Key focus areas for

Growing Organizations

Episode 2: Financial & Legal Infrastructure

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ABOUT RIVER NETWORK

River Network grows and strengthens a transformational national network of water, justice, and river advocates.

We envision a powerful and inclusive movement that ensures abundant clean water for all people and nature to thrive. We believe that joy and hope for our planet flows through our rivers.

Meet the network and search our Water Protectors Map on our website!

rivernetwork.org

IN PARTNERSHIP

This work is produced by River Network with collaborative support from the Hudson River Watershed Alliance.

The production of these resources has been funded in part by a grant from the New York State Environmental Protection Fund through the Hudson River Estuary Program of the New York State Department of Environmental Conservation.

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ORG GROWTH CHECKLIST

For established / growing groups

COMMUNICATIONS / MARKETING

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- ***What are the key messages your group wants to communicate with the public AND are these messages aligned with your mission statement?***
- ***Who speaks on behalf of the organization / whose voice is represented?***
- ***How do you define the reach of your communications (is there a key audience)?***
- ***Where can staff/volunteers access marketing assets (logo, boilerplate language, branding guidance, images)?***

River Network published an Inclusive Communications Guide - use it to better understand how your communications can be more accessible, welcoming, and ethical.

FINANCIAL & LEGAL INFRASTRUCTURE

When an organization starts receiving more funding and/or engaging more community members, there are additional financial and legal risks. Thinking through how to manage additional resources and risk is a statutory task for an organization's leadership team.

- ***Does the organization carry insurance, or is it listed as additionally insured on another group's insurance policy?***
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LEADERSHIP: POLICIES & PLANNING

Various elements come together to ensure smooth and sustainable leadership transitions: managing workloads, in-filling capacity, handing off information and duties, and more can be anticipated and well-planned for.

- ***Does the organization have by-laws that name how leadership is added or removed from the organization? Or, that name a succession of leadership?***
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EVALUATION SYSTEMS

Evaluation is an often overlooked tool when considering workplanning and leadership needs. Having a way to constructively evaluate the organization's progress toward its mission, its leadership, and its value in the community will help guide work and identify needs in the future. Evaluation metrics also support fundraising and engagement goals.

- ***How are you tracking progress made toward the organization's mission?***
- ***What metrics help you understand the organization's impact?***
- ***What questions help you understand the effectiveness of your leadership team?***
- ***How are volunteers or staff being evaluated to understand their impact?***

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COMMUNITY ASSESSMENT

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TOPICS TODAY:

- Defining and assessing "risk"
- Types of risk for groups and orgs
- Ways to manage risk

DEFINING RISK

TYPES OF RISK

General Liability

Financial

Reputational

Transitional

Accidents/Disasters

WAYS TO RESPOND

Assume & accept

Assume & Control

Decline & Transfer (Share)

Avoid

TYPES OF RISK

GENERAL LIABILITY	FINANCIAL	REPUTATION	TRANSITION	ACCIDENTS DISASTERS
Assume & Accept	Control or Transfer/Share	Control or Avoid	Control	Assume & Accept
Insurance Policy	Internal Controls	Strong Communication	Records & Management	Insurance Policy

ASSUME & ACCEPT

Insurance

Basic Liability

"Additionally Insured"

NONPROFITS®
INSURANCE ALLIANCE
A head for insurance. A heart for nonprofits.

CONTROL

Documentation

Waivers

Updated SOPs

Standard Operating Procedures to address...

- When/how to secure liability waivers, and where/for how long they're stored
- Who speaks on behalf of the organization
- When to take a stand on a policy or advocacy issue
- Who has access to financial records and information, and how/when it's shared with others
- Document management

NOTES ON DOCUMENT MGMT

Online / Cloud-Based Sharing Systems

WHO?
WHAT?
ACCESS LEVEL?

Passwords & Authentication

WHO?
WHAT DEVICE?
SECURE STORAGE

Sensitive Information

WHO?
WHERE?
SECURE STORAGE

PROMPTS FOR FINANCIAL CONTROL

1. Who gets funds where they need to go?
2. Who has access to financial records?
3. Who has the means of performing transactions?
4. Who is responsible for tracking funds (bookkeeping) and who do they report that information out to?
5. How often are basic financial tasks being completed, and who is ensuring they are done?
6. If an external contractor or other support person is involved, what kind of accountability structures are in place to ensure accurate delivery of their services? (Transfer of liability)

CONFLICT OF INTEREST

DEFINED AS

"A situation in which a person or organization has competing personal, financial, or professional interests"

ADDRESSED BY

Conflict of Interest Policy & Form

Outsourcing/contracting tasks outside of the group

BoardSource

Sample Conflict-of-Interest Policy

CONFLICT OF INTEREST: KEY ELEMENTS, PRACTICAL TIPS, AND SAMPLE POLICY

A conflict of interest exists when a board member or employee has a personal interest that may influence him or her when making a decision for the organization. While the law focuses primarily on financial interests and provides some guidelines, nonprofit organizations contend with a variety of potential and perceived conflicts of interest, only some of which may be detrimental to the organization. The key for nonprofit boards is not to try to avoid all possible conflict-of-interest situations, which would be impossible; rather, boards need to identify and follow a process for handling them effectively.

Both board members and employees must abide by conflict-of-interest policies. Generally, conflict-of-interest policies should clarify what a conflict of interest is, what board members and employees must do to disclose possible conflicts of interest, and what board members and employees should do to avoid acting inappropriately if and when a conflict of interest does arise. How an organization ensures open and honest deliberation affects all aspects of its operations and is critical to making good decisions, avoiding legal problems and public scandals, and remaining focused on the organization's mission.

Key Elements

- Every organization needs a conflict-of-interest policy. Remember, conflicts of interest are not uncommon and not inherently illegal. Rather, they create situations that need careful attention and a process for handling them appropriately.
- Conflicts are not only financial in nature. Issue conflicts (for example, if a board member takes a position or supports another organization that is counter to the organization's mission and principles) may have to be addressed as well.
- Conflict-of-interest policies should be applicable to the board and key staff, at a minimum; they may also include other employees and key constituents with influence over the organization (e.g., major donors).

AVOIDING RISK

POLICY & ADVOCACY

- Is it mission-aligned?
- How is it funded?

PARTNERS

- Are they values-aligned?
- What else do they support?

FUND-RAISING

- Who holds the funds?
- Communications plan?

RECAP

- Defining and assessing “risk”
- Types of risk your group might engage with
- Ways to manage risk

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THANK YOU!

Find more information at **www.rivernetwork.org**

Explore membership, resources, and join our newsletter & online community!