



SAN LUIS OBISPO COUNTY COMMUNITY FOUNDATION

## New Year's resolutions apply to nonprofit

By Barry VanderKelen

The three most popular personal New Year's resolutions are to get fit, save money and spend more time with family and friends. The same resolutions can apply to nonprofit organizations.

### Get fit

This is a good year to sort through files and records and to get rid of stuff that is no longer needed. First, though, have a document retention and destruction policy. Such policies will guide decisions to keep, recycle or destroy.

There are laws that apply to some records and best practices that apply to others. Some records, such as past audits, financial statements and board of directors meeting minutes, must be kept forever.

Other records, such as performance reviews of former employees, should be destroyed soon after the person leaves the organization. Notes of old projects can be recycled if they contain no donor or personal information. Samples of record retention and document destruction policies are available at [www.boardsource.org](http://www.boardsource.org). The key to managing records and documents well is to have them all in an appropriate place. It may be that some records are in the garage of a current board member, and others are in the attic of

a past president. Find all the records and documents, and sort through them based on your newly adopted or revised policies.

### Save money

In what ways can your organization accomplish its goals by spending less money or negotiating better contracts? Such efforts as resetting the thermostat for reduced heating and cooling during off hours and buying office supplies in bulk all add up. I know of one nonprofit that stopped sending donors personal year-end giving summaries that saved staff time, stationery and postage.

Ask your board or staff to look at your operating budget with an eye towards leveraging your money better.

The number of comments I heard over the past month about the many Christmas cards people received from nonprofit organizations surprised me.

One person asked, "Is that why I'm giving them money?" At the same time, there are people who like receiving the cards. During the first two months of the new year, nonprofit staff should ask a random sample of their donors about the value of Christmas cards. This may

be a project that can be reduced or ended.

### Spend more time with family and friends

A secret of nonprofit organizations is the amount of extra time employees donate to the organization.

Small staff sizes, increasing expectations for programs and services, and pressure to keep operating budgets tight contribute to staff working extra and uncompensated hours. This year, resolve to use your OT — "own time" — for yourself. If more staff needs to be hired, then hire more staff.

Many nonprofits give staff "comp time" rather than overtime pay.

This practice is illegal in California. It is one way that nonprofits keep their operating expenses low and thus keep a low expense-to-revenue ratio, what is commonly called overhead or administrative expenses. This is one more reason why I argue that measuring the efficiency of nonprofits only by the amount of overhead is the wrong unit of analysis.

These resolutions, if sustained throughout the year, will improve the effectiveness and efficiency of nonprofits.

### Resource Use

- Support nonprofit leadership
- Board development/training
- Strategic planning

### Nonprofit Business Column of The Tribune

The San Luis Obispo Tribune publishes a column every other week in the Business section dedicated to the business practices of nonprofit orgs. Barry VanderKelen, Executive Director of the San Luis Obispo County Community Foundation writes the bi-

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