

# Administration & Finance Section **e-communicqué**

Summer 2002

## From the Chair

By: Donna Fouste

Boy, does time fly! It seems like it was only a year ago that we were in Chicago and Sam Clinch turned over the reins of the A&F Section to me...oh my...it was a year ago. Although it's hard to believe—yes—it is that time again for the annual meeting, elections, a new chair, and a glimpse into the future.

First, the Annual Meeting. With temperatures over 100 here in very sunny Southern California, the Omni Shoreham Hotel in Washington, D.C. sounds like a great place to cool off in August.

The wine and cheese reception on Tuesday evening, August 6<sup>th</sup>, is a mere prelude to the Administration & Finance Section breakfast the next day. Although my idea of a wine and cheese breakfast was nixed, there will be a sumptuous repast from 7:30 a.m. to 8:30 a.m. on Wednesday, in Congressional A on the lobby level. Please meet, greet and join you're A&F Section colleagues at our business meeting.

If that's not enough excitement for you in one day, there's more! At 10:45 a.m. in Congressional B on the lobby level, the A&F Section program will begin. From the experience of the D.C. Bar Association, we will all learn the principles of a 360-degree feedback process. Come learn first-hand how this employee development tool can help improve organizational culture from a panel who has "been-there, done-that." Produced by Charlie Lorenzetti, this cutting edge program will provide useful information for all of us as we



"Capitalize on Leadership."

Speaking of leadership, Sam Clinch, chair of the Nominating Committee for the 2002-2003 Administration & Finance Section, is now accepting nominations for treasurer and two council positions. If you are interested in being nominated for one of the available positions, please e-mail Sam at [sclinch@nebar.com](mailto:sclinch@nebar.com). The Council of the Section slate will be presented and voted upon at the conclusion of the Section's business meeting on August 7<sup>th</sup>, when your new chair, Craig Combs, will assume office.

Fourth, a glimpse into the future. We can see the future by looking back...back to our Section's tech show in San Diego, and into the future...our future

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### Section Leadership 2001-2002

Donna Fouste, *Chair*  
Craig Combs, *Vice-Chair*  
Fred Parker, *Secretary*  
Helen Druce, *Treasurer*

### Council Members

Rick Bannister  
Greg Derwart  
Pat Dieken  
Kari Hartman  
Charles Lorenzetti

Sam Clinch, *Immediate Past Chair*

## From the Chair

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tech show in Seattle. The powerhouse Tech Show Committee, under the leadership of our soon-to-be Section chair Craig Combs, is lining up programs for techies and non-techies to enjoy at the mid-year meeting in February 2003. Are there hot topics you want to learn about? A new product for associations you want to see? A "to die for" speaker you want to hear? Let Craig know! We all need to pitch in and make this a valuable and successful Section activity and a "must see in 2003."

Lastly (and unnumbered), I need to let you all know how supportive of our Section the



NABE Board has been, how wonderful, committed and hard-working our officers and council members are, and what a pleasure it was for me to be your Chair. A very special thanks to Charlie

Lorenzetti for producing our upcoming program, to Past-Chair Sam Clinch for producing our Philadelphia program, and to our other council members Rick Bannister, Greg Derwart, Pat Dieken and Kari Hartman for their commitment to our future program: Tech Show 2003.

An Oscar goes to Greg Derwart for facilitating communication among bar executives through the production of our informative and attractive *e-communicqué*. Thanks Greg, you

have done a superb job for us! Secretary, Fred Parker has documented our meetings with precision; Fred, you will be a hard act to follow. And for those of you who wonder, our funds are balanced to the penny because of the diligence and perseverance of our Treasurer Helen Druce. Helen with a balance sheet is a sight to behold. Helen, thanks for your dedication and support.

We are a very lucky Section to have Craig Combs as our incoming Chair. Not only does he have a vision for our Section, its activities and its future, he is an overall nice guy. Thanks Craig, for your support this year, and thank you Section members for allowing me to serve as your Chair. With Craig at the helm, the Tech Show on the horizon, and our dedicated Section leadership, I leave you in good hands.

## An Orientation for your Treasurer

*By Doris Fee, CEA*

An association treasurer plays a key role in providing oversight for the financial operations of the organization. The treasurer usually sits on the board of trustees or directors and is a member of the executive committee or other finance-related committees.

In addition to the financial oversight role, the treasurer often serves as a liaison to the board on financial issues. Depending on the industry the association represents, the treasurer may already have a thorough understanding of

the presentation of financial information. However, in most cases, the treasurer will need an orientation to the financial operations and financial statement presentation of not-for-profit organizations.

An orientation process will help each new treasurer understand the responsibilities of his or her position as well as the financial goals of the association. If possible, it is beneficial to hold the orientation at the association offices.

The orientation process in-

cludes an overview of association goals and objectives; a review of association programs, products, and services; and an overview of financial operations that includes an explanation of the difference between financial operations of for-profit and not-for-profit organizations. These three key elements will allow the treasurer to better understand the members to be served and how the organization's financial operations work.

While the sole purpose of for-

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## Treasurer Orientation

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profit organizations is to make a profit, not-for-profit organizations may conduct a program or service that generates a loss, but provides an important member service. Although, overall, the association will need to generate revenue to ensure continued operations and growth of the organization, serving members or an industry is usually the organization's primary goal.

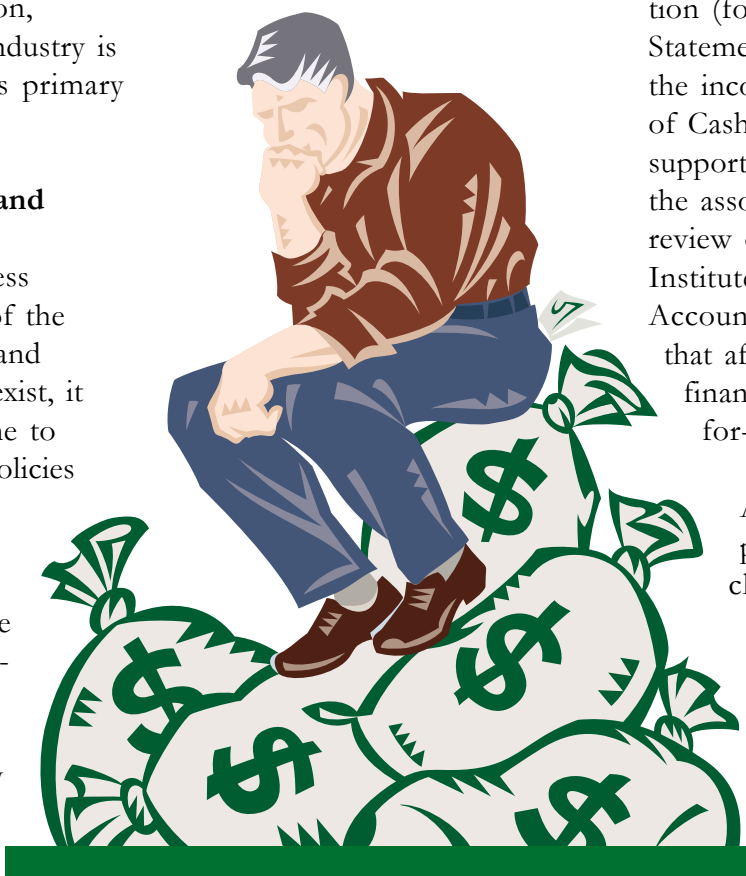
### Reviewing Investment and Reserve Policies

The orientation process should include a review of the association's investment and reserve policies. If none exist, it may be an opportune time to explore the creation of policies appropriate to the association's specific goals and objectives. A clear understanding of the difference between investments and reserves is of paramount importance.

An investment policy dictates how the cash and liquid reserves of the association will be invested. The policy should include what types of investments the association can purchase and who approves or authorizes the purchase and sale of investments. Investment policies should be reviewed and updated on a regular basis as the needs of the association and market conditions change.

A reserve policy dictates how

the net assets (reserves or fund balance) of the association will be allocated. Net assets represents the excess of assets over liabilities. Reserve policies vary widely from association to association and are specific to the philosophy for each organization. While one association may have a policy in place



that prohibits an excessive buildup of reserves, another association may build up reserves to fund future programs or operating expenses.

The reserve policy should include guidelines for classifying short- and long-term reserves. Short-term reserves applies to cash and liquid reserves that would be readily available if the need arises,

while long-term investments have longer maturity dates and are normally set aside to meet future needs.

### Reviewing Financial Information

The next step is to provide an in-depth review of the presentation of financial information. Financial reports to include are the Statements of Financial Position (formerly the balance sheet), Statements of Activities (formerly the income statement), Statements of Cash Flows, and any other supporting statements unique to the association. Also include a review of the various American Institute of Certified Public Accountants (AICPA) statements that affect the reporting of financial information by not-for-profit organizations.

Statements issued by the AICPA that affect non-profit organizations include:

Statement of Financial Accounting Standards (SFAS) No. 124: Accounting for Certain Investments Held by Not-for-Profit Organizations. This statement

requires that the financial statements of the organization be adjusted to reflect the current market value of the investments.

Statement of Financial Accounting Standards (SFAS) No. 116: Accounting for Contributions Received and Contributions Made. This statement requires

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## Treasurer Orientation

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that contributions received by an organization be classified as either unrestricted, temporarily restricted, or permanently restricted on the financial statements.

Statement of Financial Accounting Standards (SFAS) No. 117: Financial Statements of Not-for-Profit Organizations. This statement requires that the net assets of the organization must be classified into the following categories on the financial statements:

- 1) Unrestricted net assets—net assets that are not subject to donor-imposed stipulations.
- 2) Temporarily restricted net assets—net assets subject to donor-imposed stipulations that may or will be met either by actions of the organization or the passage of time.
- 3) Permanently restricted net assets—net assets subject to donor-imposed stipulations that they be maintained permanently by the organization. Generally, the donor of these assets permits the organization to use all or part of the income earned on related investments for general or specific purposes.

A review of the Statements of Financial Position will provide the treasurer with an understanding of the assets and liabilities of the association. The review of the Statements of Activities will provide information about the income and expenses of the association by program or fund areas. Any large variances between the actual year-to-date operations and

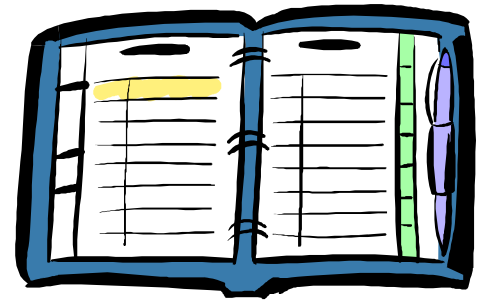
budgeted or prior-year totals requires an explanation.

### Industry Trends

Finally, to determine how the association compares to other organizations, the treasurer and staff should refer to a not-for-profit industry report such as ASAE's Operating Ratio Report (ORR). This report is produced every three years and provides operating ratios on key association operations categorized by association size. The ORR serves as a valuable tool in assessing how the association's operations compare to other similar-sized organizations. Treasurers from the for-profit environment will especially appreciate this special review to help them better understand the difference between for-profit and not-for-profit financial trends.

The more knowledgeable the treasurer is, the more likely he or she will be able to respond to questions or concerns that may be raised by board members or members of the association. Serving as treasurer of the association is an important role that should result in an educational and rewarding experience for the individual.

*Doris Fee, CAE, is president of, Blue Ridge Business Consultants, providing management consulting services to associations to improve their financial and business operations. Fee is a member of ASAE's F&A and Executive Management sections.*



## Five new ideas to increase your available time

*By: Dr. Donald E. Wetmore*

Time is the great equalizer for all of us. We all have 24 hours in a day, 7 days a week, yielding 168 hours per week. Take out 56 hours for sleep (we do spend about a third of our week dead) and we are down to 112 hours to achieve all the results we desire. We cannot save time (ever have any time left over on a Sunday night that you could lop over to the next week?), it can only be spent. And there's only two ways to spend our time: we can spend it wisely, or, not so wisely.

We can effectively increase the amount of time available to us each week by working "smarter" rather than working "harder". In my twenty years as a full-time Professional Speaker on the topic of Time Management, I have noted five sure-fire ways to make an immediate impact on increasing our available time each week.

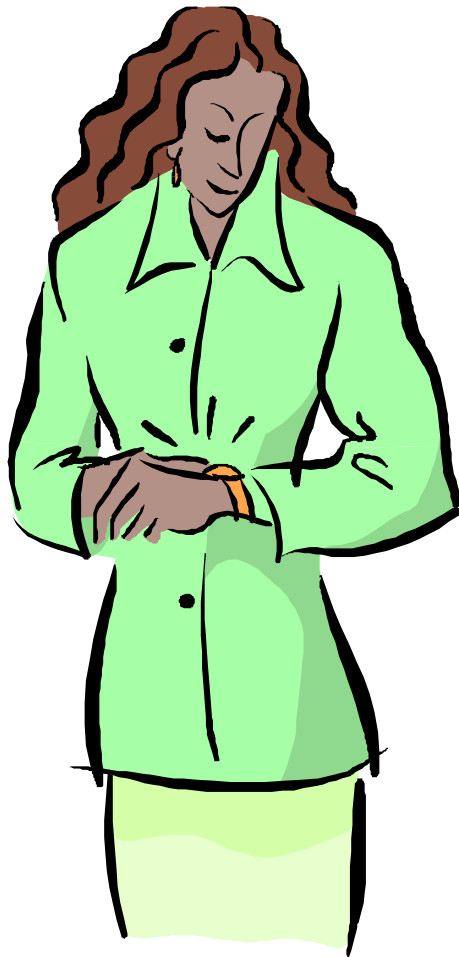
- 1) Engage an intern. Most high schools and community

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## Increase your available time

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colleges offer intern programs for their students. The student is assigned to a real-life organization for 10-20 hours per week. They are typically unpaid but do earn



academic credit and make great contacts and the organization gets an “extra pair of hands”. The person who is assigned the intern can now delegate any number of things to the intern to free up their time for more productive matters. It’s a “Win-Win” deal for both.

2) Run an Interruptions Log.

It would be great if we could plan our day the night before and then make that plan happen as scheduled. The real world is different. We have to deal with interruptions. Interruptions are unanticipated events that come to us via the telephone (any of the electronic stuff: beepers, pagers, email, etc.) or in person. Many interruptions are important and are what we may be paid to handle. However, many interruptions have little or no value to our responsibilities. Run an Interruptions Log for about a week. List every interruption as it occurs and rate its value to you. A=Crucial, B=Important, C=Little value, D=No value. After the week of logging them in, review the list and take action to eliminate the repetitive C and D interruptions and re-capture some wasted time.

3) Run a Crisis Management Log. Crisis management for the most part is when the deadline has snuck up upon you and robbed you of choice, you have to respond and you are a slave to the clock. Crisis management is generally poor time management because you’re rushing, the quality of your performance suffers, your stress level is elevated, and, most important, you are often having to go back and re-do what was done in the first place. “If you want to manage it, measure it.” Run a Crisis Management Log for a week. After encountering every crisis, log it in on a piece of paper. After a week of accumulating the data, go back through every crisis that occurred and ask yourself, “Which one of these could have

been avoided?” and start to take corrective steps to stop their reoccurrence and buy back some “smarter” time for your weeks ahead.

4) Become a Speed Reader. The average person reads about two hours per day at a rate of about 200 words per minute. (We get more information exposures in one day today than people in the year 1900 received in a lifetime.) Speed-reading is a simple skill that is easy to learn and improves with consistent practice. The average person can easily double their reading rate and thereby cut their reading time in half or double the volume of reading material they can go through in the same amount of time.

5) Do Daily Planning. “A stitch in time saves 9.” Every grandmother knows this. Every minute of planning will save you nine minutes in execution. Walt Whitman, the poet, said it best; “The most powerful time is when we are alone, thinking about what we are to do.” Daily Planning helps us to focus on what is really crucial and important in our day to come and permits us to identify time wasters in advance to avoid them and use that time more productively.

*Dr. Donald E. Wetmore is available to conduct Time Management Seminars at your location helping your people get more done in less time, with less stress. For more information, contact Don via email at [ctsem@msn.com](mailto:ctsem@msn.com) or call him at 203-386-8062.*

## Simple Job Analysis

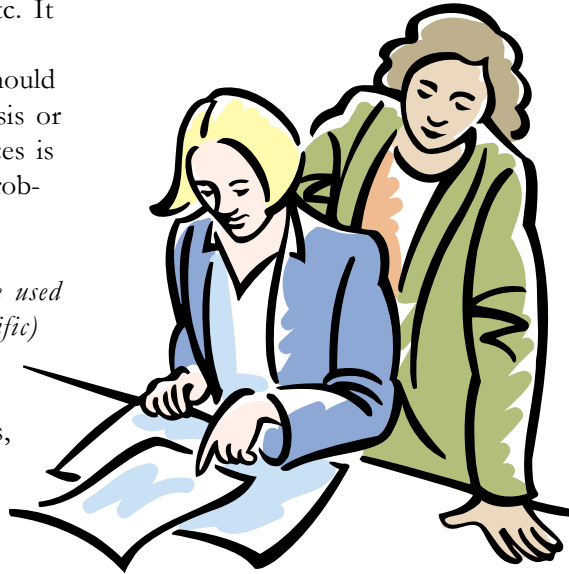
Job analysis is the systematic analysis of an existing or proposed position or group of positions within an organization. Understanding and being able to perform good job analysis is an essential human resource function forming the basis of selection, promotion, training, etc. It is the best way to establish what exists, what is good, and what should be changed. Without a job analysis or needs assessment, human resources is a stab in the dark, at best, and probably a waste of time and money.

*Practical Job analysis which can be used anywhere (more artful than scientific)*

### Getting ready

Review previous job analysis, if any exists. Read any recruitment information such as newspaper advertising and brochures/information given to past applicants. Gain a basic understanding of the current and possible reporting and working relationships between this job and other jobs. In the case of a new job or positions that have not existed in the organization before, make sure you understand the reasons for the position from the person in highest authority over the position. (This will save you a lot of trouble with regard to office politics.) Always begin by asking a job incumbent or supervisor to list the duties of the position, and then to indicate which are the most important by ranking them to indicate the most important task. Then ask them to indicate the five or so duties they spend the most time performing. (These are not necessarily the same.) Some people stop here. This is acceptable. In the hands of a good analyst this small job analysis can support several personnel decisions.

**Data gathering methods observation:** Stand and watch one employee work. This is best used for manufacturing jobs and jobs which are easily discernible by merely knowing what a person physically does.



**Desk audit:** Go to the persons work location and ask them to walk you through their most important and most frequent tasks. This is a good way to analyze clerical and technical positions.

**Conduct individual or group interviews to clarify tasks:** Get a group of your best performers together in a room where they can't accept telephone calls. Ask them to explain why certain tasks are more important than others and how tasks are performed. This approach is best used for managerial and supervisory positions or in conjunction with a desk audit when there are several positions and you want to make sure you do not miss anything. It tends to yield very good selection (criteria for choosing new employees) information.

**Questionnaire:** Use this approach

when there are several positions, and it is not feasible to bring several employees together for an interview. One should prepare the questionnaire by conducting one or more desk audits, brainstorm sessions or interviews. Because questionnaires can be designed to gather different kinds of information they are also good at clarifying information gathered in brain storming, desk audits or during previous job analysis.

**Diary:** Ask one or more incumbents to keep a diary of duties noting the frequency of the tasks performed.

**Critical incidents:** Ask one or more incumbents to brainstorm (if there is only one person you will have to participate in the brain storming) about critical incidents that happen routinely and infrequently while working. Separate these into two lists. Generate one list of incidents indicating good or excellent performance and one that indicates poor performance. This approach is excellent for determining training and selection strategies. The results lend them self to meeting discrimination complaints concerning selection choices where the person chosen clearly possesses the skill and knowledge to perform the most critical duties indicating success on the job. The analyst will have to extrapolate a list of duties to be performed from the incidents.

**Take a video tape recording of job performance:** This is a good approach because it can be watched over and over again to perform analysis and because it can be pulled out later to reevaluate. Having such a tape is excellent when determining ADA accommodations.

**Review of records:** Review records of work such as maintenance requests and make a list of requested repairs.

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## Job Analysis

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In this situation it is important to take representative samples so that seasonal variations in work requests do not mislead. This is a good approach for such jobs as mechanic or electrician. The kinds of repairs being performed and, thus, the duties being performed most often can be itemized. However, this approach could also be used for computer programming and computer troubleshooting jobs in which incumbents have records of work requests or work completed.

### Data to be gathered

The data to be gathered is dependent in large part on the purpose of the analysis. Information about training needs requires information about the transaction of the work so that the trainer can determine the critical skills and knowledge that must be improved. Selection decisions require the same information usually on a broader scale. A lot of information can be inferred from well-written task statements.

### Examples of information which can be gathered:

- list of tasks
- list of decisions made
- indication of results if decisions are not made properly
- amount of supervision received
- supervision exercised
- kind of personnel supervised
- diversity of functions performed by supervised staff
- interactions with other staff (description of the staff interacted with)
- physical conditions
- physical requirements (i.e.: how

heavy are the objects that are lifted; how much stooping and bending is conducted and under what conditions)

- software used
- programming language used
- computer platform used
- interpersonal contacts with outsiders (customers)
- interpersonal persuasive skills or sales skills
- amounts of mental or physical stress
- necessity to work as a team member
- needed contributions to a work group
- authority or judgment exercised
- customer service skills

**Note:** It should be understood that collecting all possible information is impossible with just one data gathering method. It is best to think of job analysis as a process of gathering information with various methods to use as tools to glean insights and information. This understanding is very important in organizations, which have a strong developmental or training component. In this case it is best to start out gathering the basic information, then add other methods in an effort to gradually put together an entire picture.

### Results

At the very minimum you should have a list of tasks and duties with some information regarding their importance to the overall performance of a satisfactory employee and an indication of the frequency these duties are performed. The analyst (person conducting the study) should be able to describe the

basic concept of the job and extrapolate working conditions, skills and knowledge needed to perform each task, and minimum qualifications to be stated in recruitment brochures.

### Some uses for a job analysis

The most important use of job analysis is to produce a job description that can facilitate basic human resource problem solving. The second is to provide employees and supervisors with a basic description of a job's duties and characteristics, and whether certain positions have any common characteristics. When pay is closely associated with levels of difficulty, these descriptions will help foster a feeling of organizational fairness related to pay issues.

Other important uses for a job analysis are (some are related to the two above):

- indicate training needs
- put together work groups or teams
- provide information to conduct salary surveys
- provide a basis for determining a selection plan
- provide a basis for putting together recruitment
- describe the physical needs of various positions to determine the validity of discrimination complaints
- as part of an organizational analysis
- as part of strategic planning
- as a part of any human relations needs assessment
- as a basis for coordinating safety concerns

*Provided by HRZone, a human resource information website, located at [www.hrzone.com](http://www.hrzone.com) providing information and resources to help the HR professional and business owner. Read articles about organizational effectiveness, HR basics, and law as well as lots of links to other resources on the web.*



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