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Welcome to Our First Newsletter!

We're delighted to present you KrasnePlows' inaugural e-newsletter, where we will present what's happening, trends we see in the nonprofit sector, tools you can use, and tips and experiences we think might be useful. Feel free to share this issue with your friends, associates and fellow board members. Send us your feedback and suggestions for future issues. We also invite you to visit our updated website, www.krasneplows.com, to read more about KrasnePlows and the impact of our work.

News: KrasnePlows Board Governance Article Featured on CharityChannel.com

Charity Channel recently published our two-part article, "The Special Role of Nonprofit Board Members". In the wake of Sarbanes-Oxley, many have written about the importance of good procedures and policies. Experience has shown us time and again that tools are not enough; rather the board members shared perception of their roles and responsibilities is key. In our article, we examine the different roles board members can play volunteer, advisor, special interest representative, ambassador, manager most importantly, fiduciary. We go on to explain the special responsibilities a fiduciary of a nonprofit organization has and why. To read the article, click on "Read More" below.

The role board members play is a key ingredient to board effectiveness [Read More](#)

Tools For Success: Helping Boards Understand Those Dreaded Financial Reports

Have you ever seen that glazed look come over board members when the treasurer's report is presented? Ever wonder why nobody ever asks any questions? An Executive Director of a complex social services agency saw that stare once too often. We recently gave an hour-long presentation to her board on "Understanding your Financial Reports" as part of a daylong retreat. No, it wasn't the usual let's walk you through your income and expenses, or Accounting 101 With her consent, we introduced new reports that grouped the agency's numerous programs into meaningful clusters and included non-dollar details, like the number of program participants vs. the available capacity. Most useful, in the Statement of Activities, we first listed only government revenue, then each program's operating expenses, the resulting deficits, and finally fund-raising contribution and any earned income. Suddenly her seasoned board understood a key reality of the agency: government contracts alone were not sufficient. Even the best-funded program ran deficits. With that, the board became more engaged in fiscal and program issues and realized how critical their fund-raising role was.

Presenting information that clearly reflects the "business" of your nonprofit in just the right detail reveals where and how strong your organization really is. [Read More](#)

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Transitions: The Ugly M(erger) Word

A funder came to us recently when he knew a grantee had been approached about a potential merger. The opportunity was exciting, but the ED was stretched already, overseeing a major capital renovation. Mergers are always complex, often have surprises, and take a lot of management and board time, so it helps to bring in experts with prior merger experience. Working with our affiliate, The LaGreca Company, we structured, then conducted a due diligence review. We worked with both organizations, analyzed programmatic and funder overlap, financial and cultural issues, potential risks, recommended how to restructure a combined organization, and identified the key decision issues for the Executive Director and board of the larger organization. Ultimately, we helped structure the joined organization, and soon will turn our attention to achieving a successful implementation.

We believe the nonprofit sector will see more and more mergers as competition for funding increases and executive directors begin to retire. [Read More](#)

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Good Governance Indicators

Governance Matters recently launched its new Governance Indicator Guide. Although it was developed for grantmakers to use with their funders, it is an excellent tool to assess a nonprofit's governance practices. It posed a series of questions along with identifying best practices in 9 areas:

- Board Effectiveness
- Board Operations
- Strategic Planning
- Program Effectiveness
- Funding Stability
- Financial Oversight
- Constituent Voice
- External Relations
- Organizational Evaluation

Go to GovernanceMatters.org and take a look.

