utilizing feature display areas and verbally suggestive selling.
10. Recommends special sales promotions centered on local occasions and special events and coordinates its implementation with the Stores Operations Manager.
11. Monitors the receiving and pricing of merchandise to ensure all merchandise is properly accounted for, and that merchandise is properly priced, ticketed and displayed.
12. Directs all court workers and volunteers.
13. Maintains awareness of SVDP Society membership and conference needs filled at the store level, and assures a warm and friendly atmosphere exists with all store personnel and volunteers helping conferences.
14. Maintains an awareness of local consumer needs/desires, and communicates them to the Stores Operations Manager.
15. Ensures the telephone is answered in an efficient and courteous manner offering assistance to the caller as needed, including assistance in looting specified merchandise in another SVdP Store.

16. Conducts comparison shopping of stores in area and reviews competition with Stores Director / Operations Manager.

17. Trains all store personnel in accordance with personnel policies, store policies and job descriptions.

18. Ensures all employee/volunteer discounts are given in accordance with SVDP policy.

19. Performs other related duties assigned by the Stores Operations Manager.

QUALIFICATIONS:

Knowledge of:
Basic merchandising principles and supervisory skills.

Ability to:
Learn, apply and interpret policies related to the operation of the thrift stores. Communicate effectively with staff, members of the SVDP, and the general public. Deal effectively and openly with staff, achieving results through positive human relationships. Write required reports in an intelligible manner. Maintain accurate accounting of all financial transactions. Price merchandise according to current rates and economic demands.

EXPERIENCE:
Progressively responsible merchandising experience and basic skills in personnel supervision.

EDUCATION:
A high school or GED equivalent is preferred. A college degree in business administration, accounting and additional training in merchandising and sales is a plus.
TITLE:

Assistant Store Manager

DEFINITION:

The Assistant Store Manager is responsible to the Store Manager with supervision by the Stores Director / Operations Manager in the event the Store Manager is not available.

DISTINGUISHING CHARACTERISTICS:

Working within the framework of the St. Vincent de Paul Society's mission and thrift store objective, it is the responsibility of the Assistant Store Manager to assist the Store Manager meets store objectives by utilization of selling techniques and the responsible handling of cashiering functions.

There will be an annual evaluation and this job description is open to revision.

EXAMPLES OF DUTIES:

1. Ensure accurate handling of voucher, cash, check and charge transactions and accurate documentation of all appropriate paperwork.
2. In the absence of the Store Manager, is responsible for all cash management in accordance with S VDP policy with regard to bank deposits, daily receipts and the preparation of cash register receipts, etc.
3. Provides a sincere, warm, friendly and helpful atmosphere in filling the needs of the customers and clients.
4. Ensures the telephone is answered in an efficient and courteous manner offering assistance to the caller as needed, including assistance in locating specified merchandise in another SVDP store.
5. Maintains a clean and litter-free check out area and assists other store personnel in the general upkeep of the store.
6. In the absence of the Store Manager, monitors the receiving and pricing of merchandise to ensure all merchandise is properly accounted for, and that merchandise is properly priced ticketed and displayed.
7. Assists the Store Manager in the pricing, stocking and displaying of merchandise.
8. In the absence of the Store Manager, directs and supervises all other store employees, court workers and volunteers.
9. Performs other related duties assigned by the Store Manager and/or Stores Operations Manager.

QUALIFICATIONS:

Knowledge of:
Basic cashiering and sales practices as well as basic merchandising principles and supervisory skills.

**Ability to:**

Learn, interpret and apply policies relating to the store operation. Communicate effectively with fellow workers, staff and customers.

**EXPERIENCE:**

Progressively responsible cashiering, sales experience and some supervisory experience.

**EDUCATION:**

A High School Diploma or GED equivalent is preferred. Additional training in sales, cashiering, computers and employee supervision is a plus.
TITLE:
Cashier/Sales Clerk

DEFINITION:
Cashier/Sales Clerk is responsible to the Store Manager with supervision by the Stores Director / Operations Manager in the absence of Store Manager.

DISTINGUISHING CHARACTERISTICS:
Working within the framework of the St. Vincent de Paul Society’s mission and thrift store objective. It is the responsibility of the cashier/sales clerk to assist the Store Manager meets store objectives by utilization of selling techniques and the responsible handling of cashiering functions.

There will be an annual evaluation and this job description is open to revision.

EXAMPLES OF DUTIES:

1. Ensures accurate handling of voucher, cash, check and charge transactions and accurate documentation of all appropriate paperwork.

2. Provides a sincere, warm, friendly and helpful atmosphere in filling the needs of the customer.

3. Ensures the telephone is answered in an efficient and courteous manner offering assistance to the caller as needed, including assistance in locating specified merchandise in another SVdP store.

4. Maintains a clean and litter-free check out area and assists other store personnel in the general upkeep of the store.

5. Assists the Store Manager in the pricing, stocking and displaying of merchandise.

6. Performs other related duties assigned by the Store Manager.

QUALIFICATIONS:

Knowledge of:
Basic cashiering and sales practices.

Ability to:
Learn and interpret policies relating to the store operation. Communicate effectively with fellow workers, staff and customers.

EXPERIENCE:
Progressively responsible cashiering and some sales experience. EDUCATION:
A high school or GED equivalent is preferred. Additional training in sales and cashiering is a plus.
TITLE:
Sorter/Maintenance Attendant

DEFINITION:
Sorter/Maintenance Attendant is responsible to the Store Manager, with the supervision of the Stores Director / Operations Manager.

DISTINGUISHING CHARACTERISTICS:
Within the framework of the St. Vincent de Paul Society's Mission and Thrift Store's objective, it is the responsibility of the Sorter/Maintenance Attendant. To assist the Store Manager meet objectives by assuring that the store's housekeeping duties are met on a daily basis. Also provides assistance to the Store Manager in receiving, pricing, ticketing, displaying and the transferring of merchandise.

There will be an annual evaluation and this job description is open to revision.

EXAMPLE OF DUTIES:

1. Ensures the store is properly swept on a daily basis. Cleans lavatories, sinks and mops floors where needed. Maintains the cleanliness of sidewalk areas in front of store. Ensures all trash containers are emptied on a daily basis. Cleans all display shelves where merchandise is to be displayed.
2. Assists Store Manager, ensures merchandise is properly received, checked, sorted and stored.
3. Assists in loading and unloading "donations" onto trucks as requested by the Store Manager.
4. Assists customers with loading of furniture and large appliances onto vehicles.
5. Assists Store Manager with marking and ticketing of all merchandise in accordance with SVDP policies and procedures.
6. Assists the Store Manager by positioning merchandise on the shelves and racks making ready for sale.
7. Performs other related duties assigned by the Store Manager.

QUALIFICATIONS:

Knowledge of:
Knowledge of general merchandising.

Ability to:
Learn and interpret policies relating to the store operation. Communicates effectively with fellow workers, staff and customers.

EXPERIENCE:
Progressively responsible merchandising and janitorial experience is a plus.

**EDUCATION:**

A High School or GED equivalent is preferred.
TITLE:

Truck Fleet Supervisor

DEFINITION:

The position of Truck Fleet Supervisor is responsible to the Store Director / Operations Manager.

DISTINGUISHING CHARACTERISTICS:

This is a supervisory position responsible for the insurance of prompt, efficient and courteous pickup and delivery service.

There will be an annual evaluation and this job description is open to revision.

EXAMPLES OF DUTIES:

1. Direct daily supervision of truck drivers and driver helpers.
2. Prepares and assigns daily pick-up and delivery routes.
3. Responsible for the safe loading and unloading of trucks.
4. Maintains a courteous and cooperative attitude toward donors, assuring that all pick-ups and deliveries are completed to the donor's satisfaction.
5. Accurately supervises daily inspection of all trucks in the fleet and reports any and all damages to the Operations Manager immediately.
6. Reports all mechanical problems of the trucks to the proper maintenance entity and advises the Operations Manager as to the disposition of the problem.
7. Attends scheduled driver safety meetings and maintains a good and safe driving record.
8. Maintains a neat, clean and professional appearance. Insures that uniforms are clean and shoes or boots are hard toed.
9. Responsible for overall cleanliness and appearance of all vehicles in the fleet.
10. Performs all other related work assigned by the Operations Manager.

QUALIFICATIONS:

Knowledge of:
Basic mechanical functions of all vehicles in the truck fleet. State and city ordinances of vehicle codes; geographical layout of San Mateo County and its inner cities.

Ability to:
Learn, apply and interpret policies relating to the operation of the truck fleet and its personnel. Deal effectively and openly with all staff, achieving results through positive human relations. Communicate in an effective manner with all levels within the St. Vincent de Paul Society in San Mateo County. Write required reports in an intelligible manner. Must have and maintain a legal and appropriate California Drivers License.

EXPERIENCE:
Progressively responsible driving and supervisory skills.

**EDUCATION:**

A high school or GED equivalent education is preferred. Specific training in vehicle operation and maintenance is a plus.
TITLE:

Truck Driver

DEFINITION:

The Truck Driver is responsible to the Truck Fleet Supervisor with supervision by the Store Director / Operations Manager.

DISTINGUISHING CHARACTERISTICS:

This position is responsible for the prompt and efficient pick-up service from donors. There will be an annual evaluation and this job description is open to revision.

EXAMPLE OF DUTIES:

1. Assist Truck Fleet Supervisor in preparation of daily pick up routes.
2. Responsible for the safe loading and unloading of trucks.
3. Maintains a courteous and helpful attitude towards donors, assuring that all pick-ups and deliveries are completed to the donor's satisfaction.
4. Accurately completes morning and evening inspection of his truck and reports any damage to the Truck Fleet Supervisor immediately.
5. Attends scheduled driver safety meetings and maintains a good and safe driving record.
6. Maintains a neat and clean and professional appearance, including wearing of hard toed shoes or boots during working hours.
7. Responsible for the cleanliness and appearance of the truck assigned to him.
8. Establishes duties and responsibilities for his Driver Helper.
9. Performs all other related work assigned by the Truck Fleet Supervisor and/or Operations Manager.

QUALIFICATIONS:

Knowledge of:

Basic mechanical functions of all vehicles within the truck fleet as well as understanding and compliance with State and City Ordinances of the vehicle codes; geographic layout of San Mateo County and it's inner cities.

Ability to:

Learn, interpret and apply policies relating to the operation of his truck. Deal effectively and openly with subordinates, achieving results through positive human relationships. Communicate effectively with staff, members of SVDP and particularly donors. Write required reports in an intelligible manner. Must have and maintain a legal and appropriate California Drivers License.

EXPERIENCE:

Progressively responsible driving and mechanical skills.
EDUCATION:

A high school or GED equivalent education is preferred. Specific training in vehicle operation and maintenance is a plus.
TITLE:

Driver Helper

DEFINITION:

This Driver Helper position is responsible to the Truck Driver with supervision by the Truck Fleet Supervisor and/or Stores Director / Operations Manager.

DISTINGUISHING CHARACTERISTICS:

The incumbent is responsible for assisting Truck Drivers to insure prompt, efficient and courteous pick-up service from SVDP donors.

There will be an annual evaluation and this job description is open to revision.

EXAMPLE OF DUTIES:

1. Assists Driver in safe loading and unloading of trucks.
2. Correctly distributes and stores goods in warehouse and or storage areas.
3. Assists Driver in daily vehicle inspections.
4. Responsible for the cleanliness and appearance of truck assigned to him.
5. Maintains a courteous and helpful attitude towards donors, assuring that all pick-ups and deliveries are completed to donor’s satisfaction.
6. Maintains a clean, neat and professional appearance, including wearing of hard toed shoes or boots during working hours.

QUALIFICATIONS:

Knowledge of:

Basic mechanical functions of all vehicles in the truck fleet as well as understanding and compliance with state and city ordinances of the vehicle codes; geographic layout of San Mateo County and it's inner cities.

Ability to:

Learn and interpret policies relating to the operation of the truck. Communicate effectively with fellow workers, staff and donors. Perform safe lifting and handling of heavy furniture and appliances.

EXPERIENCE:

This position requires no specific training except the ability to communicate orally in an effective manner with staff, members of SVDP and donors, to be physically fit to perform the required tasks and have a willingness to follow instructions in a positive way.

EDUCATION:

No formal education required for this position.
TITLE:

Lead Dispatcher

DEFINITION:

The position of Lead Dispatcher is responsible to the Stores Director / Operations Manager.

DISTINGUISHING CHARACTERISTICS:

This position is required to work within the framework of the St. Vincent de Paul Society's mission and thrift store's objectives. It is the responsibility of the Lead Dispatcher to maintain and supervise the dispatch office, assuring positive public relations between the Society, donors and customers, there will be an annual evaluation and this job description is open to revision.

EXAMPLE OF DUTIES:

1. Answer all incoming telephone calls to the Society, pertaining to in-kind and vehicle donations via the designated telephone lines.
2. Responsible for the utilization of appropriate forms and the proper completion of donor contact records and referrals to appropriate staff. This includes referrals to the Donated Vehicle Coordinator of auto program information and referrals to the Development Associate of other than in-kind donor information.
3. Responsible for the logging, tracking and filing of all completed donation receipts.
4. Responsible for the communication between the dispatch office and the truck fleet via mobile radio.
5. Responsible for the reporting to the Stores Director / Operations Manager any and all complaints relayed to the Dispatch office involving stores or truck fleet personnel.
6. Responsible for the monitoring and accurate time keeping of all truck fleet and dispatch personnel.
7. Responsible for the direction and supervision of additional dispatch personnel.
8. Responsible for the reporting of all malfunctions of telephone and or mobile radio equipment to the appropriate vendor and Stores Operations Manager.
9. Maintains an awareness of customers and donors needs/requests and communicates them to the Stores' Operations Manager.
QUALIFICATIONS:

Knowledge of:
Basic telephone and customer service experience required. Ability to learn, interpret and apply policies related to the operation of the St. Vincent de Paul thrift stores and vehicle sales. Communicate effectively with staff, members of the Society, and the general public. Deal effectively and cheerfully with the public, achieving results through positive communication and problem solving skills.
Write required reports in an intelligible and precise manner.

EXPERIENCE:
Progressively responsible customer service experience and basic skills in personnel supervision.

EDUCATION:
A high school diploma or GED equivalent is preferred. Additional training in telephone etiquette and customer relations helpful. Computer Literacy desirable.
TITLE:
Lead Truck Driver

DEFINITION:
The position of Lead Truck Driver is responsible to the Stores Director / Operations Manager

DISTINGUISHING CHARACTERISTICS:
This is a supervisory position responsible for the insurance of prompt, efficient and courteous pick up and delivery service.
There will be an annual evaluation and this job description is open to revision.

EXAMPLES OF DUTIES:
1. Direct daily supervision of truck drivers and driver/helpers.
2. Responsible for the safe loading and unloading of trucks.
3. Maintains a courteous and cooperative attitude toward donors, assuring that all pick-ups and deliveries are completed to the donor's satisfaction.
4. Ensure that all drivers do daily inspections of trucks and reports any and all damages to the Operations Manager immediately.
5. Reports all needed truck repairs to the Stores Director / Operations Manager immediately and ensures that the repairs are completed in a timely manner.
6. Hold monthly driver safety meetings and review meeting agenda with Operations Manager prior to meeting date. Maintains a good and safe driving record.
7. Maintains a neat, clean and professional appearance so as to set an example. Insures that uniforms are clean and shoes worn by the drivers and driver/helpers are hard toed.
8. Ensure cleanliness and appearance of all vehicles in the fleet.
9. Performs all other related work assigned by the Operations Manager.

QUALIFICATIONS KNOWLEDGE OF:
Basic mechanical functions of all vehicles in the truck fleet State and city ordinances of vehicle codes; geographical layout of San Mateo County and it's inner cities.
Learn, apply and interpret policies relating to the operation of the truck fleet and its personnel. Deal effectively and openly with all staff, achieving results through positive human relations. Communicate in an effective manner with all levels within the Society of St Vincent de Paul in San Mateo County. Write required reports in an intelligible manner. Must have and maintain a legal and appropriate California Driver's License.

EXPERIENCE:
Progressively responsible driving and supervisory skills.

**EDUCATION:**

A high school or GED equivalent education is preferred. Specific training in vehicle operation and maintenance is a plus.
Genderual Harassment in the Workplace

I. INTRODUCTION

Changes in the workplace have necessarily led to an increased sensitivity of social issues such as dignity and respect of treatment. The workplace has become not only our economic but also our social center. This increased human interaction gives rise to issues of communication amongst people of different backgrounds and gender.

It is not surprising that the workplace provides opportunities for developing social and personal relationships. Employees often can develop genuine attraction towards each other. Some might also find the workplace as an opportune place to vent their frustrations and hostilities. These interactions and feelings can result in problems of discrimination and sexual harassment.

The purpose of this chapter is to educate you about sexual harassment law including terminology, basic structure of the prevailing laws and present variations of the law. More importantly, this chapter is designed to help you design prevention and remedial measures, to handle sexual harassment claims, and to adopt a formal employee policy to minimize the potential of claims thus reducing the legal and social liability to the Society of St. Vincent de Paul.

There are few bright line answers to the problem of sexual harassment and the answers may vary according to your geographical jurisdiction. Yet, the Society of St. Vincent de Paul as employer has a moral and fiduciary responsibility to learn to prevent, recognize and remedy sexual harassment in its midst and to keep informed of jurisdictional changes in the varying geographical areas.

Why concern ourselves with this issue? The damage of such claim can be disastrous to our operations. There are large dollar awards from juries to victims of such harassment, legal fees and litigation costs. There is also loss of time, staff frustration, loss of morale, loss of productivity and reduction of staff. The long term effect is damage to the Society's image and ability to gain new volunteers, donations and qualified and desirable employees. Ultimately, it affects our ability to properly respond to those we are called to serve.

NOTE: It is highly recommended that management personnel receive training on sexual harassment on a regular basis. Contact your liability insurance carrier for the recommended training intervals. The following website provides the latest information on this subject.

TITLE VII OF THE CIVIL RIGHTS ACT OF 1964
Prohibits employment discrimination based on race, color, religion, gender, or national origin;
http://www.eeoc.gov/policy/vii.html

II. DEFINING SEXUAL HARASSMENT

Generally, sexual harassment is behavior of a sexual nature that is not welcome, which is personally offensive, debilitates the morale of the victim and therefore interferes
with employee ability to perform their job. Sexual harassment is defined both objectively and subjectively, thus what the affected employee feels and thinks is significant. The definition encompasses not only supervisor to subordinate behavior but also co-workers and non-employees.

The Equal Employment and Opportunity Commission (E.E.O.C.) defines sexual harassment as unwelcome advances, requests for sexual favors or other verbal or physical acts where submission to the request is a term or condition of employment, the employment decision is based on the acceptance or rejection of the conduct, or the conduct interferes with work and creates a hostile and offensive working environment.

This definition is broad and encompasses clearly offensive behavior to behavior that may have been considered acceptable in the past. Clearly offensive conduct includes overt pressure for sexual activity; physical conduct such as suggestive touching, pinching and blocking someone's path; and the promise (overt or implied) of preferential treatment or threats in promotions, hiring and so forth.

Other behavior that in the past may not have been perceived as offensive or harmful is also covered. These include verbal acts such as kidding, gesturing, whistles, jokes or comments about sex or anatomy; subtle pressure for sexual activity which can include dating or an expressed general interest in the person of another. Even interest that is supported by a genuine good faith attraction can be construed as harassing, remember, the test is objective and subjective. Inappropriate physical contacts can include brushing or touching the person of another. Inappropriate communications can be embodied in the posting or displaying of sexual material, graffiti, magazines, drawings and the like.

The key requirements of a sexual harassment incident are as follows:

1) **CONDUCT**
   - The conduct must be based on gender. Conduct that is offensive but unrelated to gender is not sexual harassment.

2) **LOSS**
   - There is a tangible loss detriment such as losing a promotion, being fired or not hired, or losing a benefit.

OR

3) **WORK ENVIRONMENT**
   - Conduct that creates an intimidating, hostile, or abusive work environment. This environment must be unwelcome. Even if the victim consents to the behavior, that consent will not be determinative in the favor of the employer. The offending acts must be pervasive and severe. This is a quantity and quality analysis: the more offensive the act the less amount of them the victim needs to make a case. A single act can rise to the level of sufficiency if it is offensive enough. Also, the acts must be such as to alter the conditions of employment thus making it uncomfortable to perform job duties.

III. **PRESENT STATE OF THE LAW**

   A. **Background**
Sexual harassment law began under the Title Seven of the Civil Rights Act of 1964.

There are numerous legal roads these claims will take and employers are faced with the large cost of defending claims at every step of the way. Depending on geographical jurisdiction, a claim can begin in an administrative branch such as the federal E.E.O.C. or its local or state counterpart. After those hearings and determinations, the claim can be taken to the judicial branch. This branch includes trial (with juries at the petitioner's option) and appellate courts. These claims can also translate into personal civil claims in tort or criminal prosecution by the state against the offending employee or employer.

In addition, federal law provides only a floor remedy. States are free to design more protective laws for sexual harassment victims. Often, this variance translates into higher compensation and in turn, into a higher number of claims. What had often been an expensive, degrading and time consuming venture is now generously compensated, encouraged and acceptable. The number of sexual harassment claims is therefore on a rise.

Each Society of St. Vincent de Paul employer should look to its jurisdiction for guidance in this matter. The variety of avenues and relief available will differ according to geography and the pertinent facts of the case. For example, in one judicial circuit any corrective measures the employer takes can greatly assist that employer in defending a claim; in another circuit however, an employer has been held liable notwithstanding disciplinary steps and subsequent firing of the offending employee. In the more extreme jurisdiction, an employer is liable simply because the offensive conduct happened whether or not the employer knew of the conduct and remedied the conduct.

B. Filing Procedures

If your state has sexual harassment laws and a designated agency, the claimant must first file there within 180 days from the last date of the last occurrence of the offensive act. The state has sixty days to handle the claim. After this time, if the claimant is not satisfied with the state's disposition of the claim, the claimant can seek federal relief.

The federal filing procedures are as follows:

1) Claims must first be filed in the local E.E.O.C.

2) Claim must be filed within 180 days from the date of the last offending conduct (note that in some cases this gives a claimant 300 days to file federally.)

3) After following all steps and hearings from the E.E.O.C., this Agency will make a determination regarding the employer's liability. If the E.E.O.C. finds that there is no probable cause for the violation and therefore no relief is appropriate, then the E.E.O.C. gives the claimant a "right to sue letter" which enables the claimant to pursue the matter in federal court.

4) In federal court a claimant can have a jury trial and finding for the claimant can translate into large awards of damages and punitive.

5) Federal court appeals.
C. Harassment categories

Sexual harassment is divided into two categories, "Quid Pro Quo" which is a Latin word meaning this for that, and "Hostile Environment" which focuses more on the workplace atmosphere. Quid Pro Quo involves the exchange of sexual favors for favorable treatment in job advancement, hiring, benefits and the like, or in reverse, the withholding of such benefits if the victim refuses. Quid Pro Quo requires a tangible job loss or detriment like "sleep with me or I will fire you." The only good thing about this category is that it is easy to understand.

This category of sexual harassment is hard to prevent because it normally involves two people. Unless the conduct is obvious or published an employer may not know of it until the victim complains. Proof is also difficult since it usually involves a battle of words and corroboration is often lacking. These Quid Pro Quo acts are likely to be re-occurring and sometimes follow a pattern involving the same actors or the same offender.

"Hostile Environment" occurs according to the United States Supreme Court when the workplace is "permeated with discriminatory intimidation, ridicule, and insult that are sufficiently severe or pervasive to alter the conditions of the victim's employment." Hostile Environment covers a broad range of behavior and can involve individuals or groups of people. Since the type of activities involved is many and usually published, this category is easier to prevent. Properly implemented and enforced policies can be effective in guiding employee behavior away from harassment.

The injury in all cases is subjective to the victim, but courts use an objective standard of a reasonable person in deciding a hostile environment claim. Courts look at the totality of circumstances in each individual claim to decide reasonableness and outcome. They look at the frequency of offending acts, the severity, whether there was physical threats or public humiliation, interference with work performance, the promptness of the employer's response and so on.

D. Liability according to the harasser

Jurisdictions may apply different levels of responsibility depending on who is the harasser. A Sixth Circuit court found that to prove harassment by a supervisor, the victim had to show that the supervisor's act fell within the scope of his employment or that his acts were reasonably foreseeable by the employer. Other courts have found that such offensive acts never fall under the scope of anyone's employment and the victim need not prove otherwise. An employer can also be liable for the acts of co-workers when the victim can prove that the employer through his/her agents knew or should have known of the acts but failed to respond. Not all employer responses will be viewed equally sufficient in different courts.

Non-employees can also be the source of a harassment claim against an employer. This is a developing area in the law and one that will continue to grow. These actors can be our volunteers, customers, donors, clients, suppliers and so on. If these actors behave in a sexually offensive manner in the workplace, where the employer knew or should have known, and the employer fails to take corrective action, then the employer can be held liable.
In deciding these cases, courts will consider the extent of the employer's control over the offending third party plus any other legal responsibility which the employer may have on such conduct. This vague language is judicially created and its parameters are not yet well designed.

E. Noteworthy

There are two important final things you should know about the present state of the law. First, gender is often irrelevant in these cases. Same sex cases have been litigated successfully against employer. Second, individuals who make a false report of harassment will ber disciplined, up to and including termination.

Employees who have asserted a claim of sexual harassment against an employer are to be treated the same with respect to employment policies and disciplinary action as any other employee would be treated who has not raised a claim of harassment. For example, an employee who has asserted a claim of sexual harassment should be disciplined for tardness if other employees who have not raised such a claim would be disciplined for the same behavior.

IV. SVDP AND SEXUAL HARASSMENT

The Society as an employer has the same responsibility and liabilities as any other market employer. Most states have abolished the Good Samaritan insulation that protected charities from tort claims. Sexual harassment law does not recognize any special or differential treatment to charitable employers. The Society can be held responsible for the offensive acts of its employees, (supervisors and co-workers) as well as donors, clients and volunteers.

Any employee of the Society can file a claim of sexual harassment. Volunteers who have employee-like functions in our stores can also file claims albeit their case would be harder to make because volunteers would not have a livelihood/financial loss argument and because volunteers are not captive audiences and can presumably leave at will without any significant detriment.

V. PREVENTIVE MEASURES

In setting forth a sexual harassment prevention plan, SVDP stores should consider two main goals: to discourage inappropriate behavior and to protect the Society from any potential liability. The adopted policy should be formalized in writing, as part of the employee manual. It should also be posted, distributed and acknowledged by all employees and volunteers at every level. The policy should clearly articulate stance, means of reporting incidents and the possible disciplinary steps taken against offensive acts.

To encourage reporting, the policy should state that no retaliation will be taken against reporters. Confidentiality (need to know basis) whenever possible should be observed. The reporter should be assured of prompt investigation and that corrective measures will be taken if appropriate. Whenever possible, an employer should offer the victim a temporary transfer to a department where the victim will be isolated from the aggressor(s).

The policy should outline methods of reporting and the people. Employers should always document every step and follow every outline procedure. They should further
educate employees and volunteers, give them examples of inappropriate behavior and implement mandatory sexual harassment training. Finally, they should be clear about consequences of inappropriate acts including discipline, leaves, demotions and termination of employment.

VI. REMEDIAL MEASURES IN GENERAL

Once a complainer comes forward or a claim has been filed against you, there are certain things you can do to handle the complaint and prepare for potential litigation. Some suggestions follow:

1) **Do not ignore complaints, even if you believe them to be frivolous or if you believe the complainer is hypersensitive.** Treat all complaints with the same level of respect and urgency.

2) **Have a neutral person or committee to receive and investigate these claims.** This is particularly important when the offender is a supervisor and the lines of communication between employees and other superiors are weak.

3) **Investigate prior to taking any action.** Interview all parties and witnesses and procure any evidence on the claim. Do not threaten or accuse any of the parties or witnesses; remember, this is a fact-gathering stage.

4) **Maintain good records of every step taken, every interview, communication, finding, disciplinary actions and the like.** This step will be especially helpful if the claim is eventually litigated.

5) **Do not drag matters; be expedient and efficient; make the claim a top priority.** Lateness in response can be not only legally fatal but also can affect the morale of the staff and their productivity.

6) **Take appropriate measures against the harasser if the claim is substantiated.** Be careful not to over-punish or you will have another claim on your hands! Termination of employment is proper for a physical attack but is not proper for an off-color joke. Conversely, a written warning may be enough for a whistle but not for a physical act.

7) **If the complainer refuses to participate with the investigation, document his/her rejection.** As a general matter, courts will take refusal to participate in the process in favor of the employer.

8) **Document any improper actions by the complainer.** Remember that the law insulates them from retaliation but does not authorize them to be tardy, rude or insubordinate. If the complainer's improper acts are related to his/her claim, make sure to document them. A complainer who is a part-time strip-club dancer deserves the same dignities as all other employees. On the other hand, a complainer who actively participates in lewd jokes and displays and then complains about them will be less credible to a jury.

9) **Provide in your employee manual for alternative dispute resolution mechanism such as arbitration of any claims and disputes.** Arbitration is a desirable alternative to litigation because of time, costs and exposure of embarrassing facts in a court and to a jury. Written and signed arbitration clauses may encourage your employees away from litigation. The American Arbitration Society can provide information on its services.
10) **Secure the assistance of an experienced and qualified attorney for reviewing the policies you will adopt to insure they are appropriate to your jurisdicational difference.** Also call your attorney with any claims and provide him/her with all available documentation. Do not wait until a sheriff serves you with a complaint to call your attorney.

### VII. SAMPLE POLICY

1) **Sexual harassment is strictly prohibited by the Society**

   The Society of St. Vincent de Paul prohibits any and all forms of sexual harassment as well as any other form of discrimination. The Society is committed to providing a work environment free of sexual harassment for its employees and volunteers. All employees and volunteers are responsible for refraining from sexual harassment of their fellow employees and volunteers.

2) **Sexual harassment is incompatible with the goals and purpose of the Society**

   The Society of St. Vincent de Paul is a charitable organization designed to provide assistance to those in need. Sexually oriented acts, words, displays or communications, regardless of intention, bear no relationship to the goal of the Society and lack any legitimate business or charitable purpose.

3) **Offensive behavior can subject the offensive employee to civil financial penalties and criminal liability**

   Sexual harassment is prohibited by the terms and conditions of employment in the St. Vincent de Paul Society, by state laws and by the federal government. Employees and volunteers in violation of these laws can be subjected to criminal liability by the government and by civil liability from their victim and the Society. The civil liabilities can translate into large money damages against the violating employee or volunteer. Additionally, violations can subject the Society to liability for the actions of its employees and volunteers.

4) **Reporting of sexual harassment is affirmatively encouraged**

   Retaliation or reprisal against any employee complaining of sexual harassment is strictly prohibited both by the Society's policy and by state and federal law. Witnesses of sexually harassing acts are also insulated from retaliation under this policy. All employees and volunteers are vigorously encouraged to present any concerns regarding improper activity.

5) **This policy is intended to guide employee's behavior in the workplace and does not create any contractual obligations**

   This policy is a guideline and it is not intended as a source of contractual rights. The Society reserves the right to modify this policy periodically. This policy does not create any employment obligations with the Society or alter the employment at will relationship between the employee and the Society.

6) **Sexual harassment defined**

   Sexual harassment is behavior of a sexual nature which is not welcome; which is personally offensive; which debilitates morale; creates an intimidating, hostile, or offensive working environment; and which interferes with work effectiveness. Sexual harassment applies to supervisor/subordinate relations as well as to co-workers and
volunteers. Sexual harassment can include actions that permeate the working environment with sexual material and commentaries.

7) **Examples of sexual harassment**

   **Sexual harassment includes but is not limited to:**

   1) Unwelcome sexual advances or unwelcome requests for sexual favors
   2) Unwelcome verbal or physical acts of a sexual nature
   3) Promise of job advancement, benefits or preferential treatment in exchange for sexual favors.
   4) Denial of hiring, advancement or benefits as retaliation for turning down sexual advances
   5) Sexually offensive verbal kidding such as gestures, jokes, whistles or comments about a person's anatomy or experience.
   6) Subtle pressures for sexual activity
   7) Physical conduct of a sexual nature such as pinching, brushing against another's body, touching of another's body or clothing, or blocking someone's path.
   8) Posting or displaying sexually oriented material such as suggestive and demeaning posters, sexual objects, lewd photos, magazines, and graffiti or any other sexually offensive or demoralizing materials.

8) **Consequences of sexual harassment**

   Any employee found responsible for sexually harassing another employee or volunteer will be subject to disciplinary action by the Society. The disciplinary action will depend on the nature and severity of the particular case. The disciplinary action can include written warnings posted permanently in the employee's file, demotion, reduction in pay, suspension and termination of employment.

   Any volunteer found responsible for sexually harassing another volunteer or employee will be asked to discontinue his/her time with the Society. The termination of volunteer privileges can be of a temporary or permanent basis according to the nature and severity of the particular case.

   Disciplinary actions will be taken at the sole discretion of the Society.

9) **Reporting procedure**

   a) **Persons who perceive themselves as being sexually harassed:**

      Persons who perceive themselves as being sexually harassed have an obligation to communicate to the offending person that such conduct is not welcome and should be stopped. Additionally they have a duty to promptly report the incident to their immediate supervisor or to upper management so that corrective steps can be taken.

   b) **Persons who have observed behavior that may be classified as sexual harassment:**

      Persons who have observed behavior that may be classified as sexual harassment have a duty to notify their supervisor or upper management about the questionable
behavior observed. Absolute certainty is not required; all employees are positively encouraged to report any behavior that may be perceived inappropriate even if later held unfounded. The reporting will be confidential.

c) **Anyone who receives a report of sexual harassment:**

Anyone who receives a report of sexual harassment must communicate immediately with their immediate supervisor or upper management. This person will be asked to keep any information received in the strictest confidence.

d) **Management responsibilities:**

**Generally, Management is responsible for:**

(a) Ensuring that all employees under their supervision are aware of the Society's sexual harassment policy by posting, training and enforcing the policy. Management is responsible to ensure their subordinates fully comply with this policy.

(b) Reporting to upper management of any observed or reported offense and initiating prompt corrective actions in co-ordination and with the acknowledgment of upper management.

(c) Acting in a prompt manner in handling any observed or reported acts.

(d) Upper management is responsible for supplying all supervisors with materials and policies on sexual harassment and with guidance as to how to disseminate such information to employees and volunteers.

**Climate setting:**

1) Managers are responsible for setting and maintaining a harassment free environment. The display of sexually graphic material except of an educational or health nature is strictly prohibited. Managers are to curtail comments, jokes or other expressions about sex that may be objectionable or offensive.

2) Managers should not make light of the sexual harassment policies, training or requirements but instead should act as good stewards of the work-place by supporting, promulgating and personally observing the policy.

3) Managers should treat every claim or report with seriousness. Managers cannot belittle or make light of any incident reported to them or any person reporting.

4) Managers should be always alert to recognize and correct behavior or situations that involve or may lead to the perception of sexual harassment.

**Procedure to follow - 7 steps to handling a sexual harassment report:**

1) The offending or suspicious act is reported to management and any non-determinative corrective action that would be appropriate under the circumstances will be taken promptly.

2) An investigation will ensue. The investigation will be confidential on a need-to-know basis only. The investigation period will be one of information gathering. Statements will be taken, witnesses may be questioned and the parties involved will be asked
individually to present their position. No accusations or confrontations shall be made during the investigative period by management.

3) Management shall consider the information gathered carefully and a determination will be made as to the responsibility of the offender.

4) The offender will be given an opportunity to respond to the findings against him/her.

5) Remedial action will be taken to prevent a re-occurrence of the complained situation.

6) Disciplinary steps will be taken against the offending person. Such action can include written warning, pay reduction, demotion or termination of employment. The severity of the disciplinary measure will depend on the seriousness of the offense. Disciplinary measures will be at the discretion of the management of the Society.

7) Proper documentation of every step of the process shall be maintained and stored.

10) Contacts

Reports should be made to any one of the following persons:

1) The reporter's immediate supervisor

2) The area supervisor/Human Resources

3) The Executive Director

4) (Neutral person, member of Board)

5) (Neutral person)

NOTE: Your area Society of St. Vincent de Paul may be willing to offer victims and offenders individual counseling whenever appropriate and feasible.
Employee/Volunteer Policy Manual

Society of St. Vincent de Paul

(Section 7 of Store Operations Manual)

Employment Practices Assessment Report

Completed by

BRG Consulting
c/o Christian Brothers Risk Management Services
INTRODUCTION

Christian Brothers Risk Management Services (CBRMS), your insurance provider for employment practices exposures, is providing your organization with an assessment of your personnel policies. As part of your affiliation with the Risk Pooling Trust, CBRMS is providing this assessment to St. Vincent de Paul at no charge as a value-added loss control service designed to enhance your policies. BRG Consulting has conducted this report on behalf of CBRMS.

The assessment process is being provided to your organization because of the high frequency and severity of employment practices claims facing organizations on a regional and national basis, such as sexual harassment, wrongful termination and discrimination (race, age, gender, disability, national origin, religion, etc.). Moreover, the assessment performed for your organization will enable CBRMS to better underwrite your employment practices compliance program.

The Society of St. Vincent de Paul ("St. Vincent de Paul", "SVDP" or "the organization") employment practices assessment report is organized in four Sections:

- Section I - General Overview (Pgs. 6-15)
- Section II - Analysis of the St. Vincent de Paul Store Operations Manual
  - Section 7: Employee/Volunteer Manual (Pgs. 16-39)
- Section III - Additional Policies / Practices for Consideration (Pgs. 40-55)
- Section IV - Conclusion (Pgs. 56-57)

This employment practices assessment report is not intended to cover all areas of the SVDP's personnel programs and policies. The scope of this assessment report is intended to focus primarily on those policies, reporting procedures and processes that could create potential employment practices exposures. The assessment focuses on, but is not limited to, the following areas:

- Personnel policy administration,
- Sexual harassment;
- Discrimination (sex, race, national origin, disability, color, religion, age, veteran
status, pregnancy, other federal, state and local protected classes);

- Safety risks;
- Violence;
- Internal theft;
- Drug and alcohol use;
- Concealed weapons;
- Other forms of workplace risk and wrongdoing;
- Whistle blowing;
- Analysis of the organization’s employment-at-will status for applicable employees;
- Wrongful termination exposures;
- Retaliation prevention;
- Internal and external complaint procedures;
- Internal investigation / response processes; and
- Employee relations systems including evaluations, commendations, reprimands, counseling, and terminations.

This review performed by BRG Consulting is not to be considered a legal opinion, but instead, employment practices risk management analysis.

Please keep in mind that this report will provide policy language, issues and other ideas for your consideration.

The following table is designed to prioritize those issues BRG Consulting recommends St. Vincent de Paul address in its efforts to continuously improve its personnel programs. The issues found in the table are given BRG Consulting priority ranking (low-medium-high). All suggestions and issues for consideration found in this Assessment Report are important for improving the personnel programs, but this chart should help St. Vincent de Paul prioritize which issues it tackles first. The table's organization follows the sequential format of this Assessment Report.
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SECTION I GENERAL
OVERVIEW

1. Employee/Volunteer and Family Friendly Workplace

All analysis and recommendations made pertaining to St. Vincent de Paul's personnel processes are intended to further enhance the commitment to providing an employee, volunteer, and family friendly workplace. As a by-product, by "doing the right thing" and providing a safe and productive workplace, free from unlawful conduct, the organization will strengthen its legal defenses in the event of an employment practices claim. Research demonstrates that low employee morale derived from dissatisfaction with employee relations and benefits programs, often serves as the impetus for filing an employment related claim. In other words, an employee that feels he or she is being treated unfairly or that the employer is not "caring", as reflected by its below standard employee benefits programs, is more likely to sue the employer.

2. Open Reporting

Generally, the goal of any organization is to provide a safe and healthy work environment. This includes encouraging all employees and volunteers to promptly report internally any incidents or allegations of workplace risk or wrongdoing. All should be able to understand the organization's internal response processes and feel that their complaint will be treated fairly and seriously. By demonstrating an "open reporting” system within St. Vincent de Paul, employees and volunteers are encouraged to give the organization an opportunity to respond to employee relations problems rather than report outside the organization to an attorney or state or federal agency.
In achieving this goal of unobstructed "open reporting" within the organization, St. Vincent de Paul must make every reasonable effort to take away an employee's potential "ignorance defense". That is, an employee argues his / her reason for not reporting the alleged wrongdoing to the organization during employment or time of service was because the employee did not know how to report internally or the existing policies were confusing or unfriendly. Thus, St. Vincent de Paul must make sure an employee that wishes to report alleged workplace wrongdoing has several avenues of safe internal complaint available.

Employees must perceive that there are several avenues for complaint in order to bypass communication blockage (i.e., a supervisor that retaliates against an employee/or making an allegation), importantly for St. Vincent de Paul, the available reporting and / or grievance procedures must be clear and user friendly.

"Open reporting" pertains to reporting any form of workplace risk or wrongdoing including but not limited to:

- Injuries;
- Safety violations;
- Use of drugs or alcohol on the job or during any organization-related activity;
- Sexual harassment;
- Unlawful discrimination;
- Violence;
- Theft;
- Illegal practices on duly or during any organization-related activity; and
- Retaliation for making a report, participating in a related investigation or otherwise.
3. Periodic Policy Review

St. Vincent de Paul’s Store Operations Manual was published in July of 1992. It is not clear in the materials reviewed for this assessment whether the policies and procedures have been reviewed and/or updated since that publishing date.

As a general rule, a third party not affiliated with St. Vincent de Paul should thoroughly review personnel policies on a yearly basis. Policy reviews conducted by a third party are looked upon advantageously because it can be argued that internal policy assessments are self-serving for the organization. Third party reviews demonstrate neutrality and are viewed as equally friendly to employees and the organization. St. Vincent de Paul will also have the advantage of being able to engage those third parties as witnesses in the event of a personnel-related claim. For instance, BRG Consulting, as a third party employment practices risk management company, could testify as to the pro-active steps SVDP has taken to ensure its personnel programs are up to date and employee friendly.

4. Understandable and Identifiable Policies

Personnel policies, reporting procedures and practices should be easy to identify and understand. It is challenging to create policies that include all of the necessary language to protect the organization, while at the same time remain understandable. Policy language should be written such that all employees can understand. Legalese and other complex language should be avoided, yet policies must be compliant with all relevant laws and regulations.

Any employee that reads the Store Operations Manual and Employee / Volunteer Policy Manual should be able to find any policy he or she is looking for. The policies should be in a format that is logical. The table of contents is the employee's first point of reference to find a particular policy and / or reporting procedure. Thus, the
format is crucial to make the Employee/Volunteer Policy Manual user friendly. Each section and subsection should be titled for quick access.

A review of St. Vincent de Paul’s manual shows that there could be some real advantages in re-organizing the contents. Currently, the sections seem somewhat confusing. Additionally, Section 7 of the Store Operations Manual could be formatted in such a way that it can be pulled out of the current binder and given to each employee I volunteer as a stand-alone document.

5. **Encourage Internal Reporting**

Policies must include clear, identifiable reporting procedures. In other words, what are your organization's available avenues for employees to report workplace wrongdoing (harassment, discrimination, violence, theft, safety violations, etc.)? St. Vincent de Paul must go beyond simply establishing written policies. Those written policies and practices must be "active", in that the organization must consistently advertise its policies to its employees. Written policies that "sit on a shelf do not provide SVDP the best legal defenses.

St. Vincent de Paul currently does not have reporting procedures that are easily identified. Sample reporting procedures will be provided in Section II of this assessment report for SVDP to review and consider incorporating into the existing Policy Manual.

Internal reporting procedures must be consistent, easy to understand, offer several avenues of complaint, and be "reasonably calculated to encourage employees to report wrongdoing".

Consider the following support materials:
• "Prevention is the best tool for the elimination of sexual harassment. An employer should take all steps necessary to prevent harassment from occurring, such as affirmatively developing the subject, expressing strong disapproval, developing appropriate sanctions, informing employees of their right to raise and how to raise the issue of harassment under Title VII, and developing methods of sensitize all concerned."

    29 CFR Section 1604.1 l(f)

• The EEOC (Equal Employment Opportunity Commission) believes that "in the absence of a strong, determined, and consistently enforced employer policy against sexual harassment, and an effective complaint procedure, employees would reasonably believe that a harassing supervisor's actions will be ignored, tolerated or even condoned by upper management if the employer has not provided an effective avenue to complain, then the supervisor has unchecked, final control over the victim and it is unreasonable to impute his abuse of power to the employer."

    EEOC Policy Guidance on Sexual Harassment, March 19, 1990

• "Where an employer has taken energetic measures to discourage sexual harassment in the workplace and has established, advertised, and enforced effective procedures to deal with it when it does occur, it must be absolved of Title VII liability."

    Gary vs. Long, 59 F.3d 1391, 1398 (D.C.C.)

U.S. Supreme Court holdings concerning sexual harassment in the workplace:

➢ "When no tangible employment action is taken, a defending employer may raise an affirmative defense to liability or damages, subject to proof by a preponderance of the evidence... the defense comprises two necessary elements: (a) that the employer exercised reasonable care to prevent and correct promptly any sexually harassing behavior, and (b) that the plaintiff employee unreasonably failed to take advantage of any preventive or corrective opportunities provided by the employer
or to avoid harm otherwise."


_Faragher v. City of Boca Raton, 118 S.Ct. 2275 (1998)_

➢ "An employer's contention that an employee's failure to use the sexual harassment reporting procedure should insulate it from Liability might be substantially stronger if its procedures were better calculated to encourage victims of harassment to come forward."

_Meritor Savings Bank, FSB v. Vinson, 106 S.Ct 2399, 2408 (1986)_

6. **Identifiable Reporting Procedures**

Internal reporting procedures should accompany each policy. It is recommended that each policy’s reporting procedure be typed in **Bold Print.** For example, the **Reporting Procedure** for sexual harassment should immediately follow the "no tolerance" policy for sexual harassment in the workplace or during any organization-related activity.

It is the duty of SVDP to make reporting workplace wrongdoing as easy as possible for all employees. Any confusion regarding how to report could lead to an employee that doesn’t report internally, but instead takes the complaint to an outside third-party, such as an attorney or state or federal agency,

7. **Consistent Reporting Procedures / Grievance Procedures**

Reporting procedures for various types of workplace wrongdoing should be as consistent as possible. St Vincent de Paul must make all available reporting channels easy to distinguish and easy to understand. For instance:
Employees must feel secure about the process in place to respond to reports of workplace problems and/or wrongdoing. Having separate internal response processes/formal and informal grievance procedures may cause confusion for the employees and erode their confidence in the organization's ability to respond in a fair, consistent and reasonable manner.

Also, the organization must make it clear to all employees that St. Vincent de Paul will take every reasonable measure to ensure that any person(s) named in the report of wrongdoing will not be part of the management of the report.

8. Internal Response Processes / Employee Relations Team

St. Vincent de Paul should advertise appropriate methods of reporting workplace risk or wrongdoing and the context in which each method of reporting should be utilized as part of its personnel programs. Employees must feel like neutral employees within S VDP will hear their voices.

Generally, St. Vincent de Paul must analyze whether it has a fair process in place to respond to internal complaints of workplace risk and wrongdoing. Investigation procedures should be in place and followed for allegations of discrimination, retaliation, internal theft, violence, unsafe acts and all other forms of wrongdoing. Remember that juries look at an entity's internal response processes and ask questions like, "Was the employee treated fairly?" and "Does the entity take reported risks seriously?" These common sense approaches are crucial in showing reasonableness.

In order to demonstrate reasonableness in responding to workplace rules, regulations and policies, S VDP should manage employee relation issues as much in the collective as practicable. Collective decision-making is, by its nature, more reasonable than if an individual makes a decision. Without asking for others' perspectives, ideas and views on an issue, a decision is more difficult to defend. Collective decision-making demonstrates St. Vincent de Paul’s good faith due diligence, and thoughtfulness in
reaching decisions, particularly when an employee's conditions of employment are affected.

It is recommended that St. Vincent de Paul consider establishing an internal response or investigative team (i.e., Employee Relations Team) to appropriately address employee allegations of workplace risk and wrongdoing. Later in this Assessment Report, BRG Consulting will comment on SVDP's existing policies regarding internal investigations. This commentary will focus on the potential areas of confusion and need for clarification for the purposes of various individuals and committees within the organization. The organization’s internal response or investigative team / program should include:

- Team established and trained on how to reasonably respond to allegations of workplace risk or wrongdoing;
- Team reflects the make-up and diversity of the workforce;
- Set procedures and practices to follow for every allegation of wrongdoing;
- Consistent action plan;
- Conciliation steps;
- Conflict checks among to team employees to ensure the most neutral employees are responding to allegations;
- Internal investigations;
- Proper documentation of diligent response procedures;
- Disciplinary risk management steps; and
- Team is trained on a periodic basis in order to be prepared to reasonably manage allegations of personnel problems.

Ideally, an entity would like to demonstrate proactive training of its internal investigators, before ever dealing with an actual allegation. Training familiarizes investigation team employees with the procedures for responding to various exposures. For instance, investigation tactics may differ between a harassment allegation and one of internal theft.
Analyze the documentation processes /forms for investigations. The main idea behind reviewing the documentation forms used in investigations is to make sure the organization does utilize consistent documentation. The goal is to prevent various personnel from using their own methods of documentation and investigation. Record keeping is crucial for a solid defense in the event of litigation.

Are non-retaliation measures taken to protect all parties involved in an investigation? The accuser, accused and all others directly concerned with an allegation of wrongdoing should be kept informed as to the investigation process and ultimate findings. Part of that constant communication is to make sure all parties are not being retaliated against in any way.

9. **Employee and Volunteer Awareness**

This awareness program should begin with new employee or volunteer orientation. Thereafter, periodic reminders to all employees/volunteers of the comprehensive benefits programs available will help strengthen morale.

Each employee and volunteer should attend periodic awareness meetings in order to reasonably review existing policies and be given the opportunity to ask questions.

Acknowledgments should accompany each employee/volunteer awareness meeting. Additionally, wide and periodic dissemination of existing policies and procedures is part of complying with federal and state employment practices statutes and regulations.

CBRMS has experienced tremendous success in leading employee/volunteer awareness training sessions. Typically, employees or volunteers will raise questions during these training sessions as well as ask individual questions of CBRMS Consultants in private upon completion of the session.
10. Consistent Application of Written Policies and Procedures

If a policy, procedure or practice is written, it must be followed. One of the most important questions that must be answered by SVDP, "Are all written personnel policies, procedures and practices being followed exactly as written?" The organization must take a long and hard look at whether its written policies are "in practice". In the event of an employment-related claim, plaintiff’s counsel will customarily attack those written policies that were not followed with exact precision by St. Vincent de Paul. Throughout this assessment report, the question should be asked, "Is this policy in practice at St. Vincent de Paul?"

11. "Shall" or "May"?

St. Vincent de Paul should be very aware of how the terms "shall" and "may" are used throughout the course of its employment practices related documents. Using "shall" means the organization will do something, making it a requirement. If the organization fails to follow through on "shall" language, it will be questioned as to why those policies or procedures were not adhered to. On the other hand, "may" gives the organization clear direction and discretion, but does not necessarily make the policy a requirement.
BRG Consulting provides the following materials and comments as a Risk Management Assessment of St. Vincent de Paul’s policies and procedures as revised and adopted in 1992. The recommendations and sample language in this report are provided for consideration by St. Vincent de Paul. The information and suggestions found in this report are not intended to be legal opinions. Sample policies are not intended for direct usage. At the time changes are incorporated by St. Vincent de Paul, it is suggested that SVDP’s retained employment lawyer give final approval of the organization’s policies and procedures.

*This Assessment Report is formatted to follow the sequence of policies and procedures found in the organization's current Store Operations Manual - Section 7 provided to BRG Consulting.*

"PLEASE NOTE" Section:

As an opening section to your Employee/Volunteer Policy manual, the statements made here are very important in setting the tone of the manual as well as covering important legal protections necessary for St. Vincent DePaul. SVDP may want to re-title this section as a "Welcome" section and change the wording to speak to its mission and purpose and also serve to welcome a new employee or volunteer to the organization. This sets an employee-friendly tone to the manual up front. The following statements may also be incorporated into this section. Please consider the following issues for consideration:
• This section currently has very important language referring to the fact that the Policy manual"...may not be construed as an employment contract, but rather as a guideline for day to day practices." This emphasizes that the policy manual does not create an employment contract and the employer can change that the policies/guidelines contained therein at any time.

• Another important section that could be added here is "Employment-At-Will". Basically, if there's no contract for a fixed term of employment or a union contract, the employee works at the will of the employer and employee. This means that the employer can terminate the employee at any time for any reason, or for no reason at all. Conversely, the employee is free to quit at any time, for any reason or no reason. Of course, this does not protect an employer who fires an employee for an illegal reason such as discrimination under the EEOC.

An Employment-at-Will statement could be added not only to this section, but to application forms and offers of employment as well. Consider using the following sample language:

"Employment at St. Vincent DePaul is "at-will"; meaning that either you or St. Vincent DePaul may terminate this relationship at any time, for any reason, with or without cause or notice. St. Vincent DePaul does not tolerate discriminatory or other unlawful conduct and all employment decisions will uphold this policy."

**Introduction**

This is a good statement of the basic foundation of St. Vincent DePaul and its intended purposes.
General Personnel Policy

St. Vincent DePaul could expand upon this Equal Employment Opportunity (EEO) policy. The policy could include veteran status and disabilities in its statement regarding discriminative categories. Because SVDP is a national organization, it must pay close attention to each individual state, county and city laws in applying the correct legally protected classes to their EEO policy.

Consider the following sample policy that covers additional aspects of EEO:

**Equal Employment Opportunity and Anti-Discrimination**

St. Vincent DePaul is an equal opportunity employer. This means we do not discriminate in employment decisions and policies in violation of law on the basis of any legally-protected status, including race, color, national origin, citizenship status, creed, religion, sex, age, marital status, physical or mental disability, political ideology, or status as a Vietnam-era or special disabled veteran or any other basis prohibited by applicable federal, state or local laws.

All employees, managers, supervisors, and job applicants are guaranteed the same employment opportunities. No person, or employee, no matter his or her title or position has the authority, expressed, actual, apparent or implied, to discriminate against another employee/volunteer of St. Vincent de Paul. This policy applies while on the job or during any organization-related activity.

St. Vincent DePaul will make all recruitment, placement, selection, training and layoff decisions based solely on job-related qualifications and abilities. SVDP will administer and conduct all personnel procedures including compensation, benefits, discipline, training, recreational and social activities, and safety and health programs without regard to an individual's race, color, religion, sex, age, national origin, veteran status, or disability.
St. Vincent de Paul prohibits retaliation made against any employee / volunteer who lodges a good faith complaint of discrimination, or who participates in any related investigation. SVDP recognizes that making false accusations of discrimination in bad faith can have serious consequences for those who are wrongly accused. St. Vincent de Paul prohibits deliberately making false and / or malicious discrimination allegations, as well as deliberately providing false information during an investigation. Anyone who violates this rule is subject to disciplinary action, up to and including termination.

**Reporting Procedure**

If at any time you believe you are being subject to harassment or discrimination, or if you become aware of such conduct being directed at someone else, you must promptly notify your supervisor, supervisor's supervisor, or the General Manager.

If none of these alternatives are satisfactory to you, then you can immediately direct your questions, problems, complaints, or reports to any employee / volunteer of the organization's Employee Relations Team. You are not required to directly confront the person who is the source of your report, question, or complaint before notifying any of those individuals listed. Nevertheless, you are required to make a reasonable effort to make wrongdoing or conflict known should it exist.

All reported incidents will be investigated under the following guidelines:

- All complaints will be kept confidential to the fullest extent possible, and will be disclosed only as necessary to allow us to investigate and respond to the complaint. No one will be involved in the investigation or response except those with a need to know. Any special concerns about confidentiality will be addressed at the time they are raised.
• Anyone who is found to have violated this policy is subject to corrective action up to and including immediate discharge. Corrective action will depend on the gravity of the offense. We will take whatever action we deem necessary to prevent an offense from being repeated.

• We will not permit retaliation against anyone who makes a complaint or who in good faith cooperates in an investigation.

We strongly urge you to report all incidents of harassment, discrimination or other inappropriate behavior as soon as possible. We want to provide you with a pleasant and productive working environment, but we can't do that if these issues are not brought to our attention. Please join us in our effort to make St. Vincent de Paul an enjoyable place to work for all.

Under this section of the Policy Manual, it is recommended that St. Vincent de Paul also consider adding the following non-discriminatory policies:

**Disability Discrimination: No Tolerance**

St. Vincent de Paul prohibits, forbids, and does not tolerate discrimination against any qualified individual with a disability. All qualified individuals with a disability are guaranteed the same employment opportunities as other employees or applicants. No person or employee, no matter his or her title or position has the authority, expressed, actual, apparent or implied to discriminate against a qualified employee or applicant with a disability.

St. Vincent de Paul will make all decisions regarding recruitment, hiring, selection, training, advancement, discharge or other terms, conditions, or privileges of employment based on job-related qualifications and abilities.
St. Vincent de Paul prohibits verbal, physical, or visual conduct that belittles or demeans any qualified individual with a disability.

Violators of this policy are subject to disciplinary action, up to and including discharge, for any act of disability discrimination reasonably believed to have been committed.

**Reporting Procedure**

*Insert desired reporting procedure here.*

**Procedure for Requesting an Accommodation**

Qualified individuals with disabilities may make requests for reasonable accommodation to [reporting avenues here]. On receipt of an accommodation request, an appropriate SVDP representative will meet with the requesting individual to discuss and identify the precise limitations resulting from the disability and the potential accommodation that St. Vincent de Paul might make to help overcome those limitations.

SVDP will determine the feasibility of the requested accommodation, considering various factors, including, but not limited to, the nature and cost of the accommodation, the availability of tax credits and deductions, outside funding, overall financial resources, and the accommodation's impact on the operation of the organization, including its impact on the ability of other employees to perform their duties.

SVDP will inform the employee of the organization's decision on the accommodation request or on how to make the accommodation.
Pregnancy Discrimination: No Tolerance

St. Vincent de Paul prohibits and does not tolerate discrimination against anyone on the basis of pregnancy. SVDP will treat all applicants and employees who are pregnant the same way as any other applicant or employee with regard to job-related functions, benefits, opportunities, and purposes. No person, or employee, no matter his or her title or position has the authority, expressed, actual, apparent or implied, to discriminate against a pregnant employee or applicant of St. Vincent de Paul.

St. Vincent de Paul will not deny a job or remove a pregnant employee from a position because the employee is pregnant, considering pregnancy, or experiencing any pregnancy-related problems. The organization will make all recruitment, placement, selection, training, hiring, advancement, discharge or other terms, conditions, or privileges of employment based on job-related qualifications and abilities.

All decisions regarding a pregnant employee's placement in or continuation in a job will be based on the same consideration that governs all employment decisions - the employee's ability to satisfactorily perform the essential duties of the job in question.

Violators of this policy are subject to disciplinary action, up to and including discharge, for any act of pregnancy discrimination reasonably believed to have been committed.

Reporting Procedure

*Insert desired reporting procedure here.*
Employment Classifications and Procedures for Employment

- Consider categorizing the "Administrative/Management" employees, and "Non-Management" employees as "Exempt" or "Non-Exempt" according to their job functions and responsibilities. Job positions are categorized as "exempt" and paid as salaried personnel only if they meet one of the following five basic exempt classifications:
  - Executives
  - Administrative Employees
  - Professional Employees
  - Outside Sales People
  - Computer Professionals

- Only those employees who meet the salary and duties requirements under these exemptions can be classified as exempt. All other employees are "non-exempt" and subject to overtime pay. It is very important that employees are classified correctly.

- Additional employment classifications can be moved over into this section, which are currently listed under the paragraph entitled "Employees are hired and classified as one of the following". Under this section, consider replacing the classification of "Permanent" with the term "Regular". "Permanent" can suggest that an employee under that classification has permanent employment with St. Vincent de Paul, when in reality this is not true if considered at-will.
Procedures for Employment

1. **Application for Employment** - It is excellent that all applicants must submit a written application for employment. BRG Consulting strongly recommends that legal counsel review the application form for its legal soundness.

2. Please consider inserting the word "qualified" in the following sentence; "All "qualified" candidates [those meeting the minimum job requirements per the job description] for employment must undergo a personal face-to-face interview." Adding the word qualified may cut down on the number of applicants that must be interviewed and does not guarantee an interview to any applicant. Does St. Vincent de Paul conduct reference and background checks prior to any hiring decision? Please refer to Section III - Background Checks for a sample policy regarding this.

3. How does St. Vincent de Paul define that an applicant is a person of "good character"? SVDP must be careful in defining selection criteria for new employees. Terms that are too subjective can be viewed as discriminatory and therefore legally risky.

4. Is a complete physical examination necessary for all positions at St. Vincent de Paul? It is important that SVDP is consistent in their use of medical examinations and that their reasoning for needing the examination is legitimate in determining whether or not an applicant can perform the essential duties of the job. For example, a warehouseperson who is lifting product may need to be physically tested for the position, however, a cashier may not have the same physical requirements and therefore not need a complete physical in order to ensure that he/she can perform the duties essential of the position.

Because hiring is such an important process, much thought and care should be given to St. Vincent DePaul's hiring and selection procedures. Some additional considerations to be made during the hiring process could be:
• Does more than one person conduct interviews? Does any one person interview the same candidate more than one time?

• Are interview questions prepared in advance and created to uncover job-related information and characteristics? It is advisable that training is provided to those responsible for conducting interviews and/or selection practices.

**Job Training**

It is positive that St. Vincent de Paul recognizes and plans for New Employee Orientation. It is also a positive step that SVDP plans to provide performance evaluations to new employees / volunteers within 90 days of their date of hire. This is a critical time during which feedback between SVDP and the employee is necessary in creating a successful employment or volunteer relationship. SVDP can use this review to ensure that all training has been completed, provide the employee / volunteer feedback on their performance and provide additional training, support and encouragement if necessary.

St. Vincent de Paul is to be cautioned, however, about the language in this section regarding the 90-day Probationary Period. To further eradicate an inference of guaranteed employment after the 90-day probationary period, SVDP could again affirm the at-will status during and after the 90-days. The implication may be that it becomes harder to terminate an employee *after* the 90-day Probationary Period and that the employee is now somewhat "tenured". The reality is that Employment-at-Will rule is in effect during an employee's entire period of employment with St. Vincent de Paul and as such, an employee may be terminated at any time. St. Vincent de Paul might consider eliminating the formal "Probationary Period" while still performing performance reviews at the 90-day mark.
Performance Evaluations

Having an effective Performance Evaluation system in place is an important management tool for many reasons. If used correctly, it accurately reflects an employee's performance of their job, it allows for goals and objectives to be set for employees to work towards and it is a positive communication vehicle between the supervisor and the employee. It also provides a strong legal defense should an employee sue the organization for wrongful termination.

St. Vincent de Paul’s policy manual indicates that it performs annual reviews for all employees and volunteers. SVDP should make sure it is following up. The policy spells out the positive objectives of the performance reviews and indicates that the review will be connected to the employee's merit increases. It is important to remember that feedback should be an ongoing process. The written evaluation should be a culmination of the feedback you have given throughout the year. The goal is to have no surprises about how an employee/volunteer is doing.

Some questions for St. Vincent de Paul to consider for ensuring an effective performance evaluation system include:

• Does the organization have a standardized form and system for administering the performance evaluation? Is the form/system used consistently with all employees/volunteers?

• What kind of training is given to managers/supervisors on how to give effective performance reviews?

• Are the employees and volunteers oriented on the system as part of their new hire orientation so that they are clear as to what to expect during the performance review? Are they asked to evaluate themselves as part of this process? It appears that SVDP's current standardized process does require employees / volunteers to
sign their reviews and allows them to put their responses in writing should there be disagreements regarding the report.

- Does a higher-level supervisor review performance evaluations before the evaluation is given to the employee/volunteer?

- If corrective action is required, does the review include a clear statement of the improvements needed as well as the consequences for failure to improve performance?

- It is very important, from a legal standpoint, that performance evaluations of employees be accurate and candid. Surprisingly often, after a lawsuit has been filed, the employer discovers that the employee's performance had never been reviewed or the reviews were excessively favorable.

Because of a desire not to upset an employee, interfere with a friendship or slow an employee's advancement, supervisors frequently fail to honestly identify job performance problems orally or in writing. It is always easier for a supervisor to rate an employee as "satisfactory" or even higher than it is than to rate the employee as "unacceptable" or "needs improvement". This can certainly become a problem if an employee is terminated for poor performance, but his/her personnel file holds documents that indicate that the employee / volunteer is performing satisfactorily or better.

It is imperative that the records in the personnel file accurately reflect the employee's performance. Almost without exception, employees have both positive and negative performance characteristics, and both should be documented in evaluations. Accurate performance reviews will go a long way in protecting the organization from lawsuits that are the result of discharge for poor performance.
Policy Section Overtime

- Under the paragraph entitled "Overtime" please change the term "non-management" to "non-exempt".

- S VDP may want to include language that states all employees must request from their supervisor whether overtime hours may be worked. Granting approval for overtime allows SVDP to closely monitor overtime hours. Without authorizing overtime, the employee may not be compensated for the overtime worked.

Military Leave

Anti-discrimination language could be added:

"The SVDP prohibits discrimination against employees / volunteers on the basis of military duty, affiliation or status and requires reinstatement of an employee following military leave to the same position or a position of like seniority, status and pay, as dictated by federal and state laws. Generally, an employee will be reinstated if he or she is still qualified to perform the job duties and circumstances don't make it impossible, unreasonable or against public policy to place the employee back into the same or similar position."

Maternity Leave

The current maternity leave being offered of six months is very generous to employees. The question may be asked regarding whether or not employees can use accrued paid sick or vacation time to cover the time away from work. Also, is it true that male employees can also take the full six months?

As a national organization, St. Vincent de Paul may be required to offer time off to employees under the Family and Medical Leave Act (FMLA). This applies to entities with more than 50 employees. Eligible employees must have been employed for at least
12 months at the time the leave commences, the employee must have worked 1250 hours during the 12 month period, and the employee must be employed at a work site where 50 or more employees are employed by the employer within 75 miles of that work site.

FMLA requires most employers to grant 12 weeks of unpaid leave each year to employees for family and medical reasons. The circumstances to which this leave applies include:

- Birth of a child or placement of an adoptive or foster child
- Care for a family employee / volunteer with a serious health condition
- Serious health condition that makes the employee unable to perform the functions of the job.

In requesting a maternity/paternity or FMLA leave, St. Vincent de Paul must consider the following questions for their employees:

- How does an employee request such leave? Is there a standardized request form? Notice must be at least verbal and sufficient to make the organization aware that the employee requests maternity or family leaves. Written requests are preferable. The notice must include the anticipated timing and duration of the leave.

- Does the employee need to provide medical certification for leave? Are there guidelines for when medical certification is required? Is there a standardized form for the employee and physician to fill out which will satisfy this requirement?

- Please be reminded of the requirement to post a notice in the workplace explaining the right for family and medical leave for eligible employees.

**Work Breaks**

Nearly half the states have laws requiring employers to provide meal and rest breaks and specifying minimum times that must be allowed. Therefore, the language in this section
which says, "Work breaks are a benefit, not a right", may be incorrect. It is recommended that SVDP analyze state laws that they operate stores in and then manage this time accordingly.

TERMINATION AND GRIEVANCE PROCEDURES

Resignation: Keep in mind that employment-at-will does not require any notice at all. This section could read:

"If it is necessary for an employee to resign, St. Vincent de Paul would request that the employee submit a written notice to the General Manager..."

The policy manual indicates that there may be a penalty or loss of benefit if an employee does not give the requested notice. If this is true, these consequences should be spelled out in this section as well as being reviewed for the legal soundness of such penalties.

Disciplinary Actions and Terminations

Although the policy manual has a brief paragraph about disciplinary action as well as a list of "grounds for dismissal" actions and behaviors, St. Vincent de Paul may want to expand on this policy and process. The manual currently indicates that SVDP uses a form of progressive discipline, which is beneficial management tool. In addition to this policy, does St. Vincent de Paul have a detailed process for carrying out and documenting progressive discipline? This process could include the following components:

- A standardized form or published format for documenting all discipline conversations and meetings. This form could include not only the described events and conversations, but also a place where the employee can respond to the issue and sign that he/she has read the document. Both the employee and the supervisor should sign any documentation beyond the verbal warning
stage.

- SVDP’s current policy states that the appropriate manager determines when discipline is warranted, how long a suspension will last, or that an employee needs to be terminated. SVDP should seriously contemplate articulating and practicing collective risk management in the case of reprimand, suspension or discharge.

- What infractions are so serious that discharge is permitted with the first violation? How is this determined?

- Is there an appeals process in place for the employee? To whom? Are there guidelines to govern timeframes, methods, etc?

- St. Vincent de Paul should seriously consider training its employees (managers and supervisors) that are responsible for determining whether disciplinary measures are appropriate. It is important for the organization to show that it took reasonable steps to educate and train those administering discipline for uniformity and consistency purposes. For instance, under the termination policy, fifteen different grounds for dismissal are listed and training should be given on those grounds.

St. Vincent de Paul may want to consider incorporating the following guidelines in evaluating disciplinary and termination situations. Not every risk management procedure in the checklist will apply to each termination decision, but the organization could consider each point.

This checklist is not legal advice, but instead employment practices /employment practices risk management principles. Consult with your organization’s attorney for legal advice surrounding terminations.

Determining Discipline
Consult with the organization's legal counsel. (The attorney should be experienced in labor and employment law.)

Has the organization followed what is required by personnel policies and/or the collective bargaining agreement?

Did the organization follow its relevant progressive discipline policies?

When appropriate, follow the terms and conditions of the employee's individual employment contract.

Has the organization conducted an impartial review of the facts and circumstances surrounding the potential termination?

Has the organization considered the employee's point of view?

Has the termination decision been reviewed by appropriate levels of management?

What harmful impact did the employee's conduct or wrongdoing have on other employees, the organization, or outsiders? Consider future possible impact as well.

If little or no harm was caused, what was or could be the potential harm to co-workers, the organization or outsiders?

Has the employee had sufficient time and opportunity to correct behavior or conduct that lead to the disciplinary behavior?

Was the employee's conduct malicious, intentional or negligent?

Is the employee likely to commit future wrongdoing or misconduct?

What are the legitimate business reasons for the termination?

What do the employee's personnel record/file reflect concerning the circumstances surrounding the termination decision?

What prior notice or disciplinary documentation exists with respect to deficiencies regarding performance, misconduct and an opportunity to correct such actions?

In the event of litigation, what witnesses and documentation would be available to justify the termination decision?

How were other employees treated or disciplined for similar acts in the past?

Did the employee cooperate with investigation efforts?

If the employee committed workplace wrongdoing or otherwise violated organization rules, did the employee show remorse?
□ What is the impact of the employee's continued presence on fellow workers and outsiders?
□ What action best prevents further wrongdoing or misconduct while protecting co-workers, outsiders and providing a safe and productive work environment?
□ Is an alternative to termination appropriate in order to allow for additional time to investigate and deliberate before termination, or otherwise allow the employee's performance to "turn around"? Examples include suspension, probation, leave of absence, reassignment, demotion, or a performance improvement plan.
□ Has the organization hired or does it plan to hire another person to take over the terminated employee's responsibilities? Be prepared to explain how, when and why those arrangements were made. What are the qualifications of the replacement employee / volunteer? Are there any facts present that could suggest unlawful discrimination or nepotism?
□ Would a jury conclude that the organization's treatment of the dismissed employee was unquestionably fair and reasonable?

**Termination Administration**

□ Did the organization consult with its legal counsel (experienced in employment and labor laws) before the termination meeting?
□ All termination letters, severance agreements and other correspondence should be reviewed internally by those responsible for personnel administration and legal counsel.
□ Have those conducting the termination session received training on proper procedures?
□ Has a written outline been prepared to make sure all points are covered?
□ Has the dismissal interview been scheduled at a time that will eliminate or minimize the employee's personal contact with other employees before he or she leaves the premises?
□ Termination meeting documented (i.e., exit interview form).
□ Be careful what is said and written during the termination session. Remember that everything written could be seen by others outside of the organization (i.e., attorneys, judges, juries).
☐ Listen to what the employee has to say and write down everything for the record.

☐ Let the employee read and sign the exit interview form. If the employee refuses to sign, note the refusal on the form.

☐ Place the exit interview form in the employee's personnel file.

☐ Is it necessary to have a witness present for the termination meeting? It is recommended to have a witness present to help corroborate what was said to reduce exposure to defamation claims and also protect against violence.

☐ Prepare documentation and other materials for presentation during the meeting and be prepared to explain. Examples include severance agreements and releases, confidentiality agreements, final paycheck, and particulars of compensation and benefits.

☐ Has the organization considered whether outplacement counseling is appropriate?

**Other termination issues for consideration:**

- There are questions that could be asked in the exit interview that may reduce exposure to liability for employment practices claims. Sample exit interview questions include:
  - Do you know of any unreported workplace related accidents or injuries involving yourself or others?
  - Do you presently suffer from an injury that is work-related?
  - Did you understand the organization's policies and reporting procedures / grievance procedures?
  - Did you experience sexual harassment during your service with the organization?
  - Did you experience any verbal or physical harassment while on duty as an employee / volunteer or during any organization-related activity?
Did you believe you were discriminated or retaliated against because of your race, color, gender, age, place of national origin, religion, status as a veteran, for filing a workers' compensation or disability claim, or for having a disability? If so, how and why?

Were you ever denied benefits that you were entitled to receive?

**Grievance Procedure**

It is important for St. Vincent de Paul to have a strong grievance process in place in order for employees to have appropriate avenues within which problems can be brought forward and resolved. St. Vincent de Paul may consider expanding their current policy to address the following issues:

- The current policy requires that the employees take their grievance to their own manager's attention as a first line of reporting. It then states that if the employee isn't satisfied with the manager's action that the matter is then taken to the General Manager, with the first manager's knowledge. If the grievance concerns the employee's supervisor, can the employee / volunteer take the grievance to the General Manager as an initial report? Having to confront a supervisor that the employee does not feel comfortable in dealing with can result in non-reporting of a problem, continued animosity and possibly future problems as well.

- What training is provided to the supervisors in responding to grievances? Is the training documented? Is there a guideline for resolving grievances?

- SVDP should be prepared to differentiate between employees that bring issues forward through the formal grievance procedure and those employees that may want an issue resolved* but do not want to use the formal grievance procedure.

- Is there a time frame within which an employee needs to bring forth a problem in order for it to be addressed? Is there a time frame identified for supervisors to respond back to the employee?
• Is collective decision-making practiced in this area? SVPD should consider utilizing an Employee Relations Team in responding to formal grievances in order to avoid the appearance that one manager, supervisor, General Manager, or Executive Director can play "lone ranger" in resolving a problem unfairly.

Sexual Harassment - Section 1B

• SVDP's section on sexual harassment is an excellent educational tool for those responsible for managing this risk. Section 7B is an instrument that appears to be geared towards store managers and General Managers due to the comprehensiveness and formatting of the material. Thus, the Section overall is a detailed tool for a targeted audience. A challenge for SVDP is determining which pieces of Section 7B should be disseminated to the majority of employees and volunteers. The information communicated to the majority of the workforce should be in a format and language that is easy to understand. Sections I - VI are excellent in content. SVDP must "pull out" pertinent information contained therein, and disseminate to relevant personnel. The current format could "hide" the important content, which is certainly not SVDP's goal.

• Section 7B (VII) - Sample Policy
  ➢ VTI (4) Non-Retaliation - Consider the following sample language for enhancement of the current policy:

    Non-Retaliation - More comprehensive non-retaliation language - 
    "SVDP prohibits retaliation made against any employee / volunteer who lodges a good faith complaint of sexual harassment, or who participates in any related investigation. S VDP recognizes that making false accusations of harassment in bad faith can have serious consequences for those who are wrongly accused. SVDP prohibits deliberately making false and / or
malicious harassment allegations, as well as deliberately providing false information during an investigation. Anyone who violates this rule is subject to disciplinary action, up to and including termination."

- SVDP should address harassing behavior that may occur among employees or supervisors while off-site or during some activity related to work (i.e., two employees attend a conference and harassment allegedly occurs). Consider the following sample language: "SVDP does not tolerate sexual harassment in the workplace or during any Organization-related activity."

- **Section VII (7)** - Consider enhancing this subsection by including the following examples of sexual harassment: e-mail or voicemail messages; leering; stalking; intentional, malicious, or unwelcome physical conduct of a sexual nature, including, but not limited to touching, pinching, patting, brushing, massaging someone's neck or shoulders and/or pulling against another's body or clothes; or physical assaults on other employees or volunteers, including but not limited to rape, sexual battery, molestation, or any attempt to commit such acts.

- **Section VH (9) (A)** - SVDP must be careful about the language in this subsection. Requiring in the policy that the alleged victim of harassment confront the "offending person(s)" and communicate that "such conduct is not welcome and should be stopped" could be problematic. An alleged victim of harassment could argue that this requirement is so intimidating that the end result could be non-reporting through internal avenues of communication. Again, open reporting is the goal for SVDP and any real or perceived obstacles to internal reporting should be evaluated. Consider the following sample language for enhancement

  **Non-Confrontation** - You are not required to directly confront the person who is the source of your report, question, or complaint before notifying
any of those individuals listed. Nevertheless, you are required to make a reasonable effort to make wrongdoing or conflict known should it exist.

**Section VII (D) - Procedure to follow - 7 steps to handling a sexual harassment report:**

This section gives management detailed steps for handling a harassment allegation. In balancing this subsection with the sample Reporting Procedure (9A), it is recommended that SVDP provide a clear sample reporting process that allows employees and volunteers to circumvent those persons that may be the source of the complaint. Subsection VIIB and the "7 steps to handling a sexual harassment complaint" could do a better job in communicating this open reporting ability afforded to employees and volunteers.

**Section VII (10) - Contacts**

This subsection provides a good list of available contacts for reporting harassment. This should be the main portion of the Reporting Procedure for all employees and volunteers.

**Issues for consideration for enhancing the sample Sexual Harassment policy:**

- **Unintentional Harassment** - What about unintentional harassment? "Even conduct that is intended to be "innocent" may still constitute sexual harassment if it falls within the terms of this policy. If any employee / volunteer express concern that your behavior may have violated this policy, please respect his / her concerns. Regardless of your intent, how others interpret your behavior is important. This policy is not meant to interfere with or discourage friendships among employees / volunteers. However, employees / volunteers must be sensitive to acts or conduct that may be considered offensive by other employees / volunteers."

- **Third-Party Investigator** - SVDP reserves the right and hereby provides
notice that third parties may be used to investigate sexual harassment claims.
SECTION III

ADDITIONAL POLICIES / PRACTICES FOR CONSIDERATION

In an effort to further reduce risk, St. Vincent de Paul should consider the following sample policies and additional practices as means to enhance its commitment to employment practices compliance.

1. **Electronic Communications Systems Policy**

   It is not clear in reading the Store Operations Manual whether employees/volunteers are given access to computers, software, e-mail or the Internet. For those with access, St. Vincent de Paul may consider implementing the following sample policy (or individual sections as appropriate):

   "Electronic communications, including the contents of SVDP owned computers and telephones are the properties of St. Vincent de Paul. This policy is meant to set forth guidelines regarding access to and disclosure of information / messages sent or received by St. Vincent de Paul employees or volunteers using the system. This policy may be changed at any time. The Internet, electronic mail (e-mail), phone mail or any other communication or information system of St. Vincent de Paul is not to be used in any way that may be disruptive, offensive to others, or harmful to morale.

   **Generally:** St. Vincent de Paul treats all computer files, including e-mail sent or received, as organization-related information. SVDP has the capability and reserves the right, with or without notice, to access, monitor, review, copy, and / or delete any computer files, including e-mail sent or received, and all web site communications and / or transactions. If employees make incidental use of the computer system for personal files or e-mail, employees should not expect personal files or e-mail to be protected from review by the organization.
Accordingly, employees should not use computer systems to create or transmit any information they wish to keep private.

St. Vincent de Paul computer systems shall not be used to solicit for commercial ventures, religious or political causes, or outside organizations that are not authorized by SVDP.

Employees are prohibited from playing computer games (i.e. video games) while using SVDP owned computer systems.

**E-mail:** When transmitting messages via e-mail, employees should consider that persons other than the addressee can read e-mail messages and that the message may be later disclosed to outside parties or a court in connection with litigation. Because of these concerns, St. Vincent de Paul employees are required to maintain the highest standards of discretion and professionalism when transmitting e-mail.

Use of the computer system to engage in any communications that are in violation of this or any St. Vincent de Paul policy is strictly prohibited. St. Vincent de Paul prohibits the display or transmission of sexually explicit images, messages, cartoons, or any transmission or use of communications that contain profane or offensive language, ethnic slurs, racial epithets, or anything that may be construed as harassment or disparagement of others based on their race, color, national origin, gender, age, disability, religion or political beliefs.

**Internet:** St. Vincent de Paul provides employees with access to the Internet for organization-related purposes. St. Vincent de Paul has the capability to review website access. Employees should not have any expectation of privacy regarding the web sites accessed through the organization computer system. Computer systems may "leave tracks" at web sites visited. Any incidental use of the Internet for personal use must be conducted with the highest levels of professionalism. Employees are
prohibited from downloading computer programs, graphics, etc. without their supervisor's prior approval.

**Software:** St. Vincent de Paul prohibits the unauthorized use of software. The organization expects its employees to conduct themselves responsibly in this regard. Employees should refrain from making or using unauthorized copies of software programs.

**Termination:** Upon voluntary or involuntary termination of service with SVDP, employees may not take any computer-related programs, files, or materials for personal possession. Again, all computer-related materials are the property of St. Vincent de Paul. Upon termination, St. Vincent de Paul may shut-off the former employee's computer systems.

**Reporting Procedure**

- **St. Vincent de Paul may wish to consider the following sample Acknowledgment Form:**

  **Electronic Communication System Employee Acknowledgment Form**

  I understand that all electronic communications systems and all information transmitted by, received from, or stored in these systems are the property of St. Vincent de Paul. I also understand that these systems are to be used solely for organization-related purposes and not for personal purposes, and that I have no expectation of privacy in connection with the use of this equipment or with the transmission, receipt, or storage of information in this equipment.

  I agree not to use a code, access a file, or retrieve any stored communication unless authorized. I acknowledge and consent to St.
Section 5: Employee Relations

Vincent de Paul monitoring my use of this equipment at any time at its discretion. Such monitoring may include printing up and reading all e-mail entering, leaving, or stored in these systems, tracking Internet usage, and listening to my voicemail messages in the ordinary course of operations.

Name of Employee [Please print]

Employee's Signature Date

Name of SVDP Witness [Please print]

Signature of Witness Date

II. Substance Abuse Policy

St. Vincent de Paul is urged to develop a policy on Substance Abuse. Some topics you might consider include:

• Prohibit possession, use or being under the influence of controlled substances.

• Include "organization-related activities" in addition to just prohibiting substance abuse on SVDP premises.

• Develop a written policy on how to deal with employees thought to be "under the influence of alcohol or controlled drugs"? What are the consequences to testing positive for drugs or alcohol?

• Consider what drug/alcohol testing will be done - Pre-employment, Reasonable Suspicion, Post Accident and what parameters surround each type of testing.
• Train supervisors on the policy and how to carry out the steps of the policy.

• Provide assistance programs (i.e., EAP / Employee Assistance Program) to all employees.

• Provide training to all employees and volunteers regarding the substance abuse policy.

• Address the use of Prescription Drugs. Consider the following sample language:

**Prescription Drugs**

• Employees who are taking prescription drugs on the advice of a physician that may affect their performance or have adverse side effects should immediately discuss their situation with [reporting avenues here] and obtain written permission before reporting to work. Such employees are responsible for disclosing to one of the before mentioned persons the possible side effects of the prescription drug on work performance and the expected duration of its use. SVDP will then decide whether a reasonable accommodation is necessary under the circumstances until the side effects of concern no longer exist.

• According to the store Operations Manual, St. Vincent de Paul presently does not make an EAP program (Employee Assistance Program) available to its employees. EAP's provide employees with a confidential professional counseling service for personal matters including:

  ➢ Depression
  ➢ Loneliness
  ➢ Substance abuse
  ➢ Family relationships
  ➢ Marital problems
Elder care and child care
Mental health problems
Financial matters

For personnel that would subscribe to the EAP service, St. Vincent de Paul must clearly communicate the intended purpose of the EAP system and differentiate it from internal reporting of workplace wrongdoing (harassment, discrimination, retaliation, internal theft, fraud, substance abuse on the job, violence or threats of violence, workers' compensation fraud, etc.). This should be clearly communicated through periodic dissemination of policies and awareness meetings. Overall, SVDP cannot advertise its EAP service as the central source for employees to report workplace risk and wrongdoing including sexual harassment or job discrimination ("legal matters") or drug and alcohol use on the job or during organization-related activities.

Many EAP providers make the mistake of advertising an EAP as a source to report legal matters and job-related harassment or discrimination. Encouraging employees to use the EAP for reporting such issues can create reporting nightmares. Consider the following example:

Lisa feels she is being sexually harassed on the job. After reading the EAP provider's literature regarding "legal matters", she feels she should report organization-related harassment to the EAP. Lisa reports the alleged harassment, related depression and emotional distress to the professional EAP counselor. As set forth by the EAP policy, St. Vincent de Paul is in no way informed of Lisa's report. Shortly thereafter, Lisa becomes more frustrated at work by the harassment and quits her job without informing the organization directly of any problems. Lisa subsequently sues the organization for allowing a hostile environment based on sexual harassment and her claim requests compensatory, emotional distress and punitive damages. Lisa claims she simply followed St. Vincent de Paul’s EAP policy by utilizing the EAP for "legal problems". The end result is obviously not advantageous to the organization.
• St. Vincent de Paul must also be careful about referring any employee / volunteer to a substance abuse assistance programs. The organization should, if at all possible, wait until an employee / volunteer requests such assistance before referring a substance abuse recovery program. An EAP or other substance abuse program serves as a tremendous employee benefit but can create problems for organizations that refer individual employees to use the service. The Americans with Disabilities Act (ADA) and Washington Law Against Disabilities (WLAD) make it unlawful to discriminate against an employee or applicant based on real or perceived disabilities. The employee / volunteer or applicant's mental or physical condition or disability need not exist in fact. This is very important for the organization to keep in mind when informing its employees of an EAP or other assistance program. Consider the following example:

Bob supervises Tim. Bob observes Tim interacting irregularly with his coworkers. Tim has been emotionally overreacting to work-related tasks. Bob, being empathetic to Tim, tells him of an assistance program available through St. Vincent de Paul if "he needs to talk to a counselor or some other physician about his stress and other emotional issues." This type of good faith interaction between a supervisor and employee could lead to disability discrimination allegations. Tim could argue that Bob made an assumptive and inappropriate conclusion that he needed psychiatric or other medical help for a mental disability, as demonstrated by the referral. The best advice for the organization is to widely and periodically distribute information about its assistance programs to all employees, but shy away from referring the assistance programs directly to individual employees.
3. AIDS Policy

St. Vincent de Paul should consider the following sample policy language:

"St. Vincent de Paul recognizes that employees with a life-threatening illness such as AIDS may wish to continue their employment or service and, in fact, that continued employment or service may be therapeutically important to their recovery process. St. Vincent de Paul also recognizes that it must satisfy its legal obligation to provide a safe work environment for all employees and other visitors to our premises. As long as employees who have AIDS are able to maintain acceptable performance standards in accordance with established St. Vincent de Paul policies and procedures, and the weight of medical evidence continues to indicate that AIDS cannot be transmitted by casual workplace contact, employees with AIDS will be permitted to continue to work.

In determining such an employee's ability to continue in employment or service, St. Vincent de Paul will consider making reasonable accommodation to the employee's condition, consistent with applicable federal, state, and local laws.

If you have AIDS or any other life-threatening illness, please contact your [desired reporting procedure here]. St. Vincent de Paul will provide you with information about the illness and about programs that are available to assist you and your family. Further, St. Vincent de Paul will take all reasonable precautions, to the maximum extent possible, to ensure that the information about your condition remains confidential.

St. Vincent de Paul will also determine what information should be obtained from your physician so that the organization can explore the types of possible reasonable accommodations that may recommended for you, consistent with the business needs of your organization, established policy, and applicable federal, state, and local laws.

4. Employee Protection Line®
St. Vincent de Paul should consider implementing a third-party reporting mechanism that its employees can access 24 hours a day and 7 days a week to report workplace risk or wrongdoing. Such reporting programs serve as an important employee benefit and can be crucial in establishing a strong defense in the event of a lawsuit. If interested, CBRMS would recommend The Employee Protection Line® ~ an alternative reporting mechanism if employees have real or perceived fears about internal reporting. As a CBRMS affiliate, SVDP is eligible for reduced implementation rates.

The Employee Protection Line® is a toll-free reporting line and serves as an employee benefit. Implementing the service may strengthen the organization’s legal defenses if an employee fails to report alleged wrongdoing during employment or service and instead waits until the employment or service relationship is severed to make an allegation of wrongdoing. Labor Consultants of America (LCOA), a national risk management organization, provides this service and CBRMS can assist St. Vincent de Paul with implementation.

All reports made on The Employee Protection Line® are sent the next business day to the organization's designated internal response team that promptly responds to the report.

Importantly, two risk management checks are conducted when a report is made. First, LCOA conducts an emergency check. If the report made on the line involves any threat of imminent bodily injury or harm, the organization's designated emergency contacts are notified immediately. Secondly, if the threat does not qualify as an emergency call, the employee's call is transcribed and sent to St. Vincent de Paul’s designated internal response team the next business day to enable a prompt and effective response. At this point the conflict check is performed by the LCOA. If an employee of the organization's response team is named directly in the employee's call, LCOA conflicts the named Team employee out of the response process. That is, the Team employee named will not receive a transcribed report.
Instead, only neutral employees of the Team will receive the reports. This protects the employee caller as well as the integrity of St. Vincent de Paul’s follow-up process.

5. **Employee / Volunteer Relations Training**

St. Vincent de Paul supervisors should be trained on employee relations processes to ensure uniformity throughout the organization. This systematic Manager's Training program should cover evaluations and other employee relations systems like commendations, warnings, counseling, reprimands, suspensions and terminations as well as cover topics like harassment, discrimination, violence, theft, family and medical leave and disability. In addition, SVDP should institute comprehensive training programs for its employees, supervisors, management team, and the team that investigates allegations of workplace risk and wrongdoing.
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6. Violence / Threats of Violence

Consider the following sample policy:

St. Vincent de Paul is committed to providing a safe work environment. St. Vincent de Paul prohibits and does not tolerate violent acts or threats against volunteers, employees, visitors, guests or other individuals within its facilities or during any organization-related activity.

Violence may be described as verbal or physical threats, intimidation, and / or aggressive physical contact. Prohibited contact includes, but is not limited to the following:

- Intimidation, harassment, assault, battery, stalking, or conduct that causes a person to believe that he or she is under a threat of death or serious bodily injury.
• Inflicting or threatening injury or damage to another person's life, health, well-being, family or property.

• Possessing a firearm, explosive or other dangerous weapon on organization premises or using an object as a weapon.

• Abusing or damaging organization or employee property.

• Using obscene or abusive language or gestures in a threatening manner.

• Raising voices in a threatening manner.

Because of the potential for misunderstanding, joking about any of the above conduct is also prohibited.

Violators of this policy are subject to disciplinary action, up to and including discharge, for any violation reasonably believed to have been committed. Violations of this policy may also result in arrest and/or prosecution.

**Reporting Procedure Inserted Here**

7. **Employee / Volunteer Acknowledgment**

Signed acknowledgments are crucial for the defense of St. Vincent de Paul in the event of an employment practices claim. It is important for the organization to consider what exactly its employees are acknowledging on the corresponding form. A common problem that arises with Policies and Procedures Manuals is that an organization is asking a great deal of employees and volunteers to be responsible for every word of such a lengthy document. Thus, it is smart risk management to pinpoint the most important policy information, from an employee protection and
liability prevention standpoint, that the organization would like the employees to read, understand and acknowledge their understanding.

Also, St. Vincent de Paul should make sure that its employees and volunteers acknowledge their understanding of S VDP personnel policies, reporting procedures, and agreement to report internally if they are personally subjected to workplace wrongdoing.

The form could include the following sample employee/volunteer acknowledgments:

- Read (or have been read) and understand the personnel policies prohibiting workplace wrongdoing and the corresponding reporting procedures.

- Understand how to report workplace wrongdoing and that there are several avenues of internal complaint available.

- St. Vincent de Paul has provided the employee/volunteer with the names of the individuals to contact within and outside the organization that are designated to respond to allegations of wrongdoing.

8. Background Checks

Uniform hiring / selection practices that include background checks can help avoid negligent hiring / selection claims. The claim of negligent hiring is a recognized common law employment claim. Under this cause of action, the organization is required to select employees that will not endanger fellow employees, volunteers, citizens or other third parties the employees may foreseeably come into contact with. In general terms, St. Vincent de Paul may be liable for negligent hiring / selection where it is established that: (1) the organization knew or should have known that the employee in question had a particular unfitness for the position as to create a danger of harm to employees or other third parties; (2) such unfitness was known or should have
been known at the time of hiring or selection; and (3) the unfitness proximately caused the claimed injury. St. Vincent de Paul should educate its hiring / selection managers about this exposure to liability, which can also lead to injury. An example would be if the organization didn't conduct a reasonable background check on an applicant that later, as an employee, commits violence against a co-worker.

9. Concealed Weapons Policy

SVDP could consider implementing a Concealed Weapons policy. Sample policy language is as follows:

SVDP prohibits, forbids, and does not tolerate weapons on SVDP property, or during any organization-related activity.

Weapons include visible and concealed weapons, including those for which the owner has necessary permits. Weapons can include firearms, knives with a blade longer than three inches, explosive materials or any other objects that could be used to harass, intimidate, or injure another individual, employee, volunteer, manager, or supervisor.

Violators of this policy are subject to disciplinary action, up to and including discharge, for any violation reasonably believed to have been committed.

Reporting Procedure
10. Access to Personnel Files

Development of a policy, with specific reasons to access personnel files, would be beneficial.

- SVDP should be prepared to answer the question, "Who has access to personnel files?"

- May an employee photocopy the contents of his or her personnel file? This question is often asked of employers and the organization may consider addressing the issue up front. Generally, employees are allowed to have a photocopy of the contents of their personnel file. However, this varies state-to-state and St. Vincent de Paul should be aware of each individual state's requirements and protections for personnel records.

11. Confidential Information

Consider the following sample policy for confidentiality issues:

"In the course of performing your job with the SVDP, you may be exposed to confidential information about SVDP. Confidential information includes files, financial information and other organization-related information and procedures. Personal information about other employees and volunteers is also confidential. Such information should not be discussed or disclosed to anyone outside the organization. If you work in sensitive areas, additional restrictions may be imposed. Violation of this policy may result in disciplinary action, up to and including termination, criminal prosecution and civil action."
SECTION IV
CONCLUSION

St. Vincent de Paul does an admirable job in working to provide a thorough Store Operations Manual. It contains a great amount of information that is important to opening and operating a successful St. Vincent de Paul Thrift Store. The Store Operations Manual itself is well organized and it is easy to locate pertinent information.

In separating out the Employee / Volunteer Policy Manual (Section 7) from the Store Operations Manual, St. Vincent de Paul could consider reformatting the manual and adding to the information contained therein. Although there is a lot of helpful information in this section, its organization could be more user-friendly. Having a thorough and well-structured employee / volunteer policy manual is important in achieving strong personnel practices. SVDP could consider offering a sample employee / volunteer policy manual that is formatted for easy customization and implementation. The current formatting of Section 7 is more educational, rather than as an employee / volunteer manual template.

BRG Consulting has attempted to focus on the areas of high employment practices risk to St. Vincent de Paul and provide helpful resources to enhance personnel relations and lower their risk of claims or losses. The Priority Table found in the introductory section of this report helps to prioritize which policies or practices could be tackled first.

As identified in the Priority Table, the high priority policy areas are as follows:

- Sexual Harassment policy;
- Equal Employment Opportunity and Anti-Discrimination policies;
- Disability Discrimination;
- Accommodation Request Procedures;
- Personnel Evaluations;
- Disciplinary Actions and Terminations;
- Grievance Procedures
- Clarifying reporting avenues and making it easier to locate within the policy manual.
By adding these policies / procedures and communicating and training all employees / volunteers on them, St. Vincent de Paul could greatly enhance its employment practices compliance efforts.

Lastly, a continuous improvement model should be applied to St. Vincent DePaul's employee / volunteer relations programs. That is, all facets of SVDP's programs must be continuously monitored, improved upon, and SVDP must learn from its own history of dealing with personnel issues and take advantage of educational opportunities.
SECTION 6: PUBLIC RELATIONS

Society of St. Vincent de Paul Thrift Stores are the most visible portion of our Society in our communities and to the entire country. Because of this visibility, we as Vincentians will be viewed in the light of how we represent ourselves, our stores, our customers and our communities. As Vincentians, we have the opportunity to spread our good works in our communities by using store operations as an avenue of communication.

Public Relations

Through our stores we have a service to offer our communities. To be able to offer this service, though, we must tell others who we are and what we do. A store that does not reach out to its community will not be successful.

What are Public Relations?

Public relations are one of the most basic, yet most often overlooked aspects of business operations. It requires everyone involved in the store’s operations to work together to present a consistent message of caring to the community.

Public relations at its most basic are simply the interaction between the Society and its members, and members of the public. The image of the Society presented by every store and its employees has an effect on the overall image the community has of us, both locally and nationwide. Public relations can be as simple as a smile and a friendly greeting to a customer walking in your store, or as involved as providing a guest speaker on local news show to talk about the Society and the needs of those who depend on us.

In its most simple form, your PR efforts should center on letting the right people know where your stores are, what your special works projects are doing and how they can help.

Effective public relations can benefit the stores by:

1) Influencing people to join SVDP conferences.
2) Spread the word in your community about your store.
3) Increase the number of customers in your store.
4) Increase the number of donations received.
5) Present a positive image of the Society to the community.
6) Build name recognition for the Society.
7) Add new agencies to your voucher program or increase the usage of vouchers in your area.

What Do We Say?

Determining what you want to communicate through your PR efforts is just as important as how you communicate it. In order to promote your stores, you need to know what to promote, and the members of your store committee or your board who have contact
with the media in the name of SVDP must be familiar with the message you are trying to convey.

The best way to find out what you need to communicate is simply to listen to your customers. Can they find what they are looking for? Are your prices too high? Do they leave unhappy with the store? Why? How did they find out about the store? What do they think needs to be improved? Answers to these types of questions can help you determine what you need to be communicating.

Take a small survey of your customers, volunteers, employees, or whatever group you are trying to reach. It doesn't have to be a fancy written survey, just ask the questions and jot down notes on the answers you receive. You might be surprised to find that what you as a Vincentian think is a problem might not be the actual problem at issue.

How Do We Do It?

The best person to handle public relations—whether they are an employee or a volunteer—is someone who is a good writer, is outgoing, creative and is good with people. Finding someone with those qualities is just the first step. Many times you can find a college student majoring in public relations, communications or journalism through your local college or university who would like the opportunity to put into practice what they've learned. Check with your local United Way or professional PR and/or marketing association to see if they can help match you with a PR volunteer. Many PR agencies encourage their employees to do pro bono (free) public relations work for local non-profits.

**Your PR person should be responsible for the following:**

1) Establish and maintain contact with reporters, editors and other news media representatives.

2) Provide the news media with information about special events, photos and news releases; arrange interviews with SVDP spokespersons to promote special works projects and/or suggest topics for local news that will help the Society in its work.

3) Keep track of SVDP coverage by the news media. Maintain a file of clippings or cassettes & video tapes of interviews done by Society spokespersons or about the Society.

4) Collect copies of news stories on the Society or on issues affecting the Stores Operations that might need to be addressed and forward that information to the appropriate people.

**Methods to Use**

Good, effective public relations incorporate many methods to tell the Society's story. Advertising, press releases, public service announcements on TV, brochures, flyers, special events and donation drives, speaking to community groups, parish bulletin announcements, and many other methods can be utilized to help communicate your message.

Eighty percent of your public relations efforts should be free—as in non-paid. If it's paid, it's not PR, its advertising. There are many, many ways to get your message out without having to pay for advertising. Daily and weekly newspapers, radio and TV are always looking for stories to cover. Many of those stories are found through news releases.

The news media have a lot of space and air time to fill each day, and a well-prepared news release can obtain some of that space or air time for you. Reporters and editors rely on
news releases for story ideas and information, but they decide on their own what is or is not news. Their decisions are based on many factors, most of which are not under your control.

The amount of coverage you can expect to receive depends on the size of your community and the type of media you are trying to have attended. In a major metropolitan area like Chicago, with millions of residents, you will most likely get less attention from the media than if you are in a community of 50,000 people. If you are in a large city with multiple newspapers, your best bet will be the neighborhood weekly and suburban papers. These papers have much smaller staffs than the large metro dailies and really depend on community news releases.

What is News?

The fact that your thrift store is open on Monday is not news, nor is it news that you are having a sale. Hundreds of thousands of stores are open on Mondays and have sales. However, if your store is going to stay open for 24 hours on Monday to have a Dusk to Dawn sale, with everything selling for a quarter from 6 pm to 6 am that makes it more unique and interesting and therefore more likely to be "news".

Special events or fund raising programs are not likely to attract the news media unless there will be a "name" there, a celebrity or high-ranking public official in attendance.

Don't make the fatal mistake of expecting coverage of your special event because you buy advertising in the paper. "News" doesn't work that way.

Examples of "news":

1) Thrift stores provide $500,000 worth of clothes free to 2,000 people in Hometown in 1997.
2) The strangest donation you ever received.
3) Cars donated for charity.
4) "Bundle Sunday" donation drives.
5) Emergency winter weather coat collection/giveaway.

Hand out flyers, distribute church bulletin inserts, put posters in store windows, put brochure stands on counters and on top of candy machines, submit items on volunteers/donations needed for broadcast on local radio & TV stations or even use public access (free) cable time to produce your own show or be a guest on someone else's show.

There are many ways to reach out to your community. Call and write associations, community service groups, businesses, unions, churches, or anyone else that might donate goods, money or their time.

Paid Advertising – Why Do It?

In some cases, the benefits of paid advertising will outweigh the cost. Many times, if you pay for the printing and layout, companies that are in advertising will sponsor, or pay part of your expenses, such as distribution and set-up charges. Examples of this type of advertising are signs on city buses and bus stops, billboards, trade journals and specialty newsletters, and inserts and/or advertisements in community newspapers.

Signs
The national logo of the Society should be used whenever possible on all ads, flyers and signs as a way for people to be able to identify the Society. Our stores, trucks and drop boxes are permanent, high visibility advertisements. The more visibility, the more donations – if our level of customer service is also high. Taking good care of our customers is the best public relations of all.

**Getting Your Information to the News Media**

The most basic method of getting your news to the media is to write a news release. A news release is just a format for presenting your information in a way that editors and reporters working under the pressure of a deadline can utilize without a lot of rewriting.

A good press release will be double-spaced, no more than two pages (one is better) with day and evening phone numbers of a contact person, and is written in what is known as "inverted pyramid style". This style puts the most important fact in the first or "lead" sentence, with supporting information in the following paragraphs in their order of importance.

Each following paragraph should contain information that is less important than the one that precedes it, until you get to the end of your information. This ensures that a quick editing job at a newspaper won't cut out the most important part of your story.

**The inverted pyramid style of writing:**

```
Lead – indispensable facts
  Supporting fact #1
  Supporting fact #2
  Supporting fact #3

Boilerplate
  Info
```

By using this style, an editor can literally "cut" less important facts out of your story if there isn't enough room to include everything without leaving out the most important information – because that's in your lead sentence!

**A good press release is simply a matter of answering the following questions:**
What is the event?
Who is sponsoring the event?
Who is participating?
When is it happening?
Where is it happening?
What time is it happening, and for how long? Why are you having this event? (Why is it news?) Who can the reporter call for more information?

Your subject matter should be clear but catchy, to catch the reader's interest. Be brief and factual, but don't try to cover everything you are doing. If the editor thinks it’s newsworthy, a reporter will be assigned to follow up on your news release and expand on your information.

Your press release should always end with your "boilerplate." The "boilerplate" is information that should be included in every news release. It is a basic description of what the Society is and how you can be contacted. It could read like this:

"The Society of St. Vincent de Paul is an international Catholic lay organization and has been active in serving Chicago since 1857. In addition to distributing free clothing, blankets and other items to those in need, the Society operates four family thrift stores in the Chicago area. For more information or to arrange a donation, call the Society at 773-378-8022."

A good news release follows these guidelines:

- Make sure the release has "news value."
- It should be dated and contain a contact person's name, title and day and evening phone numbers. A pager number is helpful if you are the contact person and you are gone a lot.
- Include a headline that is clear and concise.
- Keep your sentences short and simple.
- Provide enough details, but don't cram in absolutely everything.
- Use "- More -" at the bottom of the page if you have more than one page.
- Use "- 30 -" or "## #" at the bottom of the page to signify that it is the end of your news release.
- Double-space your release and use wide mar-gins.

It is also helpful if you target your release to a particular reporter or editor. If you want to promote the fact that you have a children's sale going on in late summer, try pitching a story on Back-to-School fashions that can be found in your store to the fashion editor at your newspaper.

A good way to do this would be to contrast the price of a complete outfit at your store to the cost of an outfit at a local big-name department store. An accompanying photo of a young child modeling an eye-catching, fashionable thrift store-bought outfit can also help.

The following is a basic example of a news release for Society of St. Vincent de Paul Address
How to Write PSA's

Public service announcements, or PSA's, are the community event items you hear on the radio or see on TV stations' Community Calendars. In order to obtain their licenses, TV and radio stations are required by the Federal Communications Commission to use a certain amount of airtime for community benefit. That airtime is used to air announcements of events happening in the community, and is tailor-made for promoting the Society's special works projects.

PSA's should be brief, either in 10, 20, 30 or 60 second formats, depending on what format the station uses. Just write them in the same format that you would for a news release. Call the station well in advance of your event to determine the format, as many stations require as much as 30 days lead time.

Media Kits

A media kit is a folder of information about the Society that you should have ready in case an opportunity arises to speak to a public relations person.

**The basic media kit should contain the following information:**

1) A news release on whatever event you are currently promoting.
2) A fact sheet on the Society's history internationally & in the U.S.
3) A fact sheet on the Society's history locally.
4) A calendar of major events for the Society, including special collections and distributions.

5) Names and telephone numbers of the Archdiocesan President, the Stores Operations Executive Director or General Manager, the Society's PR person (if any) and any other person who can speak for the Society.

6) Copies of clippings of good articles about the Society.

7) Photos of volunteers at an event.

8) Any brochures the Society may have.

9) A sheet listing the addresses, phone numbers and hours of operation for the thrift stores and office.

**Interviews**

When doing an interview keep in mind the fact that you are being recorded. Make an effort to speak calmly and slowly – but not too slow. Nervous people tend to speak quickly, which makes it difficult to understand what you are saying. It helps if you know what you are going to be asked about beforehand.

If it is a TV interview, let your hands move freely, but try to keep them from touching your face or hair, especially for women who wear bracelets or rings. The reflection of the studio lights off of your jewelry can be distracting to the TV audience.

Look at the interviewer or other guests on the talk show, if any, when they speak. Try to ignore the camera. Sit straight and relaxed, but don't slump or swivel the chair. Remember, they interview many people during the course of a year, many of whom have never been on TV before either.

In both TV and radio interviews, try to say "St. Vincent de Paul" instead of "we" as much as possible. It's difficult for people tuning in after an interview has started to figure out who you are if you don't say the Society's name.

For a scheduled interview on TV, ask the interviewer if there is anything you should or shouldn't wear, such as colors or types of clothing. Remember, TV is a visual medium, and you want to be prepared. The better prepared you are, the more relaxed you will be.

**General Tips**

Whenever you call a news media outlet, the first thing you should do is ask if they are on deadline. If they are, ask when it would be a good time to call back. Don't attempt to talk to them then; they don't have time to listen.

Keep your calls short and to the point, and have all your facts before you call. Knowing what you are going to say before you call will make you more confident.

Be familiar with the paper or station you are trying to get your information to so that you aren't wasting your time with an inappropriate outlet. Information you are trying to get to parents of young children isn't going to reach them if 80% of Radio Station XYZ-FM's listeners are in the 50+ age group.

Develop a media list for your coverage area. There are several directories for news media that can be found in the reference section of your public library that list stations and
newspapers, contact names, phone numbers, advertising rates, deadlines and anything else you might need to know about the news media in your area.

There are also many publications available to assist non-profits and small business owners with handling their own PR and marketing available from the public library or your local bookstore. The reference librarian or the communications or journalism departments of your local college or university might also be able to point you in the right direction.

If you want to send in pictures for publication, black-and-white is best, but color photos with a good contrast between light and dark colors can work. Don't submit photos you can't afford to lose, and make sure to label the back of the photo with an adhesive sticker with the subject, your name, the Society name and your phone number on the back. This way, if it gets separated from your information, the reporter knows who it belongs to. Also, write on the label before you put the label on the back of the photo, or you could ruin it.

**Crisis Communications**

Despite everyone's hard work and good intentions, one day a crisis will happen. Something that can cause negative publicity about the Society will happen and when it does, you must be prepared to handle it. Bad news always spreads faster and farther than good news, and it leaves a near-permanent impression. How you handle a crisis can determine the severity of the damage to the Society's reputation. Once lost, a reputation can almost never be regained. Remember the Exxon Valdez?

When a crisis happens, you need to make sure that one person is already in place to serve as the Society's spokesperson and source of information. Employees should be aware that they should refer all reporters to the general office so that the designated spokesperson can provide the necessary information.

The spokesperson for the Society needs to be aware of the exact nature of the problem and what is being done to correct it. They should be aware of what information they can provide to the news media without incurring legal liability on behalf of the Society.

It is impossible to detail everything that should be done in a crisis situation. Entire volumes of PR books and manuals have been written on the subject, and there are PR firms that do nothing more than assist companies and organizations in preparing for and managing crisis communications. The best thing you can do is to prepare a plan based on “what-if” scenarios before a crisis happens, so that you are prepared for any eventuality. If at all possible, find a PR professional to go over your plan with you to help you be ready for any eventuality.

**The Best PR**

The best public relations are when you remember that communication is a two-way event. If you listen to the public you are there to serve, your relations with them will be much smoother.

**Social Media**

Social media has become a new way to reach perspective customers. The following is a presentation done by Marge Ausloos from Plymouth, WI and Geneve Friede from Madison, WI. This is not a comprehensive treatment of social media but will provide some basic understanding.
Section 6: Public Relations

Social Media Simplified
BY: GENEVE FRIEDE & MARGE AUSLOOS

Introduction
- Who already has a website or utilizes social media (SM) for business?
- What area of SVdP do you work in?
- How do you plan on using SM? When will you start?
- Why is it important to you?
- Where’s your demographic at?

Pick your platform

Cost comparison
- Why invest in Facebook or SM?
- How many more people can you target for the same amount of money?
- DIY (do it yourself), volunteer, or hire someone

What’s in a Brand?
- Who has a brand or knows what it is?
- What do you want your brand to look like?
- Most popular reason people like a FB page?
- 40% of consumers do; 49% don't
- Try reaching them with FB ads

Why Would I?

Reasons for Becoming a Brand Fan on Facebook

- To support the brand I like
- To show my interests / share with others
- To impress friends, to know looking for specific product / services
- To receive regular updates from brands I like
- To participate in contests
- To share my personal good experiences

What's in a name? That which we call a rose, by any other word would smell as sweet
- Shakespeare
Section 6: Public Relations

Frequency
- Strike a balance between informative and annoying
- 3-5 times a week works well on most
- Plan ahead
- Platform dependent

How much is too much?
- Twitter, 14
- Google+, 2
- Facebook, 2
- Linkedin, 1

Realistic Goals
- 3-5 times a week on FB, and IG
- 5-8 times a week on Twitter
- Scheduling apps like Hootsuite make this easier

Scheduling
- Frequency and scheduling go hand-in-hand
- Facebook allows free scheduling
- Easier to cover multiple platforms by utilizing an app
- What times are best?

Facebook Stats
- 1.18 billion people log onto FB daily
- 1.66 billion mobile active users
- Age 25 to 34, at 29.7% of users
- Five new profiles created every second
- 42% of marketers report that FB is critical
- At 1.79 billion, FB has more monthly active users
- Remains the largest online community!
- It’s (mostly) free!

Facebook (FB) Terms
- Like: You approve of a post by clicking the thumbs up button on FB
- React: Clicking on love, sad, funny, or a temporary emoji (like thankful or pride)
- Emoji: Used much like emojis and exist in various genres, including facial expressions, common objects, places and types of weather, and interests
- Emotions: Pictorial representation of a facial expression
- Feed: Includes friends, businesses, pages, and others you follow
- Follow: You may choose to follow those who you want to see in your feed.
- Tag: Including a person or place in your post
- Share: Posting content in your feed to share with all who follow you, and your friends
- Wall: Your personal page which includes a cover photo, bio, profile picture, and all your posts
- Platforms: Different forms of SM
- Brand: Your name and how you define your product, services, and organizational characteristics
- Call-to-action: A post requiring an action by the user such as clicking on a website or calling
Section 6: Public Relations

FB Posts Made Easy
- Text is good
- Pictures are better
- Video the best
- Facebook live surpasses all
- Do not post YouTube links on FB
- 80/20 rule
- Tell a story
- Engage!

FB: Schedule a Post
- Add a text, photo, or video and schedule it for later!
- Tag items for more visibility
- Set it and forget it!

Boost it!
- Select target audience
- Boost
- BOOM.
Section 6: Public Relations

Set for Success

Tweet, Tweet, and Repeat

Content Counts

- Use an array of tweets
- Engage fans and reinforce your organization's standard of customer service by replying to questions and comments
- Tweet often! Up to 14 times a day.
- Use relevant hashtags (keyword/story) in posts to increase visibility and develop your brand.

Additional Platforms

- Great for indirectly selling your brand through TVY; other association, how to use what your selling, and adding value to your audiences lives in a larger scale. Think middle-aged audience.
- Super creative and fun!

Pinterest

Don’t

- Pick up SM outlets you can’t handle
- Post YouTube links on Facebook
- Don’t water down your brand
- Repost all the time; create your own content or rework the reposts
- Don’t engage with trolls, and DO engage with the unhappy customer
- Over use hashtags
- Excessively sell, self-promote, and post

Remember to...

- Care, don’t sell
- 80/20 rule: 80% should inform, educate, and entertain your audience, while only 20% should directly promote your business.
- Build
- Be relevant
- Add value
- Care about local, and community
- Talk to people where they are, and modify per platform
- Go live! Do it for at least 10 minutes
- Plan and promote going live
- Create events, and post in them
- Understand and study your analytics on Twitter, and Insights on FB
- Engage and share comment; especially when people love it
- And...
**#VincentTreasures: A Solid Start**

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SECTION 7: PROPERTY AND CASUALTY INSURANCE

Insurance is a legal contract to exchange the loss of a small certain sum (premium) to protect against the uncertain loss of a large sum (claim). The object is to spend your premium wisely to cover as many uncertainties for as little premium as possible with an agent and company that will perform when called upon.

Each store, conference or council has a unique set of combinations of needs for insurance. The following is a general guide that should greatly assist in understanding and buying insurance. You must explore your own needs and solicit the assistance of professionals when you deem it wise to do so.

To understand insurance needs they can be broken into 7 general categories. They are:
1) Loss or damage to your property at your location
2) injury or damage to other people or their property
3) loss by crimes committed against you
4) loss of property away from your premises and certain special items
5) automobile related losses or claims
6) loss from "professional" damage claims
7) employee or volunteer injury

The following pages will outline each of the 7 categories and the major items under each. Insurance coverage can be purchased for any or all of these categories. It is important to consciously decide if insurance should be purchased for a given loss potential at all, if so at what limits and under what conditions you want a loss paid. The more complete the protection the less risk of loss to your operation and the larger the loss of the certain sum (premium).

As a general rule of thumb spend your insurance dollars on protecting the largest possible losses. Insure against those losses that could put you out of business as opposed to trying to cover every eventuality. For example, if you have limited funds, it would be better to buy higher liability limits than glass coverage. You can overcome a $1,500 glass replacement loss easier than an injury claim $350,000 over your limit.

When you buy your insurance, do it with the thought in mind that a claim will happen. Then decide what you will be satisfied with as a settlement. Certainly you will try to avoid ever having any claim but if you do have one, the result will not be an unhappy surprise to you.

OUTLINE OF COMMON COVERAGES
1) Property Coverage
a) Buildings
b) Contents
   i) stock
   ii) equipment
c) Business Income
d) Glass

2) Liability (other than auto)
   a) Premises
   b) Operations
   c) Personal injury
   d) Products
   e) Fire legal
   f) Medical payments

3) Crime
   a) Employee theft
   b) Burglary
   c) Money & Securities

4) Inland Marine (property away from premises and special items)
   a) Sign
   b) Jewelry
   c) Fine Arts
   d) Property in transit
   e) Equipment off premises
   f) Computer

5) Automobile
   a) Bodily injury
   b) Property damage
   c) Medical payments
   d) Uninsured and underinsured motorists No fault
   e) Damage to own vehicle
   f) Hired auto
   g) Non-owned auto
6) **Professional**
   a) Directors and Officers
   b) Professional skills errors and omissions

7) **Employee Injury**
   a) Workers compensation
   b) Volunteer on the job injury

**Property Insurance**

To insure your building and contents you must determine several basic factors:

1) **The value of building, equipment, and stock.** You must know how much insurance to buy. It is advisable to have an appraisal on the building and equipment. Appraisals can be expensive unless you can secure one donated by a professional. Often a good building contractor or real estate agent can help determine a reasonable replacement value.

   When choosing a value it should be the cost to replace, not market value or depreciated value.

   For example, you may be able to buy a building for $100,000 including land. But to rebuild the building at today's cost would be $125,000. You should insure for the $125,000. Likewise if the building were to cost $75,000 to replace, that is what you should insure it for even though you paid $100,000 for the entire property. Part of the purchase price in this example is the cost of the land which will not burn so should not be insured.

   Although there is a definite cost and value to our donated items it will probably be expensive to insure and difficult to value at the time of a loss. You may wish to exclude all used goods as a practical matter. If you do insure used goods, have an understanding in writing at the time the policy is purchased how any loss will be valued.

   The deductible you can pay at time of loss. The standard deductible is usually $250 per occurrence. You can increase it to $500 or $1000. Higher deductibles are available but usually rate credits don't justify these larger deductibles. Insurance companies vary on rate credits for deductibles. Remember a deductible may apply to several areas of coverage, for example building and contents each have a deductible. In case of a loss involving both the total deductible would be $500 if each were at $250.

   Ask what the dollar savings various deductibles have. Keep in mind the size of the deductible on a single claim versus the savings in premium. For example, if the savings is $100 in premium to raise the deductible from $250 to $1,000 you would have to go 71/2 years without a claim to break even. That is $1,000 minus $250, or $750 is the additional deductible you pay on any claim over $1,000. In saving $100 per year in premium it would take 71/2 years of saving $100 per year without a claim to break even.

3) **The coinsurance clause acceptable to you.** Every policy except a "Business Owners Policy" includes a coinsurance requirement. It states that you must buy insurance equal to a certain percentage of the true value of the property at the time of a loss.

   The standard coinsurance clause is 80%. That means if your building is worth $100,000 you have agreed by the insurance contract to buy 80% of that value or $80,000 in insurance.
If you agree to buy at least 90% or $90,000 in this example, the rate is decreased by 5%. The rate is further decreased by 5% if you buy 100% coinsurance. **You should never buy the 100% without an up-to-date appraisal.** It is rarely advisable to use 100% in any case.

It is very difficult to be absolutely accurate in valuation taking into account human judgment, inflation and etc. **The best advice is to insure an estimated total value using 90% coinsurance.** This gives you some rate credit and 10% leeway in accuracy of valuation.

Realize in each increment increase the 5% credit requires you to buy 10% more limit of insurance. Obviously in the case of a total loss, insurance on the full value of the building will be desirable.

**Failure to maintain insurance limits equal to the agreed coinsurance will result in a penalty at the time a loss is settled.** If you agree to a 90% coinsurance and only insure to 60%, you will receive 2A (60/90) of any claim, if you only insure to 45% you will receive IA (45/90). It is critical to have your limits and coinsurance limits match. See the separate example page on how coinsurance works.

4) **How you want the loss valued when you are paid.** You choose the settlement basis when you buy the policy. The choice is either "actual cash value" or "replacement cost."

**Actual cash value** is the market value less depreciation. Simplistically, if your property has a life of 50 years and is 25 years old, the claim will be settled at 50% of the market value.

If you buy **replacement cost**, the claim will be settled at cost to replace with like kind and quality. You must replace the property or it will be settled "actual cash value." There are several other stipulations but this is the basic concept.

The cost of replacement cost insurance can be as low as $1. In most cases, this is the valuation choice to make if you can. You may, however, be in a building that for reasons of building code, location or some other reason would not or could not be rebuilt. In that case you would insure actual cash value and as in the above example only buy insurance equal to 50% of the cost to rebuild to match the depreciated value. Obviously by buying a lower limit of insurance to match the loss you will spend less premium dollars.

5) **The perils that you want covered.** You can buy property insurance on three forms. They are "Basic," "Broad," and "Special." The causes of loss that are covered are most restricted on Basic and most liberal on Special. Special gives you coverage for burglary, the other two do not. **There are other differences but suffice it to say that you should not buy less than Broad and it is recommended that you buy Special.** If the cost is too high for Special because to the theft load on all equipment and stock, you can exclude stock. You would then have theft for equipment you use in the store such as computers, cash registers, typewriters and similar equipment which is usually the target of burglars.

There are several common items not covered under most fire forms. Fences must be specifically named, valued and insured. The same is true of parking lot lights and any free standing building such as a parking canopy.

Business income coverage pays the continuing expenses of the store if you cannot operate because of damage from a covered peril such as a fire. It will pay rent, payroll, equipment payments and similar expenses that go on even if you can't open the store. It will even pay the profit.
The best way to buy this coverage if you decide to is to estimate the number of months it would take to reopen in case of a major loss. Then determine the continuing expenses and profit per month to choose a monthly limit. The standard periods are 3, 4, or 6 months. So for example you may choose $10,000 per month for 4 months.

If you can buy a "Business Owners" policy it often will cover actual loss sustained for a 12 month period. On other policies you must select the limit and time.

Glass damage is covered under a building policy except for vandalism.

Glass coverage is often required by the terms of a lease if you do not own the building. Premium charges can vary substantially. You need to get a dollar quote and consider it compared to the potential cost to replace the glass. The real danger is that vandals will break not one pane but all. You can usually buy this coverage without deductible.

**Liability Insurance**

The standard liability insurance contract covers bodily injury or property damage to others for seven general areas. These areas will all be in the policy unless excluded by a special exclusion form.

1) **Premises claims** that occur for damages to members of the public because of an unsafe condition in the store or on the property. A typical example of this type of claim would be a trip and fall over an item in an aisle.

2) **Operations claims** that cause damages to members of the public. This would be actions of your employees. For example, damaging a vehicle while moving donated goods through your parking lot.

3) **Personal injury claims** which is different than bodily injury. This is the ego hurts that people sue for such as libel, slander, wrongful eviction, invasion of privacy or wrongful arrest. For example, you thought someone was shoplifting and had them arrested. If you could not prove their guilt, they might sue you for false arrest.

4) **Advertising injury** which covers a basic exposure to claims as a result of the use of logos, advertising infringement and disparaging of others products.

5) **Products and completed operations** which covers damage that might result from a defective product or repair after you have sold the product or completed the repair. For example, you sell a gas grill that you had repaired and it explodes when used. If it explodes because the grill had a defective part, it would be a products claim. If it explodes because the repair was done incorrectly, it would be a completed operations claim.

6) **Fire legal** insurance covers damage to the space you lease if you have a fire because of your negligence. The building owner's insurance would pay the claim and then file a claim against you for negligence.

   It is desirable to have a lease that includes a "Waiver of Subrogation Clause" to avoid such a claim against you. See your attorney before you sign a lease.

7) **Medical payments** cover injury to the public where you are not legally liable but feel a responsibility to pay the medical costs. For example a regular benefactor could enter the store and trip over their own shoe laces. Since you did not have an unsafe condition or cause the injury, you
probably would not be legally responsible for the injury but you could still pay under the medical payments.

**Common limits are $300,000, $500,000, and $1,000,000 for liability.** The difference in cost is so slight for most store operations that the $1,000,000 limit should be chosen. Excess limit policies in increments of $1,000,000 can be purchased to any total limit you feel comfortable with.

**Medical payment limits are usually $1,000, $5,000, or $10,000.** This coverage should be used rarely so as not to encourage a claim where a valid one really does not exist. Normally the $5,000 limit would be sufficient.

**Fire legal limit on all basic policies starts at $50,000.** It can be raised to any limit you need. Remember it only covers the value of your space. If you are in a strip shopping center and are responsible for burning down neighboring stores, your liability limit of say $1,000,000 will pay for all damage other than to your own space.

**Crime Insurance**

Burglary can be covered in the Special fire form if you desire this protection. Burglary is covered for theft when the premises are closed and there are signs of forced entry.

Employee theft can be insured but due to the nature of our operation it may be difficult to find. You generally need to prove an employee theft to collect and this will often require prosecution. There are a number of controls you can institute to reduce the possibility of serious loss from this source. Most of these controls are common sense and your insurance agent or company loss control person can discuss them with you.

If you decide to insure against employee theft, the limits start at $5,000 and common increased limits are $10,000, $25,000, $50,000, and $100,000. This can be bought without deductible but often the company asks for a $500 or $1,000 deductible.

Loss of money and securities is excluded from the fire form even if you do buy the burglary coverage. There is a definite exposure to a robbery of cash in the store or on the way to the bank. Common sense controls on handling the cash can greatly reduce the potential for loss and the size of loss.

If you decide to insure this, the limits start at $1,000 and can be bought for loss either inside the store, outside the store or both. Obviously you would buy both inside and outside. The limits are in increments of $1,000 to any limit you wish. Some companies desire a deductible, but it can be bought without one.

**Inland Marine Insurance**

Signs not attached to a building are usually not covered unless specifically named. You can buy any limit and can often get it without deductible. Signs attached to buildings may be covered but because of the wide variety of situations, you should clarify it with your agent.

Any jewelry or fine art of significant value should be covered under a separate "floater" policy form. Discuss this with your agent. You need not put costume jewelry or average house art on special coverage if you insure your stock.

Property in transit is generally not covered on standard property forms and unless it is of significant value should not be.
Computer equipment and software can be covered under the contents form or under a special "EDP" (Electronic Data Processing) computer form. EDP forms are different for different companies. Your agent must compare them for you. Generally they provide for broader coverage than a standard property form.

The coverage is more expensive because of more coverage. One area of broader coverage is payment for claims includes cost to reenter information into the computer. In a standard fire form a disk with a list of donors would be replaced with a blank disk.

As a rule if you keep copies of all programs and data off premises and backup your system on a regular basis of at least once a week, it is okay to buy coverage on the standard form.

Equipment off premises is generally not covered under standard property forms and unless it is of significant value it should not be. One common exception is where you have two locations close by and make trips between them with a fork lift. There could be a gap in coverage if the fork lift were destroyed while off the premises. If you felt you have an exposure to this potential loss, you can buy specific insurance for the fork lift.

**Automobile Insurance**

*Trucks and cars are probably your greatest exposure to a large liability claim. They are insured much like your personal autos but on a business policy. The standard coverage’s are as follows.*

**Bodily injury and property damage** covers injury or damage to property of the public. You can buy a split limit of insurance for the bodily injury separate from the property damage. Such a limit could be $100,000 per person, $300,000 per accident for bodily injury and $50,000 for property damage. Another way is to buy a combined single limit of $300,000 for bodily injury and property damage together. Although the split limit if totaled could conceivably pay more, $350,000, most agents would pick the combined single limit of $300,000 because the entire amount is available for one person if needed or for property damage which can easily exceed the $50,000 limit.

The limit for automobile should be at least as high as on the store or even higher because of the high potential for a serious injury claim. Limits of $1,000,000 or higher would be recommended.

**No fault insurance** is used in some states. Since no fault varies by state, you should consult your local agent for advice on how it works in your state.

**Uninsured and underinsured insurance** pays for bodily injury to the people injured in your vehicle if the person that is at fault has no insurance or limits below the amount of the settlement for injuries. It does not cover damage to your vehicle, only bodily injury. Very often this limit is the same as the bodily injury limit.

**Medical payments coverage** will pay the medical bills of people in your vehicle regardless of who is at fault for causing the accident. This is an important coverage for your volunteers that are not covered by workers compensation. Any employees injured in an auto accident will have all medical paid by workers compensation. A common limit is $5,000. If you use volunteers frequently in trucks, you may want to go higher, say $10,000.

**Physical damage coverage** on your own vehicle will cover the cost to repair or replace your vehicle if damaged in an accident or stolen.
The coverage is split into two categories, comprehensive and collision. Comprehensive damage covers anything that happens other than collision. Examples would be theft, fire, windstorm and similar perils.

There is a separate deductible on each coverage. The most common ones are $100 on comprehensive and $250 on collision. Higher deductibles can be purchased.

If you do go higher, be sure to see if the savings in dollars will exceed your extra cost for the number of claims you usually have each year.

You can buy "specified perils" instead of comprehensive. This is usually significantly cheaper and will begin being practical when the number of vehicles you have increase.

There are several levels of this coverage. Buy the one with the most perils covered. For practical purposes the choice of specified perils instead of comprehensive means that claims for glass damage will not be covered.

Hired and non-owned auto coverage will pay for liability claims you are responsible for on vehicles you hire (rent) and any vehicle driven for your benefit that you do not own. This does not cover physical damage to those vehicles. In renting vehicles, buy that coverage from the rental company. The physical damage of a non-owned vehicle should be covered by the owner of that vehicle.

Non-owned coverage protects you whenever an employee, volunteer or anyone else uses their car for your store. It could be as simple as going to the post office or bank. If they have an accident, they undoubtedly will have a claim against them. Because they were acting on your behalf, you can also be named in the claim. This coverage protects you only and not the owner of the vehicle. They should buy their own insurance.

If you have people regularly using their vehicle for your business purposes, it would be wise to be sure they have adequate insurance.

Hired and non-owned coverage should be bought every time.

Professional Insurance

In the normal store operation you will not have any need for this coverage. If you are involved in professional activities such as counseling, medical assistance and like activities, consult your local agent. If the store is your only activity and is run by a Board of Directors, you should discuss Directors and Officers coverage with your agent.

Employee Injury

Workers compensation coverage pays for all the injuries to employees regardless of fault for the injury. States vary in their laws. But generally it pays all medical bills, a percentage of lost earnings after a waiting period and specified lump sum awards for certain injuries such as loss of a finger or death.

If you have any employees for any length of time, you must purchase workers compensation insurance by law in most states. Failure to do so may result in substantial fines. It may also require you to pay all money that the insurance would have paid. In the case of serious, permanent injuries the cost could easily exceed your ability to pay and result in the loss of your store.
Volunteer injury coverage may be the most difficult to arrange satisfactorily. In some states, volunteers can be included in the workers compensation. The cost could be prohibitive.

You can also purchase volunteer medical insurance that pays in case of an accident. It is much cheaper but has a dollar limit where workers compensation has no medical cost limit. It does not have any loss of income protection. You simply must explore what is available to you and how far you want to go to protect your volunteers.

**General Concepts in Buying Insurance**

**Buy protection first for claims that could put you out of business such as reasonably high liability limits.**

**Pay small losses on your own property rather than turning in everything that happens.** Decide what you can afford and routinely pay. **Frequency of small claims will raise your premium.**

**Never try to settle claims with the public.** Let a professional claims adjuster handle it. Failure to turn in claims in a timely manner can compromise the insurance company's ability to investigate and result in a denial of the claim. You would then have to pay it yourself.

Include in your regular routine good loss control to do everything you can to avoid claims. Part of the premium you pay entitles you to the help of the loss control department of the insurance company. Call, request a survey and work with them on correcting any problems they see in your operation.

If you can locate, ask a loss control specialist from an insurance company to volunteer to design and monitor a safety program for your store with periodic inspections.

**Periodically have a competitive bid at renewal time.** Two agents are enough; too many going to the same companies may have a negative result.

**Keep records of all "incidents," with as much detail as possible including pictures of accident cause and witnesses.** Any serious injury or potential claim should be called into the agent immediately.

**Know who is driving for you and their driving record.** Most agents or companies will check for you at no charge and give you the record within a 48-hour period.

**Most insurance companies have no-interest payment plans over 8 or 9 months.** Ask for the best terms and make your payments on time.

**Don't buy price alone.** Be sure of the coverage’s and most of all the knowledge of the agent you are dealing with. A few hundred dollars savings in premium is meaningless if a large claim is not covered.

**Tell and show your agent everything.** Call and ask questions. Inform the agent of changes. (See When to Call sheet)

<table>
<thead>
<tr>
<th>COVERAGE’S OF ISO FIRE FORMS</th>
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<tbody>
<tr>
<td><strong>BASIC FORM</strong></td>
</tr>
<tr>
<td>FIRE</td>
</tr>
<tr>
<td>LIGHTNING</td>
</tr>
</tbody>
</table>
EXPLOSION          SAME          SAME
WINDSTORM          SAME          SAME
SMOKE              SAME          SAME
AIRCRAFT           SAME          SAME
VEHICLES           SAME          SAME
RIOT               SAME          SAME
CIVIL COMMOTION    SAME          SAME
VANDALISM (NO GLASS) SAME          SAME
SPRINKLER (LEAKAGE) SAME          SAME
SINKHOLE (COLLAPSE) SAME          SAME
GLASS $100/500     EXCLUDES
FALLING OBJECTS    ARTIFICIAL CURRENT
WEIGHT ICE/SNOW    LOSS OF USE
WATER FROM SYSTEM  AGRICULTURAL SMUDGE
WEAR, TEAR, ETC.    STEAM VESSEL EXPLOSION

REPLACEMENT COST – BUILDING
WE WILL REPLACE WITHIN LIMITS CONTINUOUS WATER
WITHOUT DEPRECIATION SEEPAGE

REPLACEMENT COST - CONTENTS
WE WILL REPLACE WITHIN LIMITS EMPLOYEE FIDELITY
WITHOUT DEPRECIATION VOLUNTARY PARTING

This does not alter policy contract in any way. This is an outline only to direct attention to specific policy provisions to be read for complete understanding of coverage.

COINSURANCE EXAMPLES

<table>
<thead>
<tr>
<th>EXAMPLE OF UNDERINSURANCE</th>
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<tbody>
<tr>
<td>LIMIT OF INSURANCE</td>
<td>$50,000</td>
</tr>
<tr>
<td>CONTENTS DEDUCTABLE IS</td>
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</tr>
<tr>
<td>COINSURANCE PERCENTAGE</td>
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<tr>
<td>TRUE VALUE OF CONTENTS AT TIME OF LOSS</td>
<td>$75,000</td>
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<tr>
<td>AMOUNT OF LOSS IS</td>
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</tr>
<tr>
<td>AMOUNT TO MEET COINSURANCE</td>
<td>$75,000 x 0.90 = $67,500</td>
</tr>
</tbody>
</table>

$50,000 DIVIDED BY $67,500 = 0.74
$12,500 x 0.74 = $9,259
$9,259 — $250 = $9,009

TOTAL PAID AFTER PENALTY & DEDUCTIBLE $9,009
CLAIM PROCEDURES

YOU SHOULD:

1) Call when you suffer an actual loss, have damage to your property, when someone has made a claim against you, or you feel they might.

2) Protect your property from further damage.

3) Separate damaged from undamaged property.

4) Inventory damaged property.

5) Retain damaged property for the insurance company.

6) Protect the public from any further harm.

7) Remain at the scene of any auto accident until the police arrive.

8) Provide to your insurance company representative all information applicable to your claim such as: police report number, proof of loss, proof of value, actual appraisal, or any other pertinent information they request.

9) Seek your attorney's advice before discussing a claim with anyone other than your insurance company representative.

If you accept a "total" settlement payment, you must advise your agent so he can delete that item from your policy and you will not be charged premium for something you no longer own. Call your agent any time you feel you need assistance in regards to a claim.

YOUR AGENT NEEDS YOUR HELP TO HELP YOU

PLEASE CALL WHEN:

1) You have additional locations or new construction.

2) You have a change in the value of your buildings, equipment, or stock.

3) You are planning any operations in a new state.

4) You have added or deleted any vehicles or equipment.

5) You have a change in ownership or business structure.

6) You have taken on any new contractual obligations.

7) You have a significant change in payroll or sales.

8) You are planning a change in security or protection.

9) You have any other condition or operation you feel presents a potential insurable loss.

SUB-CONTRACTORS LIST
The following are suggested minimum insurance coverage’s you should require from all subcontractors working on your premises:

**COMPREHENSIVE GENERAL LIABILITY** limits to be minimum of $1,000,000 for Bodily Injury and Property Damage combined.

- Coverage’s should be the new ISO form with none of coverage’s listed below deleted:
  - Premises & Operations
  - Completed Operations
  - Products
  - Independent Contractors
  - Collapse
  - Underground
  - Explosion (if any blasting)
  - Personal Injury ABC EXCL "C" DELETED Blanket Broad Form Contractual
  - Broad Form Property Damage
  - Host Liquor Liability
  - Incidental Medical Malpractice
  - Employees as Additional Insured’s

**COMPREHENSIVE AUTO LIABILITY** limits to be a minimum of $1,000,000 for Bodily Injury and Property Damage combined.

Include all owned, non-owned and hired vehicles.

**WORKERS COMPENSATION**, Statutory Limits. All tools, equipment, supplies belonging to contractors are their responsibility.

You should require contractors to name your company as "Additional Insured’s," so that any claims naming the contractor and you, will come under his policy.

Also, require a 30 day notice of cancellation or non-renewal. If possible, ask for words "endeavor to mail" to be stricken from the certificate so they have a legal responsibility to inform you if coverage is cancelled.

These should be considered minimum requirements to protect your company. Any other coverage’s or higher limits are of course in your favor.

**Your agent will be very happy to review any certificates with you. If you have any questions, please call them.**
Section 8: Health, Dental, Life and Retirement Benefits

The Voice of the Poor committee has published several documents on wage and benefits. Careful consideration should be made in this area to be fair and honest in wages and benefits. Here is a portion of the recommendations:

**The Business of our Society**

SVdP Thrift Stores, Councils and Special Works, like all good businesses, have the responsibility to remain economically viable. While it may not be essential that they make a profit, they must be able to generate sufficient income to defray expenses or they will become an unsustainable burden on the Council/Conference operating them. When the decision is made to hire employees, the store manager or board must be fully committed to dealing with the implications of that decision - from economic sustainability of the enterprise to fair wages for employees.

Some of the considerations that Councils and others within the Society who are responsible for employees should consider and discuss include:

- The ends never justify the means. The Society’s help for the poor cannot be based upon injustice to employees.
- There is no question that increased labor costs will impact the revenue/proceeds of thrift stores and other Society operations. However, acting justly with our own employees significantly strengthens our moral authority.
- While the Society has always been a volunteer-focused organization, the moment a person is hired, we assume all the inherent responsibilities and duties of any employer. If we are to hold other employers accountable, we must set the standard.
- Serious consideration needs to be given to trade-offs in budgets and in the use of Society funds. God is calling us to justice, are we offering excuses?
- If donors, members and others object to higher wages for St. Vincent de Paul employees, then it is up to us to educate them regarding the principles of economic justice and challenge them to adopt those principles in their own lives. Great progress has been made since our original position paper on this subject in April 2001. It is our hope that no employees currently receive a wage that requires them to depend on public or private assistance to live. In situations where that is not the case, we pray that the local Council can find a way to rectify that situation as soon as practical.
Steps for determining a Self-Sufficient Wage

- Investigate the cost of public benefits in our state or geography. How much money does a family of three, for example, need to be independent of SNAP, Medicaid, TANF, etc... Are we paying more than that?

- Examine the local wage calculator (http://livingwage.mit.edu/). Does that calculation provide a reasonable snapshot of the cost of living in our geography? Do we need to validate any of the components? Does that wage allow people to live without long term public/private assistance?

- Compare the self-sufficient wage with our current pay scale. If we are below that pay scale, how long would it take us to raise pay to a self-sufficient level?

There is no state law requiring the providing of health, life, dental, or retirement benefits for the employees of your St. Vincent de Paul stores. The laws, both state and federal, closely regulate how these benefits are provided, however.

In general you must not discriminate between employees on what benefits you provide. If you offer a benefit to one employee, you must offer it to all. There are provisions for offering benefits by employment classification but in relatively small operations that is not consistent with the intent of the law.

In deciding what benefits to provide for your employees it is important to consider the basic intent of our Society is to use our resources for care of the poor.

As Vincentians, we would like to provide all of our employees with the best and most complete benefits. However, as a practical matter we should consider offering benefits consistent with those offered by other businesses of our size and type. It would be wonderful to provide everything a large corporation offers but it is just not realistic.

As a rule most small businesses offer basic health insurance with a modest amount of life insurance included. In most cases they pay for the employee and allow the employee to include their family at their own cost. Occasionally dental insurance is included but in small groups under 25 it is fairly rare.

Providing significant retirement benefits would be un-usual in a small business. Those that do have plans are usually highly profitable companies that need to shelter income from current income taxes.

Whatever you decide to provide as employee benefits, be sure you can do so over a long period of time. It is much easier to start a benefit than it is to discontinue one.

HEALTH INSURANCE

There are two major categories of health insurance. They are policies on an individual and policies on a group of individuals.

Tax laws were set up to allow business deduction on group health policies for 10 or more employees. In recent years "Employers Trusts" have been set up to combine small businesses with less than 10 employees together so they can qualify for the tax deduction.
Some of these Trusts are insured and some simply hope to run a financially sound business so they can pay all claims. Depending on your state's laws it is possible that the failure of an uninsured Trust could result in unpaid claims that you would be responsible for. It is safer to purchase insurance from an insured Trust only.

Individual policies do not qualify for favored tax treatment and could result in the cost of the insurance being included in the employee's income. In either case you should check with a qualified accountant for tax advice.

Group health insurance is in three general forms. They are Indemnity plans, Preferred Provider Organization (PPO), and Health Maintenance Organization (HMO).

The Indemnity plan allows you to choose your own doctor or hospital. It then pays a percentage of the claim after a deductible.

The PPO plan requires you to choose from a pre-approved list of doctors and hospitals. Failure to use a health provider from their list will result in additional cost.

The HMO plan requires you to use specific health care facilities with little or no choice of doctors within that facility.

Most plans will pay claims on a "reasonable and customary" basis. If the provider charges more than is customary or average for the service in your area, the insurance company will not pay the extra charge. The patient will be asked to pay the difference.

Indemnity plans have a number of common options; each one will change the cost of insurance.

Common options:

- Limits per lifetime, usually $1,000,000 or unlimited.
- Deductible used, usually $100, $250, $500, or $1,000.
- Coinsurance used, usually 90%, 80%, 70%.
- Size of covered claim over which company agrees to begin paying 100% of the cost, usually $5,000 or $10,000.
- The indemnity plan can also include coverage’s in addition to the basic plan.

Common additions:

- Maternity for normal delivery.
- Drug card guaranteeing a flat rate regardless of cost of prescription. For example $10 per prescription.
- Waiver of deductible and coinsurance for use of emergency room for an accident. Usually limited to $300 or $500 per incident.
- Number of deductibles per family per year. This is usually 3 but may be only 2.

PPO plans differ from indemnity plans because the insurance company has made agreements with certain doctors and hospitals for discount prices for including them in their
network. Failure to use these providers will result in either higher deductibles and/or higher coinsurance costs to the patient.

Penalties for use of other doctors or hospitals are not assessed for emergencies or out of state care where it is medically impossible to return to your area before care is received.

Doctor office visits on a PPO plan are paid on a flat amount known as a copay. For example, the patients would be required to pay $10 for each office visit regardless of what the Doctor may charge. Common copay's are $5, $10, and $15 per visit.

Under a PPO it is common to find the insurance company paying 90% of the charges in an approved hospital and only 70% of the charges in an unapproved hospital. Some plans will pay 100% of many of the hospital charges.

Except for the restricted choice of care facilities, the HMO operates very similar to a PPO plan. It will often offer "well patient" extras such as an annual physical.

GENERAL CONCEPTS IN BUYING HEALTH INSURANCE

Buy from an experienced agent that works with health insurance full time. Ask for references.

Buy from companies that are "A" rated in the Bests rating service.

Check with your State Insurance Department or Better Business Bureau for the complaint record of the company you are considering.

Buy catastrophic protection, not all the extras. Your employee can overcome a higher deductible of $250 or $500 much easier than an uninsured $30,000 claim. It will be better to provide a basic plan at reduced cost than none at all.

Don't buy price alone. Although too simplistic to be totally accurate, there are two categories of companies. One does less underwriting and selection when they sell the policy, but is very critical of every claim that is presented. The other asks many questions and may even require a health questionnaire before they will issue a policy. However, when a claim is presented it is paid with fewer questions. Generally the first type is the cheapest.

Consider buying a 12-month rate guarantee. It is time consuming to buy health insurance and without a guarantee you can expect constant rate increases. The policy with the 12-month rate guarantee may be more expensive at first, but may actually end up cheaper by the end of the year and a lot less work.

Be certain you understand the pre-existing condition provision on the new policy. Will it cause any of your employees or their dependents to be without coverage?

Disclose all pre-existing conditions to the insurance company. It is better to be turned down for coverage than to have coverage that won't pay the claim anyway.

Read with the agent the exclusions of the policy. Most are easily understood and fairly standard. If in doubt, ask how the exclusion applies to your group in simple terms.

Compare all the features that may be of value to you. Some of these are:

- **Age of coverage for dependents.** Usually birth to age 19. To age 22 or higher if in school.

- If a PPO or HMO, how are claims for students in school away from home paid.
Section 8: Health, Dental, Life and Retirement Benefits

- Does the plan pay "well baby" care for normal checkups and shots?

- **Number of deductibles** per year per family, usually 2 or 3.

- What is the **claim filing procedure**? Most PPO and HMO providers will file claim forms for the patient. It's a lot of work to help employees file claims.

- How are deductibles accumulated? Usually they are on a calendar year basis with credit for any claim that occurs in the last 3 months of the year.

- If changing companies in midyear will the new company give you **credit** for deductibles already paid this year. What do you have to do to prove them?

- Are any regular checkups covered, particularly for gynecologists? If so, what are restrictions?

- Is there any restriction for existing regular prescriptions such as insulin, birth control, high blood pressure and the like?

- Are there any "internal limits" in the policy that reduces claim payment? For example a maximum amount per day for a room of $100.

- All health plans can be discontinued at any premium due date. This means you can take your time to choose the best plan. The only penalty for delay would be a slight inflationary factor and one more month with the current company.

**DENTAL INSURANCE**

Dental insurance is very similar to group health insurance from the tax treatment and the insurance industries practices.

Small businesses do not buy dental coverage nearly as often as they purchase health coverage because of the cost compared to other benefits or increased salary.

Many of the plans for small employers are Trusts where they can be grouped together to form a larger buying unit. Be sure to buy an insured plan where possible in a Bests "A" rated company.

The plans are usually divided into three benefit categories. Each can have a different deductible and coinsurance requirement.

The three are **routine services, basic services, and major services**.

**Routine services** will cover claims for exams, x-rays and cleaning and similar services.

**Basic services** will cover claims for fillings, extractions, treatment of gums and similar services.

**Major services** will cover claims for crowns, onlays, bridges and similar services.

A typical plan might cover after deductible, 100% of routine, 80% of basic and 50% of major. All charges are covered on a "reasonable and customary" basis. That is only the
average charge will be paid. If the dentist charges more than the average, the additional will be paid by the patient.

**It is very important to read the limitations and exclusions for each category of coverage.**

**LIFE INSURANCE**

In most SVDP store operations the only life insurance offered to employees would be the amount that is included in the group health policy.

Most companies now are including $10,000 per employee. All employees should be provided the same amount.

Since this is a highly profitable coverage most companies are eager to provide it. The lowest limit will be $5,000 and occasionally more is offered. The maximum is $50,000 for group life without tax implications. Again check with your tax advisor.

Because many of our employees cannot afford life insurance to protect their families, the life benefit is a good benefit. It is relatively inexpensive. The rate is based on the average age of the group and the number of males and females included.

**RETIREMENT PLANS**

**Retirement plans** must be carefully considered before deciding to establish one. The plans are a very long term commitment by their very nature.

They can cause **serious adverse employee relations** if it becomes necessary to discontinue the benefit.

**All plans must be qualified by the IRS and they are closely regulated.** Even though we are a non-profit organization there can be serious tax consequences for our employees if improper contributions are later declared employee income. **Check with a tax consultant if necessary.**

There are three major types of retirement plans. They are "defined contribution," "defined benefit," and "profit sharing."

A **defined contribution**, sometimes called "money purchase" plan establishes an amount the employer will contribute each year expressed as a percentage of the employee's salary. The maximum annual deposit is 25% of earned income or $30,000 whichever is less. Contribution rates can be changed from time to time.

Under a defined contribution plan the amount paid into the plan is known but how much retirement benefit is will buy is not known until retirement date of each employee is reached. This is because the benefit will depend on how much interest is earned each year by the plan over the employees working years. As interest rates go up or down the benefit goes up or down.

A **defined benefit** plan specifies how much the monthly retirement benefit will be as a percentage of earned income. In a simplified example the monthly retirement might be 35% of final salary.

Under a defined benefit plan you must contribute enough **each plan year** to "fund" the ultimate estimated monthly benefit. As interest rates decline the amount of contribution must
be increased. **The employer has no choice but to pay the amount required.** Even if there is a serious operating loss in a given year the contribution must be made.

A **profit sharing plan** is more flexible. The employer determines each year the contribution amount. Maximum annual deposit for each participant is 15% of earned income or $30,000 whichever is less.

Under a profit sharing plan you can choose each year how much to contribute. The employee will not know how much they will have each month at retirement as it will depend on how much is contributed and how much interest is earned on the plan.

In general, all deposits and interest accumulations are not taxed until retirement benefits are received by the participant.

All full-time employees age 21 and over who meet eligibility requirements must be included in the retirement program.

An employee benefit retirement plan can be amended or discontinued at any time. There may be substantial costs in doing so.

In event of a participant's disability or death, cash proceeds of the retirement plan may be withdrawn without IRS penalty.

**A normal retirement date (usually age 65 or 70) must be established.** However retirement benefits may begin any time between ages 59 1/2 and 70 1/2.

Employees covered under the program have the choice of various retirement settlement option arrangements or a lump sum payment. Participants must begin receiving benefits by April 1st of the year following the year age 70 1/2 is attained.

Retirement plan details such as eligibility, participation, vesting, normal retirement date, etc. are provided for in an IRS pre-approved plan document (prototype).

Professional administrators or insurance company home office staff will assist in managing the plan. The employer is ultimately responsible for meeting the IRS requirements. The administrators will furnish annual statements and calculations to keep the plan current. There will be a charge for this service and it does vary between providers.

An **alternative** to a qualified group plan would be an **individual IRA account** established by the employee for themselves and funded by regular earnings or a salary increase equal to the contribution.

Since the contribution will be considered pay, this plan can be discriminatory among employees. The advantage is that money put into an IRA by the employee is income tax deferred similar to a qualified group plan. Also an IRA is fully vested when the pay is transferred to the IRA. If the employee leaves the employer the IRA goes with them without elaborate transfer requirements or penalties.

Some insurance companies will offer a payroll deduction plan for payment of the IRA.

The employee can designate any amount up to the tax deductible limit of $2,000.
In the early days of the Society it was found that clients needed material as well as spiritual help. Wardrobe closets were maintained in most conferences to this end. As the years went by it became apparent for many and varied reasons the least of which was that in order to meet the needs of the people (sizes and types of clothing for example) it could better be accomplished by establishing salvage bureaus.

This began in the United States around 1910. The merchandise accumulated was greatly expanded over the years and today includes anything you can possibly imagine. While a great deal of the merchandise is sold to provide jobs and monies for special works, our discussion here will cover the free distribution of merchandise to the needy.

There are many ways this distribution is handled and I will outline here what can be called a tale of two cities. While there may be others who handle free distribution on a similar basis these two operations are being discussed to possibly give some ideas to those who are now operating distribution sites or considering the establishment of one.

The first operation, which is strictly one of free distribution, is operated in City A. The Society operates out of a building with approximately 25,000 sq. ft., maintains a fleet of 10 trucks and has approximately 400 volunteers. These volunteers handle the phones, pickups, sorting, repairing and distribution of the merchandise. The pickups and distribution for the most part are handled on Saturdays. Some special situations are handled during the week although they are kept to a minimum.

During the week merchandise picked up the previous Saturday is sorted, repaired and made ready for distribution on the following Saturday. Clients referred for assistance must be visited by a conference even if referred by a social agency. An average of 150 pickups are made each Saturday and up to 100 clients serviced weekly. Annual value of this distribution is estimated to be $500,000.

The other is City B which has a large retail operation and distributes free merchandise under the direction of a Conference Coordinator who reports directly to the Chairman of the Stores Committee. While discretion must be used in distributing merchandise to the needy (antiques and furniture that do not fit the premises the client occupies) anything that is in the warehouse is available.

Merchandise is picked up daily Monday thru Saturday by sixteen or more trucks. All the personnel are on the payroll including the Conference Coordinator although he does not depend on the success of the store operations and as previously stated reports to the Chairman of the Stores Committee (who is a volunteer) not the Director of Store operations.

Clients are referred by conferences or social agencies with distribution being made daily Monday thru Friday 8:00 a.m. to 2:30 p.m. In fiscal 1992 approximately 9,000 clients were handled with free distribution in the vicinity of $1,000,000.

The following are some of the forms used in the operations for free distribution.
Exhibit A
St. Vincent de Paul Distribution Center
Referral Procedures

Our Distribution Center at 5555 East 10th Street is open for client service on Saturday of each week from 8:00 a.m. to 2:30 p.m. The telephone numbers are 222-4500 and 222-5600.

**The following is for your information and guidance:**

1. Please maintain an adequate supply of referral forms, as the Distribution Center is not to accept photo copied referrals.

2. Fill out referral information completely — top, bottom, date issued, including the expiration date; which is 4 weeks from the issue date. Also, it is requested that you void any remaining spaces not required on your referrals. Sticker items can be honored for an additional 4 weeks after the original expiration date. However, please inform clients to pick up their items as soon as possible. A sticker item not available will be issued a comeback referral which is also good for 4 weeks from issue date.

3. Hospital equipment should be listed on a separate referral, and the referral should be completely filled out. The client should be informed that the equipment is on loan to them, and is to be returned at the termination of their emergency. The client should also be notified to check for availability of the referred items, as they are not always available. This can be done by contrasting the manager during the week, or by calling the Distribution Center early Saturday morning.

4. Use white referral forms for clothing, linens, drapes, curtains, dishes, pots, pans, silverware, glassware, small electric appliances such as toasters, irons, etc.; also, for ironing boards, vacuum cleaners, lamps, and all miscellaneous room items.

5. Green referral forms are to be used for furniture, stoves, refrigerators, washers, dryers, baby beds and carpet.

6. If you issue a referral for a bed, and linens are also required, you should issue a separate white referral for the linens.

7. Baby beds are to be issued only after the child is born.

8. Only one lamp and one table (either an end table or a coffee table) on a referral.

9. Please do not issue a referral for a sticker item if you do not have the necessary sticker. Sticker items include twin and full beds, refrigerators, gas range, washers, dinettes, including dinette table only, and dressers. Distribution Center workers are instructed not to issue sticker items without the appropriate sticker. Although tables and chairs are sometimes listed separately, they are still considered to be a dinette at the Distribution Center.

10. When televisions are available — their distribution will be based on the need assessed by a home visit.

11. Give your client the recipient copy and keep the conference copy for your reference. Some clients have been known to use the original copy one week, and try to use the carbon copy at a later time.
12. If you are sending a client to the Distribution Center with a "BURN-OUT" referral, you are to notify the office early Saturday morning.

13. Clients should be notified that they are to have transportation available for moving the items they receive at the Distribution Center.

14. There are many Conferences, District Councils and Archdiocesan Councils making free distribution of goods in their areas with some of the approaches shown below. However, if you have anything you feel would be of value to your Fellow Vincentians in servicing the needy, please let the National Stores Chairman know and we can add this to future publications of the manual.
EXHIBIT B

RECEIPT FOR MERCHANDISE

Society of St. Vincent de Paul  
Receipt Number ____________________

Name  
Street Address  
City, State, Zip

Routing Instructions

<table>
<thead>
<tr>
<th>QTY.</th>
<th>ITEM</th>
<th>AMOUNT</th>
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THANK YOU FOR YOUR DONATION!

A few donations can realize more value for the needy by being sold. The proceeds from these sales will be dedicated to buying urgently needed items that are always in short supply. All these purchased items will always be given to the needy at no cost. No goods or services were provided in exchange for this merchandise. We are a 501c (3) tax exempt organization.

Received By  
Date  
TOTAL $

☐ PICK UP COMPLETE  ☐ Donor did not require receipt

☐ OTHER

THANK YOU for your support. The value of all items donated is tax deductible and the donor places the value.
## EXHIBIT C

**REFERRAL FOR AVAILABLE MERCHANDISE**

**Society of St. Vincent de Paul Warehouse**

**Form 1 (Rev 6-90)**

<table>
<thead>
<tr>
<th>Name</th>
<th>ID No.</th>
<th># in Family</th>
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<tbody>
<tr>
<td>Address</td>
<td>Phone No.</td>
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**NOTE:** The merchandise listed here must be picked up before the date listed. A special sticker is needed to receive a refrigerator, washer, gas range, dinette, dresser or bed. Please read the procedure on back of this form.

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**Authorized by** | **Visited by** | **Conference** | **Date Issued** |

**Received by** | **Served by** | **Date Served** |

**Prepared in Duplicate:**

1 copy to **RECIPIENT** (green)
1 copy to **CONFERENCE** (white)

## EXHIBIT D

**REFERRAL FOR AVAILABLE CLOTHING & BEDDING**

**Society of St. Vincent de Paul Warehouse**

**Form 1 (Rev 5-86)**

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<td>Address</td>
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</table>

**Authorized by** | **Visited by** | **Conference** | **Date Issued** |

**Received by** | **Served by** | **Date Served** |

**Prepared in Duplicate:**

1 copy to **RECIPIENT** (white)
1 copy to **CONFERENCE** (yellow)
SECTION 10: DISASTER RESPONSE

Basic Principles

Picture this:

Hurricane Hugo just hit the Carolina coast leaving thousands homeless and stranded: no electricity, no water, no food, and no shelter. All of a sudden we come to the rescue through various care agencies, to provide the emergency care needed.

But also, picture this:

Along with the food and water truckloads of clothing roll in; some good, some bad, some clean, some dirty — the real work begins. The emergency crews now have to find shelter not only for the victims but also for the tons of clothing. Once shelter has been found, then volunteers must sort.

During Hugo, volunteers laughed about some of the items sent to the Carolina coast, like a complete snow ski outfit. These items must then be distributed, and finally most of the clothing mildewed and dirtied by the rains, must be taken to a local dump. During Hugo thousands of dollars were paid to the local dumps.

Whenever disaster hits, the universal response is to help. Most of us will run to our closets and gather blankets, clothing, and so forth assuming — correctly — that such items can be used by the victims. This is an unfortunate response for the caregivers of disaster victims.

As we all know from our thrift store experiences, sorting and distributing used clothing is a labor intensive and costly experience. In disaster assistance there is an order of priority response with food, shelter, electricity, water and money being on top of the list and clothing somewhere in the middle.

So where can our Society's thrift stores fit? How can we effectively assist the primary care sources? Here are some suggestions:

1. It is important that we all acknowledge that our Society has an agreement with the RED CROSS, so when disaster hits, we must communicate with the RED CROSS for coordination and instructions.

2. Be prepared before disaster hits. It is good practice to send a representative of your stores to any local workshops offered by disaster response groups such as: your own state VOLUNTARY ORGANIZATIONS ACTIVE IN DISASTER or VOAD.

3. Remember that money takes up less space; it is easier to transport and to distribute than any article of clothing. You can get creative about this: ask for disaster donations and with the same hold a special sale earmarking the profits disaster relief. Or you can have an ongoing disaster fund where one or two of your annual sales can produce a percentage of proceeds for the disaster funds. There are many ways to generate funds and our thrift stores are an excellent source.

4. The Council of the United States has determined a policy which states that all funds raised for disaster are to be sent to the National Council for accounting and distribution. This is...
necessary to provide the accountability required for the Society and the Councils involved in disasters.

5. Coordinate activity with the SVDP thrift stores near the affected area. If those stores have a give-away ministry — as many of us do. — then they will likely merchandise reinforcement. Any disaster response group will tell you that clothing assistance is best when supplied through local sources.

6. If you can't help yourself and must send clothing then:
   - Pre-sort clothing.
   - Pack clothing in size and gender categories and clearly label as such.
   - If possible cover the packs with plastic for protection during shipping and handling.
   - Send only necessity items: children's clothing, blue jeans, and blankets are good while skates, evening dresses and fur coats are bad.
   - Make sure everything you send is clean and in wearable condition — remember washing machines are probably not available.

   and

   NEVER send clothing without an official OK.

Your local volunteer disaster group can supply you with a list of individuals in charge of coordinating emergency assistance. Get in touch with these folks and map out a plan of action before disaster hits.

When a disaster strikes, the regional chairperson for disaster should be contacted for assistance. You may also contact Mr. Kenneth Mills, Disaster Chairperson for the Council of the United States, at (513) 275-4079.

For more information you can call: Mr. Neil Molenaar (206) 479-4315, consultant for the NATIONAL VOAD.

**Response to Store Disasters**

There are two types of disaster for which SVDP store operations need to be prepared. The first is an internal disaster that is specific to your own operations such as a fire. The second type of disaster is a natural disaster that affects a broader community, such as a flood, hurricane, windstorm, etc. With both types of disasters there are ways to prepare in advance.

For the internal disaster the following preventive actions can help prevent serious consequences:

I. Conduct regular safety inspections.

   There are many resources available to you for increasing the odds against an internal disaster happening on your site, or for limiting the damages when an accident does occur. Some of those resources are as follows:

   A. Ask your local Fire Marshal to do a walkthrough inspection.
   
   B. Ask your fire and casualty insurance or broker to do an insurance safety audit.
C. Request an OSHA audit with your workers compensation insurance carrier. Keep in mind that your workers compensation broker is not an enemy - the better relationship you develop the more benefits you will reap.

II. Make sure that your equipment is well maintained and the appropriate tools are available to shut off valves or secure equipment in times of disaster.

III. Install a back up lighting system in your facilities in case of power failure. Keep flashlights with a supply of batteries at key work stations.

IV. Develop an emergency evacuation plan that each employee is made familiar with should disaster strike during working hours. The plan should include escape routes and a central meeting places a safe distance from the building. Individuals should be identified to shut off power supplies and gas lines. Emergency evacuation drills should be conducted at least once a year.

V. Maintain a current list of employee emergency phone numbers, such as physicians, dentists, etc.

VI. Have an emergency response team ready to remove major equipment to safety if feasible. This might include having a driver who lives nearby carry a pager when off duty, so that someone familiar with the trucks would be there to move them out of the yard if it is safe to do so. Make sure the keys to the vehicles are accessible to this individual.

VII. The two major causes of industrial fires are careless smokers and overloaded electrical circuits. Make sure that you have policies in place to prevent these factors from being an issue in your organization.

The first concerns for a response to an internal disaster should be to insure the safety of and care for your employees and clients or customers. A truck or a cash register is not worth a human life.

Regularly review your insurance coverage. Know the provisions of your policy. When an internal disaster strikes make immediate contact with your insurance agent. Make sure you don't start the recovery until you are sure of your insurance position and have a clear understanding of what your coverage will be prior to expending funds on repairs. ...

The second type of disaster is ~ natural disaster. This is more complicated to prepare for since you do not know when or how it will strike and it is often wide-spread throughout the community. A natural disaster may also include an internal disaster, depending upon the damage done to your facility.

The first concern should be for the safety of your employees, customers or others who may be on the premises. Evacuation plans should be posted and emergency procedures followed. All supervisors should have some disaster preparedness training. Someone should know where the gas shut off is and either be able to shut it off or be able to identify the location for the fire department. In a severe disaster situation the fire department may not be able to assist immediately so a well trained staff is critical to your safety. In addition to the gas shut off the supervisor should be familiar with other utility shut offs and fire protection equipment and/or systems.
A listing of emergency phone numbers for all staff should be kept available. Often in a situation such as an earthquake the local telephone lines may be unavailable for use but a long distance connection may be possible. It is usually recommended that a family establish an out-of-state contact with whom each family member can call in case of separation during the disaster. It might be wise to have a cellular telephone on site to use in emergency.

It is also wise to have some member of your organization attend the regular VOAD (Volunteers Organized to Assist in Disaster) meetings, so that you are aware of the state and local emergency plans and the role that you are expected to play in disaster relief. While the planning is ongoing you need to be flexible and willing to adapt.

The first contact after the disaster strikes, and after you have cared for your staff and customers, is the local Red Cross. Be prepared to present to them a list of resources that are available through your operations. This might include trucks, clothing, storage space, personnel, and space for office personnel, etc. Red Cross is the lead agency in disaster. In the early stages, however, the local operation may need a great deal of help until outside personnel arrives from the National Red Cross Office. If you cannot make contact with the Red Cross and have been a part of the VOAD planning process, implement the plans for your community which you then have the capacity to do and which make the most sense at the time. It is important to coordinate when possible with other emergency agencies.

There are four major components to disaster. The first of these is **finance**. Do not expect anyone to pick up your expenses. Work within your financial means and add services as funds are raised. It is recommended that from the very beginning of the disaster that a separate cost center be established. It is very important to remember that the dollars donated for the purposes of disaster relief are restricted and should be tracked carefully and matched with the expenses incurred. Do not forget to count the expenses of the infrastructure those expenses are very real and might include gasoline for trucks, time of drivers, accounting staff time, processing time for donations.

The second component is **logistics**. You should examine the need for material supplies for your volunteers or staff to meet the needs of the disaster at hand. This would include food, safety equipment such as rubber gloves, boots, and other supplies that will be needed to carry out the operations. Safety is paramount to any operation.

The third component is the **actual operations**. This would include feeding the victims, sheltering the victims, staffing a donations warehouse, answering telephones, and assisting victims with paperwork. The operations will vary depending on the capacity of your operations and the nature of the disaster.

The final component is **planning**. The planning should be directed towards as quick a return to normal operations as possible. It is not good to perpetuate the status of victim too long. Planning is an ongoing process and should include key players within the community. Forming an unmet needs committee who can triage the needs of victims helps coordinate efforts and eliminate duplication of services. Planning may continue for a period of months and it is important to stay at the table, and make sure that you invite others to the table.

Some of the most helpful actions in disaster may be the removal of donations from an overloaded community. Be prepared to offer your services to help remove and properly store goods. The smart move again is to normalize the process as quickly as possible. One suggestion is to notify donors of in-kind goods that they may be commingled with your regular donations in your stores and offered for sale. A letter of explanation sharing the complexity of
matching donations to the victims can be given out at the time of receiving the donation. Be sure to include a statement that victims will receive the goods at no charge and that special attention will be given to meeting their needs.
SECTION 11: WORKING WITH PARISH CONFERENCES AND OTHER AGENCIES

This section is devoted to how St. Vincent de Paul Thrift Stores can, and should be working with not only parish conferences but with churches of all denominations, social agencies, local community, County and State Programs as well. SVDP Stores should be community leaders in providing service to the needy.

I. WORKING WITH CONFERENCES

SVDP Thrift Stores were originated to assist conferences in supplying clothing, furniture and other household goods to the people they assist. Usually, a discount is extended to the conference purchasing the goods and in some areas goods are offered at no cost.

In cases where a needy conference is unable to pay for the goods a Store Committee Policy may waive the cost.

II. WORKING WITH CHURCHES AND OTHER AGENCIES

Although we are a Catholic lay organization our Mission is to serve the needy in our communities regardless of race, religion or place of origin.

It is essential we have respect for the value and dignity of all individuals. It is encouraged to work closely with other denominations, social agencies and other helping organizations to meet the needs of the poor.

Partnerships with various Community Programs are also encouraged by providing a site for Community Service Workers and adult and youth group projects. Other Thrift Store outreach opportunities may include supplying excess bulk goods to other Catholic and community causes such as missions, shelters, natural disasters etc.

III. THE THRIFT STORE VOUCHER PROGRAM

The Voucher Program is recommended for the use of conferences and social agencies to refer people to Thrift stores. It is a business like way of tracking requests and the merchandise provided. Tracking is vital for documentation purposes for both Conference records and the Thrift Store. The number of people assisted and the value of merchandise distributed yearly is reported on the National Stores Annual Report.
Many Councils have moved to calling the SVDP Voucher Program, ‘The Gift Certificate Program’ in an effort to uphold dignity and allow anonymity to the people serviced. Computer technology and Point of Sale systems (POS) provide even a greater anonymity with the use of SVDP Thrift Store Gift Cards. Modern technology provides the transaction information for the Thrift Store documentation.

Though the program name and the various operational practices may vary, the Voucher Program it is a fundamental aspect of Thrift Store operation.

IV. VOUCHER FORM

The Voucher Form is provided for communication between the conferences or social agencies and Thrift Store personnel. The appearance of Voucher forms vary from Council to Council but the principle of the SVDP Voucher Program remains the same. Voucher Forms provide pertinent information: Conference Name, two conference member signatures, the date, the name, address and phone number of the persons / family being helped and the goods to be provided to fulfill specific needs.

V. PROCEDURE FOR USE OF THE VOUCHER PROGRAM

i. The conference/agency completely fills out the store voucher –including the dollar value.

ii. The conference/agency reviews the voucher form and instructs the person they are servicing, with Thrift Store information. (i.e.: address, directions, delivery service options (if offered) store hours, etc. Typically, this information is printed on the back side of the voucher form. The conference / agency keeps a copy of the store voucher for their records.

iii. The copy of the voucher form is taken by the conference / agency or the person to the store for the designated merchandise.

iv. Store personnel complete the form by filling in the dollar amount of the items received.

v. The store in turn will send the stores completed voucher form to the conference for confirmation and billing purposes or will send an invoice to the conference / agency for payment.

VI. CONCLUSION

Working with parish conferences and other Social agencies are very important to serving Christ’s poor.

Stores and Conferences are mutually dependent. Neither is more important than the other. Each must understand the duties and responsibilities they have and work together to accomplish the goals of the Society.

The Store Committee and the Council each play a significant role in this service. Good communication and frequent meetings are necessary to insure goals are met.
SOCIETY OF ST. VINCENT DE PAUL
305 EAST MAIN STREET, WAUKESHA, WI 53186

STORE VOUCHER

(Please print)

CONFERENCE: ________________________________

DATE ISSUED: _____________________________  EXPIRATION: ____________________________ (Valid one month)

___________________________________________

RECIPIENT INFORMATION

LAST NAME                  FIRST NAME

___________________________________________

LAST NAME                  FIRST NAME

___________________________________________  # ADULTS: ________  #CHILDREN: ________

ADDRESS:     (Street)
             (City)

___________________________________________

PHONE          Delivery ___ yes___ no

___________________________________________

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Item Description</th>
<th>Price</th>
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</table>

*ITEMS MAY BE SUBSTITUTED FOR SIMILAR ITEMS OF EQUAL VALUE  yes____  no____
FREE CLOTHING DISTRIBUTION

#___ADULT CLOTHING $35.00 value per adult

#___CHILDREN CLOTHING $25.00 value per child

Free clothing defined as fabric garments and seasonal outerwear.

*Excludes White tagged clothing

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<tr>
<th>VOUCHER (Maximum) VALUE</th>
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<tr>
<td>DELIVERY CHARGE</td>
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CONFERENCE APPROVED

VOUCHER TOTAL $________

(CONFERENCE MEMBER OR AUTHORIZED SIGNATURE)

_______________________________________________________

(Billing information: Filled out by Store Personnel)

MERCHANDISE RECEIVED $___________

½ BILLED TO CONFERENCE $___________

DELIVERY CHARGE +__________

TOTAL DUE $__________________
SECTION 12: OTHER BUSINESS OPPORTUNITIES

I. Recycling
   a. This section has been moved to the New Stores Startup Manual section on recycling.

II. Other Innovative Business Opportunities
   a. The St. Vincent de Paul Thrift Stores in Eugene, OR have found very creative ways of reusing the refuse stream as a revenue stream.
Section 12: Other Business Opportunities

- CFC Recovery

- Mattress rebuilding

- If we can’t rebuild it, we recycle it.

- St. Vincent’s Woodshop

- Books are a nuisance and an opportunity

- Aurora Glass
What’s new?

- Polished glass shards for crafts
- And coming soon: utility blankets and pillows from cotton and Dacron®

Sustainable Community Model

Diagram:
- Waste-stream Diversion
  - Jobs through Economic Development
  - Emergency Services and Housing
# APPENDIX A: Bookkeeping Chart of Accounts

Below is a sample chart of accounts that can be used to set up the bookkeeping system for the operation.

<table>
<thead>
<tr>
<th>Account</th>
<th>Type</th>
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<tbody>
<tr>
<td>Frost Bank SVDP Central Texas</td>
<td>Bank</td>
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<tr>
<td>Frost Money Market 2872</td>
<td>Bank</td>
</tr>
<tr>
<td>Cash Register</td>
<td>Bank</td>
</tr>
<tr>
<td>A/R Employee</td>
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</tr>
<tr>
<td>A/R-fraud charges</td>
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</tr>
<tr>
<td>Undeposited Funds</td>
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<tr>
<td>2012 Truck</td>
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</tr>
<tr>
<td>2012 Mitsubishi Fuso Truck</td>
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</tr>
<tr>
<td>Net Assets</td>
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</tr>
<tr>
<td>1998 GMC Truck</td>
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<td>1998 GMC Truck:Cost</td>
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</tr>
<tr>
<td>2000 GMC Truck</td>
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</tr>
<tr>
<td>2000 GMC Truck:Accum. Dep</td>
<td>Fixed Asset</td>
</tr>
<tr>
<td>2000 GMC Truck:Cost</td>
<td>Fixed Asset</td>
</tr>
<tr>
<td>Building</td>
<td>Fixed Asset</td>
</tr>
<tr>
<td>Building:Accumulated Depreciation</td>
<td>Fixed Asset</td>
</tr>
<tr>
<td>Building:Cost</td>
<td>Fixed Asset</td>
</tr>
<tr>
<td>Building Improvements</td>
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</tr>
<tr>
<td>Building Improvements:Accumulated Depreciation</td>
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</tr>
<tr>
<td>Building Improvements:Cost</td>
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<tr>
<td>Portable Buildings:Accumulated Depreciation</td>
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<tr>
<td>Portable Buildings:Cost</td>
<td>Fixed Asset</td>
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<tr>
<td>Security Deposit</td>
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<tr>
<td>Security Deposit:Food Trailer</td>
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<tr>
<td>Transfer - cash out</td>
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</tr>
<tr>
<td>Transfer</td>
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</tr>
<tr>
<td>Transfer from Old Company</td>
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</tr>
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<td>Direct Deposit Liabilities</td>
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<td>Accrued sales taxes</td>
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<td>Accrued sales taxes:Accrued Sales Tax- SoCo Store</td>
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<td>Payroll Liability</td>
<td>Other Current Liability</td>
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<td>Account Description</td>
<td>Type</td>
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<td>Payroll Liability: Child Support</td>
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<tr>
<td>Daily Sales: Clothing Dept: Clothing Special Events</td>
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<tr>
<td>Daily Sales: Furniture Dept: Furniture Credit Sales</td>
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<td>Daily Sales: Credit Card Adjustments</td>
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## APPENDIX B: SAMPLE DETAIL BUDGET

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- 2019: 5,041.67
- 2020: 5,500.00
- 2021: 5,000.00

### Meetings
- 2018: 528.58
- 2019: 1,375.00
- 2020: 1,500.00
- 2021: 1,500.00

### Office Equipment
- 2018: 162.16
- 2019: 1,833.33
- 2020: 2,000.00
- 2021: 2,000.00

### Product Preparation
- 2018: 325.56
- 2019: 1,375.00
- 2020: 1,500.00
- 2021: 1,500.00

### Storage
- 2018: 7,983.00
- 2019: 3,666.67
- 2020: 4,000.00
- 2021: 4,000.00

### Tagging/Marking
- 2018: 407.88
- 2019: 1,375.00
- 2020: 1,500.00
- 2021: 1,500.00

### Volunteer
- 2018: 0.00
- 2019: 458.33
- 2020: 500.00
- 2021: 500.00

### Website
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- 2019: 229.17
- 2020: 250.00
- 2021: 250.00

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- 2019: 5,041.67
- 2020: 5,500.00
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### Volunteer
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- 2019: 458.33
- 2020: 500.00
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### Website
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The Role of the Board and Board Members

By Brian O’Connell

An interesting list of objectives for the ideal board member has endured for about fifty years. It's attributed to Michael Davis of the Rosenwald Fund. Here are five of his best: Know why the organization exists, and annually review why it should.

Give money, or help get it, or both.

Face budgets with courage, endowments with doubt, deficits with dismay, and recover quickly from a surplus.

Interpret the organization's work to the public in words of two syllables.

Combine a New England sense of obligation with an Irish sense of humor.

Boards differ according to the organization's size and age; if it functions as a federation or a single institution; if it has staff; and whether it is a service organization with the board having ultimate authority, or a cause-oriented association where the membership body shares responsibility.

Despite all the variables, there are some universal truths applicable and essential to every nonprofit organization. They begin with legal responsibility. Whether board members are called trustees, directors, governors, or something else, you are in essence the trustees in the literal and legal sense of the term. No matter how the organization is structured or the degree of authority delegated to staff, committees, or affiliates, the board and therefore the trustees are ultimately accountable.

In a 1984 court action in New Jersey involving an organization called "Friends of Clinton Hill", a sympathetic judge listened to all the reasons the board members gave for not knowing that their association had failed to pay the government for income taxes withheld or for social security taxes. He even described these volunteers with such terms as selfless, dedicated, and compassionate but said nevertheless that the law left him no alternative but to hold them accountable for all such taxes and stiff interest penalties.

Whether it is a service agency or a cause-oriented membership association, the board has the principal responsibility for fulfillment of the organization's mission and the legal accountability for its operations. Usually the bylaws stipulate something like "the affairs of the corporation are vested with the board." There have been several legal cases where board members were held legally accountable, largely because they had failed to exercise reasonable oversight and objectivity. When those cases are reported in the papers, the trustees are often quoted as "not having seen financial reports", "not having known", or "were not aware that the organization had contracted with a firm owned by one of the staff or board members", or in other ways making clear that the trustees had not really exercised responsibility to know what was going on.

The law, however, is fair as long as the trustee's attention to responsibility is reasonable. Joseph Weber, former head of the Greater New York Fund, pointed out in his publication "Managing the Board of Directors" that, "This does not mean that a director needs to fear liability for every corporate loss or mishap that may occur. On the contrary, a Director is
generally protected from liability for errors of judgment as long as he or she acts responsibly and in good faith, and with the basic interests of the corporation as the foremost objective."

Though the legal responsibility is real and some boards and agencies are highly complex, the role of the board should still be seen in the fairly simple framework of the question, "What have we trustees agreed to be accountable for?"

I have been through hundreds of books, pamphlets and training manuals relating to boards of directors and find that most of them try to deal with bylaws, policies, committees, recognition, and other specifics before or even in lieu of dealing with the basic question "What am I accountable for?" I find it helpful to start with the standards of performance by which organizations are held accountable and then work backwards to see how the board can be sure that the organization passes those tests.

There are two groups that have worked for years to develop and summarize the basic standards for voluntary organizations. One is the National Charities Information Bureau (NCIB) and the other is the Philanthropic Advisory Service of the Council of Better Business Bureaus (CBBB).

**In 1984, NCIB provided these basic standards:**

Philanthropic organizations have a high degree of responsibility because of the public trusteeship involved. Compliance with the following standards, with reasonable evidence supplied on request, is considered essential for approval by the NCIB.

1) **Board**—An active and responsible governing body, holding regular meetings, whose members have no material conflict of interest and serve without compensation.

2) **Purpose**—A clear statement of purpose in the public interest.

3) **Program**—A program consistent with the organization's stated purpose and its personnel and financial resources, and involving interagency cooperation to avoid duplication of work.

4) **Expenses**—Reasonable program, management, and fundraising expenses.

5) **Promotion**—Ethical publicity and promotion excluding exaggerated or misleading claims.

6) **Fundraising**—Solicitation of contributions without payment of commissions or undue pressure, such as mailing unordered tickets or merchandise, general telephone solicitation, and use of identified government employees as solicitors.

7) **Accountability**—An annual report available on request that describes program activities and supporting services in relation to expenses and that contains financial statements comprising a balance sheet, a statement of support/revenue and expenses and changes in fund balances, a statement of functional expenses, and notes to financial statements that are accompanied by the report of an independent public accountant.

8) **Budget**—Detailed annual budget approved by the governing body in a form consistent with annual financial statements.

The Council of Better Business Bureaus' list is called "Standards of Charitable Solicitation"; because they relate substantially to fundraising practices, they are fairly extensive. Some of them I've covered in the
separate pamphlet on fundraising. Those most relevant to the board's role and performance are listed below.

**Governance**
1) Soliciting organizations shall have an adequate governing structure.
2) Soliciting organizations shall have an active governing body.
3) Soliciting organizations shall have an independent governing body.

**Use of Funds**
1) A reasonable percentage of income from all sources shall be applied to programs and activities directly related to the purposes for which the organization exists.
2) A reasonable percentage of public contributions shall be applied to programs and activities described in solicitations, in accordance with donor expectations.
3) Fundraising costs shall be reasonable.
4) Total fundraising and administrative costs shall be reasonable.
5) Soliciting organizations shall substantiate on request the application of funds in accordance with donor expectations, to the programs and activities described in solicitation.
6) Soliciting organizations shall establish and exercise adequate controls over disbursements.

**Public Accountability**
1) Soliciting organizations shall provide on request an annual report.
2) Soliciting organizations shall provide on request complete annual financial statements.
3) Soliciting organizations’ financial statements shall present adequate information to serve as a basis for informed decisions.
4) Organizations receiving a substantial portion of their income through the fundraising activities of controlled or affiliated entities shall provide on request an accounting of all income received by and fundraising costs incurred by such entities.

It is revealing that both standard-setting bodies emphasize the role of the board itself. Though it may seem simplistic to say that the first role of the board is to be sure that the board is fulfilling its role, that's often the last place where accountability is exercised. Board members blame staff, committees, the fundraising chairman, the treasurer, and everyone else for failures in the operation, but rarely take a look at whether the board itself meets the kind of standards laid down for boards by NCIB and CBBB.

In a paper "Major Challenges to Philanthropy", commissioned by INDEPENDENT SECTOR, Robert L. Payton, President of the Exxon Education Foundation, put it on the line:

As a group, it is the trustees who are most important in protecting the standards of philanthropy. If you smile at that, knowing from your own experience of trustees whose ignorance or single-mindedness made them part of the problem rather than part of the solution, I also smile—but in pained discomfort. Like it or not, the trustees are the structural bulwark
defending the public interest in philanthropy. And if I'm right about that, then the education of trustees claims a very high priority on our collective agenda.

Their standards affect other fundamental ways by which the organization fulfills its accountability, such as financial reporting and evaluation. One pamphlet in this series attempts to deal with those subjects. I want to deal here with some of the unique aspects of the board's responsibility to be sure that these functions are fulfilled.

At its core, the board's job is to be sure that the organization measures up to the standards, not just as an evaluator but as the sole group responsible for seeing that the organization develops the capacity to meet the standards. Trustees can't sit back and be the high court or critic; likewise, trustees can't hide behind the myth that it is the board's responsibility to make policy and the staff's responsibility to carry it out. If your association was run entirely by volunteers, the accountability would be much clearer. You can't just make decisions and then walk away without being sure those decisions are translated into practice and results.

In a very helpful publication entitled "Trustee Responsibilities", published by the Association of Governing Boards, John W. Nason lists twelve functions. They are written for educational institutions, but are applicable to almost all nonprofit organizations. To that end, I've taken the liberty of substituting the title of chief stall officer for president.

- Appointing the chief staff officer
- Supporting the chief staff officer
- Monitoring the chief staff officer's performance
- Clarifying the institution's mission
- Approving long range plans
- Overseeing the program
- Ensuring financial solvency
- Preserving institutional independence
- Enhancing the public image
- Interpreting the community to the organization
- Serving as a court of appeal
- Assessing board performance

These functions are similar to any description of the board of directors of a business corporation, but in many ways the nonprofit organization depends far more on its board for fulfillment of the organization's goals. Indeed, the smaller the organization, the greater the dependence on volunteer performance.

Kenneth L. Dayton, former chief executive officer of Dayton Hudson, serves on many corporate, foundation, and large and small voluntary agency boards and has this to say about the similarities and differences in the boards' responsibilities:

It is my experience that a board's role in the governance of nonprofit organizations—both philanthropic and voluntary—is exactly the same as it is in for-profit corporations.
This covers moral and legal responsibility, strategy determination, allocation of resources, goal setting, evaluation of performance, rewarding and motivating management, making the tough decisions on top personnel, and being willing and available to assist in the areas of special experience. (It also involves strengthening the Board itself—determining criteria for membership and setting policies for tenure and rotation.)

Those board roles are absolutely essential to the effectiveness of all public corporations—profit and nonprofit. Contrary to popular notion, I’ve found that it is often on the nonprofit side that boards take those responsibilities most seriously.

Dayton's last point about the degree of responsibility exercised by volunteer trustees contradicts other perceptions, but if you think about it, though the businessman serving as an outside director of a corporation might take that responsibility seriously in terms of prestige, attendance, and legal liability, he or she really knows that the trustee's role means far more to the success of the institution in the voluntary world. A business corporation obviously needs its board for legal and practical reasons, but it isn't nearly so dependent on those individuals for its income and community outreach. Nor is it likely that corporate board members serve on the sales, marketing, and manufacturing committees as they do on the nonprofit organization's rehabilitation, fund-raising, and public relations committees.

Perhaps even more important is the degree to which voluntary organizations look to individual trustees for leadership. Beyond all the essential procedures and participation to ensure accountability, the board of the nonprofit organization has a substantial but rarely defined responsibility and opportunity for leadership.

The National Charities Information Bureau has an extensive checklist under the heading "What a Good Board Member Does"; it's significant that the very first point is, "He inspires and leads."

Usually when we think of leaders and leadership, we envision the towering giant who can do anything or the charismatic magician who can get the rest of us to do anything. In a pamphlet headed "A Guide For New Trustees", Nancy Axelrod of the Association of Governing Boards quoted a Wall Street Journal article which described the ideal board member as "a man or woman with the versatility of Leonardo da Vinci, the financial acumen of Bernard Baruch, and the scholarly bent of Erasmus."

Most leadership actually comes from ordinary people who have it in them and rise to responsibility. These people are all around us leading thousands of community and national institutions through conviction, hard work, and quiet ability, to help individuals and organizations see their own roles and worth.

In booklet #2, "Finding, Developing and Rewarding Good Board Members", I talk about the need for an organization to look just as hard at personal qualities as they do at skills and experience. In all of the resource materials I've reviewed, most of the experts immediately jump into an enumeration of the kinds of professional experience an organization will need on the board with almost no attention to personal qualities. But when I look at what makes a board tick, it's often the ability to work together that counts and this depends on qualities that lend themselves to teamwork. Cyril 0. Houle, in his book The Effective Board, says, "Organization is merely the way by which people relate themselves to one another so as to achieve their common purposes."

Because I've learned this lesson so totally and am so pained to see others preoccupied with the buzz word "expertise", I want to dwell a bit to try to communicate what I mean and how...
much I mean it. For years I have been watching boards and making mental notes of the personal qualities of people who become the formal or informal leaders. If I was restricted to just one quality, I would single out the ability to start and end every analysis and evaluation with the standard, "What is right?" As simple as that may seem, it is too rarely in evidence. Determining what is right becomes obscured in a multiplicity of other considerations which so confuse the analysis that decisions are far too often made without primary consideration of what, in fact, is right. One of the most significant lessons I've learned is that when I let other factors intervene, such as timidity, ambition, wanting to please, and all the other things that come to the fore when we're asked to speak our minds, I generally end up using poor judgment. From the positive side, there have been times when, for one persuasive reason or another,

I just did not want to take on a hassle or be in the minority; but I persisted and subsequently learned that by following the rule of doing what was right, my point was won or at least respected, and to have done otherwise would have been wrong in every respect.

I don't suggest that it's always easy to know what is right. Some-times it's agonizingly hard. But when that's the case it's all the more important to crack that problem first. As hard as it often is to figure out what is right, that approach frequently makes even complex matters surprisingly clear and their solutions fairly obvious. I've seen boards struggle interminably with decisions, only to have someone bring them gently back to the starting place by pointing out that they first had to articulate what is right and then concentrate on how to achieve it. Too often groups prefer not to start the struggle at the nub or want to bound off on the false assumption that there is a common grasp of the issue. Just as often, the board will erroneously assume that what is right is unachievable and will proceed from there without really shaking the hell out of that assumption.

It's important not to be among those who feel they must stand up and be counted on every issue. Those kinds are pains in the neck and usually confuse personal privilege with principle. As a private habit, though, it's important to begin each analysis with the standard of "what is right?" foremost in mind before moving on to the "what ifs?" and "so whats?" By starting there and ending there we at least know what the basic consideration is. That's a comfort in itself, and in addition, the exercise of the standard provides a healthy discipline and a welcome reputation for integrity.

The second most important quality I've observed is fairness. This, too, is simple in concept but terribly difficult in application. It's obviously related to any determination of what is right, but it is important by itself. For one thing, it lends to leadership an important and attractive kindness.

Sometimes what is fair to some people is in conflict with what is right. What's right may have long range considerations but might not be fair to people caught in the short-term consequences. At least by determining what is right and what is fair, we have a better grasp of all considerations and may be able to minimize the consequences or provide compensation to those unfairly affected.

Fairness also involves giving credit to others for their contributions. Not only is this an important attribute, but it's amazing how much mileage it gains an individual. It is rarely done, at least with grace and sincerity.

A contrasting yet necessary combination of characteristics of good people comes down to toughness and sensitivity. It's a very, difficult match to put together, but it's what so often makes for really marvelous character. It's a beautiful thing to see the individual who sticks tenaciously
to a plan or a goal yet can still remain attuned to the human side of the enterprise. I find that the so-called "doers" usually become so eager to add a new success that they begin to overlook or even forget the intermediate steps involving thoughtfulness which were so much a part of their getting somewhere in the first place.

Successful people often handle themselves so badly that we marvel that they ever could have become successful. The answer is that they've forgotten or underestimated how much a part of their success involved alertness to moods, feelings, and needs. It's almost an axiom of success that fairly quickly the toughness survives and the sensitivity subsides. The leader who can go the long haul is one who can somehow manage to keep these two in balance.

I'm at a level of activity where I can see some of the former young superstars beginning to be passed over because, while they are still spectacular individual doers, they haven't the patience or reputation for reasonable team play necessary to pull together a really large operation.

In the reverse, it's fascinating to see some of the sleepers coming to the fore. Based in significant part on the confidence and comfort of their peers, they've grown quietly and steadily in organizing opportunities and abilities.

Jesse Jackson says there are two kinds of bright young leaders, the "stars" and the "satellites". "Satellites burn very bright in the sky," he says. "They outshine the stars for a while, but they burn themselves out and they just disappear. But the stars come out every night. They have pace."

Related to pace and peer support, but deserving separate mention, is reliability. There's no need to dwell on it, but suffice it that depending on people who aren't reliable is a nightmare and working with people who are is a delight.

The next quality involves contradictory characteristics. It's controlled ambition. Ambition is a healthy trait, but when it's out of control there's nothing less appealing. The person whose ambition gets in the way of fairness will find that it also gets in his or her own way sooner or later.

I delight in watching a person who is able and ambitious but who has learned that the way to achieve important goals is to subordinate the ambition to fairness with a dash of humility blended in.

There is an apt Chinese proverb that says: "Those who lead well will know that their followers might say that they led themselves."

Given the above difficult combinations of attractive human qualities, it's probably not surprising that the next characteristic of the best board members and leaders is flexibility. Maybe it's assumed that anyone who possesses the qualities already mentioned would have to be flexible, but I've seen many people who seem to have everything going for them still miss the mark, and the problem invariably comes down to inflexibility. People who are capable often learn early in life that they are special, and this unfortunately leads to excessive confidence in their own judgment and capacities. Gradually doubt recedes, humor gets pushed into the background and temper shows more often. The person who knows what is right, is tough, efficient, and ambitious, and has had success and recognition, tends to become awfully impressed with himself or herself, and begins not to look at each new situation in its own right. Adding flexibility to the blend of fairness, sensitivity, and imagination helps the product to rise.
I can't leave out enthusiasm either. I can hope that people will have a strong sense of humor, but I can survive, for the short run, if they don't. But lack of enthusiasm I can't quite survive. Thornton Wilder provided this counsel:

It's your business not to be eager about the thousand and one things in the night-sky of knowledge, but to be enthusiastic about the one or two constellations that you have marked down for your own.... Count that month lost in which you have not been swept up in an enthusiasm.

Emerson put it even more definitely. He said, "Nothing was ever accomplished without enthusiasm."

In booklet #5, I speak of the role of the president and emphasize the leader's role in creating a sense of enthusiasm, togetherness and thrust. It's also a very central role of every board member to contribute to that kind of atmosphere so necessary to building and to achieving results.

Although I obviously believe that personal qualities such as these are even more important than specific skills, I realize that they don't satisfy the usual questions about specific responsibilities. I've also learned that it's not sufficient to give the simple reply that each trustee is responsible to be sure that the board as a whole is fulfilling its accountability through planning, execution, and evaluation, though that is still the best answer.

In the publication "The Volunteer Board Member In Philanthropy", the National Charities Information Bureau has a section entitled "Am I A Good Board Member?" that is worth repeating here.

**Good Board Members:**

1) Are dedicated to helping others and modest in the light of their responsibilities as Board members.

2) Approach their responsibilities in the spirit of a trustee on behalf of contributors, their intended beneficiaries, and the public at large.

3) Stand up for their convictions, even at the cost of misunderstanding or disapproval in business or social life.

4) Back up other Board members and staff, rising to their defense when they are unjustly criticized or attacked.

5) Treat staff as a partner in a high calling, maintaining over-all supervision and control but not interfering with day-to-day administration.

6) Avoid being overawed by others on the Board, whether they are executive staff; tycoons of business, labor or society; professionals in social work, education, medicine, etc.

7) Welcome information and the best available advice, but reserve the right to arrive at decisions on the basis of their own judgment.

8) Respect the right of other Board members and of staff to disagree with them and to have a fair hearing of their points of view.

9) Accept as routine that decisions must be made by majority vote and will at times go against one or more members.

10) Criticize, when necessary, in a constructive way, if possible suggesting an alternative course.

11) Recognize that time and energy are limited and that over-commitment may prove self-defeating.
12) Endeavor to keep disagreements and controversies impersonal and to promote unity.

13) Maintain loyalty to their agency, within a higher loyalty to the welfare of the community and humanity as a whole.

I've been through enough board orientation and training sessions to know that there are many of you, newer to your board roles, which are frustrated and maybe even exasperated and want to shout at me, "But you still haven't told me what I'm supposed to do!"

On the most basic level, you should understand the mission of the organization, attend board meetings, serve actively on at least one committee, be certain that you and the board as a whole are in control of planning and evaluation, contribute to a sense of camaraderie and team work, and ask questions.

At least half of those board members who wanted me to say exactly what you should do are now exclaiming, what doesn't seem enough!" If it's any help, I can pretty much guarantee that if you'll do those things the rest will become obvious.

Most lists of fundamentals refer to the trustee's role in raising money. The veteran fundraiser Harold Seymour used to put it bluntly: "Contribute wealth, wisdom and work." Today, in our appropriate efforts to be more representative, it's not fair to put the arm on everybody for $10,000 or even $500. On the other hand, I think it is fair to ask all board members, within their means and spheres of contacts to contribute as much as they can and to help raise money. Asking for this help should be the responsibility of other volunteers and not the staff, and no board member should feel above these obligations.

Just a word on another basic responsibility, involving the importance of asking questions. If you don't understand the financial statements or the budget or the issue being voted on, ask questions. Sometimes these are better asked ahead of time or during the break so that you are not taking up too much time, and you can use these opportunities to get a bit of tutoring in areas where you are not as knowledgeable as others. However, the ultimate and absolutely necessary task is to understand what you are voting on. I can absolutely guarantee that other trustees will be grateful that someone else admits confusion and this will lead to a broader sense of comfort in asking even more questions. If you are accountable and you don't understand it, where does that leave you and the organization?

There is a balance between not being intimidated into inactivity while at the same time not feeling guilty if you don't understand everything. Pick the areas that really seem important and on which others don't seem to be coming forward. Don't be critical of yourself or others because you or they don't seem to understand or have an interest in everything. It's not realistic to expect that all board members will have an interest in or a grasp of all the things the organization is doing. My experience is that voluntary agency boards of any size are rarely comprised of individuals who have across-the-board interest or knowledge. I find that if a board is effectively organized, there will be some people participating who have an intense interest in certain topics and others who have a like interest in other issues and that, in toto, the group will represent an effective screen for all the issues and reasonable discussion of them.

In the booklet dealing with committees and meetings, there is a good deal of discussion about structure and process; but I want to make the point here that boards tend to build and perpetuate more structure than is necessary and thus obscure comprehension and accountability. You don't have to reach the extreme point of needing a committee or committees to know that too much time is going into organization. It's amazing how quickly organizations become
occupied with committee structure and with involved procedures and complicated lines of authority to the point where the organization ends up serving its structure and not its mission.

The structure of a service agency can be a good deal simpler than that of a federation or cause-oriented association that has a large voting membership and many affiliates. The latter may need a far larger board that is more representative of many constituencies, and the board will need to be extremely careful in the division of activities and power with the voting membership, delegate assembly, or whatever the larger group is called. On the other hand, the smaller board related to the service organization will have the disadvantage of not having the fuller groups to draw on for proven leadership. It will have the advantage of simpler structure and lines of authority, but will pay a price in limited outreach. Thus, the board members for the service organization must be chosen very carefully to compensate for the shortcomings in outreach, experience, representation, and proven commitment. The importance of this factor is compounded by the small size of the board, which makes each place count all the more.

Both because of size and fewer opportunities to come up through the ranks of the organization, attendance at board meetings is all the more important in the service operation. That's also necessary in order to build a sense of responsibility. People will come into the organization without much prior exposure or sense of continuity and will be inclined to be passive and a bit too respectful of the leadership. It's helpful to realize that on the surface the board will seem less important because the staff is so much in charge, but you will need to overcome the disadvantage of that and work all the harder at building a sense of responsibility and participation.

Whatever the kind of board, don't be too afraid of healthy give and take. Among other things, it builds a sense of family. Board meetings should be viewed as healthy arenas for controversy. If the issues are laid out in advance, well formulated and clearly presented, and if sufficient time is available for debate, then it is healthy and constructive for board members to question, debate, and disagree.

One of the characteristic faults of nonprofit organizations is that the leaders strive for compromise and for unanimous votes. My experience has been that if you are dealing with real issues, striving too hard for compromise and unity may mean that you are not facing squarely the issues themselves, or you don't have the right mix of people, or perhaps you've watered down the issues until they're harmless and impotent. It's far healthier to have a split vote as long as the issues are on the table, the debate is fair, and there has been sufficient time for consideration.

Providing for fair and objective consideration is easier said than done. Those in charge of the meeting often have strong feelings about the issues, meetings are usually too short for any real discussion, and there is too little advance dissemination of the facts to prepare people for adequate debate and vote.

If there is significant controversy, the organization must take the time to flesh out the issues so that the matter can be decided without any feeling that something has been put over on people. There will always be the temptation to slip a touchy matter through to avoid hurt feelings or ill will, or to let the executive committee handle a matter simply because it is potentially upsetting. Don't tolerate any of it. Be absolutely certain that a proper process is available and that this process is objectively and fairly followed to the letter.

It is far better to lose even on critical issues as long as the organization comes out of the battle with greater confidence in the integrity of the process. It's also better to take additional time for debate and decision on major items than to put them behind you. For instance, on a
major issue I always suggest that the matter should come up initially for reaction and discussion without a vote, even though this means postponement. It is more conducive to correct decision making and to confidence in the system to take extra time for consideration and review. Even on lesser matters, I generally favor having the board consider issues at one board meeting for vote at the next. Committee chairmen and staff members are almost always dismayed when I recommend this process. Usually they have worked hard on a project, or on guidelines, or on a position statement, and they feel it's imperative that the vote be taken as soon as possible. My approach is that if the matter is so important, it's worth being sure that the people know the issues. I also believe that with this course there is more likely to be followership once the vote is taken.

The posture of the leadership should be one of patience, tolerance, and flexibility. I include flexibility because leaders will often have their own biases, and yet they especially must be willing to seek out and really hear new facts and different opinions. The more important the issue, the more intense the feelings and debate are apt to be. You will find some people dig in their heels very early and are adamant about a given position. You will also find that people tend to describe the issues as a matter of principle or moral right. Generally, if you look closer, you will find they have confused policies with principles, or rules and regulations with philosophy. It's helpful to delineate the important distinctions between philosophy, principles, policies, procedures, rules, and regulations. It's easier to take something lower in the order too seriously simply by confusing it with a higher value.

Although this will not apply to the majority of readers, it is important to say something about the national board of an association with local chapters. It doesn't matter whether the national operation is organized as a corporate headquarters or the hub of a federation; it will still be the central entity and as such must provide dynamic leadership for the total organization. This includes responsibility for the organization's spirit, direction, thrust, policies, and guidelines.

One basic way to reduce built-in tensions and to keep the national level attuned to local needs is to be sure that the national board of directors is comprised overwhelmingly of people who come from the affiliates. Even if your organization operates as a tight national corporation, there can't be correct decision making and follow-through without local volunteers having a substantial part in making the decisions. On the national level, the organization should be very largely peopled and run by individuals who have current or at least recent experience on the firing line. The local affiliates must feel it's their national association or, regardless how dynamic the leadership, there won't be followership.

Even if you achieve the ultimate in representation, don't expect that harmony will automatically follow. You will still have to work hard at it. Remember Pogo's discovery: "We have met the enemy and he is us."

The object of all the lessons to minimize friction and create unity is to use the wonderful volunteer energy and time to fight for the cause and not against one another.

That's a pretty good rule for the role of all boards and board members.
ABOUT THE AUTHOR

Brian O'Connell is President of INDEPENDENT SECTOR. Previously, he served for 12 years as Executive Director of the National Mental Health Association and a like number of years in various executive roles with the American Heart Association. He was also Executive Director of the Coalition of National Voluntary Organizations and President of the National Council of Philanthropy. In 1979, he received United Way of America's Professional Award and in 1985 was elected to the National Academy of Public Administration. He has also served in a variety of volunteer leadership roles.
Finding and Developing Good Board Members

By Brian O’Connell

For the head of the board, having enthusiastic and reliable board members is almost as good as having an enthusiastic spouse and reliable children—and some days, such as just before the annual board meeting, you might trade the kids two for one.

The problem is that most of us wait until those moments of crisis to give adequate consideration to solid board membership. We fail to devote proper investment to finding, developing, and rewarding good board members. It's like trying to build a professional football team without the efforts of scouting, signing, training, and rewarding. Our business is almost entirely people, yet we invest almost nothing in people-building. We get so totally tied up in today's needs that we don't reserve a realistic part of our resources for developing the talent and dedication necessary to carry and expand the association's efforts tomorrow.

The building begins with the board itself. I wish I could suggest a shortcut, but I'm afraid there's no way to avoid beginning with and emphasizing the nominating committee. Businesses have their recruiters and search firms and professional sports have their scouts; for us it's the nominating committee. The difference is that the other groups take it seriously. On the surface, almost all of us would say that the nominating committee is one of our most important committees. But if you look at the number of meetings and hours spent by committee members and staff, I'll bet the contradiction is glaring. Also, we rarely want to use up some of our top talent for such a mundane function or, if we assign them to the nominating committee, we don't want to take up much of their time this way. As a result, not much seed corn is sown.

The search begins with a careful analysis of what talent, experience, and representations are needed and this in turn requires a charting of the same characteristics of the existing board. Where do they come from? What and who (gender, age, experience, etc.) do they represent? The nominating committee should then think hard about the imbalances and determine what skills, experience, and representations are needed to strengthen the board. At this important juncture, their ideas should be presented to the board for discussion and reaction. Too often nominating committees operate in secret until their nominees are sprung full-blowen on the board or voting membership. Some confidentiality is necessary when the committee reaches the stage of talking about people, particularly current board members who might not be denominated, but this should not preclude an early discussion with the board about the general composition of that body.

Such a frank discussion can ease some hard feelings when favorites of current board members are not selected. Too often boards tend to be self-perpetuating, not only with individuals, but also with representation of categories. It's understandable that people tend to nominate others they know, but these are not likely to be people very different in age, geography, and occupation. I can almost guarantee that if you don't think hard about the categories and balances you need, you'll end up taking the easy course of simply choosing from among those whose names are put forward.

Once you are fairly clear about the factors that need consideration, the board and many others can be helpful in identifying candidates who meet those criteria. One small but terribly important point: as you involve the board and others, make it clear that they should not inquire whether their candidate might be willing to serve. This will put you and them in an impossible spot. Interest and availability come later in the process.
When you begin to think about people, look first within the organization. The board members should represent those individuals who, in the significant majority, have proven their interest in the cause and their ability to help pursue it. The heads and members of committees should be the first logical source. If yours is a membership organization, this provides an automatic pool for new board members. There is a great tendency to overleap the people who have proven themselves in the hope of getting bigger names or greater influence. My experience is that the way you build impact is to build with the people who have proven their interest.

Many boards and nominating committees want too much to go after the big names and new faces. After all, it makes us feel good to be serving on the Board with Mr. or Ms. "Big" and to look down a bit on the organization's workers. On the other hand, one of the constant lessons of leadership is that people grow with responsibility and are capable of far more than appears on the surface. Many a leader has been amazed to discover that the people he or she has unfairly pegged at one level of output are capable of so much more. An individual who has demonstrated faithful service and effectiveness at one level is the first source of leadership for higher levels of responsibility. This includes precinct captains and task force leaders who have worked faithfully and who too often are overlooked for other responsibilities.

Promotion should include some deliberate turnover of top leadership. The emphasis ought to be on the development of an increasing number of persons who are qualified and interested in top leadership posts. This is where there should be some turnover rather than at the lower levels where people drop off because they are overused, underused, or not turned on.

I don't by any means suggest rapid turnover. An outfit needs some people who carry forward the history and institutional culture of the organization. One sensible way to capture this is to bring people back on the board who have served successfully and who remained active, even when not on the board.

Board terms should be limited. Generally, a three-year term with a chance for one additional term makes sense. After a year off the board, a person can come back on. This recycling should be done with great caution. There is a great temptation on the part of staff and nominating committees to yearn for the good old days and past personal associations, but the larger emphasis should be on seeking new blood.

Persons who cannot be active should be dropped. My approach is to provide a clause in the bylaws which automatically drops persons who have missed a certain number of consecutive meetings, unless the board officially votes forgiveness. Letters should go annually to those board members whose attendance and participation have been irregular, indicating that in the coming year the organization will be depending more than ever on them for active participation, and that if the individual board member feels that this level of participation is just not possible in the immediate future, he or she can elect to step aside. I often use a sentence such as, "Obviously we very much hope you can be active, but if this is just not possible, you may prefer to change your status to voting membership (supporter, inactive, etc.) that provides continuing identification."

Joseph Reed, former staff director of the Child Welfare League provided a good description of the qualifications of board members:

Of greatest importance should be the person's interest in the work of the agency, commitment to its objectives, intelligence, respect in the community, capacity for growth as a board member, capacity to influence favorable public opinion in important areas of the community, ability to work in concert with others, and willingness to ask questions, offer criticism, and make suggestions through proper channels.
There will be times when the nominating committee will recognize a particular need which is not yet matched by a person serving anywhere in the organization. In such cases board members must be selected from the community at large. You may know who you want and have access to him or her; know who you want but not have access; or not even know the best people who represent the leadership of that category.

Even where you have ready access make sure that the invitation is extended in a way that the individual knows that you really mean it. Send an impressive delegation. Remember these are among the most important investments the organization will make.

Obviously the quality of the approach is even more important when you don't have easy access. With pride in your cause, ask for an appointment and bring a small group who can make it clear how very important the work is. You will be amazed how often you'll not only get the appointment but an acceptance too.

Even where the answer is no, the session can have positive results. In The Effective Board, Cyril Houle says:

> It will be comforting to realize that at least a constructive piece of community relations has been accomplished. The prospective board member will have been given information about the program, will know that he was wanted, and will have sensed that the selecting authority (and probably the Board itself) knows its business. He is probably an influential person (or else he would not have been invited) and it is important to have influential people aware of the work of the agency or the association.

When you don't even know who to ask, go to people who occupy leadership positions and seek their advice. I've often gone absolutely cold to the head of the Medical Society, current chairperson of the Council of Churches, publisher of the paper, head of the Chamber of Commerce, director of the Labor Council, and many others who have led me to just the right people. If it's top business leadership you are after, go to the heads of the largest businesses, making clear that you are not asking for anything but their advice. My experience is that unless you know them, you won't even get in the door if you don't offer that assurance. When you see them, present your full story and ask if there is someone in the organization they could help you approach to make your pitch. I know you hope it will be the person with whom you are talking, but that's so unlikely that you should use the door-opening to get his or her help in enlisting someone else. If he or she suggests the executive vice president for marketing director and helps with the introduction, you will get a doubly loyal individual and will be much further ahead than if you aim unrealistically high.

The Association of Governing Boards of Universities and Colleges has produced an excellent pamphlet, "Building a More Effective Board", based on a presentation by its president, Robert Gale, in which he says:

> Generally speaking, it is not advisable to try to recruit some-one who has already reached the top of the career ladder. Even if such a person accepts invitation, he or she is likely to be too busy to contribute. It is better to look for persons who are on their way up and who are willing to work. A valuable talent for nominating committee members is the knack of identifying "corners", those who are moving up rapidly. Such persons, committed to the institution before they reach the top, become investments in the future.

Increasingly, businesses want signs that their management people are involved in voluntary endeavors and, as indicated earlier, it's my overwhelming experience that people want
a sense of participation and contribution. Everybody wants the corporate CEO on the board but there's a wealth of talent and commitment not far below that can be tapped.

Because I know how bewildering it can be if you don't know where or how to turn, I want to elaborate on my reference to making cold contacts. I want to reach out—almost to hold your hand—to say, "Hey, keep the faith, it can happen."

If you are really starting from scratch or are almost immobilized by not knowing where to turn, I recommend starting with your political representatives. Better than anyone else, they know how the system works and who makes it work, and they usually will feel an obligation to listen and try to help. For example, they are most likely to know who else has a retarded child, or is worried about zoning, or is concerned with improving the education system. Also, they are more likely to know who the doers are and to be able to put you in touch with some of them. They can often open doors to these people.

The next group I talk to are past office holders and others who have run for office in the area. Running for and holding office requires knowing an awful lot of people, and that knowledge is what you should quickly tap into. Incidentally, don't be afraid to make a cold approach. These people are political animals, usually easy to approach and surprisingly eager to help a fellow citizen. My third general circle of contacts involves religious leaders. I've often gone into a community absolutely cold and, by visiting a priest, minister, or rabbi I have quickly identified people who share my concerns and know people who are real doers. Those contacts serve two purposes—I not only get the names of some likely helpers, but I get automatic entre. Very few people will not see you if on your telephone call you indicate that Rabbi Bloustein or Father Kelly has referred you. Often the clergyman will make the introductory call. It's amazing how helpful people will be if you dare approach them and ask for help.

The fourth group I contact are the newspapers. Publishers, editors, and reporters know what's happening and, while usually not so free with their time as the other groups, they still are approachable and willing to help. This can also lead to an interest in your cause and some helpful coverage.

If your community has a Voluntary Action Center (VAC) or Volunteer Bureau, and more and more of them do, talk to them. They are a very good source of volunteer leadership.

Whether its leaders of granges, labor, business groups, media, religion, service clubs, or politics, there are people who know the individual leaders within the categories you need.

Let me return to the beginning to repeat that board development has to be very high on the current board's agenda, with an awareness of how much has to be invested in it by both the board and staff. A couple of years ago I was working with a nominating committee that had fine-tuned its analysis to the point that, for the one remaining board vacancy, they knew we needed an individual who would be from the Midwest (preferably Chicago), female, a leader of the performing arts, a volunteer (in contrast to a conductor or ballet director), an individual who had experience and interest beyond just the arts, and a person who was immensely capable. That's what we needed, all in one individual! It would have been easy to consider the task impossible and even easier to give up on several of the criteria. For example, in our search we uncovered many men, many professionals, people from other sections of the country, and people from the visual arts. If we had not done our analysis so thoroughly (and there were times during that search when I wished we hadn't!), we would have ended up with another male from New York and have found some way to rationalize a further imbalance. As it was, we found a remarkable individual who fit all those criteria and more.
Some organizations have been so conscientious in attempting to represent the total community that they have found themselves in trouble because they have not also emphasized the need to find people with a commitment to the organization's central purpose. Whether it's representation from business, minorities, women, fundraisers, or other essential categories, the attractive desire for their involvement should not become an end in itself without regard to your central reason for being. During the 1960s and 1970s when I was national head of the Mental Health Association, we surpassed all our major quotas for increased involvement of minorities and women on the national board and staff and, with their help, took some giant steps in more humane care for the mentally ill. We improved our work but we did not lose our unique focus. At times it was awkward to have to restate that the basic role of the organization was to improve services for the mentally ill, improve attitudes about mental illness, and work for the prevention of mental illness. In many of those years I was confronted by individuals who argued that, because of past social inequities, the organization must devote all of its attention to the elimination of discrimination.

My position was that we had a moral responsibility to lend our voice to the efforts of those groups organized to deal with the other social ills which tragically befall minorities. For instance, it was incumbent upon the organization to make absolutely clear the mental health implications that are so much a part of racism, discrimination, unemployment, and underemployment, but also that it was every bit as important that the Mental Health Association continue its attention to the neglected cause of mental illness for which we were so uniquely and solely responsible.

As important as it is to be sure the board is representative of the various constituencies and other factors necessary to the board's work, it is equally important to look for individuals who possess those human qualities that lend themselves to working as a board. I've seen it happen that organizations will tend to the need for professional guidance, geographic and gender balance, age differential, and many other such factors, but the nominating committee will not devote equal time to being sure that many are chosen for the board because they have proven their capacity for judgment, facilitation, respect for institutional process, and just plain kindness.

I was consulted a few years ago by the organizers of a new foundation. They had pretty much identified all of the individuals who would serve on the initial board. When I looked at the list I was dismayed that though they had covered the categories of professional expertise, they had included only individuals noted as much for abrasiveness as accomplishment. When I pointed this out, the founder countered by saying they were determined to be different, aggressive, and innovative. I tried to make the case that such a board needed a good sprinkling of equally bright people who also had the qualities of judgment, patience, fairness, and conciliation. That foundation still has not gotten off the ground.

It's interesting in all the material I've seen about assessing board make-up that when the subject is covered in any depth at all, the only points that are covered relate to specific skills and representations without regard to the human qualities that in the end will make the difference whether it's a board or a barrel of tigers. Maybe that's why so many boards get into such awful trouble. It's another argument for choosing people from within the organization who have not only proven their commitment and ability, but who have demonstrated that third dimension of attractive human qualities.

When the nominating committee's annual work is done and new board members have been elected, the process of their development begins. The orientation phase will obviously have begun with recruitment, but it should now begin to move into high gear. Even though there may
be a lapse of several months between their acceptance and election, board nominees should begin to get all the regular mailings that go to the board. I also make sure they are signed up as early as possible for an orientation session. These orientation sessions serve many purposes, not the least of which is giving the newcomers a chance to get to know the organization’s leadership, and to know that the leadership thinks enough of them to take this special time. I try to be absolutely sure that the chief volunteer and staff officers are the ones who conduct the orientation. Too often it’s delegated to others and that larger value is lost.

Another problem with many orientation sessions is that they try to cram more into those minds than anybody could ever absorb. My solution is to use a good part of the session to acquaint these important individuals with the board manual and to let them become familiar and comfortable with the agenda and attachments for their first board meeting. By focusing on the board manual, they learn what their resources are and where to find them. Thus, they don’t have to be told about every program and committee of the organization, but they know where the committee charts and lists are and on what tab they can find a current summary of major program activities. By spending some time on the board meeting agenda, they get a quick grasp of what the current issues are, why they are on the agenda, and what points about them are likely to surface. This gives them a head start and makes them feel less like outsiders when the actual meeting takes place.

The board manual should cover everything from the history of the organization to the policy and procedures of covering expenses for board and committee meetings. In between, there should be bylaws, policies and important procedures, organization charts, board lists (including, if possible, brief bios and maybe even pictures), committee lists, staff organization chart with a summary of functions, current annual report, summary of major program activities, established dates for board and annual meetings, and the home telephone numbers of the chief volunteer and staff officers. I try to choose loose-leaf notebooks with pockets on the inside of both the front and back covers; these allow the board member to have expansion possibilities for other materials, pamphlets, and reports.

It's important that a member of the nominating committee or another board person be assigned as the host for at least the first board meeting. Some organizations assign a more permanent "buddy". At the very least, the host should call the new board member in advance of the first meeting and arrange to be available for introductions. It's a nice touch to have the host do the introductions at the beginning of the board meeting. Having to prepare for that helps the old timer focus on the responsibility.

One of the most useful parts of orientation will begin with the new board member's assignments. It's disillusioning to be invited to serve on the board and to come on with great anticipation only to be pretty much ignored. Harold Seymour says in Designs for Fund Raising that, "Most people don't drop out from overwork. They drop out from boredom."

Too often the conscious phase of board development is limited to the initial orientation. Orientation should be aimed at all board members and to every extent possible should be a part of each board meeting. We somehow assume that the trustees put together their own overview of what's happening, which isn't likely. It's important to take the time to give them the fun and the value of knowing what's going on.

Board development is achieved in the same way that people develop in their other roles, such as in their day-to-day work. It's largely a result of being given the chance to do new tasks along with reasonable amounts of training and on-the-job supervision. In many cases, this
involves the board head being available to provide that kind of responsible leadership. Too often we throw volunteers into new assignments on a sink-or-swim basis and then wonder why they're not all flowering.

If board members are really given a role in planning and evaluation, and if board meetings really do represent a forum for fulfillment of board accountability and leadership, both the new and current members will be growing in responsibility, knowledge, and pride. They would also be developing as a cohesive unit. In The Effective Board, Houle says:

Proper attention to motivation is also essential after people have joined the Board —if the Chairman accepts existing motives and acts skillfully and subtly in terms of them, giving the members a sense of satisfaction about what they do for the agency or association, he can gradually build responsibility on the part of individuals and enthusiasm on the part of the group. The aim should be the strengthening of altruistic motives, for a board never becomes fully mature until its members are bound together by a devotion to some cause outside themselves. This sense of service does not grow automatically. It is created chiefly as people put something of themselves into the work of the Board, becoming more and more involved in its activities and seeing the tangible accomplishments which are a definite result.

At another point he says:

The primary task of the Chairman of the Board is that of helping diverse personalities merge into an effective social whole. In the operation of a board the interaction of the personalities of the members is of the greatest significance. It is the Chairman's task to lead and to restrain, to blend in proper proportion the more capable and vocal members with the less experienced and silent ones. It is his job to foster such a unity of purpose and such a loyalty to objectives that each individual realizes that his own judgment is a part of the collective wisdom of the Board.

Board development also involves weeding out those who aren't performing. This begins with dropping inactive board members but it also involves dropping heads of committees who aren't doing the job. Some people say "You can't fire a volunteer", but that's not so. Hopefully there are more subtle ways of doing it, but people who aren't performing should be given the chance to step aside and in the extreme, must be asked to make way for someone who is ready to perform. If a bad situation is allowed to linger, it doesn't create a very good atmosphere for others in the organization and certainly doesn't encourage up-and-coming volunteers to feel that this is a place they want to make their commitment. If it makes it any easier, it has been my experience that the person who is not performing, and who has had all the prodding’s and hints you will have given, will be much more relieved than hurt to be taken off the spot.

This brings us to recognition of good board members and other volunteers. Promotion is fifty percent of recognition and reward. More than plaques and pins and pats on the back, people want to know that those they respect think they're ready for bigger things. That's enormously satisfying.

Good leaders don't wait until their best people retire or even until the Annual Meeting to provide regular encouragement and recognition. Presidents and committee heads should regularly say by phone and note things like, "Just wanted you to know how impressed I was with ..." or, "I know I said it the other day, but I wanted to repeat what an absolutely great job you did...." Find occasions to involve these people in board meetings so that they have the fun and pride of telling the whole board what has been happening and the Board can say "Well done."
The pins and plaques and badges and scrolls are important too. And don't be afraid to spend some money on them. It appalls me that organizations that receive thousands if not hundreds of thou-sands of dollars of free time balk at spending more than five dollars for a recognition gift. These things mean as much to your people as they probably do to you, and you would certainly like to have the organization present you with a particularly nice plaque or engraved box.

I'm with volunteers a great deal in their offices and homes and know how much these mementos mean. Despite the warped frames, curled paper or amateurish calligraphy, the awards remain proudly displayed as highlights of their lives. We ought to do far better by them.

Many organizations such as the Red Cross and Boy Scouts have elaborate systems for keeping service records and providing acknowledgement of years of participation and impact. Some staff feel that this takes up too much time and isn't really necessary, but they don't know much about the human animal. To paraphrase an old saying, "Volunteer recognition is too important to be left to the staff." Periodically, a volunteer task force should look at the recognition program to be sure it's being observed and updated.

Recognition should include particular attention to the retiring board member. Too often he or she is allowed to drift off without true recognition of how much those years have meant both to the organization and to the individual. When I was with the National Health Association, we had something called the "Gold Key Club." All board members who had served the maximum of two consecutive terms received a stunning gold key suitable for recasting as a pin, tie-clip or part of a key chain. It included appropriate engraving, but most of all it was a tangible way of saying thanks and of inducting the individual into honorary status which, if they wished, entitled them to continue to receive newsletters, annual reports, and notices of annual meetings.

I always suggest to outgoing chief volunteer officers that they provide some memento for the officers and committee heads with whom they've worked. Very often this is small — something like a little paperweight conveying that "We were a special team", or "I want you to know how much your participation meant." Even these items I see displayed with pride and nostalgia.

I don't know exactly what you are already doing and therefore I'm terribly frustrated that I can't be more specific. But that doesn't stop me from being absolutely definite about the importance of finding every conceivable way of saying "Thanks" or "You're great" or "It's been special".

That's an important part of keeping the dream alive, which I maintain is the most important function of both the volunteer and staff leader in any voluntary enterprise.
ABOUT THE AUTHOR

Brian O'Connell is President of INDEPENDENT SECTOR. Previously, he served for 12 years as Executive Director of the National Mental Health Association and a like number of years in various executive roles with the American Heart Association. He was also Executive Director of the Coalition of National Voluntary Organizations and President of the National Council of Philanthropy. In 1979, he received United Way of America's Professional Award and in 1985 was elected to the National Academy of Public Administration. He has also served in a variety of volunteer leadership roles.
Operating Effective Committees

By Brian O’Connell

Be kind to committees. They are our most maligned organizational species. For every person who says with pride, “I got appointed to the committee”, there are 92 million who put it “You won’t believe what they’ve done to me!” The jokes abound:

- An elephant is a horse designed by a committee.
- A committee keeps minutes and wastes hours.
- The best committee has their members – with two always out of town.
- A committee is made up of the unfit trying to lead the unwilling to do the unnecessary.
- A committee is a collection of individuals who separately do nothing and together decide that nothing can be done.

I suppose that raises a question about having committees at all and certainly about having a pamphlet devoted to them. The only explanation I can offer is that they’re somewhat like noses – funny looking as the dickens, but we all have them – and if God didn’t think they were the way to serve the purpose, the profile would have been streamlined long ago.

The next time you are put on a committee, don’t snicker – feel your nose and get to work.

I will say though, that I believe in the “principle of least number”. The board of directors should handle as many matters as possible. Also, the work of many committees, including such subjects as bylaws, can usually be accommodated by ad hoc assignments as needed. I am a great believer in “ad hocracy”. All committees, except those absolutely required and identified in the bylaws, should be ad hoc, including the stipulation that they automatically go out of business at the end of the year unless specifically reconstituted and recharged by the board. Cyril Houle, in The Effective Board, recalls the quip, “To have one committee is better than to have two, to have two is better than to have three, and so on. It is all too clear what would be better than one committee.”

I am also a great user of one-person task forces, or at least few person task forces, which are asked to do their business in one or two meetings and then automatically go out of business.

It is standard practice today for all kinds of organizations to go through the exercise of starting with a blank slate. If there were no committees, which ones would you actually recreate, and are there other ways to do the same business?

You may want to write down the functions that must be performed and then decide what's the simplest way of carrying out those jobs. Such functions might include bylaws, personnel, finance, annual meeting, fundraising, public relations, awards, nominating, legal, program(s), emergency decisions, and other business between board meetings.

Currently, it's our habit to create a committee for each and too often a standing one (a committee stipulated in the bylaws).

In my current organization, we don't even have an executive committee. There was strong feeling on the part of the organizers that executive committees tend to consolidate decision-making.
making among too few people and really end up doing the work of the board while leaving out most of the trustees. It's amazing how few matters really can't wait for the next board meeting and how easy it is to fall into the easier pattern of using the smaller group. The classic situation is that the executive committee usually deals with the staff director's evaluation and compensation and the board isn't even told what the staff director is paid.

When emergency matters arise, there usually isn't time for an executive committee meeting anyway, so that too is not a terribly valid rationale. INDEPENDENT SECTOR follows the procedure that the chief volunteer officer, chief staff officer, and head of the committee of reference can make a decision on behalf of the organization as long as it does not contradict an existing policy or other decision already passed by the board. I cite this simply as an example that it is possible to challenge the traditional thinking about committee structure. I realize that for many organizations an executive committee is an important instrument of decision making. Such committees are usually able to exercise all the powers of the board except changes in the bylaws. This is necessary if the executive committee is to be able to represent the board wherever the urgency develops. This opens the danger of the executive committee functioning in place of the board of directors, but practicalities necessitate that risk. As a matter of fact, executive committees are too often used in place of boards.

The executive committee should be large enough to be representative of the board. It should not be simply the officers and one or two others. Some executive committees include the officers and committee chairmen. I advise against this, as it puts together a group too easily given to pork barreling and not equipped to give an objective review of emergency matters coming before it.

Executive committee minutes should be circulated quickly to all board members and each board meeting should include a report of executive committee actions. This all too rarely happens, and the board doesn't have much opportunity to ask why these matters were not postponed until the board meeting. The usual excuse is that the matters were too complex for the full board. Look behind that to see if it really is so and even where it is; ask why the board didn't at least have a chance to vote on the executive committee's recommendation.

In the name of simplicity, INDEPENDENT SECTOR has a Management Committee, which consolidates the personnel, finance, audit, equal opportunity, and other management oversight functions. Legal issues are handled by the program committee involved or by the Management Committee. Bylaws revisions are an ad hoc function. On the other hand, fundraising is a very distinct committee function, one that I would never combine with public relations or any other assignment. It's always too easy to get diverted into other less tangible functions and to postpone the urgent tasks related to the fundraising plan and its implementation.

Having argued for simplification let me make what could appear to be a contradictory point. When a committee is needed, I don't argue the "principle of least number". If such a group is in fact needed, then it must include ample involvement from the various forces and interests within the organization and community. If you are convinced the function is necessary, be sure that all who need to be involved in the decisions and their implementation are considered for membership. I'm speaking primarily of program and policy issues that have broad implications for your organization and its constituencies.

Except for the nominating committee, the chief volunteer officer should have full authority to appoint chairmen and committees. Heads of committees should have an opportunity to request a few people they feel are essential to the task, but it is the volunteer president who
needs to make all the appointments. This is necessary to be sure that certain individuals are not overused and others underused, and to be certain that the organization is reaching out to all the individuals and groups which should be involved. For committees, I don't believe in staggered terms, at least as stipulated by policy or bylaw. This restricts the opportunity of a chief volunteer officer to make significant changes when they are needed. The chief volunteer officer instead should informally stagger the appointments in order to achieve a balance of experience and new blood.

Unless it doesn't make sense for the task at hand, committees and task forces should include a mix of board members and others. Spread the work and the opportunities; it's a good way to develop future board members and officers.

The chief volunteer officer should serve ex-officio as a member of all the committees of which he or she has appointment authority, and this should be so for the committee head who appoints subcommittees and task forces. Incidentally, the term ex-officio is often misunderstood. Many people assume it means participating but without vote. Actually it means participating by virtue of one's office and that role automatically carries with it a right to vote except where otherwise prohibited.

Every committee, ad hoc committee, and even subcommittee and task force should have a written charge. It's almost always an erroneous assumption that people have a common understanding of the task to be accomplished. At least once a year, the committee should review its charge. I go so far as to put the charge in the resource materials, which are part of the committee packet sent to the group in advance of each meeting. It's amazing how often it is the key to bringing the group back on track.

It will greatly improve attendance and the quality of your discussions and decisions if the agenda and related materials are sent at least ten days in advance of committee meetings. This is important to underscore because it is rarely done and is a very large factor in the inefficiency of so many committees.

It's a standard practice of mine to begin each committee meeting with an overview of activities within the organization. Staff members fight this. Committee heads sometimes feel it interferes with getting on with the business at hand, but committee members love it. For most of them, it's the only time they gain an understanding of where their activities relate to the organization as a whole and when they have the fun of being in the know about interesting things that happen in the fulfillment of the organization's important mission. It's a key part of giving meaning to volunteering and keeping the dream alive.

Chief volunteer officers and boards should not underestimate how much staff time goes into effective service of committees and task forces. Boards, executive committees, and other committees tend to find that an easy way to deal with conflict is to refer the matter to an existing committee or to create a new one. I regularly ask boards whether they are doing this because they really want the matter handled that way, or whether it's an excuse to avoid coming to grips with the situation. Board meetings and annual meetings should provide an arena for reasonable conflict and resolution of differences. It's better to have a matter done with—if this is really the intent—than to prolong the process just to be polite or to avert conflict. If people know how much work is entailed in establishing and servicing such unnecessary appendages, or if they recognize that it cuts into the time available to pursue real priorities, they are likely to be more hard-headed and to adopt a more sensible approach. Obviously there are times when the conflict
can reach the destructive level, and therefore it's worth the price to keep the subject alive at the committee level. I urge only that you be aware that the price is not small.

The board should be careful to see that committee activity is pointed toward the established program priorities and program plan of the organization. It's terribly easy to get caught up in organizational business. For instance, bylaws committees often take up more time than any other committee. Everyone is interested in bylaws, even when it's difficult to get these same people moving on priority fundraising and program matters. In the matter of committees, I invoke the apt phrase, "Keep your eye upon the donut and not upon the hole."

Committees tend to be better at thinking up activities than pursuing them. It's far more fun to consider what needs to be done than to get on with the decisions already made about what must be done. As a result, committees—and boards too—tend to be "adorners" rather than implementers. In one organization with which I worked, this became such a source of frustration and misunderstanding that I went back over the minutes of several committees and pulled out all of the decisions made. Then I matched these against the follow-through achieved and against the staff resources available to the committees. Not surprisingly, there was a startling disparity between expectations and resources, and it became obvious why the committees were upset that so many of their bright ideas had not taken hold. It didn't dawn on them that they were equally responsible for implementation. They had had the fun of deciding what should be done but had shirked responsibility for follow-through. What we did was institute a report called "Summary of Past Actions" on which each decision of the committee was recorded. The third item of every committee meeting's agenda, immediately following the "Overview of Association Activities" and the Minutes, was the "Summary of Past Actions" which was an action item. The committee had to take a look at what they had already decided should be done and the state of implementation before going on to other business. This automatically led to a focus on things already decided rather than new ideas. It was my best-ever invention. But alas, like most of my good ideas, it seems to have disappeared! Be assured, though, that it is not out of vanity that I urge you to try it. It's like a family deciding how to budget its money, and having done so, turning to entirely new purchases without any regard to prior decisions and actual resources. The only difference is that it is time rather than money, but there is a limit to both.

In terms of structure, it's necessary to deal with the issue of auxiliaries. They can be a wonderful addition to an organization's fundraising and community outreach, but they can take on a life of their own. For example, on the disparity between the resources and expectations, auxiliaries can often make decisions requiring extensive staff time without regard to the organization's other expectations. For this and other reasons, I generally advise against having any part of the structure free from the obligations and constraints faced by the other parts. It comes back to the matter of simplicity. Don't establish any more complexity than is absolutely necessary.

On this point Cyril Houle says:

But the headaches which can be created by a multiple-board system are both numerous and difficult to cure. An auxiliary board may gain a great deal of prominence and prestige, and be confused in the public mind—or, worse, in its own—with the Board where the controlling power lies. An auxiliary board may gradually take on more and more functions until it exactly parallels the Controlling Board; in such a case, there is in effect a two house legislature and every issue must be carried through both boards—to the eventual despair of the Executive. Two boards may crawl, or become deadlocked, or have any other kind of difficulties imaginable, all to the detriment of the service or program they are supposed to guide and aid.
The basic rule for preventing or curing these difficulties is this: auxiliary boards should be auxiliary. Only one board can be controlling. The others must have clear-cut functions which they carry out, and these functions should be set down in writing and generally understood.

So much for structure. What comfort and guidance is there, should you find yourself not only on the committee, but head of it?

For comfort, I can only pass along the advice given to a friend of mine who was active in civil rights efforts back in the sixties, but who, because he came in constant touch with a great many angry people, found himself roundly criticized for what he had not done. He was complaining to a friend that these people didn't seem to appreciate or give him credit for at least being well out in front of most others on these issues. He admitted to being hurt that he was not being embraced for his good works. His friend provided this advice: "Harry, if it's affection you need, buy a dog."

Involvement in crucial issues may not bring Barry and you much immediate attention, but you can be sure that someday you will look back on these as among the very best days of your life. It is true; after all, that service is its own reward.

You're the one who must encourage, applaud, prod, and even "fire and hire." Although the chief volunteer officer has the ultimate authority for committee appointments, you have every right to ask for a few people whom you know are important to the task and with whom you feel particularly comfortable. Also, you have a right to ask that certain individuals not be appointed or reappointed.

It's your job to see that the committee is as good at implementation as it is at blue-skying. This means giving plenty of time to creativity but at least equal time to hitching the team to those dreams. No matter how much you rely on staff, you're responsible for the committee, including such mundane things as the approval of the agenda and related resource material, and the fact that they are mailed to the committee far enough in advance of meetings for adequate study. You are ultimately responsible for the Minutes.

Beyond the important mechanics and other details, your basic job is to build a team equal to the task and to give them a sense of being a team. Step back periodically to evaluate your performance, not only in terms of decisions made and their implementation, but whether the group is coming together in a way that will allow for even greater achievement. That includes respect for the group and a willingness to really let them contribute rather than merely respond to your bright ideas or those of staff. I recall being named to a committee of quite impressive performers who, because of the importance of the task and the quality of persons named, showed up in force at the first meeting. Then, in the form of his opening statement, the chairman threw this bucket of ice water on us, "I do so hope you all agree with me that the course we should follow is...." That was thirty years ago, but obviously I still recall it vividly. On the other hand I can't recall anything else about it. I never went back.

In a very good pamphlet "Better Boards and Committees" by the Adult Education Association of the U.S.A., there's a good description of the personal characteristics of the effective committee head:

1) one who has a personal record of being a consistent worker who completed a job;
2) is enthusiastic;
3) has background knowledge of the organization's aims and the Committee's functions;
4) is hard working;
5) is good humored;
6) is quick;
7) is a good executive; and
8) is persuasive.

The pamphlet goes on to say that another way to look at the qualifications is:
1) has confidence in other members;
2) wants to release the potential energy of the group;
3) is willing to give up the Chairman's initial prerogatives, if the job requires it; and
4) is more interested in the Committee's job than in his own feeling of personal importance.

It concludes, "The good chairman is one who can work with people, who can stimulate them rather than brow beat them and can help the group use all the abilities and experiences its members possess and new ones too that they develop as they work together."

It will be important to continually give the group a sense of where they fit in. For example, show them how they fit into the scheme of the organization's overall mission and current priorities and find ways to give them a sense of pride and accomplishment. From time to time ask the chief volunteer officer to come by, if for no other reason than to "show the flag." Take some time at meetings to bring in people who can help provide a broader perspective and some awareness of how their relatively small piece relates to the broader roles of building the best museum or finding the answer to heart disease.

Every now and then, perhaps once a year, provide some social activity. It might help remind you to do this if you think that the committee should have its own annual meeting. On those occasions be sure there's a combination of outside stimulation, review of accomplishments, and socializing. Where it is possible, have a meeting at your home or other personalized setting. These important gestures add to the tangible evidence that you take seriously both the task and the individuals.

Keep the board informed of committee progress and keep the committee informed of the board's responses. Communicate in personal ways with the committee between meetings. For example, if you've reported to the board, dictate a memo as personal as possible to the group so that they know the results of the presentation, including any action that results. Too often we wait for the next committee meeting, when in fact the really interested members will be wondering, "What in the world happened to our important proposal?"

If there are newspaper stories or other bits of news that relate to the area of your committee's work, send them along with a note, "Thought this might be of interest." Touch base with your members. They are human beings, and an organization will respond far better if you, as the human leader, are in touch with your human subordinates in a human way. What you should be aiming for is that some day, several years hence, you will bump into some of these people, and you want them to say, "You know, looking back on it, we really got some amazing things done. It was one of the most rewarding things I've ever done. And besides—it was fun."
For the committee member to earn a share in that ultimate reward, he or she also has to really make an investment.

In the same pamphlet of the Adult Education Association, there is this very useful "Committee Member Check List".

1) Am I familiar with and sympathetic toward the aims and methods of the parent organization which created the committee?

2) Can I express myself easily and clearly and enjoy the give and take of exchanging ideas with others?

3) Do I have reasonably good focus, a sense of direction and a sense of timing, plus a willingness to stick to the task at hand?

4) Am I receptive, open minded and able to learn and to receive stimulation from others?

5) Do I have vision and perspective which enables me to see the present in terms of the future?

6) Am I fundamentally cooperative in seeking after agreement and unity?

7) Am I able to arrive at decisions and face their implications? Their summary of specific responsibilities says:

To be effective, committee members should be able to attend meetings regularly. They should seek to understand the Committee assignment and work to complete it. Members should participate in the deliberations and discussions and should share the responsibility of sticking to the subject and trying to understand and use the ideas of other members. They should help in reaching committee decisions, in committee action, and in following the final disposition of its work. Committee members should also evaluate their own contributions to the Committee and share the responsibility for evaluating the work of the Committee as a whole.

For a somewhat different checklist, but one which will help you evaluate your own performance, here is, "Am I A Good Board Member?" from the National Charities Information Bureau. Good Board Members:

1) Are dedicated to helping others and modest in the light of their responsibilities as board members.

2) Approach their responsibilities in the spirit of a trustee on behalf of contributors, their intended beneficiaries, and the public at large.

3) Stand up for their convictions, even at the cost of misunderstanding or disapproval in business or social life.

4) Back up other board members and staff, rising to their defense when they are unjustly criticized or attacked.

5) Treat staff as a partner in a high calling, maintaining overall supervision and control but not interfering with day-to-day administration.

6) Avoid being overawed by others on the board, whether they are executive staff; tycoons of business, labor or society; professionals in social work, education, medicine, etc.

7) Welcome information and the best available advice, but re-serve the right to arrive at decisions on the basis of their own judgment.

8) Respect the right of other board members and of staff to disagree with them and to have a fair hearing of their points of view.
9) Accept as routine that decisions must be made by majority vote and will at times go against one or more members.

10) Criticize, when necessary, in a constructive way, if possible suggesting an alternative course.

11) Recognize that time and energy are limited and that over-commitment may prove self-defeating.

12) Endeavor to keep disagreements and controversies impersonal and to promote unity.

13) Maintain loyalty to their agency, within a higher loyalty to the welfare of the community and humanity as a whole.

If you are a board member serving on a committee with persons who are not on the board, accept responsibility to reach out to these people; they will be sensitive to how you as a board member relate to them. Help them understand the broader work of the organization and develop a sense of shared mission and pride. You can also help them realize the limitations on the organization's resources, but please don't be a drag by constantly reminding them that the board has many other priorities. Some board members can be absolutely insufferable in the way they over-exercise their board membership to stifle the initiative and growth of other committee members. Make it a rule to really listen to the newcomers. Don't tell them you already covered that ground in 1952. Encourage and nurture them. They are the organization's seed crop. Besides, remember how you felt as a newcomer in some organization and think hard about the people you remember as the best models of kindness and helpfulness. Someone helped bring you along and now it's your turn.

At board meetings when your committee leader reports, be supportive. It's pretty unsettling and even maddening when a person makes a report and the other committee members around the board table hedge their bets waiting to see how the other trustees react. It's your committee too. Put yourself on the line.

Whether you are on the board or not, find ways to let the committee head know that you are appreciative of his or her leadership. You may not agree with everything being done and may even represent a different point of view on many subjects. But go out of your way to show your objectivity and thoughtfulness in giving thanks where it is due. It's as simple and as complicated as putting yourself in their place and swallowing some of your own ego and combativeness. It softens the process, which is important of itself, but it might even soften the opposition to some of your positions.

Carry your share of the load. That may seem terribly obvious, but it is the source of greatest discouragement in all kinds of organizations. Depending on people who aren't reliable is a nightmare, and working with people who are is a delight.

For all of the frustration and hard work, you will enjoy the satisfactions of the committee's accomplishments and the sense of personal worth. When the work is hard or dull or upsetting, remember the largest lesson I've ever learned about volunteering:

People who get involved with public causes open themselves to frustration and disappointment, but—through it all and after it all—those moments of making change happen for the better are among our lasting joys. There is something wonderfully rewarding in being part of an effort that does make a difference.

You may not feel that way at the end of tomorrow's committee meeting, but I bet you will five years from now.
ABOUT THE AUTHOR

Brian O'Connell is President of INDEPENDENT SECTOR. Previously, he served for 12 years as Executive Director of the National Mental Health Association and a like number of years in various executive roles with the American Heart Association. He was also Executive Director of the Coalition of National Voluntary Organizations and President of the National Council of Philanthropy. In 1979, he received United Way of America's Professional Award and in 1985 was elected to the National Academy of Public Administration. He has also served in a variety of volunteer leadership roles.
Conducting Good Meetings

A significant part of the business of voluntary organizations involves meetings and yet, in most organizations, surprisingly little thought is applied to making meetings productive. It is a fact of life that good meetings create high attendance, improve the quality of decisions, and promote alert follow-through. Bad meetings don't. Thoughtfulness and common sense are the basic ingredients of planning good meetings. These in turn lead to some rules which make up the art of having good meetings. I'll start with some suggestions that apply to both board and committee meetings and then turn to some special features of board and annual meetings.

Give careful attention to the selection, recruitment and orientation of the group; these are the cornerstone of good meetings. Let me repeat my advice, included in the pamphlet relating to chief volunteer officers, that it is important to select as the chairman of a committee an individual who is an effective organizer rather than a person who is an authority on the subject at hand.

The group should have a sense of purpose. Some of this will come with orientation, but it should also be conveyed through a formal committee charge and in the reports from the chief volunteer officer, committee chairman and others.

Spread the workload of the board or committee and of the meetings themselves. Try to be certain that several people have responsibility for handling individual items on the agenda.

Always have something that really needs the group's consideration. If you don't, and even though the board or committee may never have missed a monthly meeting in 133 years, cancel the meeting.

Provide adequate notice and give a reminder call a day or two in advance of the meeting. If it's an ongoing body, have fixed meeting dates such as the first Monday of the month. If that's not possible, then it's generally helpful to have the group set its next meeting date while it is still in session. It's important to be certain that the day after the meeting a notice is sent reminding the full group of the next date or dates. It's helpful to put in a return postal card so that you can quickly have an indication of attendance and the members feel they've made a firm commitment.

Submit the agenda and the basic background material to the full group at least a week in advance of the meeting. I am constantly dismayed to find how often the agenda is distributed at the meeting, and even then it often consists of only three or four nondescript items such as "Chairman's Report", "Executive's Report", and "New Business". If the members are worth involving, it's essential that they be served well. The greatest single factor in poor attendance is the failure to provide a good agenda and reference materials well in advance of the meeting. The agenda should state clearly what the group is being asked to consider or decide, and the reference material should prepare the members for intelligent discussion. If the people are committed to attend and if they see that the session is being organized in a businesslike way, they're more likely to be there and at future meetings.

Pay careful attention to the physical arrangements, including the location, accessibility, parking, and reasonable meal service. The room itself should be conducive to effective work, including such basic things as lighting, heat and ventilation. I make an awfully big thing of the way the table is organized. If it's at all possible, I try to have a round table or a "square doughnut" so that all the members are facing the center. I find this creates maximum
participation and a feeling of involvement for all. Even when I'm dealing with a board meeting of 30 to 40 people, I try to organize it as a "square doughnut" or in two four-sided or three-sided tiers so that the group is fairly close together, all within earshot of one another, and facing the center. Even with very large groups, I work hard at trying to create a physical arrangement that is comfortable and promotes maximum involvement. It's essential to plan in advance for blackboards, easels, and audio-visual equipment. Be sure to check electrical outlets, microphones, public address systems, and so on. Also don't forget the arrangements for water, coffee service, and so forth.

Check the meeting room well in advance. It's important the day before the meeting to be certain someone has the work order, knows you are coming, and what the arrangements are to be. Then I make it a cardinal rule to check the meeting room one hour in advance of the meeting. I do this even with breakfast meetings. My experience is that 50 percent of the time there is a breakdown in the arrangements. The blackboard will be there, but no chalk.

There won't be an extension cord for the projector, or the electrical socket will be wired with the lights so that when the lights go out the projector also goes out. Or the public address system won't work, or perhaps someone forgot to provide a microphone. And it happens at least 10 percent of the time that the meeting room isn't set up at all, and the only person around never heard of you or your damned meeting.

If your meeting is in a hotel, by all means check the bulletin board to be sure the meeting time and place are clearly identified. I'll make a private bet with you that at least half of the time the bell captain or the catering department will have listed the wrong meeting room or the wrong time, and that at least 25 percent of the time they will have forgotten to list you at all. It is always a mystery and frustration to me that hotels which make so much of their money from meetings generally handles them so poorly. This is why it's absolutely essential to doggedly check through the arrangements a day in advance and in person an hour in advance.

Abide by Murphy's Laws. There are two laws developed by a fellow named Murphy who must have learned the hard way, but who left a rich legacy in these cardinal rules for meeting planners.

What can go wrong will go wrong.

If unattended to, it will only get worse.

Don't let the chairman or staffs dominate the meeting. If either or both take up all the time, they may feel terribly good at the end of the session, but they'll be talking to themselves at the next meeting.

Keep the group informed between meetings. This includes get-ting the Minutes out quickly, reporting to the committee on action taken on their recommendations by the executive committee or board of directors, and thoughtful notes from the chairman or staff person between meetings, sharing some interesting bits of information or news of the organization's activities. Whatever it is, a deliberate, thoughtful, ongoing effort to let the members know they are important and are appreciated will pay off.

Give the group a sense of accomplishment and momentum. The original charge to the group should have been realistic enough so that there can be a regular sense of accomplishment. If large tasks are broken down into bite sizes, the group can have a feeling of getting somewhere. Be sure the members do gain a sense of movement and have the satisfaction of accomplishment.
Committees and boards often suffer from a feeling of vagueness or vastness, and it takes considerable effort to provide the members with some feeling of tasks well done.

Keep it interesting. Deliberately plan part of the agenda for the purpose of giving the group a feeling of being in the know, having a chance to learn some of the exciting things that are happening in the field, or to know more about what the organization as a whole is doing. I learned a lot from a president who insisted that every meeting should include a section which he labeled "the entertainment." It was his deliberate and successful policy that every meeting should include a film or speaker or some presentation that took the group away from the immediate tasks and gave them a sense of excitement and being in the know.

Pay attention to the niceties. I said in the beginning that these rules grow out of common sense and thoughtfulness. Take time to figure out how to make your meetings pleasant. For instance, people say how much they appreciate having large name place-cards for each person attending the meeting. These are placed in front of the people and everyone quickly knows or is reminded of everyone else's name. Incidentally, these don't have to be expensive. You can make them out of cut-down manila file folders and let people write their own names with a felt-tip pen. Send the committee list with each agenda. This may seem like duplication, but people do forget names and like to review the list in advance. Include nicknames and women's first names.

Occasionally hold your meeting in a special setting. This doesn't mean it has to be in a fancy club. It might be in one of the facilities which relate to the group's efforts. The National Mental Health Association encourages local boards to meet at least once a year in the state hospital serving the community.

Provide a regular mechanism for board acknowledgement of committee progress. This kind of thoughtfulness makes a big difference to committee members, who inevitably wonder if their efforts are really noticed and really do achieve results. Thank a committee when its work is done and express appreciation to those who are going off the committee. It's hard to anticipate all the things that add up to the niceties and to thoughtfulness; but, unless the leaders, committee chairmen, and staff members take time to project themselves into the place of the members, the rush of everyday events will continue to preoccupy them, and important opportunities to develop a closer feeling of camaraderie and family will be lost.

All the basic rules apply in spades to board meetings. In addition, there are special considerations.

The board of directors has to have an overview of the mission, goals, progress, and problems of the organization, which means that a realistic part of board meetings has to be given to this kind of review. It can be partly accomplished by a written report of the leaders, including a report of progress toward the Annual Agenda (the one-year plan).

One of the basic and most important roles of the board is to establish the priorities and directions for the organization. This means that realistic time must also be given to discussion and, when appropriate, to approval of the Annual Agenda, the annual budget, and the five-year plan, and to regular determination of progress on those plans.

Because the board's decisions are so central to an organization's effectiveness, it is all the more necessary that the agenda and related material go out in advance. The board members should have an agenda in their hands at least a week in advance of the meeting. The supporting material should not be so voluminous that it will not be practical for board members to gain a grasp of the issues. This means that a good deal of work will have to be done by the leaders to reduce complicated issues to their essence. Some organizations just throw in all the minutes of
intervening committee meetings and then add insult to injury by having the chairman read the minutes.

Don't expect that every board member is going to read everything, although if the material is distributed well beforehand, you'll be surprised at how many will. People who have a particular interest in a selected subject will carefully prepare for the discussion. Adopt the approach that you assume people have read the material in advance of the meeting. The presentations and discussions should start with that assumption and it should become an embarrassment for anyone to ask questions or make comments which clearly indicate they have not done their homework.

Carefully identify the reason for having each item on the agenda. Certain items will be there for important information purposes. Other items will be there for the board's consideration and disposition. One can't accurately predict what items will get fast action and which ones will require extensive debate. You may recall Parkinson's rule that the smaller the item the greater attention it will be given. He uses the example of the board which quickly passes on the purchase of a multimillion-dollar nuclear reactor and then gets hopelessly bogged down in a discussion about purchasing garbage cans. He says that this is because everybody knows about garbage cans.

Provide a suggested timetable. This obviously will be adjusted to the board's interest, but at least it will provide some indication of the items which seem to require fuller consideration. The board agenda and resource material should include intelligible financial reports, including an income and expense statement, balance sheet, and budget status report.

Limit the chief staff officer's report. For example, only occasionally do I make an extensive report to the board of directors. I consider that if my job is properly done, the reports of the various committees, task forces, and other officers will cover most of the business that needs attention. (This is in keeping with my perception of the role of staff in voluntary organizations—to assist the volunteers to carry out the mission of the organization.) Occasionally there are management considerations or special observations I may want to share with the board. It's my impression that if I do not constantly dominate the board discussions, then the information and issues I do bring to the board will carry more weight. I shudder at the meetings I attend where the staff and other staff members carry the ball so totally that the board members are left completely uninvolved, limp, and glassy-eyed.

Most membership organizations hold an annual meeting, which can and should be a special occasion. It's probably accurate to say that most annual meetings are meal functions and that by the time the group is finished with the meal, the reports, the elections, the out-going president's comments, the in-coming president's comments, the awards, and the responses of those honored with awards, those members still present are absolutely numb, disengaged, and dreading the main speech which is still to come.

Annual meetings should be exciting and stimulating, and should provide a significant thrust to the organization's major business. For these reasons, the basic rules governing all meetings which were given in the first few pages of this booklet are particularly important. Review them almost as a checklist. In addition, here are some other considerations which are important to observe:

- Treat the voting membership as an important part of your organization. The annual meeting is a terribly important time for the voting members to be involved and informed about your work and future plans.
Provide enough time for what needs to be done. If you really line up all that can (and should) be done at the annual meeting, it is almost a certainty that it can't possibly be reduced to a luncheon or dinner meeting unless, as is too often the case, you are prepared to go well into the night, thus making a deadening time of it for everyone concerned. Instead, given enough advance notice, people will set aside a Saturday or a weekday or at least an afternoon topped by a really fun-filled and interesting dinner without all the business being crammed in. To do this (1) adopt a time schedule and stick to it; (2) leave time for questions, discussion and debate; and (3) provide an advance agenda with written reports. (Include information on award winners, nominating committee recommendations, and summaries of the actions called for.)

Relate the meeting to the basic thrust of the association. It's surprising how often organizations will choose themes and speakers which do not really fit into or contribute to the mainstream of their current efforts. It's almost as though annual meeting committees were divorced from the basic organization. Too often the pattern is to come up with a catchy theme and a principal speaker without regard to the tremendous opportunity to use this annual meeting as an occasion to really push the organization's basic projects.

Plan carefully for awards and recognition. The annual meeting is a time when an organization can honor those who have served its cause. Be careful, though, not to present so many awards that the meaning is diminished. The awards can be listed in a printed program. In some cases, many people may be included in an award category; for instance, volunteers who have contributed more than 100 hours to the organization. These people can be asked to stand up as a group. If you are trapped into doing everything at a dinner meeting, present some of the awards in advance and then be sure their names are listed in the printed program. It's also effective sometimes to spread the awards throughout the agenda so that there isn't a bunching. Except in unusual cases, don't introduce individuals who aren't present. I always have a sinking feeling when names are called and people asked to stand and it turns out that several of the people aren't present.

Select interesting locations. It's not always possible to come up with an imaginative approach, but people do like to visit an interesting place. This can be either a new hotel or, at the other extreme, a facility that relates to the agency's work. Be careful about the expense, however. Increasingly, agencies are involving youth and the poor, and those $25 dinner tabs have a way of saying we don't really mean it. Consider, for a change, holding the meeting in a jail, state hospital, church, museum, campground, new synagogue, a mansion donated for the day, a community college, a movie theater or legitimate playhouse, or even in city hall, a company's training facility, or any other place that's different, interesting, inexpensive, and perhaps educational.

Work hard at promoting attendance. There should be early mailings to the voting membership, and to a very carefully developed list of outside groups and individuals. A personal invitation should be extended by officers and members of the annual meeting committee to the fifty outside people you are most eager to have present. It should be made very clear that the board members are expected to be there. Voting members should also know they are expected to attend this one meeting each year. Committee members are part of the voting membership and they should be particularly urged to take advantage of this opportunity to get a broader feel of the organization.

Take advantage of your publicity opportunities. Some of your promotion efforts can be assisted by advance notices to the news media. However, these will simply support your promotion efforts
and should not be considered as doing the promotion job itself. The many events which will be part of a really good annual meeting will provide pegs for advance stories and for media coverage during the meeting itself.

- Spread the workload. One of the reasons that annual meetings often don't achieve their potential is that the event is left largely to the staff. However, it's the kind of activity at which many board members will work very hard. The annual meeting should be a major volunteer responsibility. The committee should be a year-round operation with regular reports to the board of directors. The various assignments, involving publicity, registration, promotion, awards, and program should be assigned to individuals or subcommittees. Obviously, staff backup is needed, but not nearly so much as we generally think. Clearly, the opportunity and responsibility to make the most of this annual event should not be curtailed because staff doesn't have enough time. Most of the responsibilities can be carried by volunteers.

- Pay special attention to arrangements. What was said earlier about Murphy's Laws is doubly applicable to annual meetings. "What can go wrong will go wrong." Make a careful list of all the physical arrangements and doggedly check them. If you don't, things will rapidly go wrong and Murphy's second law will come into play: "If unattended to, the situation will only get worse." Among the many things that can go wrong will be at least one of the following:
  - the microphone or speaker system won't work (or will squeal so badly that people will think they're experiencing a lobotomy);
  - the awards will be in the wrong order (or they won't get there at all);
  - the president will introduce the head table from left to right when it's set up right to left; or
  - the hotel will serve pot roast on Good Friday.

  Don't be too afraid of healthy controversy in meetings of committees, the board, or voting membership. If the cause is important, people will feel strongly about it but not always the same way. Let people debate and even argue, but keep it within the bounds and context of an organization's meeting. Don't be too quick to refer the issue to a committee or try to mask very real differences. It always amuses me when some well-meaning peacemaker will jump up and offer the observation that, "They're really not that far apart", when the antagonists are at each other's throats, or, "The two points are not mutually exclusive", when in fact the two arguments are absolutely opposite.

  When the going gets too hot, fall back on Robert's Rules of Order to help organize the discussion and decision, but don't let that process take control of healthy exchange.

  Once the matter has been decided, the volunteer and staff leaders must help the organization adjust quickly to the decision and get on with the more positive aspects of the organization's program and operations. A good organization, like a good manager, spends time on issues that it can do something about and doesn't waste time on issues it can't do anything about.

  Obviously, peacemaking should be the order of the day, but once in a while it's not the best course to follow. Occasionally, it's better that people lose and move out of the mainstream. There is a great temptation in voluntary organizations to make up and to bring Charlie back into the chairmanship or to the executive committee to show him there are no hard feelings. This is usually the right thing to do, but sometimes it only perpetuates the underlying difference which
was finally settled. There are times—not often, to be sure, but there are times when it's better to let some people fall away or go away mad. This may not seem fair, it may seem cruel, it may seem a contradiction to the kind of spirit that voluntary organizations try to generate, but some people and some controversies are better moved out so the organization can concentrate on what the clear majority wants to do. Remember that an organization can only sustain so much controversy.

I realize it won't apply to most readers, but it is important to say a word about the annual meeting of national organizations. Much of what I said about annual meetings in general applies here, but the national annual meeting is such a very special creature that it deserves special mention. It is the major vehicle by which national leaders can promote the spirit, thrust, camaraderie, and communication so necessary to the total organization. Too often the board and even the national staff tend to take the annual meeting for granted. We don't realize the responsibility and opportunity it represents and thus we don't set aside enough time to do it imaginatively and well.

As the executive director of the National Mental Health Association, I talked each year with the staff about the importance I attached to the national annual meeting and the kind of preparation I thought was necessary to make it an experience people would go away from with new respect for the association, new pride in the organization, and a tremendous storehouse of information and inspiration to apply back home.

We went over our service plans to identify the problems and aspirations of our local units and to match people for meals and social functions in order to promote optimal communication and informal consultation. We set up our cocktail hours in a "cocktails and conversation" format so that people could go to specific tables or booths to talk about subjects of interest to them. This not only broke the ice—which is so essential to do—but it also provided people with a good deal of information.

I'm sure it's the same with most national organizations, but the handbook governing all the technical arrangements for those annual meetings was a tome. It started with selection of facilities and ran through several hundred pages, ending with instructions on providing tips to hotel employees who were particularly responsive. In between there was a collection of lessons learned that helped make certain that our meetings were professionally and thoughtfully done so that people went away with a confidence that their National Association was well run and did care about them. This, in turn, instilled a greater spirit and commitment in our membership.

Not everyone can get to the national annual meeting and we tend not to realize how helpful it is for people to see the organization beyond the limits of their own chapters. Some national organizations no longer have a national annual meeting. For instance, the Girl Scouts of America meet every three years. They use the first of the intervening years for regional meetings, and the second for development and discussion of the issues which will be decided in the triennial national meeting. I favor some such system because it plays up the opportunity and responsibility to hold regional or sectional meetings that give many more people a feeling of being part of something special.

Whether you are responsible for a task force or international conference, work hard at producing good meetings. They are the key to good decision making, all out follow-through, and maximum volunteer motivation. It's on the meeting ground where the quality of the organization is truly revealed.
ABOUT THE AUTHOR

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Roles and Relationships: Who Does What?

By Brian O'Connell

I  THE ROLE OF THE CHIEF VOLUNTEER OFFICER

Many volunteer heads of nonprofit organizations confide that they're well into the job before they really understand what it's all about. This is a sorry state of affairs, particularly because much of what the term will mean can be represented by what is accomplished during the first months on the job. The planning, recruiting, orienting, training, and other essential leadership functions have to be accomplished, and accomplished very early, if the operation is to have sensible direction and exciting thrust. It's toward the goal of early preparation that the following urgent suggestions are made.

You are the person morally responsible for your public agency. No matter how inadequate you may feel, or even if you have people to whom you can delegate, you are the person who is accountable to your fellow citizens for the expenditure of their dollars contributed to help your agency pursue its service to society.

One of the biggest problems for voluntary agencies, particularly those large enough to have staff, is that the chief volunteer officers do not really perform as such, usually because they exaggerate the role of the staff. Because this is such a significant failing of voluntary agencies, and because the effective fulfillment of the role of the volunteer head makes such a fantastic difference in the thrust of a voluntary organization, I have separated my comments concerning the chief volunteer role from discussion of relative roles of staff and volunteers. The next section will deal with that second topic, but now I want to try as hard as I possibly can to help volunteer heads grasp how important they are.

Even if the organization has staff, a volunteer head should step back and view the job from the perspective of an agency with no staff. It may assist you to understand your leadership identity and responsibility, if you imagine, at least at an early stage and perhaps periodically during your term, what your task would be like if you did not have staff back-up. In an unstaffed Parent-Teachers Association, for example, the president is responsible for the recruitment, orientation, stimulation, and follow-up of all committee chairpersons; and unless the president functions, the organization doesn't go anywhere.

Look at your own table of organization — you probably won't see staff on it. Such organizational charts usually include the board of directors, executive committee, president, and committee chairpersons, and that's the way you should see your job. You are the chief volunteer officer, and you've got to go through the basic steps required of the chief of any operation. You are the person most essential to the agency's performance and, as such, the basic leadership responsibilities rest with you. These responsibilities include planning, recruiting, motivating, coordinating, and evaluating. A good deal of the specifics of these tasks are contained in the pamphlets in this series covering those subjects, but I want to focus here on the unique leadership role of the chief volunteer officer in each of them.

One of the problems of large voluntary operations is that planning becomes a staff responsibility. Thus, the volunteers themselves aren't really deciding where the organization should be going, and as a consequence the volunteers don't feel the vital commitment necessary to fulfill ambitious plans. You, as volunteer head, have to bring planning back to the volunteer side. And believe me, this is tough to do. Even the aspirations you have, and indeed may have voiced in your inaugural speech, are easily suffocated in the day-to-day crises and tasks that so
easily absorb the time you give. As a result of lack of planning, you, the chief volunteer officer, become totally absorbed with what the organization serves up rather than exercising your real opportunity to accomplish the things you set out to achieve.

To remedy this, I sit down as early as possible with my incoming volunteer partner, and I urge him or her to decide on the one, two or—at the most—three things that he or she wants most to have accomplished when the term is finished. Most chief volunteer officers make the mistake of starting out with too many aspirations, hoping that somehow they can achieve all those exciting goals. Unfortunately, they don't really pin down what it will take to accomplish the goals. Then, due to a lack of focus or the press of immediate problems, the goals never get identified firmly in the organization's mind and rarely are accomplished. Many volunteer heads look back with regret that they never really got their teeth into some of the things that seemed so important to them at the beginning.

You, as chief volunteer officer, should think hard and early about the things you really want to accomplish during your term. If the goals are realistic, then, despite all the other responsibilities that hit you, somehow you will reserve a portion of your energy and resources to move ahead on your special projects. But you have to plan. You have to decide now what it is you want your organization to have achieved one or two years from now. You've got to involve the board of directors in a shared commitment to those goals, and help the organization bear down and be sure that the projects are accomplished.

It's important not to seek too much change. An organization can only sustain or survive so much upset. Often a volunteer head wants to change too many things, with the result that the upset is destructive. In some cases total reorganization may be indicated, and this should be frankly reviewed with the board so that a basic decision can be made. If that's not the problem, then choose your areas carefully and concentrate on them. Thus, you won't be creating additional problems of morale, suspicion, or anger that would only stand in the way of accomplishing the things you want to do. Another aspect of planning involves your own schedule. Be sure you have cleared your docket to give the job the time and devotion it needs, and be sure your family and associates are aware of the commitment and what it entails.

Involve the full board in deciding attainable goals and the best methods for achieving them. The basic rule is to involve the group in identifying attainable goals and agreeing to stick to those tenaciously. You'll find that at different stages your people will want to change strategy, expand unrealistically, or even retreat prematurely. Decide together what it is that needs to be done and how to go about it, and then tear into that effort with absolute conviction and resolve.

Keep in mind that you're probably a unique individual and probably a strong one. You have to be careful that your leadership does not dominate. Give others a chance to participate or they won't feel any ownership in the plan. Keep very much in mind that if it is an important cause, you can't do it alone and you will drive others away if you're too overbearing. One of the frustrations that you'll face is that it will probably be important to take some steps backwards before moving forward. For instance, you may have been involved in the organization much longer than the others, or at least have a good deal more experience with some of the projects at hand, and you will assume that the group understands and accepts the facts as you see them and is ready to move forward. That's not very likely. The other trustees will probably have to cover some of that same ground for themselves. People have got to feel that they personally have gained a grasp of the facts and have a chance to sift through them before they develop a commitment to the course of action.
Often the chief volunteer officer leaves the critical task of volunteer recruitment to staff. This doesn't do the job. You, as volunteer head, have to decide who it is you really want to assist you in accomplishing the things you want to do, and deal effectively with the crises which are the day-to-day fare of a vibrant voluntary agency.

Don't give in to the easy way out by simply letting Joe have a fourth term, even though he hasn't been a very good chairman up to now. Don't just hope that Harry will be better in his second year than he was in his first. And don't let the fear of relationship problems stand in the way of doing what's right. These are things that an effective chief of any good operation has to face up to, and unless you're willing to conscientiously undertake the job of recruitment of able people, the organization won't really aggressively move forward to fulfill your aspirations or even perform its public mission.

Carefully analyze the jobs to be done and then spend a lot of time identifying the people qualified for them. This is worth a good deal of your time early on or even in advance of your administration. It will not only save time later but will make the difference in how much progress is made.

One basic mistake organizations make is to automatically recruit as leader the expert on the subject without regard to his or her organizing skills. We eagerly recruit people to do organizing jobs for which they may be utterly incapable. If we want to organize a community program to reduce the incidence of stroke, we tend to seek out the cardiologist most experienced with vascular accidents. If we want to organize an advisory board to a community mental health center, we look for psychiatrists and clinical psychologists. If we want to organize a local chapter of the Cancer Society, we look for a radiologist. Experience instinctively leads me away from such experts as committee heads and toward people with organizing skills. While experts should be an important part of the committee, they are not likely to have the necessary organizational skills. Also, they may intimidate or otherwise turn off the very group of people whose enthusiasm and activity they should be building.

When setting out to recruit people, our approach is generally characterized by "get as many as you can—the more the better". The unfortunate result of all this enthusiastic freewheeling is that the recruiters almost always are overly optimistic, and when their accomplishments begin to fall short of aspirations, the whole effort tends to crumble. Instead, figure out how many people are needed and cautiously predict how many of this number can be recruited in the first six months or even the first year. Do it realistically. Set attainable targets. Divide the workload so that no one person is given an assignment in which failure is almost inevitable. Beware of the individual who wants to impress the group with how much he or she is going to do or how many cards she's going to take or how many friends he's going to sign up. A group which goes at building in a deliberate, realistic way (and this doesn't preclude fervor and determination), will be a lot farther ahead at the end of a year than the group put together by optimists who assume their enthusiasm will carry the day.

Numbers are important, but so are the right people. Identify who you need on your side to really put together the facts or the strategy and who will have the capacity to put that strategy to work. Don't assume that you can't get somebody and move ahead to form a committee of lesser impact. Identify the people, or at least the types of people you need, and launch an effort to get the right persons to join you. You will be surprised how often they will say yes or lead you to other good people.
Effective people turn down appointments, not because they are uninterested, but because the assignments are put to them in such a vague way that saying yes could lead into a bottomless pit of responsibility. Too often we ask a person to come aboard without making clear exactly why we want him or her and without breaking the task down into reasonable proportions. If you want a member of the school board to join a committee looking at special education, ask him or her to sit in on those committee meetings that will include the topic. We make a horrible mistake in assuming that, in order to be effective, someone has to join the committee or board, when we are likely to enlist more of the right people by involving them only in the bite-size ad hoc assignments for which they really are needed.

Break the job down into bite sizes and specific assignments so the individuals can grasp exactly what you want and will not be frightened by the implications of the commitment. Let them know you will be around to help. There is nothing worse than coming out of a hard sell only to wake up and find the leader acting as if he or she has got the sucker and is off to other victories. You have a responsibility to assist this individual in doing the very things you have been struggling with in your own assignment, including deciding what's needed, identifying the sources of help, and recruiting people.

The greatest temptation in recruiting volunteers is to make the job sound easy. It's natural to be eager to get a yes, but in the long run this deception will catch up with you. It is better to give the individual a clear picture of the assignment, so that when you get a yes, you will know you've got someone who is committed to getting the job done. It's better to get a few no's, than to end up with someone who isn't likely to produce or who can't be held accountable because there is no mutual understanding of what is to be done. There is nothing in this to contradict your opportunity to be enthusiastic. The best guideline is to keep in mind that you want to come out of your recruiting effort with an individual who knows what is expected and is eagerly looking forward to getting it done.

Recruiting does involve enthusiasm. People have to know by your approach that this is something you believe in and that it really does merit their time and attention. People want a cause—even busy people are willing to be further involved, if they feel their service will make a difference. Don't assume that people already know about the cause. This applies even to persons who have been serving on committees or as board members. When you recruit someone for a key job, take the time to be sure he or she knows the cause. This is likely to build a more positive frame of reference and a feeling of being part of something worthwhile.

Orientation begins during the recruitment process. Each person needs special attention, and the effectiveness of these efforts will often determine whether or not the individual in fact succeeds. Orientation is too often dismissed by giving the poor individual an unbelievable amount of material that won't be read or understood. Think carefully about who your recruit should meet if he or she is to gain greater knowledge or enthusiasm about the cause and set up these appointments either on a one to one basis or in small groups. The important thing is to put yourself in the place of the new person and figure out what he or she really needs to know in order to increase interest and enthusiasm and to effectively fulfill the assignment.

In addition to initial orientation to the cause and the agency, most volunteers should receive continuing orientation so that they will constantly feel abreast of the agency's impact on the cause. Too often orientation, if done at all, is limited to the first few weeks and then we assume individuals learn all they need to know from occasional contacts with the organization.
Every committee meeting and many board meetings should begin with an orientation segment that provides members with knowledge of major thrusts and activities of the organization. Too often we forget that a committee member has little knowledge of the organization beyond his or her own assignment. From this limited vantage point, he or she can hardly serve as an enthusiastic communicator to the outside world. The president or committee leader should use every communication channel possible to give the volunteers a continuing sense of the mission and activities of the operation. This is essential if the committee members are to know that their efforts make a difference. People want to feel part of an exciting cause but they won't get that feeling about your organization unless you, as the leader, take time to think through what they must know in order to carry out their jobs effectively and what they would like to know in order to feel part of an exciting endeavor.

Most important causes require sustained effort and depend upon a great many volunteers working together in a systematic way. When a good-sized army is needed, a conscious effort must be devoted to building the organization. Many organizations gravely underestimate this and their voluntary operations are disastrous. Building an organization begins with training its current leaders to recognize the need to devote time and resources toward increasing the capacity of the operation. This may seem easily done, but it's usually not done at all. The leaders are so impatient to be on with the crusade that they assume everybody feels the same fervor and knows what to do instinctively. An organization's leaders must be shown the necessity of building the organization to match the goals and they must have help in learning how to do it.

In training sessions for volunteer and staff leaders, I use a two-part presentation entitled, "Achievements Worth Building For" and "Building For Greater Achievement". This provides an opportunity to present the exciting accomplishments we can achieve, while at the same time making clear that the achievements will be realized only if we build an effective organization capable of such fulfillment.

Even after volunteer heads have given realistic attention to planning, recruiting, and orientation, they usually leave the rest to staff or to chance. Staff can carry a good share of the load of volunteer training and development, but your presence must still be felt.

Your efforts in effectively involving your key subordinates in major activities and decision making are essential. Keep in mind that these are your people. Committee heads, project chairpersons, and other officers are your subordinates. They want to know what you think; they want to know where you are going; they want to know how you perceive the organization; and they want to know what you consider important to be done.

Most presidents assume that this kind of thing just happens, that the executive has somehow communicated all these things, or that a past chairperson has oriented a successor, or even that a person, simply by having been a member of the board, has a grasp of the new and larger responsibility. There can't be cohesion in the organization without your involvement in orientation and training and without you giving a great deal of thought as to how to effectively motivate, inspire, and stimulate persons who will be carrying the major part of the load. Particularly, the organization can't move as a unified phalanx toward the goals set by you and the board unless your key subordinates have participated with you in deciding where the organization is going and feel they are really an integral part of the operation.

You also must function as the regular motivator, encourager, and prodder. It's not sufficient to merely involve your subordinates in planning and assist in their orientation and training; you've got to provide regular opportunities for discussion of progress and problems. It's
important to be on that phone five or six times during the year just to say, "Mary, how's it going? I heard about your meeting last week. I am sorry I couldn't get there, but I am delighted with what I hear about it. Is there anything I can do? We're putting you on the agenda of the Board meeting and we're really looking forward to that report. I hope we'll get the material well in advance, so everybody can enjoy it and act intelligently on it."

Don't assume that if you're regularly communicating with the chief staff officer about things, you're really touching base with your own subordinates. They are human beings, and an organization will respond far better if you, as the volunteer leader, are in touch with your human subordinates in a human way. If they feel you're really interested, they'll respond; they'll perform similarly with the people responsible to them, and the total operation will be many times stronger. Obviously, it's important not to over-look the human need of people to have their backs patted and, in some cases, their bottoms spanked—and only the volunteer head can perform these functions.

It's your responsibility to see that the activities which the officers, board of directors and committee heads set out to do are being carried out. One of the basic approaches is to have certain check-points during the year. At these times, provide project and committee chairpersons with an opportunity to report at meetings of the executive committee and board of directors. It will also be important to stay close enough to enable you to judge the progress or lack of it and to sit down with the chairpersons to discuss any impediments.

If a key subordinate is letting you down, face up to the task of replacement. Usually the individual will be relieved to be out from under the responsibility. But even if he or she is unhappy with your action, your larger responsibility is to the contributors of public money and to your community.

To have time for these basic leadership responsibilities, it will be essential for you to avoid being directly responsible for immediate projects. Find people who can carry these for you. Your function and goal is to see that the volunteer talent of the organization is being developed. To the extent that you get trapped into assuming responsibility for individual projects and issues, you will not be using your limited time to expand the capacity of the organization to deal with an increasing number of projects and issues.

Be fully conditioned to the human relationship aspects of the role of chief volunteer officer. Be prepared and leave time for dealing with many different personalities, most of whom at some point will need soothing, stroking, and encouragement.

Your success will be measured in three important ways:

1) The achievement of the things you set out to accomplish.
2) The fulfillment of the organization's other major projects and its response to the unexpected crises and opportunities.
3) The increased increment of volunteer involvement, leadership, and responsibility that has been generated during your term.

Develop a checklist to gauge progress on the specific tasks set out at the beginning of the year and to measure increased volunteer activity. At mid-year sit down with some objective persons you can trust and take a hard look at the progress or lack of it. If you know that you're going to be doing this at various checkpoints, it will increase your determination to come off with good scores.
Over the years I’ve developed a list of "musts" for chief volunteer officers. I know that individual situations vary, and perhaps not all of these will fit your circumstances, but my general observation is that the volunteer head who rates well on this checklist will be running an exciting operation. On the other side, in the breakdowns I’ve seen of leadership in nonprofit organizations, the failures can usually be traced to ignoring some of these musts.

- Decide in advance that your largest goal for the year will be to increase the degree of volunteer leadership within the organization.
- Be the volunteer head. This leadership role cannot be delegated to the staff, and to the extent that you are confused about your leadership responsibility or that you turn over this role to staff, your success will be compromised.
- Involve your key officers and other colleagues, including staff, in a planning session to effectively determine where you as a team want to be at the end of your term. Be sure that these plans are realistic and attainable. Be sure that the board of directors has the final opportunity to approve them.
- Approve all board of directors and executive committee meeting agendas and make certain that these are sent out at least ten days in advance of the meetings. Much of what you will be trying to do as the leader of the organization will be lost unless these meetings are your meetings and represent your checkpoints for progress toward the year's goals. It is essential that the agendas be sent in advance so thoughtful people can give thorough consideration to the issues.
- Involve your key subordinates and keep in regular personal touch with them.
- Appoint, orient, encourage, and follow-up on your project and committee chairpersons. If you leave that to staff, it may be done but it won't be accomplished with the same degree of warmth that your personal contact supplies.
- Plan regular meetings with your chief staff officer, setting aside ample time so that the two of you can really get into some of the current issues and have enough time left over to check on progress or lack of it on the year's goals.
- Plan for the annual evaluation of the chief staff officer. Even if he or she is tops, small problems can compound into larger ones if there is not some process by which the volunteers can make observations and suggestions. Build it into the system that the executive committee or board of directors should do the annual evaluation and then set aside time for it.
- Build positive relationships within the total organization. If your group is part of a larger organization, develop personal relationships with the volunteer leaders at the other levels. Try to do everything possible to minimize friction and to promote effective relationships.

- Make it exciting and worthwhile. Keep in mind your unique position and opportunity to know what's going on in the organization. Provide regular occasions through board meetings, newsletters, personal communications, and every other, possible way in order that your fellow volunteers can enjoy the fun of being part of an organization that is making a difference.
**Realize that you are responsible, and if you leave a void, it will be filled of necessity by the staff director, who thereby will become too influential and too preoccupied with doing your job to help expand volunteer involvement and impact. Don't worry about making the staff director too important. The greater danger occurs when you let the staff become too important at the expense of building volunteer responsibility.**

This section has sought to give you a clear grasp of your identity and responsibility as chief volunteer officer. If you have staff, your role is still the same—your goals will still be the same—but you will have skilled hands to help you fulfill your functions. The next section is intended to give you and other board members a fuller grasp of the relative roles of volunteers and staff.

**II THE ROLE OF THE CHIEF STAFF OFFICER, BOARD AND STAFF: WHO DOES WHAT?**

In reviewing the role of the chief volunteer officer in the first section, it was useful to try to see the job in the context of an agency without staff. It might be similarly useful here to take a look at a volunteer organization that has come to the point of needing and being able to afford a staff person.

In most of this section, I will speak about the cause-oriented membership association, rather than the agency providing direct professional services. However, many of these lessons apply even to the organization in which professionals provide one-time services, such as counseling. Later in the chapter, I'll come back to some of the distinctions in board/staff roles in the service operations.

It's my observation that most organizations go into a temporary downturn when staff is first hired. The pattern is fairly typical. A wonderful group of dedicated volunteers, through their own individual efforts and without staff backup, have scrambled, kicked, and scratched their way to having a significant program and are now at the point where they need and can afford some staff assistance. They hire a person and immediately the volunteers relax, turning much of the work over to the staff director. The volunteers assume that the agency will not only carry on the existing activities but will now be able to spurt forward.

In about a year, however, the volunteers begin to view the scene with bewilderment. They find that the agency is really doing less than it was before they hired staff and has lost much of its visibility and vitality. There will be a tendency on the volunteers' part to conclude that obviously the wrong staff was hired because more was being accomplished when the volunteers were doing it by themselves. Before the downturn and the discouragement become irreversible, the group's members may finally realize that they have turned over far too much of the job to the staff and retreated to occasional approvals of what staff did, along with some irregular assistance to the poor bloke who is volunteer head, but who has begun feeling less and less responsible for the operation.

The worst illusion ever perpetrated in the nonprofit field is that the board of directors makes policy and staff carries it out. This is just not so. It's utter nonsense. The board, with the help of the staff, makes policy and the board, with the help of the staff, carries it out. Unless volunteers are committed to and involved in the action phase of the organization, the agency cannot develop and, in fact, should not be characterized as a voluntary organization. Also, it is naïve to assume that staff doesn't have considerable influence—usually too much—on policy formulation.
Staff exists to help the volunteers do the work of the organization. Staff should not be expected or allowed to do the job directly. The greatest sinner is often the volunteer head who far too often gives over his or her responsibility to the staff director.

Most volunteer heads and boards are not certain about the appropriate and relative roles of volunteers and staff in a voluntary agency. Whenever I counsel a chief volunteer officer or a board, I find it useful to bring them back to the exercise of viewing the organization without staff so that all the volunteer responsibilities and functions can be clearly identified. Only after that's done do I reintroduce the availability of staff, making it clear that staff is hired to assist the volunteers to do their citizen jobs in fulfillment of the voluntary agency's mission.

There are two extreme views of the concept of staff's role in voluntary organizations. The first identifies the staff person as the expert who acts principally in an advisory capacity to the interested volunteers. This interpretation is typified by the fundraising consultant who is hired by a church or a hospital to show the volunteers how they themselves can raise a stipulated sum of money. The second extreme identifies the staff person as simply the individual who carries out the clerical details of the agency's function. This interpretation is typified by the part-time executive secretary hired by a service club to arrange details of meetings and handle routine correspondence. In vibrant citizen organizations, the correct role rests squarely between these two. The professional staff person is no less an expert in the specialty than the church's fundraising consultant; neither are the staff functions dissimilar to the everyday activities of the service club secretary in handling the routine business that volunteers do not have time to process.

The reason most staff people must be experts and detail people at the same time stems from the nature and magnitude of their organization's mission. Because they are probably working with staggering community or national problems, even the details of working out a program and launching it require the daily attention of a skilled person. On the other hand, the staff member must be a detail person because he is dealing with a problem so comprehensive that no one expert could possibly cope with it alone. An intelligent attack requires the concerted action of many different specialists and community representatives who volunteer their time to determine and pursue solutions.

Voluntary organizations are fortunate in being able to bring the thinking of many specialists to bear on the problems; but in doing so, those volunteers must be served with facts, with legwork, and with all the other details that go into making volunteer time pay off. To illustrate how this works in daily operation, we may take the example of a staff person working in the area of rehabilitation for the Heart Association. Basically, this person must be knowledgeable in the process of rehabilitation. He or she must know what has and is being done in rehabilitation in the community and in the Heart Association, as well as what specialties are needed to properly attack the problem at hand. At this point, the job becomes a matter of feeding all necessary facts to the proper individuals so that the right committee is formed, and can as quickly and efficiently as possible devise the right programs to meet the principal needs with which it is concerned. In a sense, the organization and the staff person are picking the brains of these volunteer experts, translating their thinking into a program plan that utilizes existing knowledge and services, working with the committee to modify that plan, and helping the committee launch a program in the community.

In every sense, the rehabilitation staff person is servicing the committee with the facts, legwork, knowledge of the agency, knowledge of the community, plus an ability to translate the intentions of the volunteers into a plan and, in turn, into the kind of program which the thinkers
themselves would inaugurate if the agency could ever afford such a full-time team. Having staff means the committee can be utilized to its maximum because the volunteers are not continually bogged down with details or lack of information. In an agency where volunteer leaders can give only limited time, the business of processing details and gathering facts would mean indefinite delays if someone was not available to do this for the committee. With staff, the rehabilitation committee, instead of taking two years to develop and effect one program, can actually develop and undertake many programs in the same time span. The basic concept of staff assistance is to leave the big people free to think about the big things and then give them sufficient assistance to translate their thoughts into big results. With this interpretation of the role of staff, the Heart Association is able to attract the important volunteers to the organization who will serve as the program force of the agency, and in this way the organization is making the most of the time they give.

A few years ago I collaborated with Geri Joseph, then volunteer head of the National Mental Health Association, to put together a summary of what we, as the chief volunteer and staff officers, jointly considered the essential functions of staff. This is the way we framed the job:

The role of staff in a voluntary agency is simple in concept (though certainly not in execution). Your job is to bring about the maximum volunteer dedication, volunteer involvement, and volunteer satisfaction. You must stimulate, educate, and service. Everything you do must be directly related to the single underlying concept of voluntary action— the promotion of citizen interest in public affairs.

To the extent you become project oriented and lose sight of your basic role of developing the volunteer capacity of your organization, we might just as well declare ourselves a branch of government. Your mission, your project, your goals, and your record must be measured in quotients of volunteer commitment and volunteer results.

We then listed twelve functions staff can perform to make volunteers more responsible and active. These are abbreviated below.

1) Set one part of your annual goals not in terms of pursuit or completion of specific projects, but in terms of increased volunteer involvement and commitment.

2) Provide all possible assistance to help volunteers understand the problems in the field and the role and work of the organization. Volunteers won't feel comfortable and therefore won't really give fully of themselves unless they are well informed and briefed on all relevant matters. That doesn't mean sending reams of material; a key part of your job is to summarize information so that it is understandable to volunteers.

3) Provide excellent staff service to the volunteer head or to the committee chairpersons who rely on you for staff backup. Nowhere is this more critical than in the chief staff officer's responsibility to the chief volunteer officer. While the staff director is many things to many people, he or she is also the executive assistant to the chief volunteer officer. See that the volunteer head has all the information needed to fulfill the obligation as elected head of the organization. Don't do the volunteer's job, but help him or her understand that job in order to do it well.

4) Provide the best possible service to other officers and to the board, committee chairpersons, and committees. If there is one general failing of staff in organizations, it is that staff somehow assumes that volunteers are mind readers, that they know the issues and facts. How often we go to committee meetings without the agenda and related details having been distributed in advance. And how often
we simply listen to stall' or an uninformed committee chairperson ramble on about sonic issue we don't understand, but which must be solved at that very meeting. If you care about the involvement of volunteers—quantity and quality—then be certain that every meeting is carefully preceded by a sharing of the agenda and all pertinent information at least a week in advance. Volunteers can then think about the subject and come prepared to offer competent advice. You'll find people will be more willing to come to meetings, too. If you don't do this, however, many people will feel the organization is haphazardly run and will not want to be part of hasty decision-making.

5) Help identify the points of view and talent needed on the board and on the committees; to the extent necessary, help in the recruitment of such people. Leave as much of the job as possible to the volunteer leader and committee chairpersons. Once these people are assembled, let them make the decisions. Don't try to have all the bright ideas. Your skills are needed in knowing the type of people who should be brought together and in giving them the right support. If a staff person—or, for that matter, a volunteer—assumes that he or she has talents equal to the composite brains and skills of a board or committee, then the organization either has a genius on its hands or, more likely, is in trouble.

6) Know the related activities and facilities in your own area. Only to the extent that you really know what is already available can your volunteers help identify gaps, weaknesses and needs.

7) Make planning a priority. Identify those basic things that most need doing, and then do them well. Despite the many temptations, don't spread yourself so thin that basic obligations and priority projects are not done adequately.

8) Stay loose or at least stay flexible. The basic role of a voluntary agency is to see that whatever needs doing is, in fact, accomplished by whoever can do it best. This requires the habit of flexibility—two seemingly contradictory words—and an ability to move from one challenge to another. The role of staff is obviously to be responsive to the need for change.

9) Recognize your role as the basic communication link in the organization. Because you represent continuity of service, you are the source of information on the past. You are also a key source of information about what is happening now in your community and in your organization.

10) Keep the dream alive! Don't let yourself be so concerned with the problems you face that you fail to recognize that volunteers look to you to keep the goals in sight. It is up to you to be certain that people are aware of the long-term goals and of the organization's capacity to work effectively toward those goals.

11) Provide all possible credit, thanks, and satisfactions for volunteer activity. This will require a good deal of subordination of your own ego, but your goal and your satisfaction must be measured by the degree and kind of volunteer effort achieved.

12) Of all of those points Geri Joseph and I would give first place to "Keep the Dream Alive!"

13) Some of this advice won't apply equally to the service agency, where most of the work is performed on a one to one basis by teachers, therapists, or scientists. However, this is often used as an excuse to keep the board at a comfortable distance. "Raise the money and leave us alone", is sometimes the byword.
Obviously, lay board members should not be a substitute for highly skilled specialists, but neither should the specialization of the program obfuscate the board's role and responsibility. Nor should it freeze out the greatest possible utilization of volunteer time and talent.

Recent federal budget cutbacks caused significant income reductions for many nonprofit service organizations, and though this caused serious hardship, there were a few healthy lessons. Most of the service organizations that were impacted were determined to preserve as much of their service as possible. Indeed, in the face of growing client needs, they needed to figure out how to do more with less. In the process, many of the most alert and flexible of these organizations rediscovered the volunteer. They relearned how much talent human beings have and how willing people are to be involved in rewarding assignments.

During this period, I saw a great many sensible, sensitive service groups adjust in such remarkable ways as these.

**Revitalization of the Board**

Board revitalization started because the agency desperately needed money. In the process, the organizations learned how much more the trustees could do in financial planning. Many of them had more experience in dealing with financial crises. They also brought a practical commonsense reality to making some hard decisions.

Some of the trustees knew how to substitute labor saving techniques, including automated equipment. Others knew about strategic planning to maximize resources and results. Suddenly it was apparent that these relatively dormant boards had a great deal to offer. In the process of giving, they developed a sense of participation and commitment that resulted in far larger fundraising efforts.

**Reintroduction of the Program Volunteer**

Even before the financial crunch, there emerged a growing criticism of voluntary organizations that the staffs were becoming over professionalized. In the name of standards, but with a counterpart of competition among the professions, many organizations had frozen out the volunteers who had once provided much of the program service. Suddenly, in the face of needing to do more with less and with the help of experienced trustees, these organizations approached it from the other side and began to examine how much of the program could be undertaken by the least professionally trained individuals. Not surprisingly, they discovered that many of the tasks did not require the complete specialist; they also learned how much ability other individuals have and how much these people can grow with increased responsibility. They began to be more flexible in their hiring practices, for example, to involve part-time professionals where the skills were absolutely necessary. Throughout this process, there was increased reinvolvement of the volunteer through the whole spectrum of program delivery.

This involvement has benefits far beyond the element of service delivery. These volunteers provide an additional increment of sensitivity and caring, they tell the agency's story to hundreds if not thousands of people in the community, and they become loyal advocates.

**Greater Reliance on Consumers and Community**

In the same spirit of doing more with less, these organizations began looking at other community resources with which they could link for more efficient case finding or therapy. They turned to schools, unions, service clubs, clinics, and other agencies to provide better services at less cost. They also discovered how much the consumers of the services and their families could
be involved to extend and improve the services. Just as with the involvement of volunteers, they began to realize how much caring and ability there is in the average human being, and how much more the specialist can accomplish by taking time to think about the tasks at hand and who is available to share the load.

If a service agency wants to remain essentially a voluntary organization, these lessons must be carried over to noncrisis times. Otherwise, if a board is relatively inactive, and if most of the money comes from and accountability is owed to government and other third party sources, then the organization is not really functioning as a voluntary institution.

For the service organization that is not funded by government, these lessons have all the more relevance. To the degree that boards feel needed and responsible, they will contribute enormous talent, outreach, and money.

If the underlying attitude is, "We're just lay board members, what do we know about schizophrenia or ballet?" or, conversely, "We're skilled librarians or archaeologists, who do the trustees think they are trying to steer our course?"; in either case and from either direction, the impasse will grow and the organization's characteristics and advantages as a voluntary organization will shrink.

If in the larger society, the direction is to help the general public understand our options to control nuclear proliferation or strengthen our public school system, then it should be possible for a group of interested board members to understand your organization's operations, and for all concerned to profit from the composite wisdom and commitment of the total enterprise.

The board will have to be careful not to trespass upon the decisions that absolutely require professional judgment—but the number of such decisions should not be exaggerated. When they are necessary, they should be interpreted to the board. Remember, if a Baltimore Sun reporter can explain DNA to the public, it is possible for your program specialists to find ways to explain their work to a bright, interested board.

The trustees should not try to decide between treatments a, b, and c, or mathematical theories x, y, and z, but they may have to decide whether Program I is given priority over Program II or whether both are so important that the board will accept a commitment to find funds for each.

Although the staff director should have absolute authority over other staff within the organization, the board of directors will exercise ultimate control by its authority to approve the personnel policies and practices of the organization, including the wage and salary administration program. The board must also have firm authority for the basic table of organization—that is, the chief staff officer should not be free to make significant changes in the deployment of staff without the staff organizational chart being approved by the board. This is a gray area where staff and board often clash. To me, however, it's an inviolate rule that the board must have authority to pass on the staff structure. Because staff organization and job descriptions carry such influence on future directions and activities, the board must have principal responsibility for their determination.

In my own experience, when I began to think about significant reorganization of the Heart Association staff in Baltimore, I went to the executive committee and outlined the reasons I felt change was necessary. We then had a good deal of discussion as to whether my basic idea had merit, and I was encouraged to develop a more detailed plan. That initial discussion helped clarify and change some of my thinking. I then brought a plan to the executive committee and to the board of directors for their reaction and for discussion. On the basis of those presentations, I
developed a final report which was approved by the executive committee on authority from the board. Once that plan was approved, it was entirely mine to implement with whatever individuals I chose to recruit, assign, or promote. This was my approach also with two reorganizations of the National Mental Health Association staff.

The board should also be heavily involved in development of one-year and five-year plans and in the evaluation of the annual fulfillment of those plans.

An area of frequent difficulty in board and chief staff officer relations involves the degree to which the staff director serves as the spokesperson for the agency. In some agencies the director serves in this role, often by default. In others, the board deliberately wants the staff director to be "Mr. Outside". It is generally consistent with the ideal of promoting citizen responsibility and influence that the executive director should be much more "Mr. Inside", and the public exposure should accentuate the volunteer face of the organization. The chief volunteer officer should generally be the spokesperson. If the topic involves a specialized area, then the volunteer covering that area might speak. If the board decides it wants the staff director to be the spokesperson, then it can so delegate.

It's important, too, that the organization in other ways has a true volunteer characterization. It's a good idea to have volunteers representing the organization whenever possible. Staff is often tempted and eager to accept assignments which take them away from their own jobs and hide the volunteer face of the agency. Staff people should resist almost every opportunity to represent the agency in the community. Often the staff director, because it's the easiest way or because he or she is fascinated by it, will become the association's representative on the community council and on many other advisory boards. A staff director does not belong on any of those committees unless there is some unique factor calling for staff input. Those responsibilities belong with the volunteers, because without these exposures the agency isn't really functioning as a volunteer organization. If the volunteers aren't getting this kind of experience, they are not gaining the satisfactions, the encouragement, and the insights they need in order to become better leaders of the organization.

During all those years as executive director of the National Mental Health Association, I resisted the most tempting invitations to serve on fascinating national boards and committees and to participate in exciting national and international conferences. I turned down every one of them no matter how tempting and no matter how time-consuming it was to find the right volunteer to do it. Once volunteers are filling these roles they will derive much greater satisfaction from being part of the organization and their reports will be much better received, because it isn't always the executive director telling the board about this and that.

In too many cases the staff finds itself so burdened with outside assignments there is no time for the basic inside staff jobs. It's essential that the executive director not become your "Mr. Mental Health Association" or "Ms. Red Cross". This happens so easily and so quickly that it's necessary to be always on guard against it.

The greatest source of friction and breakdown in voluntary organizations of all types, sizes, ages, and relative degrees of sophistication and excellence relates to misunderstandings and differing perceptions between the chief volunteer and staff directors. I have seen some of the strongest community and national organizations take a sudden tailspin because the individuals, and sometimes the boards, just don't agree on the roles of these two leaders.

The problem is seriously exasperated by the turnover in the chief volunteer officer's position. Whether the tenure is one year, three, or five, new people come with very different
understandings of what a chief volunteer officer should be and do. It's also a vulnerable time when a new chief staff officer is hired. The board will just assume that the new person has the same grasp of the relative roles and the delicate balance as the predecessor and may be stunned to find a challenge to its cherished authority and prerogatives. In the case of the chief volunteer officer, the board chair may be occupied at one point by the chief executive officer of a very large corporation who over-delegated a large part of his or her responsibility to the chief staff officer; but with new elections that volunteer post is occupied by a person who has made her marvelous reputation through leadership of that city's League of Women Voters, which has no staff, and who therefore is ready to take up the reins—and I mean all of them. This may be extreme, but it's not farfetched. By experience, temperament, and style, each chief volunteer officer is going to be different and in the turnover may meet head-on a chief staff officer who has a pretty fixed notion of his or her own responsibilities, prerogatives, and turf.

A source of this growing problem involves the titles themselves. Increasingly, organizations tend to use the term chief executive officer to describe the staff director's position. This can lead to an assumption that the board should be relatively passive and the chief volunteer officer should stay in the background. If the chief volunteer officer is the chief executive officer that leads to an impression that he or she is in charge of everything, including the staff director. Because this is where some of the real trouble starts, I think the title chief executive officer should not apply to nonprofit organizations. Whether the chief volunteer officer is called board chairman or president, the description should be as chief volunteer officer; and whether the staff director is called president, executive vice president, or executive director, the definition should be chief staff officer. Voluntary organizations are very different from both business organizations and governmental agencies, and we only confuse ourselves and our responsibilities by trying to see our roles in contexts that don't altogether apply. Whatever kind of voluntary organization we are dealing with, the role of chief staff officer is unique and is not synonymous with the chairman and chief executive of a business corporation. If we try to make the volunteer the chief executive officer, we overstep the bounds of the staff director, and if we try to do the reverse, we assign to the board and its chairman far too little role and responsibility.

I acknowledge that the relative roles become harder to describe in large and more specialized organizations. But by starting with these different descriptions, it helps to understand that the two jobs are unique to nonprofit organizations and should be described and addressed as such.

The chief volunteer officer is head of the board in the fulfillment of its accountability functions. That's hardly a passive role; in unsafe operations, it's one of sweeping proportions.

At its simplest, the chief staff officer is hired to assist the board in its efforts to fulfill its accountability.

As the organization grows in size and complexity, other specific functions may be delegated to the chief staff officer. As these happen, the delegation should be explicit and should be reflected in the job description.

Do you expect him or her to be the chief program officer? Do you expect her to be the chief spokesperson?

Do you expect him to be responsible for fundraising? Do you expect her to be responsible for planning?

The board and the staff need to know whether such functions will be tightly controlled by the board or whether they will be largely delegated.
While it may seem an extreme question, it gets at the heart of the difficulty for many organizations to ask the questions, "Do you hold the chief staff officer responsible for fundraising, or is he or she looking to you for that?" and, "If it's a shared responsibility, who does what?"

A great many of these differences can be anticipated and to some extent reduced if the job descriptions and expectations of both board and staff are clear. The misunderstandings and problems will also be minimized by the annual evaluation of the chief staff officer, which provides opportunities for catching problems early and for making adjustments. Knowing how easily the chief volunteer and staff officers can be in conflict, without any reflection on them as individuals, should create an awareness of how important it is that they work very hard at understanding one another's roles and one another period.

In a survey of board chairmen and presidents, Robert E. Cleary concluded, "How well the chairmen and presidents work together depends less on any characteristic of the institution than on the personal factor, the degree of trust and respect the two feel for each other." He even labeled his report "Something Personal About It".

At times a controversy can divide the chief volunteer and staff officers and, if not handled well, will lead to an even greater problem than the original controversy. Hopefully, the two will be mature enough to work out their differences or at least be willing to disagree and to have their different points of view presented to the board or executive committee for consideration and decision. It is especially hoped that maturity will allow each to handle defeat when necessary. I rarely disagree publicly with a chief volunteer officer, but I do make it very clear to each new person in that role that I have a right to do so. It is easily overlooked, particularly in the turnover of chief volunteer officers, that the chief staff officer is hired by the board and is responsible to the full board. This often becomes confused because one of the roles of the staff director is to serve as the executive assistant to the chief volunteer officer and this can lead to the misperception that one is the sub-ordinate of the other. Though it is slightly presumptuous and sometimes awkward, I sit down with a new chief volunteer officer as soon as he or she is identified and, within many other matters of orientation, review my responsibility to the board. It also helps to avoid later problems if we do find ourselves in disagreement and I think both opinions should be presented to the board.

On those rare occasions when we do disagree and can't work it through, I always suggest that we work together in presenting the whole issue to the board. Fortunately, I have never run into a situation when it was not possible to follow this arrangement. I do know, however, that in several other organizations, even with the most talented and mature chief volunteer and staff officers, there have been occasions when the two found themselves locked in controversy. In such cases it's sensible to have a third party explore the issues and present all the issues to the governing body. This process can be useful if the controversy involves other factions in the organization, and it's particularly valuable if the differences have reached the personality level.

In "Conflict in the Board Room", J. L. Zwingle found that friction between these two positions and between the staff director and the board as a whole is a widespread cause of presidential resignations, but that neither party is likely to seek third party help. He concludes that they ought to consider such interventions because "Experience has demonstrated how even at late stages of controversy, the sense of new perspective or at least a reduction in hostility can be achieved."
The chief staff officer should not try to be in the lead on every issue that comes up. Unfortunately, too many of us tend to emotionally identify ourselves as plaintiff or defendant and are in the middle of issues that don't really require it. As a result, we become more controversial than necessary and tend to get too upset and too scarred. In an organization that truly has the capacity for controversy and dissent, you'll generally find that the staff director has a high tolerance for both and is more involved in maintaining an arena conducive to healthy controversy than in trying to personally win on every issue. I don't suggest a profile of timidity or passiveness, but I don't think it's healthy for the organization or the individual when the chief staff officer is expected to fight or even stand up and be counted on every issue.

Differences, debate, controversy, and dissent can all be healthy and are a characteristic of vibrant citizen organizations. The organization and its structure must represent a healthy arena for the adversaries to have at it. The chief staff officer in particular must have a stomach for difference and an awareness that his or her larger job is to maintain the healthy arena rather than to personally take on each tiger as it comes along.

It's also important that incoming chief volunteer officers should not come at their jobs with a determination to really shake things up and make a great many changes. Volunteer organizations, more than any other kind of institution, get shaken up very easily. Don't start too much controversy and dissent unless the board clearly believes a total shake-up is necessary. Otherwise, pick your spots carefully and move only on those matters most in need of revision.

This section began by exploding a myth that boards make policy and staff carries it out, and it ends by dispelling another myth. Too often people think of staff salaries as an overhead expense. Even fairly sophisticated boards become concerned if staff salaries begin to represent a high proportion of the budget. Contrary to this view, I frequently counsel boards that unless the staff salaries and other supporting expenses come above fifty percent of the budget, the agency probably is not doing a real job.

The basic program force of most citizen organizations is either:

1) the volunteers' time and energy which moves the community toward improved attitudes and practices, or

2) the specialist staff who provide direct service.

The major cost of operating most voluntary agencies is the staff who provide day-to-day service to the volunteers or to the clients. The staff person serving a childhood-mental-illness committee or working to promote jobs for the handicapped or a minority group is just as legitimate a program expense as the nurse in a hospital, teacher in a school, or minister in a church. The staff is not overhead. I certainly agree that overhead should be kept as low as possible, and if the staff is spending most of its time on management activities, there is need for concern. But if the staff time is logged on behalf of the mission of the organization, it is program money well spent.
ABOUT THE AUTHOR

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Selection of the Chief Staff Officer

By Brian O'Connell

Selection of the chief staff officer of a nonprofit organization is clearly the most important decision the board makes. For this reason, and because recruitment is handled inadequately so often, the subject deserves a booklet of its own.

It's my experience, born of many sad lessons, that it takes a unique person to succeed in the staff role in a voluntary agency. Over the years, I've developed a profile that helps me screen persons who are exploring staff possibilities. My current profile of the persons most likely to succeed is as follows:

- They're committed to public service. This is more than a generalization. The persons who succeed will face many rocky times. They'll be underpaid for their ability and they'll put up with a great deal of conflict. For these reasons and many more, these persons must have a dedication to public service that will get them over these obstacles and tough times.

- They like people and get along well with them. Liking people is often used as the only criterion for selection and therefore can be exaggerated. In carrying responsible positions in voluntary agencies, however, most staff people deal with a wide variety of individuals and must be able to get along with them.

- They can subordinate their personal needs and preferences to the needs and goals of the volunteers. This characteristic eliminates the majority of candidates. Most of us cannot consistently subordinate our needs, aspirations, and satisfactions. But the really successful staff persons in the volunteer agency must have this capacity; otherwise competition between staff and volunteers will develop and choke the opportunities for agency fulfillment.

- They are flexible. In a voluntary agency there are frequent and discouraging changes of schedules and plans. Staff persons may be ready to accomplish a major task before the end of the week only to find that the responsible volunteer has changed the schedule or is unavailable to carry out his or her part of it. The successful staff person must be able to adjust to and concentrate on those tasks which are attainable.

- They have a great deal of patience and tolerance. Staff persons work with a wide variety of volunteers who are often at their most excitable pitch. The more vibrant and active an agency, the more this will hold true. A staff person must be a stable and patient human being or the emotional aspects of working together for significant goals will get out of hand.

- They are mature. Psychologists define maturity as the ability to forego short-term satisfactions in favor of long-term goals. This applies to organizations as well as to individuals and particularly to successful staff persons. Most goals are long range and require persistent, dogged pursuit through all kinds of difficulties. The satisfactions are rarely found on a weekly or even monthly basis. It's only as the agency looks back from a fuller perspective that the attainments are visible and the satisfactions present.

- They're willing to work hard. Successful people usually work hard, and this is particularly true in the nonprofit field. There is so very much to be done, the dedication of the volunteers is so high, and the number of forces to be dealt with so great that the only way to achieve success is by working awfully hard.
Search committees must recognize the size of the recruiting job. Despite general acknowledgment that recruitment of the staff head is the most important decision the board will make, recruitment is often almost casually approached. As a result, persons who are not really qualified are often selected.

A committee should be appointed by the board of directors. It is essential that a majority of the committee be composed of board members, but it can also include an able staff person or two from other agencies in the community. If there is a parent organization, a key volunteer or staff person from that group should also serve. The first task of the committee is to decide on the skills and attributes necessary. These will constitute a checklist for later interviewing and should immediately be translated into a job description, salary scale, and even advertisements if these are to be used.

In terms of salary scales, helpful information is usually available from the health and welfare council, United Way, the parent organization, or, if necessary, a quick survey that the chairperson of the committee can do on a confidential basis with the presidents of like agencies. Most agencies are willing to cooperate on a volunteer-to-volunteer basis, particularly if they know they will receive a summary of the findings for use in appraising their own salary scales.

Since, as I said, most people would not fit the profile of success, it is extremely difficult to find those people most likely to succeed. I've found that the simplest way to solve this problem is to locate someone who has already demonstrated a capacity to succeed in this unique milieu. For this reason I repeatedly and doggedly advise search committees to look within the nationwide group with which you are affiliated for experienced or promising people. If that doesn't apply in your case, then I advise checking with the directors of major agencies in your area. In other words, do almost anything to find candidates who have already demonstrated a capacity to succeed in this kind of work. Having seen the grief and trouble nonprofit organizations suffer as a result of hiring the wrong people, I wish I could be sitting across from you right now to make this point so strongly that you would realize how totally I have learned this lesson.

I am often told that it's better to locate a person who knows the local scene. I don't believe it. A bright, effective community organizer is going to see that local scene and develop those contacts in lightning-fast time. Indeed, he or she will not be encumbered by some of the difficulties that the local resident might have. These difficulties involve the set ways in which individuals are already perceived (as being someone's kid sister, being associated with the North Side, having worked for the other newspaper, and so forth).

By the time you've developed your list of skills and attributes, you'll be overwhelmed by your findings that the person you need will have to be very mature, very experienced, and brilliantly able. This, in turn, will suggest an older person. But the experience of many agencies, and certainly the experience of the Peace Corps, VISTA, Office of Economic Opportunity, and other groups, makes clear how fast a young, dedicated person can learn and how much this dedication means in achieving success.

For many years I was involved in developing a trainee program during which we recruited young people who received brief training prior to their first job placement in a voluntary agency setting. These individuals quickly grew to be significant staff leaders, and their youth proved to be an asset rather than a liability. This program allowed us to carefully screen people who had the attributes of success. On-the-job experience provided most of the necessary
skills. My strong advice to you is to look for the person who is likely to succeed based on fitting the profile rather than finding someone whose age would seem to be an advantage.

You may find that you want to do some advertising. This can be done through newspapers, organization newsletters, and professional journals. Use newspaper advertising only when you have not been able to generate enough candidates by close examination of personnel rosters in the organization and by talking to other agency executives. When turning to advertising, deliberately slant the ads to attract persons who have had related experience. Write the ads in such a way that you screen out as many unprepared people as possible; otherwise you will be inundated with replies.

At times, professional employment services are helpful. In addition to government and private employment agencies, professional societies often have employment services of their own. My experience has indicated that you need to be adamant about the kind of people you want and the kind of people you don't want. These agencies, particularly the private ones, want to give their current roster of job seekers a feeling of activity and will send all kinds of unqualified candidates. I insist on advance resumes and I never accept the employment agency's reference checking as very thorough.

One last word of caution on where to look. Beware of the board member who has a friend. More agencies make bad decisions because search committees find it awkward to decide against the Friend of the president or a person pushed hard by a board member. The smaller the community, the tougher this is. Board members will feel sorry for a woman newly widowed or a county commissioner unfairly defeated, and the search committee will suddenly and totally ignore common sense and/or sound procedures. The result is that the most important decision the board can make ends up by being made badly. This applies, also, to the staff director. Hale or she should never give in to any pressure to hire a person who doesn't fit the profile needed. This may seem fairly obvious, but many staff people find themselves deciding in favor of friends of board members because it's awkward to ignore the advice. The goal should be to hire the best possible people. The positive result of doing that will outweigh any short-term awkwardness from turning aside the importuning of anyone.

The ideal way to screen candidates is not always available. How-ever, if it is, I urge you to take advantage of it. If you are a part of a larger organization, let the parent organization do the initial screening. Be definite with them in terms of the skills and attributes you want and ask them to provide three or four people whom they view as ready for such an assignment.

If you don't have the luxury of a parent organization to do this and do it well, or if you're combining that process with some other searching, your next steps should be as follows.

- Screen the resumes down to five to seven people and have someone take a personal look at each candidate. If these prospects are in other cities, ask your sister organizations to take a look at the candidates or involve your board people who may travel. Members of your board may have company counterparts in those cities, which at least gives you an opportunity to know whether the person seems to live up to his or her resume.

- When the group is narrowed down, do some extensive reference checking. I don't put much stock in listed references, although I do contact them and ask pointed questions. I put much more stock in my telephone conversations with past supervisors. I've learned the hard way that most references and supervisors want to be helpful to the candidate, if only to be rid of him or her. Accept that this can be the relationship, and therefore work very hard to get down to facts. It's
helpful to explain the importance of the job and the fact that public money will be expended to support it. On this basis, you can make clear how essential it is to get an honest picture of the candidate's qualifications. Make clear how much you are counting on the supervisor's candor. One of the points that I use is that even if the person is hired, I want to know what skills or attributes will need strengthening. This is not only truthful and helpful; it is often the key to opening up discussion of possible weaknesses.

- I'm often on the other side of these reference calls and, with very few exceptions, I am appalled at how cursory the review is. As a consequence, I rarely have to be as candid as I would be if the questioning were sharp. This tells me that most people have made up their minds, but still want to go through the steps of clearance without having their decision shaken. My approach is to shake the daylights out of my judgment. I'd rather face the error at that stage than when the person is on the job. The two things, then, that you have going for you in getting a candid appraisal are, (1) the opportunity to make clear how concerned you are about spending public money well, and (2) your desire to check the supervisor rather closely on the grounds that even if a favorable decision is made, you want to know what skills and attributes you can help the candidate develop.

- Do a thorough credit check on your finalist(s). Often the current supervisor won't know a person's credit problems. The last thing you want is to bring a poor credit risk into your job and town. I've known of several public scandals which shook association reputations that could have been avoided by a simple credit check.

- Some candidates stipulate that no reference checking can be done. They make the good case that they are simply looking into a situation and until they are sure they want to apply, they would rather not stir things up. At times you will have to abide by this. Have it understood, however, that if a person does become a finalist, the checking will have to be done before anything is firmed up. This stage is often skipped. You will have screened (except for the reference checking), interviewed, and decided that he or she is the best. There'll be a feeling of euphoria that you've finally located the right person and there's no sense in going through the awkwardness of postponing firming it up when you are so confident that the decision is correct. Resist closure under these circumstances until the reference checking is done. I have learned over the years that the majority of people don't succeed in this field; consequently, there are many inefficient people in it, many of whom contradict their low level of general performance by being superior at selling themselves in job interviews.

- The full search committee should see the candidates, if possible, during the same day, or on successive days. The group should take time to decide how they'll conduct themselves during the interviews. The committee should develop a list of skills and attributes and clear any revisions in the job description and salary scale with the board of directors. It's usually a pretty good idea to check the job description, because there's no better time to change the job description than when the post is vacant.

- Please, please don't play games during the interviews. I've been involved in situations where members of the committee tried to shake up the candidate or tried in other ways to "see what the candidate is really made of." That's a good way of turning off your best candidates. Approach the interview through straightforward, candid discussion of the job and the candidate. The goal is to objectively determine if there is a match or a potential mismatch between the job description and the candidate. It's useful to describe real-life situations in the organization and to ask the candidate
almost as though he were an organization consultant to share ideas for dealing with those situations.

- It's important, too, to candidly explain any reservations the committee has about the individual in terms of gaps in experience, possible weak areas, a questionable reference check, and the like. Remember that it's a two-way proposition. Help the candidate to screen himself or herself out. This is hard to do because you want to present a favorable picture. It's human nature to want people to want the job but, on the other hand, it's better to be candid if that helps a candidate recognize that he or she is not matched for what you really want. Better to learn it at this stage than later. If the selection process is strung out at all, keep the candidates posted. This is a courtesy too often overlooked.

- Naturally, the committee's own instincts will play a significant part in the final recommendation. It is advisable, however, to introduce some objective measures in order to check your intuition and to be certain that each candidate is being viewed in light of the same criteria. My suggestion to search committees is that they take the attributes and skills needed and set out a score sheet. I usually suggest a rating of 0 to 5 for each skill and personal attribute, with 5 being the highest mark. It's a good idea not to use these score sheets during the interview, but, instead, to take a few minutes after each interview for the committee members to mark their score cards. Seeing all candidates on the same day, or on successive days, will bring more uniformity into this process.

- After you've rated all the candidates, the committee will probably be surprised at the scores. I don't suggest that the scores will necessarily contradict instinct, but you will be fascinated by the fact that some candidates who didn't seem very impressive will come up with good scores. This leads to a much more objective discussion of the candidates in relation to the skills and attributes you are really looking for. One individual may not be terribly dynamic but, on scores, comes up pretty solidly right across the board. You may still decide on the individual who has more flair, but, again, you may not. It's the scoring that will lead you to know what you're deciding.

I have had experience enough to predict that when this more orderly method is used, the committee members will end up hiring someone who would not have been their first choice if left to their own instincts. I would further guess that they would agree then and two years later that their instincts, to some extent, had deceived them. I follow this process in promoting and hiring as well. There have been times when I have known for certain who the right persons were for the given posts, but I still have made myself go through the exercise of trying to objectively identify skills and attributes and to rate the several people. In the end, I have found that my obvious candidates were at least surprisingly well challenged and sometimes overtaken. Good judgment is based on sound analysis, and sound analysis is based on accurate data.

The search committee reports to the board. If it is not possible for the full board to be involved in the decision, the executive committee usually has that authority. Some organizations give the search committee final authority to identify one choice and then refer the candidate to the board of directors or executive committee. I tend to favor the search committee narrowing the field to two to four people and then having the board or executive committee do the final interviewing. In this case, the board or executive committee should follow the interviewing procedure outlined above. When the process involves the full board or executive committee, the
most experienced people in the agency are participating. This also means that the fuller group
will have some real commitment to the candidate selected.

If both the search committee and executive committee or board is involved in the
interviewing, it can be done in tandem to save time and expense. For example, the search
committee can see seven people on Friday and refer three to the board or executive committee on
Saturday.

If the position involved is not that of staff director, then the choice should be entirely that
of the staff person who will be responsible for the supervision. A staff person may want board
members to interview a candidate just to get another perspective, but the board should not have a
veto right. Similarly, the board members may be asked to help screen and interview applicants
for a department head, but the final decision should rest completely with the executive director.

Follow a strict timetable for selecting an executive director. Prolonged search operations
are unhealthy for the organization's morale and are unnecessarily awkward. At the local level the
process should not require more than three months, including time to determine attributes and
skills, develop the job description and salary scale, and search for and screen applicants.

The appointment should indicate that there is a six-month probation period. This should
apply to all professional positions. During the probation period, the new staff person should be
entitled to the basic fringe benefits. The letter confirming the appointment should cover all
essential understandings, including salary, salary scale, moving costs, and starting date. The
candidate should be asked to return a signed copy of the letter for the personnel
records.

I am frequently asked if there should be a contract, and I almost always say no. I
acknowledge that when I became executive director of the National Mental Health Association,
the management consulting firm involved in the search had already written into the procedures
that there would be a three-year contract. When that contract expired, I made no move to have it
renewed. My own feeling is that a board must be free to change executive directors. If a person
goes into a situation hopeful of being able to handle it, that's part of the gamble. I know this
doesn't add much to job security, but I don't feel job security is an available luxury in this
business. It's important to acknowledge that many experienced people in the field strongly
disagree with me on the matter of contracts.

An important consideration is the matter of timing the change. Try to follow the golden
rule so that you are not trying to hasten a starting date beyond what you would consider
reasonable if you were losing one of your own. I do recommend that people take a good block of
time off before starting a new job. This is an important transition with a good deal of emotional
and physical stress at both ends. Therefore, if at all possible, there should be at least two months
between the agreement and the starting date.

It's usually helpful to have the new staff director make a trip or two to the office before
starting. This can involve the person in board meetings or other major events so that, even
though he or she will not start for a while, the individual can begin to get a feel for what is going
on.

Please do send letters to the references, prior supervisors, and present employers of the
person selected. This is a courtesy almost always overlooked and will help your own public
relations. The president or the chairperson of the search committee should call the other finalists
to thank them for their participation and to outline the final decision. Let the candidates ask
questions about the impression they made. This can be useful to them in future situations.
Finally, if the new director is from another city, he or she will profit from as much help as you can give in getting settled in and oriented to the new community.

Given the unique profile of a successful staff person and the breadth of activities encompassed by most voluntary organizations, staff turnover is a very costly business. Yet most voluntary agencies still do not approach the important business of retaining good people with anything close to the priority treatment it deserves.

Holding onto good staff is not wholly, nor even largely, a matter of salary and benefits. These people want a sense of purpose, contribution, and fulfillment. In The Motivation to Work, Frederick Herzberg found that achievement recognition, work itself, responsibility, and advancement are the primary sources of job satisfaction. This is particularly true of the kind of person who tackles the staff role in a nonprofit organization.

It is essential that there be some regular pattern of training opportunities for refreshment and self-renewal. These jobs grind a person down, and unless there is a means by which a person can be restored and refreshed, zeal and patience are whittled away.

Certainly one can't dismiss the importance of realistic salary scales and fringe benefits. These must be a part of the effort to attract, promote, and retain good people. Fringe benefits should include basic medical, major medical, and retirement coverage, and the program should be transferred automatically if a person moves within a state or national organization. The salary scale should be competitive with other organizations at a level realistic enough that the person is not constantly torn by a failure to provide basic family needs.

Various surveys indicate that salaries run one third to one half of those in comparable jobs in industry and government. In an important study, "Work and Workforce Characteristics in the Nonprofit Sector," Phillip Mirvis and Edward Hackett reported that "Nonprofit jobs provide more challenge, variety, satisfaction, and intrinsic rewards than those in private enterprise or government." Their findings indicate that these satisfactions will attract and help retain people as long as the salary differential is not more than one third of what they could make in other sectors.

The board of directors, or at least the executive committee, should annually review a chief staff officer's performance. Most organizations overlook the need for an annual review and in fact no evaluation is done until the point of brinkmanship is reached. The performance of the staff director should be measured in relation to the job description, his or her effectiveness in working with the board to fulfill the annual plan, similar effectiveness in helping the board with its accountability and standards, and his or her ability to contribute to expanded volunteer involvement and responsibility. The evaluation should take up a substantial part of the time of an executive committee or board of directors meeting. I don't believe that this critical responsibility should ever be delegated to a personnel committee.

The review should not include evaluation of staff persons other than the executive director. Although the evaluation automatically has to cover staff performance in general, the chief staff officer should be given absolute authority for the annual evaluation of other staff members.

Unless this matter is taken seriously, it will be given only cursory attention. The executive committee or board should take at least two hours because it takes time before the members feel comfortable and will discuss shortcomings. Even if the staff director's performance is tops, it is still important that small problems be caught before they compound into larger ones.
I predict that most evaluations will follow this pattern. For the first few minutes there will be silence. In the next ten minutes there will be laudatory statements. After about twenty minutes someone will finally raise a point, such as, "I know he works hard, but I'm not sure what he does all that time." The session obviously should not be nitpicking, but it should be thorough enough so that, if members have concerns about performance, they will come out and be objectively discussed. At times, this process indirectly solves other relationship problems. A member of the executive committee or board may be laboring under a misconception of the staff director’s role or handling of a given situation and once it's brought up the misunderstanding may be dispelled. The president should take time after the meeting to review the report, including items of commendation and areas of improvement. It should be a growth situation for the individual and therefore for the organization.

There is just no denying the importance of good staff and especially perhaps in voluntary organizations. Far more of the voluntary organization's planning and resources should go into building and nurturing good staff.

ABOUT THE AUTHOR

Brian O'Connell is President of INDEPENDENT SECTOR. Previously, he served for 12 years as Executive Director of the National Mental Health Association and a like number of years in various executive roles with the American Heart Association. He was also Executive Director of the Coalition of National Voluntary Organizations and President of the National Council of Philanthropy. In 1979, he received United Way of America's Professional Award and in 1985 was elected to the National Academy of Public Administration. He has also served in a variety of volunteer leadership roles.
Fund Raising

By Brian O'Connell

Almost every nonprofit organization needs money—fledging organizations, groups in search of new sources of funds, United Way affiliated organizations that need to supplement their income, and many other organizations that just plain need to raise money to support their existing programs or to expand their programs.

Fund raising is hard work, but if you have a cause or program that deserves support and you're willing to really work at it, you can raise money. Along the way, you and the organization will gain confidence, contacts and camaraderie.

One of the best expressions about raising funds comes from Booker T. Washington when he raised money in the early days of the Tuskegee Institute. In his chapter, "Raising Money," from Up From Slavery, he wrote:

While the work of going from door to door and from office to office is hard, disagreeable and costly in bodily strength, it has some compensations. Such work gives one a rare opportunity to study human nature. It also has its compensations in giving one an opportunity to meet some of the best people in the world—to be more correct, I think I should say the best people in the world. When one takes a broad survey of the country you will find that the most useful and influential people in it are those that take the deepest interest in institutions that exist for the purpose of making the world better.

The fund raising commitment must begin with the board and must be high on the agenda of a significant number of the trustees. Not only must it be of high priority, it must also be high in status and recognition within the organization. That's not easy. If you're reading this and wondering how to get moving, you probably already know the problem of a board of directors not really recruited with fund raising responsibilities distinctly in mind. And if you're already getting most of your support from fees, contracts or United Way, it's even harder to stir up real fund raising interest and urgency. Raising money takes dogged persistence, bullheadedness, salesmanship, year-round cultivation, board support and encouragement, a plan, an attainable goal, and lots of excitement—to wit, it's hard work. But if the board decides it is going to raise money and is willing to allocate at least 20 percent of its energy and resources to accomplish it, you can and will succeed.

It's fascinating to hear people today speak about the American heart Association's success. They automatically assume that the organization couldn't help succeed. They will go on at great length: the organization had a visible cause, it had leadership, it had fund raising staff, it had dollars to invest, it had a basic fund raising blueprint, the total association was organized and dedicated primarily to raising funds, and, in the early 1950s, there was a wide-open climate for fund raising.

The fascination is to have been there more than thirty years ago and to know how similar the real picture was to what faces most organizations today that are trying to figure out how to raise money. There wasn't a visible cause; we all decried the fact that heart attack victims looked so normal there was no chance to get the kind of sympathy you could generate with a poster showing a child polio victim. We didn't have leadership; certainly we didn't have the community leaders with us. Most of the leadership was physicians, who took little interest in fund raising.
We didn't have a fund raising staff—most of us were young idealists with far more fire than knowledge. We didn't have very many dollars, certainly not the kind of money necessary to prime the pump of a major campaign. We didn't have a blueprint for campaigning; indeed, we were floundering around trying to figure out whether to develop and sell valentines or go into the United Fund, raise money by mail or accept government grants. And the organization certainly didn't have a fund raising determination. In terms of fund raising climate, everywhere we went we were told that people were tired of soliciting, fed up with being asked to contribute, and that we should look to the Community Chest for support. It was terribly difficult to get local groups interested in fund raising and convinced that they could do it.

In just thirty years the American Heart Association has gone from that beginning to an annual income approximating $125 million.

What evolved during the 1950s was, first, that the local board was convinced that money had to be raised; then gradually came the recruitment of campaign chairmen who were willing to join up and give it a try, and a growing pervasive spirit for making each February's totals better than the February before.

As often happens, the darkest days turned out to provide some very real blessings. Throughout the 1950s and 1960s the American Heart Association was fighting for its life to survive growing United Way determination to take the association in or else to dry up its income sources. We lost a good many chapters, and we lost a great many board members. Indeed, we seemed to lose most of the bigger names we had tried so hard to recruit. It turned out, however, that those who stayed with us were a hardy lot, Contrary to belief; they were not often the significant community leaders. They were independent souls who were not frightened away and, by standing up and being counted, brought a verve, backbone and determination to that agency which has been its true making.

The American Heart Association has grown rapidly, expanding its income and its sources of funds. Its 1984 income profile looked like this:

<table>
<thead>
<tr>
<th>Income Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Gifts</td>
<td>$9,904,639</td>
</tr>
<tr>
<td>Business</td>
<td>$7,679,037</td>
</tr>
<tr>
<td>Door-to-Door</td>
<td>$20,764,803</td>
</tr>
<tr>
<td>Special Events</td>
<td>$26,871,735</td>
</tr>
<tr>
<td>Memorials</td>
<td>$14,610,837</td>
</tr>
<tr>
<td>Other Income*</td>
<td>$15,712,402</td>
</tr>
<tr>
<td>Bequests</td>
<td>$32,287,860</td>
</tr>
<tr>
<td>Nat'l Office Direct Income</td>
<td>$187,528</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$128,018,841</td>
</tr>
</tbody>
</table>

*Other—includes Combined Federal Campaigns/Health Agency Drives, United Way, etc.
I often think of those lonely early years, particularly when I hear all the same reasons why it can't be done today, and when I'm asked if I think an organization can raise money for general support or for a new program or affiliate.

Every time I'm asked by a board delegation if I think their organization can raise money, I repeat that they are in for some awfully hard work. I don't say this to discourage them. Indeed, I hope they'll push on, and I hope this applies to you. But if you're timid or your organization isn't really determined, you won't survive the obstacles and heartaches and difficulties which, unfortunately, I can promise you are ahead. On the other hand, let me repeat my earlier statement that if you have a cause that deserves support and if you're willing to scratch, kick and beg, you can raise money.

The procedure of getting a new or renewed fund raising effort underway should be something like this:

1) Convince your fellow trustees to make a full commitment. I'll come back to the board's fuller role.

2) Define the need. This doesn't have to be an elaborate brochure, but define why you need money and try to come up with a needs goal. This shouldn't be "pie in the sky", but it shouldn't be too timid either. What does your group really think it would actually need as a minimum to make a significant difference in the next three years?

3) Develop a fund raising plan. Basically, a plan involves the following:
   a) An identification of the type or types of fund raising to be undertaken. On the basis of consultation with other agencies, persons who have been involved in fund raising in the community, and any consultants available to you from a parent organization, you will begin to get an idea of where your immediate potential rests. Don't scatter your shots too widely, but, as they say, don't put all your "begs in one askit" either. Later, I'll talk about the various fund raising categories you can consider.
   b) Establish a realistic goal for the first year. Don't shoot immediately for your needs goal unless you have an angel or two in the wings or unless your needs are very, very modest. Set a goal that is attainable based on the sources of funds and the number of campaign workers it is going to be possible to recruit. Start small! Most campaigns tend to fall apart because the initial efforts are so ambitious as to be totally beyond the capacity of the organization. If a group becomes discouraged the whole effort quickly falls apart. On the other hand, if you set an attainable goal (and I don't mean that it has to be unduly modest) and you hit it, the organization will, in spirit and in fact, be on its way.
   c) Determine exactly how many board members and other campaign workers you need to make the contacts necessary to raise that amount of money, here, too, be coldly realistic. Determine the deployment of these campaign workers in terms of teams and the consequent need for captains and other leaders. Break the job down into bite sizes. Campaigns easily fall apart because unrealistic burdens are placed on too few people who either won't accept the jobs or don't follow through.
   d) Set a firm timetable for recruitment, training sessions, campaigning, reporting and recognition. It will be terribly important to provide enough time. This doesn't mean that things can't be pulled together in a hurry, but if you're totally unreasonable, you just won't have time to do the job.
e) Decide on the budget. It needn't cost an arm and a leg, but the campaign is going to cost some money and you have to be prepared to budget for the operation. If the budget won't cover what you're trying to do, you may be able to get some seed money from a corporation, foundation or individual. More on this later.

4) Bring the plan back to the full board to get their firm support, including approval of the budget, dollar commitments of support from individual board members, and guarantees of service. You may find at this point that some of the board members fall away, and you'll need to adjust your plans accordingly. Even though it's discouraging, it's better to have some shaking down at this point so that those remaining are as committed as you are to getting the job done.

5) Recruit the chairman. This is the most critical step. He or she needn't come from within the organization, but should be someone who has a demonstrated capacity to accomplish the plan. Beware of talkers and, above all, don't seek a fast sell. This is one of the most important recruitment jobs you'll ever do.

6) Establish and keep to a regular schedule of training sessions and report meetings.

7) Provide for recognition and awards.

8) Put some of your best campaign volunteers on the board.

9) Develop your second-year plan, with heavy involvement of those who participated in the first success.

This all sounds very pat, and I certainly don't mean to suggest that if one is willing to follow these steps, success is assured. However, there's a much better chance of getting there if this kind of proven pattern is followed.

Right from the start you'll wonder where you're going to find the volunteers to carry on the campaign. The answer is that your volunteers are out there, but you've got to scratch hard to find them. People want a cause and are willing to join up if you can only reach them.

Many times I've gone into a community absolutely cold and have succeeded in recruiting a campaign chairman. My pattern is to go to priests, ministers, rabbis, the mayor, the head of a service club, heads of women's groups, and persons who have worked in other campaigns. I ask them if they can identify people who may wish to take on the kind of job I have outlined, and it is rare that this pattern does not produce a chairman. I ask each prospect who says no, to be willing to help the chairman who is finally recruited; so that even if I get several turn-downs, my next chances are improved because I've got a growing cadre of helpers already lined up.

You've really got to look to your board of directors for help, but through sad experience I know that if someone on the board has not already come forward, the situation is not likely to change. However, go over the list carefully to be sure that many of them are lined up to help.

Actually, the chairman will be the kind who can do a good deal of his or her own recruiting, but don't leave your recruit all alone and out on a limb. He or she can only give so much time, and since each chairman is only one person, if you're going to make as large a step as possible in the first year, you're going to need a lot of helpers. Look to people who have been helped by the organization or who have shown some interest in the cause. If the jobs are, in fact, bite size, more people will be willing to help and will produce.

One of the greatest problems with fund raising and within non-profit organizations generally is the confusion between the fund raising roles for board and staff. In terms of
accountability, it is a board function, and it's a rare situation that the function can be delegated substantially to staff. Sometimes, if it's entirely a direct mail effort, specialized staff working with highly sophisticated mail houses can handle it all, but that's unusual. More often the campaign depends on contacts, and it's not realistic or reasonable to expect staff to have most such connections.

The campaign therefore is always a board function. It can be delegated to a board committee consisting of board members and others with staffing by the chief staff officer, or if the position exists, the fund raising director. All trustees should be expected to contribute and to raise funds within their means and contacts. The committee should be responsible to the board. If the head of the committee or drive is not a member of the board, he or she should be invited to all board meetings even when the agenda does not call for discussion of campaign progress. Most agendas should include the topic.

One of the cruelest and most inappropriate things a board can do is to call for increased income and leave it to staff to produce or else! The second cruelest is to recruit the head of the drive and then turn back to the "real" work of the organization, which usually involves planning for new expenditures that your poor bloke isn't going to raise—not that way anyway.

The board is accountable and the board leads. If it can't raise the funds, it must put together a campaign committee that can do the job and then back that group with every dollar, hour and huzzah you can muster.

If your reaction, and maybe even the staff's, is to apologize for becoming too much like a fund raising organization—and maybe even to decline too much involvement because "We're essentially a program agency" or because I'm only a program person”—cancel the campaign until and unless the tune is changed to "I'm a program person who knows how important this is, so how can I help?"

If your cause really needs the money but too many board members won't help, plan for turnover. If you think that's going too far, you turnover.

In the last several years of enormous financial crisis for so many voluntary organizations faced with government cutbacks, I've met with at least fifty board and staff delegations seeking advice on development. I start with the same encouragement I give here, but I also follow-up quickly with how much work is in store. To make it very specific, I indicate that their organizations must be prepared to devote at least 20 percent of their resources to fund raising and that for the board and chief staff officer this will have to be closer to one-third of their board and staff time for the first year or two. Despite their apparent conviction, their reaction is rarely, "If that's what it's going to take, we'll do it!" In the overwhelming majority of cases the reaction is absolute horror, rejection, anger and insult. They make it sound unethical or unlawful or both. I point out that, once the fund raising effort is underway, the proportions decline, but that doesn't make much headway.

It's often the chief staff officer who is most offended. Those physicians, social workers, historians or ex-foreign service officers are deeply upset that I should undercut their professional status by putting them in such a substantial fund raising role. I always try to convey that fund raising is really a matter of the people who care about a cause and know it first hand, telling the story with the same conviction that they tell it every day to colleagues, friends and neighbors.

Most of these delegations leave shaking their heads, already thinking about finding more reasonable advice. Later, I hear that they have merged, reduced their focus substantially, closed, are looking for a new chief staff officer, or have had their government funding restored. I can
almost predict that in the interim, they went into further deficit, or secured a grant from a foundation or board member to create the position of development director to whom they turned over the noxious assignment.

I know I'm being uncharacteristically direct but it's deliberate. My primary messages are to remind you how much you can do and to urge you to proceed with optimism. However, that would be absolutely irresponsible if I didn't couple it with the truest lessons I've ever learned in community organization, all involving what it takes to launch and sustain a significant fund raising effort.

I mentioned the process of hiring a development director. Right now we're in a period of almost insane raiding, with institutions being willing to pay about anything for an experienced fund raising executive. In part that's because of the crisis, but it's also because boards and executive directors are willing to do anything to get someone else to perform their jobs. The good development directors are worth what they are being paid, but those very same specialists are good in large part because they know—and will tell you that they can only succeed to the extent that the board and staff leadership are committed to and involved in the fund raising. It will not work for the board to assign the task to the executive director, and it will not work for him or her to pass the assignment on to the fund raising director. On the other hand, if the three work together as a team, the results can be absolutely terrific.

Along with more dollars, a major development effort achieves many other positive benefits including community awareness and greater clout with government which often means that the organization that raises a good deal of its own money has even greater ability to influence other people who are important to both the program and financial success of the agency's mission.

For the board member in a smaller organization, I've no doubt labored quite enough on the matter of experienced fund raising executives. For those of you wondering when I was going to get off what for you is a lofty plateau, let me acknowledge quickly and fully that most campaigns don't require a full-time trained fund raiser. Many groups find someone that can devote a realistic portion of time to the job. I advise these groups to look to effective women or retired persons who may not want full-time employment. You'll be surprised how much experience and ability are already out there in the community. Talk to other agency volunteers and staff, your United Way, and the community leaders who have been identified with major causes—they may be able to lead you to the right person.

Don't expect any staff person to function as the campaign chair-man, or to take the place of the efforts of your board members. The staff exists only to help the volunteers carry out the work of the organization. If you turn too much of the load over to staff, the results are bound to be disappointing. It's the kind of volunteers you have in the campaign who are going to make the difference, and if they have some staff backup, they can make even greater use of the time they give.

Generally, I advise associations not to engage fund raising firms to serve as staff for ongoing community campaigns. Many of these groups are expert in planning and conducting capital gifts campaigns. Specialty firms and specialty departments of the larger firms are often skilled in direct mail solicitation, bequest cultivation, church "every member" drives, special events, and many other fund raising categories. As such, they raise a great deal of money for voluntary organizations. I have tremendous respect for the ability of fund raising firms, notably those associated with the American Association of Fund-Raising Counsel. The only fund raising
role I've generally found them not particularly suited for is staffing annual community campaigns of such groups as voluntary health agencies. Many of the fund raising firms with whom I've worked are the first to point out that they are not geared to provide this service. Their experience and professionalism make them more expensive than most local groups can afford on a regular basis, and most local voluntary agencies don't have at hand or in early prospect sufficient community leadership to raise the sums which would justify the fees these firms have to charge.

I generally discourage groups from hiring a person whose full-time job is working part time for several agencies (except in the area of special events, where many experts routinely help several different organizations). I'm sure I'm doing some able people a disservice by saying this, but I must say that this arrangement rarely works well in my experience.

Build into your three-year campaign plan a firm estimate of staff needs and as soon as you can go to your own full-time person, make the switch. This may be hard on the individual whose part-time efforts have brought you to that happy transition, but if you're going to grow and sustain the momentum, you will need an individual who is good and is employed full-time.

I know I still seem to be preoccupied with the staffed operation, and many of you are ready to burst with exclamations of how much your organization already raises without staff. My arbitrary general rule of thumb would be that, if a campaign is going to involve several fund raising categories and an annual goal of $50,000 to $70,000, some backup is usually needed. However, many organizations prove the exception. Many organizations have board members who have more experience and savvy than most staff people, and those fund raising efforts are models of high yield and low cost. The basic rule is for the board to do everything humanly possible on its own and to hire staff only when that will help the volunteers reach even higher results.

Let me turn to the various categories of fund raising, beginning with a quick look at where the country's contributions come from.

In 1986, according to Giving U.S.A., published by the American Association of Fund-Raising Counsel, Americans gave almost $88 billion to more than 500,000 nonprofit institutions and agencies. About 90 percent of the money came from individuals, and it's fascinating to note that of this amount, about one-half came from individual contributors with annual incomes of $39,000 or less. This clearly represents good news for you, because it tells you that you probably have potential among the broadest possible pool of citizens in your community. It's interesting that that was the basic message that Booker T. Washington conveyed more than one hundred years ago. His concluding message in the chapter "Raising Money" was this:

I have spoken of several large gifts to the school; but by far the greater proportion of the money that has built up the institution has come in the form of small donations from persons of moderate means. It is upon these small gifts, which carry with them the interest of hundreds of donors that any philanthropic work must depend largely for its support.... In a large degree, it has been the pennies, the nickels and the dimes which have come from the Sunday schools, the Christian endeavor societies and the missionary societies, as well as from the Church proper, that have helped....

The next most important sources of support are bequests, foundations and business corporations which each represent approximately 5% of what is contributed each year.

Individual causes and organizations differ so much that it isn't very helpful to try to lead you on this. All I can really do is present some of the fund raising categories so that you at least get a feel for the possibilities. It will be terribly important to work closely with experienced
individuals and groups in the development of your own campaign plan, including the specific categories that you desire to pursue.

1) Special Gifts. This is a pretty sophisticated kind of fund raising, and it may strike you as unusual for me to mention it first.

- It’s been my experience, however, that you can often go to well-to-do people or to foundations or corporations with a specific plea for leadership gifts or start-up grants. I’ve seen a number of organizations go to ten or fifteen such sources and ask for $500 or $5000 a year from each for two years as a means of getting this kind of campaign started. This of course means that you automatically are going to have to replace this money with new gifts at the end of two years, but that is part of your gamble and commitment. When we started INDEPENDENT SECTOR, we turned to a number of foundations and business corporations for start-up assistance. With most, we asked for $30,000, with $15,000 for the first year, $10,000 for the second and $5,000 for the third. We absolutely guaranteed that everything humanly possible would be done to replace that "soft" or temporary money with "hard" dues from a growing number of members. During that first three years and even now, the board spent a good deal of its time and I devoted at least one-third of mine to membership development and other fund raising efforts. When the grants ran out, the core budget was carried by dues income.

- Beyond leadership or start-up gifts, you may well find that there are upper-income families who may surprise you by having quite an interest in your cause. Carefully develop your list and be certain these people are seen personally. There will be a great temptation to say that a personalized letter going to five hundred such people is better than trying to see ten or fifteen personally, but don't you believe it.

- Your campaign plan can include a growing list of such personal contacts each year so that, at the end of five years, you will have a fairly sophisticated special gifts campaign launched.

2) Community and Family Foundations. An experienced executive of an older organization or a trust officer can quickly identify the likely community and family foundations. These should be approached for leadership gifts or start-up grants, though some may be willing to provide an annual gift for several years and others may be willing to make at least a small contribution. Don’t be timid—go to see them and tell your story. Your knees may be knocking and your heart may be pounding and your hands may be shaking, but your conviction will come through, and that is what often tips the scales.

- Obviously, if there is a member of the board or campaign organization who knows some of the individuals involved, this assistance should be used to its fullest extent—both as a door opener and to help sell the cause. In these categories, as in all categories, don’t assume that someone won’t give. Remember the story of

- Vivian Beaumont, who gave one of the major buildings which now stand in the Lincoln Center complex in New York. With dismay, one of her friends asked her why she had given her money to Lincoln Center and not to another theater with which the friend was identified, and Vivian Beaumont’s surprised reply was, "Because they asked me!"
3) **Door-to-Door Solicitation.** Door-to-door campaigns are still one of the means of raising substantial sums of money. You don't have to organize the whole community or region; you can start with certain neighborhoods. If I had to go from point zero to the maximum dollars in the shortest possible time, I would still use the door-to-door campaign or special events as the heart of my effort.

- You can generally find people who have had experience with this kind of campaign who are willing to advise you — if not assist you — and they can often lead you to someone who will take on the task. Don't get too ambitious the first year — you'll begin to have dollar signs in your eyes when you think of the potential of reaching every house and when you hear what the American Cancer Society is raising by this method. If you are too ambitious to start with, the operation will collapse and it will be all the harder next year. Decide what part of the community you can realistically tackle the first year and be satisfied to bite off just that much, with the assurance that there will be other years.

4) **Businesses.** Business giving is the fastest growing side of philanthropy and an increasing number of corporations try to assist with more than just cash, as important as that is. They donate equipment, provide for printing, contribute furniture, give low-interest or no-interest loans ("program-related investments"), encourage participation of their employees and in many other ways help in the maintenance and development of community and national organizations.

5) **Labor Groups.** Don't overlook the labor organizations. They have a history of significant generosity to worthwhile causes and may be quite sympathetic about helping a struggling new organization or launching a new effort by an existing organization.

6) **Special Events.** Special events are probably the most ubiquitous of America's fund raising efforts. Special events are going on almost all the time and almost everywhere. These events involve balls, hake sales, golf tournaments, walk-a-thons — an almost endless list of projects.

- My own approach is usually to get clubs and organizations to put on special events for the cause. It's better to have other organizations putting on your special events than to have your association trying to develop events. All this generates considerable publicity and attention which can lead to gifts from the treasuries of the various organizations and to some volunteers from those organizations as well.

- Special events may well have a prominent place in your initial campaign plan as one of the fastest means of making some money. I'm inclined to caution you, however, about major dependence on any one special event. In the long run, they have a way of wearing out and ending up a somewhat fickle source of ongoing support. There are, of course, magnificent exceptions, but generally these are rarities, and any one special event is not a secure way of funding an ongoing operation.

7) **Testimonials.** Many organizations use the testimonial approach. Some organizations raise a great deal of money this way and are able to sustain the operation. Most organizations, however, find it a means of raising immediate money for a special situation without the expectation that like sums can be generated each year.

- The approach is to identify an individual who is esteemed and who deserves the honor. It's also necessary to pick someone who is sufficiently revered, feared or so central to peoples'
economy that they will be willing to pay $100 or much more to honor him or her. These testimonials are usually dinners, and the emphasis is on selling tables to organizations, business associates and others who are eager to participate in the testimonial.

8) Retail Sales. Many organizations raise money through the sale of cookies, apple butter, flowers, magazines, aprons, Christmas cards, and myriad other objects. This can be an expensive proposition, so go into it with your eyes wide open. Many commercial groups will actively enlist your participation in selling their products, with a part of the profit going to your organization. Some of these arrangements can be very helpful to organizations, but generally they are primarily helpful to the companies promoting the idea.

9) Media Appeals. Unfortunately, direct appeals for money through public media announcements have pretty much worn themselves out. Very little money is raised this way except for emergency or unusually dramatic appeals. It's almost certain that someone in your organization will suggest that this is the solution to your troubles, but I warn you that, though it will provide useful publicity, it probably will not provide significant income.

10) Direct Mail. Direct mail has proven to be a very useful source of income for many organizations. A direct mail approach usually requires a cause that has a broad appeal, but specialists can help zero in on an audience that fits your profile. This effort requires a very sophisticated, professional direct mail specialist. You'll need money to have a field test done, and then if the field test is successful, you'll still have to expect the first year to come close to a washout with expenses equaling income. If renewal rates hold up for the second and third years, the net income for the cause can be substantial.

- Direct mail tried through your own office to a wide constituency will not usually pay for itself. Many organizations have to discover this for themselves. It seems so natural that, with a cause as stirring as you believe yours to be, people are bound to respond to a heartrending letter. It just doesn't happen that way.

11) Memorials and Honorary Gifts. Many organizations have successfully promoted memorial and honorary gifts. The American Heart Association has probably been the most successful in the area of memorial gifts. This falls naturally in their direction because of the unfortunately high proportion of deaths caused by heart disease. In 1984 memorial gifts constituted $15 million, 12 percent of the American Heart Association's income for that year. Though it sounds terribly funereal, I find no delicate way to tell you if you're not in a death-related cause, memorials are not a likely source of substantial income. You may want to cite the success stories of some churches and synagogues, but I submit that their successes are also grounded in their unique relationship to death.

However, honorary gifts have been successfully promoted by many organizations. This takes very careful and long-term cultivation. It involves creating a habit among your own members and gradually among a widening circle of friends so that they automatically think of the honorary gift as a way of expressing special congratulations to people on the occasion of a birthday, baptism, marriage, bar mitzvah, anniversary or holidays.

A growing number of people send a simple postcard at Christmas indicating that, in lieu of many Christmas expenditures, they have made a donation in the name of their friends to a particular charity.

12) Membership. Memberships represent a slow but very secure long-term source of support. In many campaign plans I've developed, such support starts low and rises steadily, while the special events
category starts high but doesn't increase substantially. Membership dues should be at a high enough dollar amounts to provide for regular service of the members and support for the programs. A minimum of $10 is wise, and if possible, I would go to $25 or more. Members should be recruited first from the board. Every board member should be at least a contributing member, if not a special giver. Then move to past board members, current committee members, and to the persons served by the agency and those persons who have shown an interest in the cause. Watch the circles expand. As many potential members as possible should be approached personally. Until you have a chance to recruit a very wide group personally, you may want to approach some of the more likely prospects by phone or mail. Some organizations have been successful in setting up membership booths at conventions and meetings of other groups.

- Set a specific goal in terms of the eventual proportion of the population you want to enlist as members. For instance, a local Mental Health Association strives to enlist and hold a minimum of one half of 1 percent of the population. This gives an organization something very specific to shoot at, and the goal can be divided into annual targets.

13) Bequests. A fast growing source of donated funds is bequests. Bequests now constitute 5 percent of American giving—almost $6 billion each year.

- Bequest cultivation is a very sophisticated form of fund raising and obviously cannot be counted in your short-term fund raising plans. For organizations that are building long-term fund raising projects, however, a realistic proportion of the effort should be reserved for bequest cultivation.

Even this long list of campaign categories doesn't begin to cover all the possibilities, but it will give you some feel for the most likely things to be explored. I have not included any discussion of such devices as gift annuities, gifts of appreciated property, charity remainder trusts, and many other important sources of funds. These will generally not be applicable until you have built a corps of annual givers and committed supporters.

Don't try to tackle too many sources at once. When you finally decide which ones fit your organization, go after them with ferocious determination, and you'll find that the dollars will begin to multiply.

Fund raising doesn't have to cost much money, but raising money does involve certain costs. Most of the costs are the staff time applied to the fund raising operation. It's usually only the very small campaigns or the very large campaigns that can keep costs below 10 percent; it's the middle area that becomes more expensive. Indeed, if you need staff but are not at the point of attracting large gifts, the cost of the operation will almost have to be greater than 10 percent. This isn't unethical and shouldn't shock or deter anybody. I don't know a Firm rule of thumb, but my own gut reaction is that an ongoing campaign is ethical and justified if its costs are one-third or less. If this means that your agency is able to raise a lot more money than it otherwise would and this results in further pursuit of its public mission, then most givers will accept the morality and logic of that.

Some initial campaigns will cost even more than 30 percent. Direct mail campaigns usually break even the first year, but if the field tests safely project that by the third year your renewals will be sufficiently high to keep costs down to the one-third level, I'd encourage you to go ahead. I've been involved in initial community campaigns that cost 50 percent. It bothered
me, but on the other hand, I knew that this was necessary to get the operation going, and I knew that subsequent years' costs would drop to well below one-third.

In some campaigns involving sales of goods, the costs may routinely run above 50 percent. This is all right so long as the givers are aware and satisfied that they are simultaneously getting something they want and helping a cause. It's not fair if people are pressured into taking something they don't want or if the impression is left that most of the money will be going to charity. In some sales efforts, however, most of the money does go to charity, particularly if the sales items are donated.

An annual campaign provides impetus for telling the association’s story, and this is almost always very healthy for the organization. Even if it's only a membership effort conducted by an agency involved in the United Way, this is still an opportunity to remind a growing number of people who you are, what you represent, what you can do for them, and what they can do for you.

Fund raising campaigns can be fun. They are almost always exciting. They provide a rallying point for the organization and in many ways lend an air of excitement to the whole operation. They're also hard work! And sustaining the effort year in and year out is particularly tough. You'll need carefully and quickly to promote volunteers up through the campaign organization (and surely from the campaign organization to the board), so there can be new blood and fresh leadership moving forward to share in the excitement of the campaign and thus be stimulated to carry the burdens of it.

Make it clear that one of the basic responsibilities of the campaign chairman is to help recruit a replacement. Make it clear, too, that this is also one of the president's responsibilities. Place the responsibility firmly at one place or the other, but make it clear that the other has got to stand ready to help and to see that it happens.

You must constantly seek ways to make clear to the workers how much their efforts mean. When I was director of the American Heart Association in Baltimore, every year we sent a New Year's card to each of the seven to ten thousand block workers with a message something like this:

During the Season of Good Will, We want to Thank You Again For Your Wonderful Service As a Heart Association Volunteer

Successful fund raising performance has to be acknowledged and applauded throughout the organization. Find every possible way to say “thank you” and to give people the warm feeling of accomplishment to which they are entitled and which all human beings desire. People want a cause. You have to help your people realize that they've got an awfully good one which is not only doing great things but is also grateful for the campaign volunteers' efforts. If you've achieved your goal, save some of the praise for the board, too.
ABOUT THE AUTHOR

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Budgeting and Financial Accountability

By Brian O’Connell

By their very nature, voluntary associations operate with public support and therefore have a very real responsibility to spend that money judiciously and to report on their expenditure to the public.

In a speech entitled "Responsibility of the Board Member of Voluntary Health Agencies", Marion Folsom, former Secretary of the U.S. Department of Health, Education and Welfare, said: "It is definitely the responsibility of the individual lay Board Members to insist that their agencies cooperate in this program. The businessman can be especially helpful here. He should be sure that his agency is determining the cost of each of its services and is giving complete information to the public."

An organization that handles more than $5,000 should have an audit, and therefore would be bound by the accounting practices spelled out for the auditing profession in the various Audit Guides published by the American Institute of Certified Public Accountants. For example, there is an Audit Guide for Health and Welfare organizations. This guide is a companion piece to the Standards of Accounting and Financial Reporting for Voluntary Health and Welfare Organizations published by and available from the National Assembly, National Health Council and United Way of America. According to the Standards foreword: "Adoption and use of the standards presented in this publication will enable voluntary health and welfare organizations to report their income and expenditures uniformly and in terms the contributing public can understand." The other Audit Guides likely to be of interest to various readers are:

Audits of Colleges and Universities
Hospital Audit Guide (2nd Edition)
Audit of Certain Nonprofit Organizations Including Statement of Position 78-10

Even if your organization is not required to have an audit, you should consult an auditor to determine what requirements or practices are necessary to protect yourself, the organization, and the public.

In this pamphlet it will be assumed that your operation is sufficiently large to be audited and that there is probably a need to delineate the separate roles of the board and staff.

The standards are obviously important and provide substantial benefits for individual agencies and the voluntary field in general. The standards are appropriately designed to provide effective and uniform reporting to the public. However, they do not provide the basic information needed to effectively manage an agency. Thus, the system must be supplemented if a manager is to have the type of information needed to control and manage the agency and if the board is to be able to follow financial developments.

For example, the standards will provide the organization and the public with information about the organization's proportional expenditures in certain fixed functional categories such as community services, public health education, and fundraising. But the manager and board will need to know more specifically how the money is being spent within the agency for specific program and development activities. Within professional education and training, for example, they'll need to know what has been spent for purchased seminars, traineeships, consecutive case conferences, and so forth. The "line" items (salaries, rent, professional fees, etc.) required in the
standards are necessarily broad so as to apply to many different organizations, and in that regard, too, they have to be supplemented.

Budgeting in voluntary agencies is always a frustrating process for financial and business people. A basic problem is that it's difficult to move back the timetable so that a realistic budget will be at hand well before the beginning of the fiscal year. The income of an agency is often so uncertain that it's difficult to forecast before the end of one fiscal year and the beginning of another. Usually, the closest one can come to an intelligent timetable is to have a budget prepared two or three months before the next fiscal year. Earlier projections are, of course, possible and are often necessary for grant applications, United Way presentations, and other purposes, but generally a firm budget isn't in focus until very close to the beginning of the fiscal year.

Without getting into an exhaustive review of budget-making, it might be useful to comment briefly on the process of developing income and expense projections. Usually, leaders of voluntary operations are so close to the cause and so overwhelmed with how much needs to be done that they will overestimate income and underestimate expenses. The hard-headed realism of the treasurer and the finance committee is essential as an offsetting influence.

Income projections should be based on a very practical and objective analysis of current sources of income, including a source by-source and gift-by-gift review. This not only makes for practical budgeting but also provides sensible preparation for the degree of work necessary to renew gifts and grants and find new money. It's essential not to project substantial new income, or at least not to count on it, to cover fixed expenses. The usual approach for nonprofit agencies is to hope so desperately for new income that we count it in the budget; then, when it doesn't materialize, we end up with a deficit or horrendous cutback. The wiser approach is to have an opportunity for budget revision during the year and to allow additions according to new income produced.

If you have staff, expense projections are usually developed by the staff director. Here the incoming chief volunteer officer should be carefully consulted and, of course, the treasurer and finance committee will be closely involved and will again provide a pragmatic influence.

It is important that the finance committee never be allowed the authority to make decisions that rightfully belong to the executive committee or board of directors. Many finance committees, in their appropriate efforts to cut or control expenditures, will make decisions about what activities should stay or go, but this is beyond their authority. They should say to the chief staff officer and board that the appraisal of income projections will not sustain the expenses budgeted. Then, if the board agrees with the finance committee’s figures, it is up to the board and staff to decide where the cuts will have to be made.

The budget should be prepared early enough so that the full board of directors or at the very least the executive committee can be involved in its review and approval before the beginning of the fiscal year.

The format for the budget should include at least the following:

- A narrative summary of the year ending and the year ahead.
- A five-year review of income and expenses.
- A comparison of working fund activities and balances for the closing and prior years.
A proposed budget including, for each line item, the prior year's budget, the prior year's actual, and the recommendation for the coming year.

You will note that a narrative summary is recommended. I worked with one treasurer for six years and we had a perfect relationship, except once a year we would have our annual set-to over whether I would be allowed to do a narrative summary. This clashed with his banker's approach, but I knew the narrative was the only way that many board members would really grasp what the budget picture was all about.

One of the basic parts of the budgets I prepared in the Heart and Mental Health Associations was an estimated dollar value of the volunteer time contributed. This was always the first item in the budget. It helped put the other budget items, particularly staff salaries, into perspective. My goal was to constantly increase the ratio of contributed time to staff salaries and other expenses. Though there are few comparisons available, I feel that something close to a 5 to 1 ratio would probably represent effective use of volunteers in relation to staff time. Obviously, this applies more to cause-oriented membership associations than direct service organizations, but the exercise helps all nonprofit agencies to think hard about volunteer utilization.

It's important to put a good deal of information into the budget, including the detailed breakdown of the various line items. For instance, within the line item of employee costs, it is important for the board members to know the relative costs of basic medical, major medical, retirement, social security, unemployment insurance, and any other benefits that are provided. Most board members won't want to get into that much detail, but at least it's there. This is reassuring to all board members and is important to those who do want to get into detail.

Budgeting dollars is only part of the necessary budgeting process. Budgeting staff time is perhaps even more important. Just as dollar resources have to be carefully directed toward the priorities determined by the board, so too must staff time. This sounds much more complicated than it really is. It's simply a matter of identifying the number of staff weeks that are available for actual work and matching these to the ongoing activities and special projects. If time sheets are coordinated with this, it's very easy for a staff person to indicate the specific activities and projects to which time was devoted during the day. At the end of a month or quarter or year, it's possible to see if the staff time was actually spent in the patterns and on the priorities intended. This is an important way to help board and committee members to better grasp the current level of commitments. Otherwise, in the absence of this kind of specific information, boards and committees are almost too ready to add new projects or to assume that what they decided was priority is reflected by allocation of resources.

In addition to the board's own time, dollars and staff time are the two basic resources available to the board. They must be carefully measured and metered if they are to be directed in ways consistent with the organization's predetermined goals.

An organization should produce a monthly income and expense statement, balance sheet, and budget status report. These should go to the board of directors and to the executive committee in advance of each of their meetings. Copies should also be sent monthly to the finance committee.

The audit should also go to the board with ample opportunity for discussion. At least some members of the board should fulfill the functions of an audit committee. Some organizations have a separate audit committee and others combine this with the work of the finance or executive committee.
The accounting firm of Price Waterhouse and Company has an excellent publication called, "The Audit Committee: The Board of Trustees of Nonprofit Organizations and the Independent Accountant". In it they describe the functions of the committee responsible for the audit as follows:

1) Review of the financial statements with the independent accountants prior to recommending approval by the Board. The purpose of such a review is to determine that the independent accountants are satisfied with the disclosure and content of the financial statements and to obtain sufficient information from the auditors to facilitate analysis of the financial statements submitted to the entire board of trustees.

2) Appraisal of the effectiveness of the effort. This includes a discussion of the overall approach to and scope of the examination, with particular attention focused on those areas where either the committee or the independent accountants believe special emphasis is desirable or necessary. The responsibility for determination of the scope of auditing necessary for the formation of an opinion on the financial statements resides with the independent accountants, and that decision must be left to them. For this reason, the committee should not ask for nor be given detailed audit programs.

3) Determination through discussions with the independent accountants that no restrictions were placed by management on the scope of the examination or on its implementation. It is often appropriate for management representatives to allow the committee to meet alone at some point with the independent accountants. This is not intended in any sense to reflect adversely on the integrity of management; instead, it provides an additional margin of security in that there will be an opportunity for a complete interchange, without the inhibitions or restrictions that might exist if members of the management team were present. It also establishes for the record that the independent accountants were presented a chance to discuss with the committee any topics they might choose.

4) Inquiry into the effectiveness of the organization's management of financial and accounting functions, through discussions with the independent accountants and appropriate officers of the organization. Particular attention should be paid to the adequacy of internal controls over contributions and other sensitive areas.

5) Review of reports prepared by the independent accountants discussing weaknesses in internal control, organizational structure and operations and containing recommendations to improve such weaknesses. There should be careful consideration of the action taken by management on the independent accountants' suggestions.

6) Recommendations of the appointment of independent accountants for the ensuing year. The actual appointment of the accountants should remain the responsibility of the full board. Management, through its day-to-day dealings with the independent accountants, normally is in the best position to evaluate the services provided, and its input to the committee should be given careful consideration when nominations for independent accountants are being considered. On the other hand, the committee should be certain that management's recommendations are objective and not designed to serve its own self-interest.

One of the problems for both boards and staff is the need for several different kinds of financial statements. For example: (1) those required in the standards; (2) those developed for management purposes; and (3) additional statements in a format required by governmental bodies, the United Way, or others.
I reconcile the requirements for different financial reports by starting with the system and information I need to manage the agency. I make sure that this is not incompatible with the standards, and that my year-end reports can be easily recast into the format required by the standards. Similarly, the records can be recast to provide special information required by the finance committee, governmental agencies, foundations and others. But the basic point is the need for a system which is conducive to sound day-to-day management.

In an understandable preoccupation with meeting the required accounting standards, too many agencies are trying to operate with the information that comes out of the system, and it just isn't adequate.

Operating and reserve funds that are available for short-term investment should be invested in savings accounts, certificates of deposit, treasury bills, and certain categories of commercial paper. They should not be invested in common stocks. This includes all funds needed for operations or considered ready reserves.

When common stocks are received as current contributions and are considered part of operating funds or ready reserves, they should be sold at time of receipt. If the organization is fortunate enough to have endowment funds, these funds should be managed by a major financial institution selected by the finance committee and approved by the board of directors. The investment policy should be established by the board. This can include a "combined income" or "total return" plan whereby the association, in consultation with the financial institution, establishes a fixed income that will be drawn from both income and principal. This allows for investment of some substantial part of the fund in common stocks as a hedge against inflation. The finance committee should do an annual review of the fund, and members of the finance committee should be readily available to consider special advice from the financial institution.

In thirty years of nonprofit agency administration, I have had some pretty rude awakenings and learned some pretty sad lessons. Let me summarize these lessons from the school of financial hard knocks. The lessons and the consequences apply to both board and staff.

- **Budget realistically.** It's too easy to get carried away with un-duly optimistic income projections and unrealistic expectations. The resulting deficits and the pure horror of the budget cutbacks particularly those which involve personnel gradually teach the lesson that it's better to face reality and disappointment during the budgeting process than later.

- **Get regular monthly reports and study them carefully.** These reports should include at the very least the income and expense statement, balance sheet, and budget status report. A situation can change rapidly, and unless caught early the picture is simply not reversible.

- **Be sure the reports are really accurate.** This may seem terribly obvious, but I have lived with and through situations where, because of switchovers in accounting systems or problems of personnel in the accounting area, or just a plain poor accounting staff, reports have not been reliable. It's easy during these periods to assume that someone else has a close enough view of the organization to suppose that the reports are not far out of kilter. Don't believe it! If there is any indication that the reports are not absolutely accurate, get that situation straightened out fast.

- **Establish a close working relationship with the auditor.** For the staff, day-to-day access to the auditor is essential. Provide a realistic sum in the budget over and above the cost of the audit so that the staff director can feel absolutely free to regularly consult with the auditor on many financial management considerations.
It's probably not practical for the board to work with the auditor, but the finance committee certainly should. If there is not a finance committee then the auditors should meet annually with the executive committee or board. It has always been my practice that at least part of that annual session of the finance committee and auditors is conducted in an executive session (without staff present). That really bothers some staff directors and even some finance committee heads, but in a nonprofit organization it's just too easy for the trustees to get far removed from really understanding the financial side of the enterprise. It's important that at least those trustees who serve on the finance committee have an opportunity to learn first-hand that there are absolutely no barriers to getting the frank opinion of the auditors about the financial statements, internal controls, and the degree of cooperation given to the auditors.

Involves the auditor in establishing, or at least approving, your internal systems, including controls. It's not enough to assume that the auditors are absolutely satisfied with your systems and controls simply because they provide you with a clean audit. They may be assuming too much, and, because it is essential that this area be properly organized, it is wise to involve them in setting up the system or at least regularly tracing it through to the minutest details. Though these are usually functions delegated to staff, the board must be absolutely certain that they are fully and regularly carried out.

Make the most of the interest and knowledge of the treasurer and chairman of the finance committee. They can help tremendously in interpreting operations and finances to the board of directors. They will be useful in handling short-term investments or helping line up bank loans during low cash flow. But, most of all, it will be their hardnosed, pragmatic, conservative fiscal judgment which you will need. They often provide unwelcome advice, but for that very reason it's all the more important to have it immediately at hand.

Involves the key volunteer leaders in the development of the budget. The budgeting function is too often seen as an internal staff responsibility, but the person who will be serving as chief voluntary officer when that budget is in effect can feel left out or thwarted if he or she doesn't understand the budget and doesn't have an opportunity to model it to pursue priorities as the president and board perceives them.

Recognize how easily the budget can thwart or contradict the board's decisions on priorities. The board can go through an elaborate process of determining new priorities, and yet if the budget follows the same old pattern, the resources of dollars and staff are not likely to be converted to the new pattern of priorities.

Provide for some cushion in the budget. I am not very good at this and yet I know from sad experience how important it is. It's so hard to cut a proposed budget back to fit realistic projections of income that I am almost never able to build in a 10 or even 5 per cent cushion. On the other hand, I know that it is just not possible to anticipate fifteen months in advance what emergency and undeniable demands will occur in the following fiscal year. A budget should have a contingency factor of 5 to 10 per cent to be allocated, hopefully in small amounts, by the executive committee or board of directors for those emergency and unanticipated needs that arise during the year.

Provide for some basic reserves. As a general note, nonprofit agencies should have reserves equal to at least one-half of one year's operating expenses, though not greater than one year's operating
expenses. This provides funds during low cash flow, a cushion against the almost inevitable occasional deficit, and some breathing room for emergencies. All this, of course, in addition to fulfilling the basic purpose of a reserve—to help the agency survive a truly catastrophic period.

- Don't switch accounting systems until you are really on top of your information. There is always a temptation to help solve a current accounting problem by moving to a new system. My experience has been that you had better be very certain that you are getting accurate information from your current system before you start major adjustments. For example, I've seen a number of agencies run into terrible difficulty during a transition to computer operations. It's essential to be getting accurate information from your current system before and until the new system is functioning fully. It happens too often that board members who come from sophisticated operations will want to modernize the operations sooner than the staff is ready. They'll graciously offer to have their own organizations provide some of the equipment or computer time and people who don't know very much about the operation will come in on a volunteer basis. I've even seen organizations switch over to an available software package largely because it is available and seemed to work for someone else without adequate consideration whether it really fit. I had one board member send me to a week's training school which turned out to deal almost exclusively with large A-frame computers and other equipment utterly beyond our needs and finances.

- Voluntary agencies are never going to get rich. Your people will sometimes wonder when that day will come when the agency won't be living hand-to-mouth or be facing an imminent financial crisis. I don't mean to unduly discourage you, but I don't think that the really effective voluntary agency dealing with a major public problem is ever going to be comfortable. The needs and pressures to do even more will always outweigh income. I've found that it's helpful to my mental health to finally realize this. At least I know it's a way of life and I'm not periodically disappointed that the tables haven't yet been turned.

- Deficits are hell!

- As with pamphlet #9 on evaluation, this one has not attempted to describe the sophisticated procedures appropriate for many organizations. United Way of America has two complete books, Accounting Guide and Budgeting Guide. Many voluntary organizations are as elaborate and sophisticated as most businesses in their approach to financial planning, management of cash, decentralized budgeting, profit centers, and computerization of data that can provide trustees and staff with every possible analysis of financial operations and trends.

As with the other pamphlets, my purpose here is to try to provide trustees and staff with an understanding of the very basic functions they must fulfill. However large or small the operation and however much sophisticated equipment is available to them, it still comes down to, "What am I accountable for?" And at the top of the list is stewardship.
ABOUT THE AUTHOR

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Evaluating Results

By Brian O'Connell

Voluntary agencies are usually so busy doing that there isn't time (or it seems a poor use of time) for serious evaluation. At some point, though, someone inside or outside the organization is going to want to know if the effort is reasonably successful. And then you'll be pressed to provide some justification and assurance. It is to be hoped that you will be the first to ask.

A medical researcher, long active in voluntary agencies, has this wonderful description of how nonprofit groups generally evaluate their results: "Any group as bright as we are which has worked as long and hard as we have must have done a lot of good." This pleasantly cynical characterization of our approach to evaluation provides a mirthful caricature hardly to be believed; but don't dismiss it too hastily. When those doubting Thomases begin to raise questions, you may well find yourself reacting instinctively, and maybe even a bit testily, with a rather subjective, "It must be the most obvious thing in the world that any group as bright as we are...."

In "Better Performance From Nonprofits", published in the Harvard Business Review Cecily Cannan Selby, former national director of the Girl Scouts, made somewhat the same point: "Another assumption, not invalid on its face but leading to many pitfalls, is that volunteering is a good in itself. Because I am a volunteer and doing something gratis for others, I am doing something good in itself, and anything I do in this role must be good."

There is the likelihood, however, that at some point this may not be good enough for some other members of the board or for some contributors, or maybe even for you. You will then want to have a more objective measurement of whether it's all really worthwhile or whether at least you're getting all the results possible.

Evaluation doesn't have to be complicated. It can be as basic as people deciding what they want to achieve by the end of the year and then figuring out later if they got there. At its simplest, evaluation starts with an attainable goal to be accomplished at a realistic date, with a prior commitment to stop what you're doing on that date and look back to see if your goal was actually reached, The sad reason so many organizations don't follow this simple procedure is that they don't even start out with a plan; therefore they don't have a specific goal or deadline to check back on. My formula is that fuzzy goals equal fuzzy evaluation, and unfortunately the combination usually adds up to fuzzy performance.

In the chapter on planning in The Board Member's Book, I say that much of the planning in voluntary organizations is characterized by: "We're going to do as much good as we possibly can, and we can't be expected to do any more." I also say that specialist planners have a way of making planning so involved that we tend to dismiss their recommendations as being beyond the resources and sophistication of our voluntary operation. The same thing happens with evaluation.

Foil the experts! Don't start out to reduce all your options to mathematical equations; don't try to quantify your goals; and don't get talked into doing an involved program budget. All you really have to do is be a bit more specific about what you want to have accomplished, by when, and make yourself look back.
If what you see when you look back isn't pleasing, you'll automatically begin asking why, and this will be the beginning of a more effective marshaling of resources to accomplish the things that really are most important.

At this point, any evaluators or planners reading this are probably tearing their hair out because their science has been stripped to such nakedness. Nevertheless, planning and evaluation can be easy, and it can be simple. In the planning chapter, I quoted the Peter Principle: "If you don't know where you're going, you'll end up someplace else." An evaluation sequel might be: "If you don't know where you've been, how do you know you were there?"

There should be a built-in mechanism for self-evaluation. As stated above, this can be as simple as at the end of the year taking a look to see if your goals have in fact been achieved. This is the most basic form of self-evaluation and should be a routine part of every organization's operations.

In addition, there should be some mechanism by which the board can take a fuller look periodically at the organization's operations and activities. For instance, this review should determine whether or not basic planning and evaluation are being done annually. You'll find that these too can be as simple or as complex as the operation itself.

Periodically—at least every five years—you should find some means to have an outside evaluation done. This is most easily arranged if you are part of a national organization. For various reasons, you may resist having representatives of a national board or staff comes in. If that's the case, you can put together a team from your sister associations so that you're really having a peer review. If that avenue isn't available to you, it shouldn't be difficult to put together a willing and able team from your own community. In every town there are scores if not hundreds of people who have had unusual success in nonprofit activities. Ask two or three of the best staff directors and most experienced board volunteers from other groups to perform this function for you. They will be proud to be asked.

An effective evaluation of any sort will depend on the degree to which measurable standards are at hand, and this begins with knowing what constitutes acceptable performance and better.

In an invaluable article, "How Can Businessmen Evaluate the Management of Voluntary Welfare Agencies?" also in the Harvard Business Review, Earle Lippincott and Elling Aannestad state that "... if the basic organizational components of the agency are operating effectively, you can assume that the output is likely to be worthwhile." They acknowledged that this isn't an exact equation, but they believe, for example, that "... if the Board and the basic committees are functioning including regular meetings with quorums present — it is likely the agency is not wasting its time."

The operating standards which Lippincott and Aannestad looked for included the following questions:

1) Are the Board and staff set up to work effectively?
2) How well defined are the needs served by the agency and its program for meeting these needs?
3) Are adequate financial safeguards and sound controls maintained for fundraising?
4) Is the agency's work related to that of the national organization and of other planning groups in the field?
5) Is the agency doing a good job of what it is set up to do?
6) How many other agencies are trying to do all or parts of the same job?

7) Does the agency function in proper relationship to government agencies?

When I was the director of the American Heart Association in California, we took Lippincott and Aannestad's position two additional steps. We agreed with them that one can be encouraged if the basic operation seems to be functioning. We recognized, however, that this doesn't ensure that the end product is really good or is even as good as it should be. Therefore, we added two elements. The first was to identify the basic activities that we believed a chapter of the American Heart Association should be handling well. Second, we acknowledged that one of the great things about voluntary agencies is their role as innovators. Obviously, certain activities can't be anticipated, so we gave a whopping one-third of the total score to those unusual things that the chapter might be doing over and above the basics.

As a result of this, the standards were then divided into three parts: (1) "Basic Organization" (such as board make up, meetings, and turnover), (2) "Basic Activities" (such as an information and referral program, and at least one seminar for general practitioners each year), and (3) "Additional Activities". There was an evaluation of a chapter every three years by a peer group of board members from other chapters. Obviously, most boards did their own evaluation before letting the outsiders in! The external review had many intended and desirable results, but it also had the side benefit that the board members doing the evaluation learned a good deal about how to improve their own chapters.

Most of your basic standards are probably already at hand or are suggested by the standards published by the Council of Better Business Bureaus (CBBB) and the National Charities Information Bureau (NCIB).

In 1984, NCIB outlined these basic standards:

Philanthropic organizations have a high degree of responsibility because of the public trusteeship involved. Compliance with the following standards, with reasonable evidence supplied on request, is considered essential for approval by the NCIB.

1) **Board**—An active and responsible governing body, holding regular meetings, whose members have no material conflict of interest and serve without compensation.

2) **Purpose**—A clear statement of purpose in the public interest.

3) **Program**—A program consistent with the organization's stated purpose and its personnel and financial resources, and involving interagency cooperation to avoid duplication of work.

4) **Expenses**—Reasonable program, management, and fund raising expenses.

5) **Promotion**—Ethical publicity and promotion excluding exaggerated or misleading claims.

6) **Fund raising**—Solicitation of contributions without payment of commissions or undue pressure, such as mailing unordered tickets or merchandise, general telephone solicitation and use of identified government employees as solicitors.

7) **Accountability**—An annual report available on request that describes program activities and supporting services in relation to expenses and that contains financial statements comprising a balance sheet, a statement of support/revenue and expenses and changes in fund balances, a statement of functional expenses, and notes to financial statements that are accompanied by the report of an independent public accountant. National organizations operating with affiliates should provide combined or acceptably compiled financial statements prepared in the foregoing manner. For its
analysis NCIB may request disclosure of accounting treatment of various items included in the financial statements.

8) **Budget**—Detailed annual budget approved by the governing body in a form consistent with annual financial statements.

   The Council of Better Business Bureau's list is called, "Standards for Charitable Solicitation." Because they relate substantially to fundraising practices, they are fairly extensive. Some of the general standards are:

**Governance**

1) Soliciting organizations shall have an adequate governing structure.
2) Soliciting organizations shall have an active governing body.
3) Soliciting organizations shall have an independent governing body.

**Use of Funds**

1) A reasonable percentage of income from all sources shall be applied to programs and activities directly related to the purposes for which the organization exists.
2) A reasonable percentage of public contributions shall be applied to programs and activities described in solicitations, in accordance with donor expectations.
3) Fundraising costs shall be reasonable.
4) Total fundraising and administrative costs shall be reasonable.
5) Soliciting organizations shall substantiate on request their application of funds in accordance with donor expectations, to the programs and activities described in solicitation.
6) Soliciting organizations shall establish and exercise adequate controls over disbursements.

**Public Accountability**

1) Soliciting organizations shall provide on request an annual report.
2) Soliciting organizations shall provide on request complete annual financial statements.
3) Soliciting organizations' financial statements shall present adequate information to serve as a basis for informed decisions.
4) Organizations receiving a substantial portion of their income through the fundraising activities of controlled or affiliated entities shall provide on request an accounting of all income received by and fundraising costs incurred by such entities.

It is helpful to start with the standards of performance by which organizations are held accountable and then work backwards to how the board can be sure that the organization passes those tests.

The National Executive Service Corps (NESC), made up of re-tired business executives who provide management assistance to voluntary organizations, has started to define "the bottom line" for nonprofit organizations. This is how they suggest a board can get a sense of profit or loss.
These are the questions that will help you assess a nonprofit organization. Add up the answers. You'll find they lead you to

"THE BOTTOM LINE"

1) What is the mission?
2) What is the evidence that the mission is necessary and important to those served and not redundant in terms of other community efforts?
3) What is the evidence that individual programs to achieve the mission are effectively and efficiently carried out?
4) What plans and priorities have been established which realistically recognize the organization's mission, management, and financial capabilities?
5) What is the evidence that the Board — as a whole and individually — fulfills its obligations?
6) What budgetary and management procedures have been established to accomplish the mission and ensure accountability?

One of the frustrations for business people serving on voluntary organization boards is that it is so hard to define and measure success. Despite the good efforts of NESC, nonprofits will never have the simple measure of corporate bottom-line profits. A serious consequence of that is that too many nonprofit organizations assume therefore that other business standards and practices don't apply either. In her article "Better Performance From Nonprofits" Cecily Cannan Selby says, "The same businessman who would not conceive of going into the toothpaste business without identifying the merits of his products, identifying the market to which the product must be sold, and developing a plan to bring the product to market, will work in a voluntary organization without taking the same steps with respect to its 'product'."

In their book Management Control in Nonprofit Organizations, Robert M. Anthony and Regina Herzlinger of the Graduate School of Business Administration at Harvard put it this way.

All organizations use inputs to produce outputs. An organization's effectiveness is measured by the extent to which out-puts accomplish its objectives, and its efficiency is measured by the relationship between inputs and outputs. In a profit-oriented organization the amount of profit provides an overall measure of both effectiveness and efficiency. In many nonprofit organizations, however, outputs cannot be measured to quantitative terms. The absence of a satisfactory, single, overall measure of performance that is comparable to the profit measure is the most serious management control problem in a nonprofit organization. (It is incorrect to say that the absence of the profit motive is the central problem; rather, it is the absence of the profit measure). ...

One of the very large problems facing boards in attempting to evaluate performance is the confusion about how much voluntary organizations should be like business. Businessmen and women who have not served extensively with voluntary organizations will so desperately want the organization to mirror what they know best and to come closer to a "bottom line", that they will be extremely impatient with their nonprofit organizations. This has led them, in fairly significant numbers, to assume and claim that voluntary organizations generally are managed poorly. It has become routine to hear such observations as, "These do-gooders and bleeding-
hearts just don't know how to manage", or "If we could just get more management discipline into these cause-oriented organizations, they would be far more effective."

It's my own observation that these perceptions are inaccurate and unfair. Voluntary organizations can be divided like businesses and other human institutions—about one-third are models of excellence, beautiful examples of caring and daring and innovation and efficiency. For what they are supposed to be in our pluralistic society, they are our models of excellence. The middle third are average—good to fair—and the bottom third are like the same proportion in business or government, poorly managed and generally ineffective.

Senator Bob Packwood, who chaired the Senate Commerce Committee and has had a good opportunity to observe all three sectors, says that on the basis of his regular dealings with government, business, and the nonprofit world, he finds that foundations and voluntary organizations are by far the most reliable—i.e., the most likely to do what they were established to do, and what society expects of them.

Management consultant Peter Drucker was once asked by a business reporter, "What is the most effective organization with which you've ever worked?" Obviously, the inquirer assumed that the answer would be a business corporation such as General Electric or Xerox or Hewlett-Packard. Drucker thought a moment and replied, "The Girl Scouts". The reporter laughed and said that he hoped Drucker would be willing to give a serious answer, and Drucker responded that he was absolutely serious in believing the Girl Scouts were the most effective group with which he had worked. He pointed out that if you took that many dedicated volunteers, with a professional staff oriented and trained to increase the usefulness of the volunteers, and you pointed all of that energy and commitment toward an important social purpose such as the development of women and girls, those were clearly the ingredients for effectiveness and excellence.

That episode points up a large part of the misunderstanding about excellence in voluntary organizations. Before we can judge performance, we have to have a clearer grasp of what we're looking for. In the case of nonprofit organizations, we need to have a much better grasp of the uniqueness of these organizations, both in the social role they fulfill and the ways they do it. If we simply apply "bottom-line" efficiency as our standard, we fail to distinguish the special characteristics of dynamic voluntary organizations. Non-profit organizations can learn a great deal from businesses about good management, bottom-line discipline, people development, evaluation of results, and much more, but these are often not their primary ingredients for excellence.

In a Wall Street Journal piece, October 3, 1978 on "Managing the 'Third Sector", Drucker said:

By now, however, the Third Sector has become so important, so big and so costly that we need to focus on how it is being run. Performance, effectiveness and productivity of the service institutions will increasingly matter. And they will also become increasingly difficult. Precisely because they have grown so much the service institutions require more and better management—and they require different management.

He added:

Both the businessman and the civil servant tend to underrate the difficulty of managing service institutions. The businessman thinks it's all a matter of being efficient, the civil servant thinks it's all a matter of having the right procedures and controls. Both are wrong—service institutions are more complex than either businesses or government agencies. ...
I've worked with some absolutely chaotic, break-all-the-rules community organizations that management consultants think are the epitome of poor management, but which I found to be perfect examples of beautiful and dynamic associations that are mobilizing people to deal with a very real need. Management people will tend to focus on the fact that the organization doesn't have bylaws or hasn't been keeping minutes, or is living hand to mouth, but a community organizer will see citizens mobilizing other citizens to really make a difference. A great many voluntary organizations are both dynamic and efficient, but if I had to settle for one characteristic, it would be the former.

Even in larger organizations, there's a tendency to overlook the unique functions of citizen service, advocacy, and education. When I was National Director of the Mental Health Association, new board members from the corporate side would invariably react that the board was too large, there were too few internal administrative staff or that, for efficiency, we should consider merging with the Retardation Association. They didn't understand the absolute need to achieve maximum feasible involvement and the need to keep citizens mobilized around causes they care passionately about.

There's one area of strain between voluntary organizations and their funders that would be humorous were it not so deadly serious. Rarely are voluntary organizations allowed to build a realistic reserve, and even one year of deficit budgeting is viewed as the clearest indication of poor management. Yet, even the best businesses have deficit years, and foundations will sometimes spend more than income to fulfill important obligations or take advantage of vital leads. But woe to the voluntary agency manager, who, though dealing with urgent causes, has a year or two of red ink.

There is great interest of late in Peters and Waterman's book, In Search of Excellence: Lessons From America's Best Run Companies, in which they describe some of the sensitive and sensible ingredients of good management. The heart of their book is entitled "Back to Basics" and these are the related chapter headings:

- Managing Ambiguity and Paradox
- A Bias for Action
- Close to the Customer
- Autonomy and Entrepreneurship
- Productivity Through People
- Hands-On, Value-Driven
- Stick to the Knitting
- Simple Form, Lean Staff
- Simultaneous Loose-Tight Properties

These headings describe the very attributes that have characterized the best of voluntary organizations for two hundred years. Their primary chapter is even entitled, "Man Waiting for Motivation"!

Cecily Selby has found it useful to examine the similarities and differences between profit and nonprofit organizations; this helps remove the excuses of nonprofit organizations
when they indeed should be performing in a "business-like" way. But she also says it helps us understand the areas where comparisons are not practical or fair. She says:

The altruistic, cause-related motivation that gives nonprofit organizations their great strength can be their downfall if it is not understood and appropriately handled. If these organizations are treated as illegitimate rather than legitimate, their innate operational differences from those in business will emerge as functional weaknesses. The uniqueness of the sector must be built on, and management techniques and related training programs that are adapted to nonprofits' special characteristics must be better developed.

The three "key differences" that Selby finds between nonprofit and profit organizations are (1) "the bottom line"; (2) "the confusion in direct-line accountability"; for example, she asks, "In a board appointed program committee on which volunteers serve, is it the committee or the staff that is accountable for that function and can staff be accountable for what volunteers fail to do?"; and (3) "the mixed allegiance of many professionals in voluntary organizations who do not see themselves as part of the organizational hierarchy, at least in terms of accountability"; she cites as examples the university professor and other intellectuals and artists who have their "own sense of creative integrity—an accountability that can override all others".

She concludes by calling for nonprofit organizations to be more effective but not always with the business model in mind. "In using the term nonprofit, which refers to a financial balance sheet only, perhaps we obscure the essence of this sector of our society, which is indeed to be profitable to citizens, business and government—to benefit its constituents, its clients, and its employees. This sector has found, and one hopes will continue to find, new and better ways to preserve and enhance pluralism, voluntarism, and the distinctiveness of art, intellect, and charity."

While I agree entirely with Selby, I also know that your likely frustration and mine is that we are not well along in defining those differences and determining how to measure excellence in such intangibles as the promotion of pluralism or art. In the chapter "Evaluating Nonprofit Activity" from his book The Nonprofit Organization Handbook (edited by Tracy D. Connors and published by McGraw-Hill), David Horton Smith says that people hide behind the statement, "You can't quantify virtue and helpfulness", but he asks how do we really know if "the virtue really helps anybody?"

If evaluating nonprofit activity in general is difficult, it gets downright tormenting when you try to determine the results in programs related to advocacy, citizen education, good government, or other intangibles. With tongue in cheek, Anthony and Herzinger suggest that maybe the way to measure the output of religious organizations should be "souls saved per pew-hour preached." Paul Ylvisaker, former dean of Harvard's Graduate School of Higher Education, takes that a step further and says, "It's hard to evaluate the success of a church when you're denied access to the hidden judgement!"

The usual response to this difficulty is not to do anything. Another extreme is to change the program focus toward more measurable activities just because they are more tangible. A few years ago in the first draft of the United Way of America's Services Identification System (UWASIS), there was a commendable attempt to quantify all program activities, but the colossal early mistake, later corrected, was to give the most measurable functions the highest priority. Advocacy and public education efforts were assigned the lowest ranking. When those of us in the Mental Health Association field challenged this overly simple determination, United Way
acknowledged that advocacy was our most important service; but by then many local United Ways were penalizing us because they too had gone overboard on the "body count" emphasis.

Even when an organization can point to major advances in the directions of its advocacy and education programs, it's hard to prove cause and effect. Some organizations grossly exaggerate their impact on a school board, Congress, or reformed smokers. Where is the middle ground?

If you're trying to change attitudes it is now definitely possible to conduct before and after "level of knowledge surveys." The attitudes of school board members can be tracked to see what change there has been on actual votes on appropriations and rulings. If you aren't sure whether it's your activities that made the difference, you can actually interview the school board members or Senate staff or others who are likely to be candid. If you really want to get an objective report, use specialty firms which can develop and conduct impartial interviews.

If you don't know how to derive an evaluation of a rather involved activity, turn to your college sociology department or other social scientists that are likely to be quite skilled and helpful in identifying ways you can get more objective readings of your results.

There is a great deal of experience to use as you consider more objective evaluation. For example, in the Tracy Connors book, David Horton Smith has a chapter, "Evaluating Nonprofit Activity," in which he shares these helpful observations.

Social science research makes it quite clear that although we may all be pretty good at evaluating other people and programs with which we are familiar, we tend to overestimate the worth of ourselves and our own programs, organizations, contributions, and so on. I may be able to evaluate your contribution fairly accurately and you may be able to do likewise for me, but we would both probably fail to be objective about ourselves. That is why physicians do not try to treat themselves.

Hence, the next step up the quality continuum is to have the evaluation of an informed, unbiased, outside observer. Just by having an outsider—one not directly involved with the program or organization being evaluated one has guaranteed a certain amount of objectivity, other things being equal. The problem, of course, is to make sure that the outsider gets enough or has enough information about your program in order to make an informed evaluation. Yet even if this matter of informing the outside evaluator/rater is dealt with successfully, there are still likely to be various idiosyncratic biases that characterize the single outside evaluator. Still, the process of engaging and working with a single outside evaluator can have a great positive impact on an organization, especially if his/her visits bring together people and groups who do not normally meet or who do not discuss evaluation seriously if they do. Similarly, the single outside evaluator can lead the program/organization to begin to gather new and better data on themselves, consider alternative programs, spell out goals and priorities more clearly, and so on.

Fortunately, social science research has been able to show a simple solution to this problem. It turns out that if you take the evaluation of several informed outside observers, their individual biases tend to cancel each other out to a substantial degree so that their collective evaluation (submitted individually and independently—by secret ballot, so to speak) is very reliable on the whole. Experiments have shown that the largest gains in objectivity and reliability of evaluation are made as one goes from one informed outside observer to, say, five. After that, additional members of the panel are still important up to about ten or twelve raters. Beyond this point, there is relatively little to be gained by simply adding more raters to the panel or team.
Evaluation can be sophisticated and technical, and both planning and evaluation are vital management skills which, in complex operations, will need to be carried to this very technical level. The only reason they were stripped of some of their status earlier in this pamphlet was to make the point again that most things boil down to common sense and if people can start there, they actually will get started.

For larger and more complex organizations the planning and evaluation process will require the skills of a specialist to take advantage of the refined methods that have been developed for more scientific examination and determination of goals, the quantification of these goals, and a very exact evaluation that automatically identifies the impediments standing in the way of maximum fulfillment of goals.

An example of advanced evaluation involves the accreditation standards and evaluations of such groups as the American Association of Museums and the accrediting bodies related to secondary schools and colleges and universities. In the case of museums, over the years peer groups have agreed on basic standards and standards of excellence, and each museum is visited by an accrediting team at least every ten years to see if it meets the standards.

Sophisticated arrangements are obviously beyond the needs and resources of most voluntary organizations. It is important to make clear that, however simple or complicated the nonprofit endeavor, there have been developed and continue to be developed competent ways to measure the results.

Coming back down the scale toward the reality of most readers, there is a procedure that will apply in a great many organizations. It's generally referred to as something like "determination of key results." In Tracy Connors' book, John O. Alexander wrote about six "key result areas" and provides "indicators (of progress)" for each. This is his checklist.

**What Are the Things We Must Do Well?**

<table>
<thead>
<tr>
<th>Key Result Area</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constituent service</td>
<td>Attendance, Inquiries, Cases handled, Requests for information, Requests for service, Documented complaints, Number of meetings, events, or services performed, Different or new geographic participation, Different types of services by participation</td>
</tr>
<tr>
<td>Volunteer, member, and board participation</td>
<td>Number of volunteers active, Number of voluntary days/hours, Percent increase/decrease of voluntary participation, Type of voluntary participants, Percent increase/decrease of members, Member dropouts, New members inducted, Members on active committees and working groups, Number and types of services to members, Member turnover rates</td>
</tr>
<tr>
<td>Participation of board members on active committees and services functions</td>
<td>Staff performance</td>
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</tr>
<tr>
<td>Number of board meetings</td>
<td>Staff grievances</td>
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<tr>
<td>Number of board resignations</td>
<td>Staff turnover</td>
</tr>
<tr>
<td>Board attendance at meetings</td>
<td>Ratio staff to administration</td>
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<td></td>
<td>Ratio staff to clients or individuals served</td>
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<td></td>
<td>Ratio staff to total income/expense</td>
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<td></td>
<td>Staff absenteeism</td>
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<td></td>
<td>Resignations versus terminations</td>
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<tr>
<td>Financial management</td>
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<tr>
<td>Cost per unit of client service</td>
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<tr>
<td>Cost for membership fulfillment</td>
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<td>Cost for repair and building custodial services</td>
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<td>Cost ratio of staff to administration</td>
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<tr>
<td>Cost ratio of services by type Grants received</td>
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<tr>
<td>Cost of grants administration</td>
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<tr>
<td>Membership dues paid</td>
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<td>Amount of delinquent membership dues</td>
<td></td>
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<tr>
<td>Ratio staff to income</td>
<td></td>
</tr>
<tr>
<td>Total income</td>
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<tr>
<td>Expense for consumable items</td>
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<tr>
<td>Expense for equipment</td>
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<tr>
<td>Expense for building, purchase or lease</td>
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<td></td>
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<tr>
<td>Legislative effectiveness</td>
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<tr>
<td>Number of contacts with legislative leaders</td>
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<tr>
<td>Amount of favorable versus unfavorable legislation</td>
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<tr>
<td>Appearances before legislative groups to testify</td>
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<tr>
<td>Legislation influenced</td>
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<td></td>
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<tr>
<td>Public and media relations</td>
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<tr>
<td>Press releases published versus issued</td>
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<tr>
<td>Favorable versus unfavorable press coverage</td>
<td></td>
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<tr>
<td>Newsletter/bulletins issued to general membership or constituents</td>
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</tbody>
</table>


For the board's evaluation of its own accountability and leadership, I recommend taking another look at the "governance" section of the Better Business Bureau's "Standards for Charitable Solicitations" and the National Charities Information Bureau's "Basic Standards in Philanthropy," covered earlier.

The best checklist I've found for evaluating the board's own performance has been developed by Father Thomas J. Savage of The Cheswick Center. It's actually an appendix from...
the Center's excellent publication, "The Cheswick Process: Seven Steps to a More Effective Board." With permission their checklist is appended at the end of this booklet.

The inclusion of Cheswick's board checklist underscores how important I believe it is for boards to evaluate their own performance. It's the most important phase in the whole review process. As you move out to the broader organization, I hope I've provided some guidelines and examples for that fuller review.

One quick way to take a look at your organization might be to match yours against a profile of effective voluntary organizations that I developed after years of trying to figure out why some voluntary organizations fail and others succeed. The successful ones have these characteristics.

- A cause worth getting excited about.
- An ability to generate funds to do the job.
- Programs that can in fact do something for the cause.
- Adequate attention to morale in order to keep the undertaking spirited and vigorous even when the immediate tasks are not.
- Appropriate emphasis on increasing the number of citizens involved.
- Ability to keep the volunteers in charge even after the operation is staffed.
- Flexibility to respond effectively to new problems and opportunities and to fit the profile of "adhocracy," which must increasingly characterize the useful ongoing organization.
- A capacity to keep the real mission in focus no matter how frenzied things become or how great the pressure to move into new areas. This means that all important decisions are made with the organization's "reason for being" in the forefront.
- Vision to see beyond the horizon, along with sensitivity to really feel human needs, plus an almost contradictory toughness to build an organization capable of translating the vision and sensitivity into change.

Despite the fact that planning and evaluation can become exceedingly complicated and sophisticated, they start with the basics of articulating goals, establishing time-tables and looking back at a later date to evaluate the progress or lack of it.

In the future, you will be able to say, "Any group as bright and dedicated as we are, which has worked as long and hard as we have, and which has been so conscientious in evaluating its results, has obviously done a great deal of good."

### Board Self-Evaluation Rating Schedule*

<table>
<thead>
<tr>
<th>Rating Schedule</th>
<th>Excellent</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
<th>Unnecessary</th>
<th>No Opinion</th>
</tr>
</thead>
</table>

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Legal Framework
1. Statements in the governing documents (charter, deed of trust, by-laws, etc.) setting forth the function and duties of the board are:

2. Statements in the governing documents outlining the role and responsibilities of individual members of the Board are:

3. Conformance of public warranties of the Institution, express or implied, as evidenced by catalogs, guarantees, advertisement, solicitation, etc., to statement in the governing documents is:

Structure of the Board
1. The size of the Board in relation to the needs of the institution is:

2. The spread and balance of the Board as regards age, interest, and points of view are:

3. The usual method of selection of new board members is:

4. Retirement provisions for board member are:

5. The committee structure of the Board is:

Comprehension of the Board
1. Understanding of the Board members of the purposes and objectives of the institution is:

2. Comprehension by Board members of the Board's role is:

3. Comprehension by Board members of their responsibilities is:

4. Understanding by Board members of the legal requirements and stipulation under which they act as a Board is:

5. The Board's recognition that mere compliance with the law does not assure good management is:

6. The Board's knowledge of and familiarity with the institutional structure of the institution is:

7. The Board's perception and understanding of key factors in the success of the institution is:
### Rating Schedule

<table>
<thead>
<tr>
<th></th>
<th>Excellent</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
<th>Unnecessary</th>
<th>No Opinion</th>
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<tbody>
<tr>
<td>8.</td>
<td>The Board's comprehension of the interest of the several constituencies with which the institution deals is:</td>
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<td>9.</td>
<td>The supply of information regarding external developments-legal, economic, sociological, statutory, etc. - that may affect board decision which is furnished board members is:</td>
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</table>
| 10. | Board members’ degree of interest and knowledge of:  
   Education is:  
   Board economic development is:  
   Politics is:  
   International affairs Is:  
   Accounting is:  
   Finance is:  
   Marketing is:  
   Administration is:  
   Technology is:  
   Other (as appropriate to the institution): |   |   |   |   |   |
| 11. | The Board's comprehension of the present position of the institution in:  
   The "Industry is:  
   The community is: |   |   |   |   |   |
| 12. | Ability of the Board to sense the role of the institution five years in the future in view of current social, economic, and political developments is: |   |   |   |   |   |
| 13. | Familiarity of board members with provisions in the by-laws protecting or indemnifying them in the event suits are brought against them personally is: |   |   |   |   |   |

### Practices of the Board

1. The Board's manual of Policies and Procedures is:

2. The frequency of Board meetings in relation to organizational needs is:

3. Attendance of board members at meetings is:

4. The pre-meeting package of Informational material forwarded to the Board in preparation for meetings is:

5. Financial and other reports presented to the Board, appraised in terms of:  
   Intelligibility, are:  
   Completeness, are:  
   Conformity lo the needs or the Board, are:
<table>
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<tr>
<th>Rating Schedule</th>
<th>Excellent</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
<th>Unnecessary</th>
<th>No Opinion</th>
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<tr>
<td>6. Record-keeping of Board meetings is:</td>
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<td>7. Conformity of Board Records with legal requirements is:</td>
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<td>8. The method by which the Board receives the report of the outside auditors,</td>
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<td>including the opportunity to discuss the report with the auditors, is:</td>
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<td>9. The Board's practice as regards:</td>
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<td>Amendments of by-laws are:</td>
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<td>Election of officers are:</td>
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<td>Designation of officers' salaries, bonuses, and fringe benefits are:</td>
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<td>Grants of powers of attorney are:</td>
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<td>Changes in reserves are:</td>
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<td>Establishing or altering pension plans are:</td>
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<td>10. Method by which the Board periodically establishes short or long-run goals</td>
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<td>for the institution are:</td>
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<td>11. Procedures used by the Board in educating and indoctrinating new members</td>
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<td>12. The use of key executives in making presentations to the Board is;</td>
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<td>13. The use of inspection trips by the Board into departments, plants, and</td>
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<td>locations is:</td>
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<td>14. Statements in the by-laws and resolutions of the Board governing the</td>
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<tr>
<td>conduct of individual Board members in respect to attendance at meetings,</td>
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<td>conflicts of interests, term of service and retirement, use of confidential</td>
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<td>information, annual disclosure to other board members of changes in</td>
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<td>occupation or professional and financial connections are:</td>
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</tbody>
</table>

**Performance of the Board**

1. Performance of the Board in formulating short and long-run goals for the institution is:

2. The Board's ability to monitor its own accomplishments and progress is:

3. The performance of the Board in achieving objectives:
   - Set one year ago is:
   - Set three years ago is:

4. Standards of performance expected by the Board for:
   - The several parts of the institution are:
   - The institution as a whole are:

5. Standards used by the Board to measure performance by:
   - Individual parts of the institution are;
   - The institution as a whole are:
### Appendix C: Non-Profit Management

**Rating Schedule**

<table>
<thead>
<tr>
<th>Rating</th>
<th>Excellent</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
<th>Unnecessary</th>
<th>No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Ability of the Board to measure the progress of the CEO toward achieving institutional objectives is:</td>
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<tr>
<td>7. Ability of the Board to acquire external, objective opinion regarding the institution's progress is:</td>
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<tr>
<td>8. Cooperation among board members and ability of the Board to act as a team is:</td>
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</tbody>
</table>

**Committees**

1. By-law provisions or resolutions of the Board stating functions, duties, and limits of authority of committees are:
   - Executive Committee:
   - Academic Affairs Committee:
   - Audit Committee:
   - Properly Committee:
   - Finance Committee:
   - Other Committees:

2. Form of committee report is:

3. Method of receiving, approving or amending, and recording reports is:

**Board Meetings**

1. Format of the agenda for board meetings is:

2. Extent to which board members do their "homework" and are prepared for meetings is:

3. Quality of discussion at meetings is:

4. The division of time at meetings between routine matters of the institution and long-range planning is:

5. The division of time at meetings between day-to-day matters of the institution and long-range planning is:

**Relations with Management**

1. Understanding of the areas reserved for board decisions is:

2. Distinctions between Board Business and Administrative and Academic Prerogatives are:

3. The Board's working relations with administrative staff are: