Management of Non-Profit Organizations

Will Your Association Protect You?
By Robert C. Harris, CAE

With responsibility comes risks and liabilities for staff. The question herein is whether or not the association would protect you if something went wrong under your authority?

An organization is more likely to come to the aid of staff when systems and precautions have been implemented. Thus, good managers focus not only on meeting goals and objectives but also on developing systems to protect staff.

Here are a few practices to safeguard the staff and organization. Be sure to consult with your legal, accounting and insurance professionals for advice.

- **Minutes** – The minutes record important aspects of a meeting, such as who is in attendance, disposition of motions and times of the meeting. They can protect staff by indicating who was at the meeting. For instance, if the discussion were to get off the agenda and violate an antitrust law, the minutes can reflect that staff asked the conversation be halted and that they left the meeting at a specific time.

- **Agendas** – A carefully crafted agenda, distributed in advance, helps everyone understand the objectives of the meeting and how to best prepare. The agenda serves to keep discussion on topic.

- **Antitrust Advisory** – It is wise for staff to distribute an antitrust statement advising the leadership how to avoid violations. Record this in the minutes at least annually; in case you are called to testify it may be a defense for staff. Consider budgeting funds to have an attorney at meetings or at least available to staff for counsel.

- **Orientation** – An annual board orientation familiarizes leadership with responsibilities and risks. By providing a briefing and accompanying manual, board members better understand their responsibilities and the distinction of staff roles.

- **Apparent Authority** – The concept deals with the fact that the elected chairman and chief staff officer, have specific authority for the organization. Briefing board members, committee chairs and chapter officers about overstepping their bounds of authority will reduce risk. A firm policy on stationery and logo usage, upheld by staff, further reduces risk of unauthorized statements being made.

- **Insurance** – One way to protect staff and the organization is with insurance. While risk avoidance is the best practice, having general liability, directors and officers, fidelity bonds and meeting cancellation serve as protection.

- **Job Descriptions** – Whether described in the contract or staff job descriptions, having a guide to responsibilities help limit liabilities. Staff should know exactly what they are responsible for as described in contracts, job descriptions, bylaws, policy manuals and employee handbooks.

- **Sexual Harassment Policy** – Associations are increasingly including a sexual harassment policy not only for staff but for volunteer leaders as well. Having a policy, and a procedure for handling harassment charges, will go a long way to protecting all parties (and discouraging the misconduct).

- **Computers and E-Mail** – Staff may be protected if policies are in place regarding software and computer usage. So long as staff understands that computers, software, and storage systems are property of the organization, problems should not arise. Most association software requires proof of licensing and no staff should introduce software (load or download) without approval. E-mail messages are property of the organization and should be treated as such and noted in a written policy.

- **Documentation** – One of the best defenses for staff is documentation and back-up. If you have proof of a letter advising a committee not to take an illegal action, or suggesting proper procedures, then staff has some protection. Documentation may take the form of reading files, hard-drives, and policies, for example.

- **Audits** – An annual financial audit conducted by an independent CPA protects both...
After an audit is approved by the board, it is like starting with a clean financial record. Similarly, legal audits assure that risks are minimized in items such as contracts, minutes, standards and surveys. Both types of audit serve to protect staff and association. (Be sure the board has a say in the selection of any auditor to avoid a staff bias or special relationship.)

- **Financial Reports** – Prepare and distribute financials monthly, whether or not the treasurer requests them. A financial report reveals activities and income through line items, allowing the leadership to confirm that costs are consistent with a budget and strategic plan. Irregularities can be identified quickly when reports are distributed frequently. Record the fact that financials were presented in the meeting minutes.

- **Strategic Plan** – One way to stay focused and avoid distractions is with a board adopted strategic plan. By “working the plan” staff is assured of being on course and has affirmation that the work fits within the plan.

Staff members can safeguard themselves while being excellent association managers. Use these suggestions, and your own practices, to insure that your association will protect you.

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