Administration & Finance Section

e-communiqué

Spring 2003

From the Chair - Calling all Volunteers!

By Craig Combs

That's a scary way to start a column – calling for volunteers. If you're still reading, it's that time of year to seek nominations for our officers and council positions. Donna Fouste, our Nominations Committee Chair and Immediate Past Section chair, will soon be contacting you regarding nominations. We have three council seats that will become vacant at our next meeting in San Francisco and WE WANT YOU!! The Council members are At-Large and serve a two year term. The five council members serve as representatives of the Section and are considered to be really cool.

In the January newsletter I mentioned Sunny Seattle. I must be some kind of prophet because we had beautiful weather during the Mid-Year Meeting. Not only was the weather great, but the programming for the meeting was outstanding. Many thanks to the Program Committee chaired by New Hampshire Executive Director, Jeannine McCoy, the officers of NABE and the Division of Bar Services Staff.

I can't pass up this opportunity to mention the Technology Show. We had 83 attendees and, while it's hard not to be biased, I still think it was a pretty damn good event. Many thanks go to Julie Armstrong, Greg Derwart, Kari Hartman, Charlie Lorenzetti, Yvonne McGhee, Linda Oligshlager, Rod Wegener, Pat Dieken, Alice Paine, the gang at Microsoft, our speakers, our sponsors and all our exhibitors. Next up is our Annual Meeting in beautiful San Francisco. You should have received you registration materials in the mail. I hope you all will be able to attend.

In these stressful times we're living in, we all can use some humor. I hope you enjoy this caricature of me in my office.

Everybody take care and thanks again to Greg Derwart and Trudy Levindofske for putting together this newsletter.

- Craig

Buried Under Cyber Junk Mail

By Melissa V. Hansen

I just returned to work after a week's absence. (I had my tonsil out. Yes, just one.) Now I knew my e-mail inbox would be full. But I thought at least a quarter of the messages would be of some importance. Silly me. Add to that the inbox for my Yahoo! account - which I use as an alternate e-mail address for work-related newsgroups - and I'd say that out of approximately 150 messages, only 15 or so were of real importance.

The sheer number of e-mail messages I received should come as no surprise, since according to the E-mail Usage Forecast and Analysis, 2001-2005, the average daily number of electronic messages sent worldwide is expected to double over the next four years. That's because e-mail is one of the most convenient means of communicating, especially in the business world. I'll be the first to admit that I prefer to initially e-mail an interviewee for a story, rather than call him/her out of the blue to set up the interview. E-mail somehow seems less invasive than a random phone call because the recipient can respond when he/she has time.

As with any convenience, though, there are trade-offs. For e-mail, it's unsolicited bulk e-mail, more commonly referred to as "spam." No matter how careful you are about giving out your e-mail address, changes are good that you're going to get bitten by the spam bug.

Squashing Spam

While there is no magic formula to rid the cyber world of spam, there are some do's and don'ts that will help to slow down the surge of unwanted e-mail and keep your e-mail box from becoming an electronic danger zone.

Do use alternate e-mail address (free, web-based e-mail accounts are a good option) in public forums, for newsgroups and when shopping online.

Don't reply to mass e-mailings. Never give out credit card numbers or other personal information.

Do report suspicious messages to your network administrator.

Don't pass along spam to friends or colleagues.

Do protect your e-mail address. Share it sparingly.

Don't open attachments. Simply delete the message or forward it to your network administrator to check out.

Do look into a filtering program that weeds out or bounces back unwanted e-mail.

Don't use the message's "remove" command. Often, this won't get you off the spammer's list - but it will let the send know that the spam went to a valid e-mail address. Result: even more spam.

Do use spam reporting services, such as SpamCop (www.spamcop.net) to help put spammers out of business.

In addition to the irritation factor, there's another inconvenience that results from spam: It's made e-mail users quicker to use the delete button, even when messages are legitimate. So, to make sure your e-mail messages don't get dumped into somebody's recycle bin, commit the following four components of composing an e-mail message to memory:

1. Include a name. Start your message off by addressing it to a specific person. That way it will be clear that your message is not part of a mass emailing.

2. Be brief. Get the crux of your message across in the first two sentences. While you're at it, use the subject line to describe the intent of your message, e.g., "March 2002 financial report" or "Staff meeting at 3 p.m. Friday."

3. Make it personal. Avoid copying the e-mail message to

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Junk Mail

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anyone else. If it is necessary that the message be copied to multiple recipients, use a blind carbon copy (bcc) instead of a carbon copy (cc).

4. Reiterate your message. Include a postscript that sums up the point of your message. Often it's the P.S. that gets read, not the message.

Good luck, stay legal, and happy deleting!

Melissa V. Hansen is the Associate Editor for the Alexander Hamilton Institute, Inc., HR SoapBox. Reprinted with permission form the Alexander Hamilton Institute, Inc., 70 Hilltop Road, Ramsey NJ 07446. For more information, please visit www.ahipubs.com.

Recruiting Good Bar Employees

By Trudy Levindofske

A labor law attorney once said that the majority of employment issues could be avoided with the right hiring.

It is much easier to hire a good employee than to get rid of a "bad" one. But hiring a good employee takes some skill and time. Unfortunately, bar associations (at least local bars) tend to be thinly staffed. "Our bench isn't deep," has been said by more than one bar executive. So when an employee tenders his/her resignation, the knee jerk response is to get the position filled quickly.

I would suggest that filling open positions quickly is important, but finding the right "fit" will benefit the bar in the long run.

Consider Hiring /Promoting from Within

Take another look at current staff people. Perhaps someone on staff who has been doing an admirable job in one department may have some skills not currently being utilized. When a position opens up, it might be the opportunity to reward them for their dedication to the bar by giving them a chance at advancement. Since bar associations are such unique operations, don't underestimate the value of what your current employees have learned in their time working with you. It can often be easier to fill the lower level position left behind by the newly promoted employee. And they are often able trainers, eager to share what they've learned in their current job while looking ahead to moving on.

Place the ad where the best people are likely to see it

Don't rely too heavily on your local newspaper's help wanted section. There are talented people who search for jobs almost exclusively online. If the job entails marketing or PR, contact your local PR society and have an ad placed through them. If the job requires computer skills, be sure that the potential employees can email their resumes to you. Your bar's website is also an excellent place to list job openings.

Think Skill Set not Job Title

If you are hiring for an education or event coordinator, don't limit your recruitment to people who have had jobs with that title. Instead think of the skill sets involved and reach out to the hospitality industry, which has suffered quite a downturn and cut loose many skilled people.

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Recruiting Good Bar Employees

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Be Consistent During Interviews

Have a set of relevant questions ready before the interviews. Ask each applicant the same questions and make note of their answers. Keep a copy of the ad with you during the interview. Reference the ad during the interview to be sure you've accurately described the position. When you've completed your interviews, you will be able to compare the applicants' answers side by side and see how each measures up.

Be thorough when checking references

Although most former employers are carefully guarded in what they can and will say about former employees, it is still good to verify what information you have been provided. And some of the best information has come when I've asked the open-ended question, "Is there anything else I should know as I consider Mary for this position?" That is often when I hear that Mary was really wonderful to work with and we'd be lucky to have her as part of our team. And after all, that is what a truly good bar staff becomes - a team.

Trudy Levindofske is the Associate Executive Director for the Orange County Bar Association in Irvine, CA.

Putting Financial Benchmarking in Perspective

By Andrew S. Lang

Your association's leaders aren't the only ones with an interest in the organization's finances. Members, regulators, media, and researchers also often desire insight into the financial health and inner workings of associations.

Prompt, accurate answers to the following questions often satisfy the needs of both groups.

1. How financially healthy is the organization?
2. Do financial trends indicate trouble ahead?
3. How does the association compare with similar organizations?
4. Are dues and other payments such as conference fees being spent wisely and on things that benefit members? Are members getting their money's worth?
5. Is the association complying with tax laws and other regulations?

While only the third question explicitly calls for benchmarking—comparing information between organizations—the answer to each question is better put into perspective when there's something against which to compare it.

Common benchmarks

Some of the financial benchmarks used to evaluate associations include:

· **Ratio of net assets (or expendable net assets if some are nonexpendable) to expenses.** How many months' budget is there in the bank?

· **Ratio of member services expenses to total expenses.** Of every dollar spent, how much went toward member benefits versus overhead (management, new member solicitation, fundraising)?

· **Ratio of excess of revenue over expenses (change in net assets) to revenue.** How much is the association spending versus putting away for the future? Is the association better or worse off financially than it was before?

· **Ratio of revenue from an activity to costs of the activity.** Is the association making or losing money on the activity? How much? Compute for each major activity.

· **Budget to actual variance (for revenue and expenses).** How good is the association at creating realistic budgets and managing in accordance with them?

· **What percentage of revenue comes from** dues,

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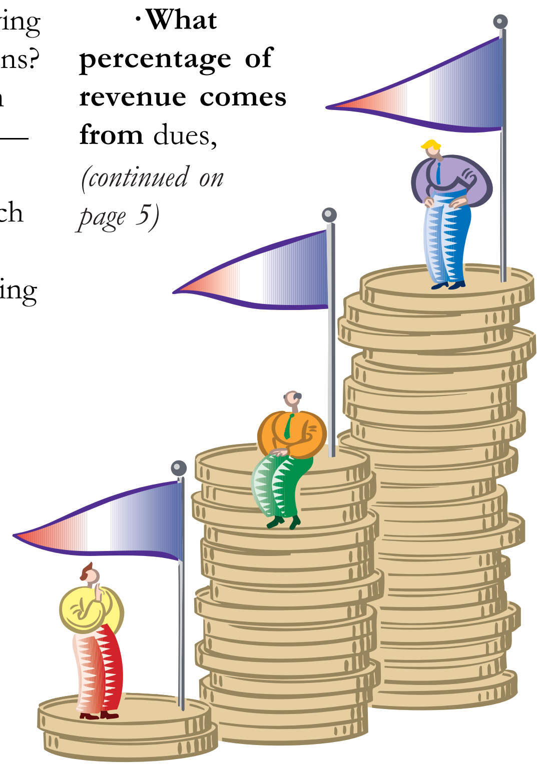

Financial Benchmarking

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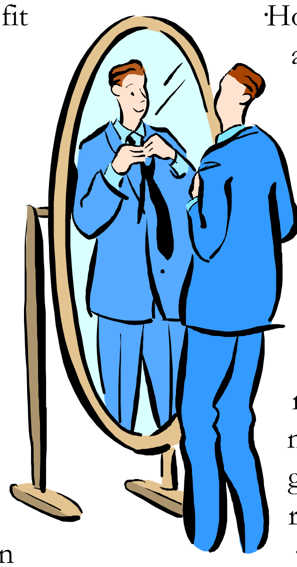
conferences, publications, other sales, grants, investment return, and so forth?

Most organizations, after choosing a benchmark to measure or track, use this to compare their operations with the operations of a similar organization. But benchmarking for nonprofit organizations can be challenging because obtaining relevant comparative data is often difficult, and comparing one organization against others, even those of a similar type, is not always meaningful due to intrinsic and environmental differences. Instead, comparing an organization to itself is often preferable.



Subjective focus

Another challenge is making sense of comparative data. It is in interpretation of the ratios that judgment appears. For example, in the first ratio, net assets to expenses, what is a "good" level of net assets? One month? Six months? Twenty-four months? There is no right answer for all organizations at all times.

Certainly all associations want to have reserves for rainy days or unexpected opportunities. An organization whose membership is expanding, is planning new activities, or is replacing fixed assets may want to accumulate resources, while one that is fairly static may not need as much.

In analyzing the benchmark, take a look at your association's unique situation to determine an appropriate level of reserves.

Consider the following factors:

- How seasonal is the association's cash flow? Will dry spells mandate larger reserves?
- How reliable are the association's income sources? If there's a good chance that some budgeted revenue may not come through, larger reserves are needed until new revenue can be generated or expenses reduced.
- How likely is it that other sources of cash would be available? Think about grants, loans (from a bank or from members), or proceeds from the sale of investments or other assets.
- Would creditors allow the association to delay payment? With long-term payments, such as mortgages, there's more financial flexibility.
- Is it likely that unexpected cash needs might arise?
- How easy would it be to reduce expenses without harming the organization?

By analyzing your association's situation, you can ensure that its financial state is thoroughly understood. Conduct a similar analysis for each benchmark used. Then use this information to help the board make decisions and put appropriate policies in place to protect the organization from financial problems.

Resources

- The Benchmarking Network: books, courses, and Web sites categorized by industry and process
- *Benchmarking Strategies: A Tool for Profit Improvement,* by Rob Reider (John Wiley & Sons, 1999)

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SARS at Work

The Centers for Disease Control has issued interim guidance encouraging those with possible exposure to SARS (Severe Acute Respiratory Syndrome) to limit interactions outside the home. Employers should be guided by normal sick and disability leave policies, including FMLA if applicable, when dealing with employees with exposure to SARS. Don't assume there has been exposure without justification. CDC has posted SARS resources on its website at www.cdc.gov/ncidod/sars/.