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FOCUS

ON ACCOUNTABILITY

First Quarter 2008



THE President's Pen

by Ken Behr



Right-Sizing Your Organization

In the 1980s, a General Motors' personnel manager came up with the term "right-sizing" because it sounded gentler than "downsizing." The fact is, though, all organizations need to be "right-sized" and it doesn't have anything to do with downsizing.

To avoid financial and personnel issues, organizations must employ the same policies, practices and procedures as other organizations of the same size, whether non-profit or for-profit. Ultimately, this approach will also help them avoid accountability and integrity issues. Nonprofits often believe that since they are mission oriented, they don't need the professional and business practices of for-profit organizations.

Nonprofit organizations and churches do grow, though, and they get into trouble when they don't implement practices that are commensurate with other similarly sized organizations. At ECFA, we spend much of our time and oversight in

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by Atul Tandon,
SVP for Donor
Engagement
World Vision

Spanning the Gap Between Your Organization and the Donor



Fifteen miles due south of our World Vision headquarters is the Tacoma Narrows Bridge near Tacoma, Washington.

With a total length of 6,000 feet, dual suspension bridges stand majestically over the Puget Sound. It is a reflection of human ingenuity and progress.

Turn back the clock 67 years to a blustery November morning in 1940, and we find a different picture of the original Tacoma Narrows crossing. Instead of a towering achievement, we would see a bridge, sometimes called "Galloping Gertie," breaking apart in winds that whip through the Sound's passages.

What do bridges have to do with an organization being accountable to its donors? Building—or destroying—bridges between beneficiaries and donors is what nonprofits do every day. Bridges of caring, compassion, and a shared cause, or distance, disappointment, and distrust.

The winds that shake your structure can come in the form of a negative public perception that nonprofits are not using funds wisely. Or, it comes in the form of donor dissatisfaction when nonprofits do not communicate the impact the funds have made or do not see the donor as a stakeholder.

With accountability before God and stewardship before the public, Christian nonprofits need to place a great emphasis on investigating and improving the structure of our

bridges to donors. Ask yourself: Is your bridge to the donor another "Galloping Gertie"?

Weakness in the blueprint. Several years ago at World Vision, we realized we had our own design flaws, regarding the way we connected with our donors. We were financially sturdy, with a double-digit growth rate, increasing yield-to-ministry numbers, increasing numbers of donors, new

“With our attention completely focused on those we serve, we had inadvertently turned our back on the donor.”

e-giving vehicles that were widely successful, and a strong public presence.

On the other hand, closer examination revealed donor satisfaction scores that remained stagnant at 80.7% since June 1993 and a relatively high attrition rate of our prized child sponsors. We were an organization knee deep in the weeds of our mission, striving to help the world's needy children. However, with our attention

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Right-Sizing

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the financial realm; we speak often of financial controls. However, there is more to it. Human resource practices and the policies dealing with a non-profit's employees are also often underdeveloped, especially as a non-profit begins have more staff, both full- and part-time.

A lot of media attention is paid to the growth of the mega-churches, which tend to be independent rather than aligned with a particular denomination. Specifically, six television ministries have been the subject of both government and media inquiry. I've had the opportunity to provide some perspective into these inquiries and have expressed the opinion that integrity issues are likely related to this issue of right-sizing. These types of problems are not related to a particular Christian movement or type of ministry but rather are more likely a matter of burgeoning size and not having a healthy attitude towards professional business practices.

When ministries grow, they are more than likely personality driven. Often the founder/leader is a very charismatic person who powerfully propels the ministry forward. Typically, these gifted leaders are not trained in the professional skills and best practices needed for governance, financial accountability, internal controls, and human resource issues of taxes and employee compensation and benefits.

The vast majority of nonprofits and churches are relatively small—75 percent have less than \$500,000 in annual income according to the IRS; the average church attracting fewer than 90 adults per weekend. Plenty are larger organizations, however, and those that try to run their business via a “seat-of-the-pants” approach are looking for trouble. These more sizable organizations need to right-size their policies, practices and procedures to ensure that they are literally “taking care of business.”

Bridges

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completely focused on those we serve, we had inadvertently turned our back on the donor.

We started our own engineering effort to rebuild our bridge in three specific phases, addressing our donor promise, donor engagement, and donor transformation. Along the way, we created what we call the “10 Commandments of Donor Commitment.” These commandments (or “tenets”) were built through a process of scripture search, reflection, internal debate, and taking into account board policies as well as public standards of organizations like ECFA.

The donor promise. One side of the bridge is built on what fundraisers tell donors, and its span consists of living up to those promises. A misunderstanding within a group of donors will take a soft breeze and whip it into a gale.

• **Commandment #1:** *Be accurate, complete, current, and relevant in all communications with supporters. Focus messages on the healing and holistic nature of God's love.*

It is important for teams within an organization to ensure all mission details regarding programs are correct in fact. Such items are key structural elements. Specifically, quotations by donors or recipients should accurately represent an original conversation—and should not be invented. Photographs and story resources should be appropriate to an appeal and not outdated. For instance, World Vision's policy for using photographs states that we won't use an image more than three years old unless it meets very strict criteria or is iconic regarding our work or history.

• **Commandment #2:** *Convey realistic expectations of how a supporter's gifts of time, talent, treasure, and/or influence will be used.*

Appeals for funds should generate in the donor's mind an expectation reflecting the reality of the work in the field. This is true both of the nature of the

ministry (what will happen) and the impact of the gift (how much can be accomplished with a particular amount).

• **Commandment #3:** *Strive to honor supporters' contact preferences and restrictions.*

Working to comply with donors' preferences impacts campaign strategy as well as the mechanics in getting appeals out the door. Questions one must ask: Has the organization purged donor files and cleaned out duplications? Are too many campaigns being created for a specific period of time targeting the same donors?

• **Commandment #4:** *Ensure donor promises are fulfilled for every appeal.*

This tenet is essential. Some organizations have failed in this regard, causing many to doubt promises made by other charities. This requires

“Appeals for funds should generate in the donor's mind an expectation reflecting the reality of the work in the field.”

end-to-end scrutiny within an organization from material facts about a program to the financial application of funds received to the correct program as well as the correct use of funds in a project.

• **Commandment #5:** *Do what is necessary to be good stewards of every donor dollar in all aspects of fund-raising.*

Becoming good stewards of funds requires an organization to contain costs by targeting each appeal/campaign to meet or exceed expected net yields.

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Donor engagement. Engaging with the donor requires a two-sided vision and strategy. Organizations must use two lenses with regard to fund-raising—a beneficiary lens and a donor lens.

• **Commandment #6:** *Clearly communicate World Vision's Christian identity and commitment to holistic ministry.*

A Christian nonprofit works in a holy space, representing the cause and commandments of Christ to the world. We never can lose sight of our Christ-centered mission. Many charitable agencies today began as Christian organizations, but lost their faith moorings along the way. When World Vision engages with the public, it needs to see not us but a demonstration of God's love. This love seeks life in all its fullness—body, mind, soul, and spirit—for people everywhere.

• **Commandment #7:** *Highlight a project's value to children, and do not neglect to emphasize the community development nature of World Vision's work.*

• **Commandment #8:** *Seek opportunities to educate supporters on issues of justice. Help them to understand and to be involved in advocacy for the poor and oppressed.*

World Vision not only seeks to be fund-raisers, but friend-raisers. We seek to treat donors as people who are eager to understand our cause, so we strive to be clear and concise in communications while looking for opportunities to leverage fund-raising activities with advocacy or educational efforts. When your organization gains an advocate, you have an ally for life. These individuals can influence others in large and small ways to participate in your mission.

Donor transformation. Transforming the donor allows the organization to come “full circle” so that the cause is being treated or changed and the donor's life is being changed, too.

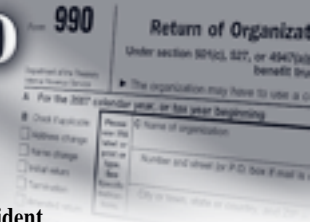
• **Commandment #9:** *Relate to supporters in ways that enable them to experience “life in all its fullness.”*

Amidst the passion of fighting for a cause, the fund-raiser's heart can turn solely to the cause. The donor,

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The New Form 990 Implications for ECFA Members

by Dan Busby, ECFA Senior Vice President



The much-anticipated revision to the Form 990, *Return of Organization Exempt from Income Tax*, was released by the IRS in December. Instructions for the



new form have not been released as we go to press, but they are anticipated soon.

Nonprofits will begin using the new form for the 2008 tax year (returns filed in 2009). The current Form 990 must be used for the 2007 tax year (returns filed in 2008).

Chip Watkins, a former IRS lawyer, noted that “this revision of Form 990 is the most extensive in a generation, and will replace the old form that the IRS has realized is woefully inadequate to collect the information it needs to have even a modest sense of whether an organization continues to qualify for exemption.”

Incorporation of ECFA's recommendations. The new form incorporates many of the recommendations ECFA made to the IRS after the draft form was released last June.

• **Functional expense percentages.** The draft form included a requirement to calculate and report functional expense on the first page. The reporting of this data was removed from the final form.

Such a disclosure would have implied these percentages have significant value when comparing data with other nonprofits and that the data is a measure of charity effectiveness. Comparing two organizations simply based on functional expenses is rarely meaningful. Plus, most responsible charity evaluation systems look at a wide variety of factors to determine whether an organization is operating efficiently.

• **Private information of board members and key employees.** The draft form required the residence

address of board members and key employees. This requirement was removed from the final form.

The reporting of these addresses raised a privacy issue and could have made these individuals and their families the target of harassment or at risk for personal harm.

• **Reporting of nontaxable expense reimbursement.** The draft form required the reporting of nontaxable expense reimbursements paid under an accountable plan in a “compensation” schedule. The reporting of amounts reimbursed under an

“ECFA was effective in seeking relief from specific reporting of international activities.”

accountable plan for a charity executive is meaningless without context. The IRS agreed and dropped this requirement from the final form.

Reporting of international activities. The draft Schedule F—*Statement of Activities Outside the U.S.*—required detailed information that would have endangered charity personnel and the work in which they are engaged.

While supporting the efforts of the U.S. government to fight terrorism, ECFA strongly urged the IRS to balance their desire for information that protects our nation's interests with the need to protect workers related to U.S. charities.

After determining that the IRS does not have the authority to redact or withhold from public disclosure information reported on Form 990 unless it is expressly authorized by statute, ECFA drafted suggested legislative language to amend the Internal Revenue Code. In October 2007, ECFA

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The New Form 990*— from page 3*

President Ken Behr, Senior Vice President Dan Busby, and Board Chair Michael Batts, met with Senator Charles Grassley and many others on Capitol Hill to express concerns on behalf of ECFA's members and urge a legislative solution.

Thanks to the encouragement provided by Senator Grassley to the IRS, the Schedule F for 2008 will only require reporting on a regional basis (rather than on a country-by-country basis) and will not require the reporting of certain identifying information of the grantee. If redaction or withholding

“The new form will collect additional data for years beginning in 2008.”

from public disclosure becomes feasible in the future, Schedule F will be modified to require reporting on a country-by-country basis, as well as more specific grantee information.

The basics. The 2008 Form 990 consists of an 11-page core form that must be completed by each Form 990 filer. In addition, the form's 16 schedules are designed to require reporting of information only from those organizations that conduct particular activities. For example, if the nonprofit organization operates a hospital, there is a new Schedule H; if it operates a school, there is a new Schedule E.

Data collection challenges. For calendar year nonprofits, the data collection cycle is already effective. So, the challenge is to determine if data collection systems need revision. Here are a few key changes that may impact your data collection:

1. Expense classification. The new form requires separate reporting for each of the following categories: fees paid for management, fees paid for lobbying, fees paid for investment management, other fees, advertising and promotion, office expenses, information technology, royalties, payments to affiliates and insurance. On the 2007 form, these expenses were all itemized under “Other Expenses” but did not require the

reflection of dollars for each of these separate categories.

2. International activity. Expenses must be reported by region. Grants to organizations, entities (by organization or entity) and individuals (without identifying the individuals) outside the U.S. are reportable if the recipient received more than \$5,000 during the year.

3. Special event fund-raising. Most nonprofits have not tracked special event data event-by-event. If \$15,000 gross income is received from a special event, the gross receipts, charitable contributions, cash prizes, noncash prizes, rent/facility costs, and other direct expenses must be reported.

4. Noncash contributions. The reporting of non-cash contribution revenue by 24 different types of property may require some nonprofits to change their collection of noncash contribution data.

Governance, management, and disclosure. With the new Form 990, the IRS delved into the areas of board governance and management policies and procedures more than ever before.

One challenging question is whether a copy of the Form 990 was provided to the governing board before it was filed. Currently, few nonprofit boards review the Form 990, *before or after* it is filed. The form is often completed just before the filing deadline leaving little opportunity to have it reviewed by the board.

The new form asks if the organization has written conflict of interest, whistleblower, document retention and destruction policies. Other questions that may be revealing relate to:

1. the use of comparability data in determining CEO compensation,
2. whether governing documents and the conflict of interest policy are available to the public,
3. whether the Form 990 is on the nonprofit's website, and
4. whether there is contemporaneous documentation of the governing body meetings and each committee with authority to act on behalf of the governing body.

Whether or not the IRS follows up

concerning an organization's response to these and other questions, the responses will be posted on the Internet for review by the public and the media.

Transition relief. The IRS provides some relief for small nonprofits by phasing in the new form over a three-year period. This is accomplished by increasing filing thresholds for the Form 990-EZ to allow smaller organizations the option to file either the new Form 990 or the Form 990-EZ for 2008 and 2009 tax years. For tax years beginning in 2008, organizations with gross receipts of less than \$1 million and total assets of less than \$2.5 million may file Form 990-EZ.

Preparation cycle. Even with the improvements in the design of Form 990, many nonprofits will find the 11-page core form and 16 schedules very challenging. Preparation of the Form 990 by—or at least with the help of—a professional will generally be required. CFOs of ministries required to file the

“Preparation of Form 990 by—or at least with the help of—a professional will generally be required.”

revised Form 990 in 2009 (for their 2008 tax year) should start now by reviewing the revised Form 990 in detail and determining what additional information they will be required to collect and report. Work with both your auditor and lawyer to ensure that corporate policies are adopted, numbers are reported in the correct places, and explanations are accurate.

Resources. ECFA has posted an article by Mr. Watkins about the initial draft of the redesigned Form 990. While some details have changed in the newest draft, the article provides a helpful overview of the changes and new schedules.

<http://www.ecfa.org/documents/IRSRReleasesDraftRedesignedForm990-Watkins.pdf>

The most recent draft of the redesigned Form 990 is posted on the IRS website.

<http://www.irs.gov/charities/article/0,,id=176613,00.html>

Bridges

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then, becomes nothing more than an ATM machine. Not paying attention to the hearts and motivations of donors ultimately puts your bridge in danger. Focus groups, surveys, willingness to provide positive testimonials or recommendations, and retention rates can provide information to an organization about whether donors are engaged at the heart level.

• **Commandment #10:** *Make the most of every opportunity to minister to our supporters. Be relational, inspirational, transformational, and thankful.*

At World Vision, we have an uncompromising commitment to changing supporters' hearts so that they may live and steward their resources to the glory of God. Part of that commitment includes securing their financial contributions to further God's work in the world. The other is caring sincerely for the needs of donors through prayer and other means. We are as concerned with our supporters' transformation as we are with the transformation of the poor in the communities where we serve.

Spanning the gap. In a recent five-year focus on building better bridges to donors, World Vision moved to its highest recorded donor satisfaction score at 90.5% in 17 years and the lowest ever cancellation rates we have experienced among our child sponsors—they are more satisfied, more loyal, and staying longer, resulting in higher lifetime financial contributions.

Building bridges—whether between donors and the poor, or across wind-swept passages—demands careful attention to design, materials and construction. Without a solid foundation of the donor promise, engagement, and transformation, a nonprofit risks not just its integrity. It jeopardizes its very existence. ☉

Atul Tandon oversees relationships among 3.5 million donors and 8,000 churches. His own life story, from being a poor boy in India to becoming an executive in corporate America, has uniquely equipped him to play the role of bridge builder among communities worldwide. Mr. Tandon may be reached at atandon@worldvision.org.



Mastering the Management Buckets

Solving the "I don't know what I don't know" syndrome

by John Pearson



E CFA's Standards of Responsible Stewardship focus on board governance, financial transparency, integrity in

fund-raising, and the proper use of charity resources. So how effective is your organization in "applying a higher standard" and "serving a higher purpose"—ECFA's stated aspirations for each member?

Perhaps you excel at board governance, but need help with high integrity fund-raising. Maybe your CFO is superb at financial transparency, but your program people are soft on measuring results. Is it possible to be effective at everything?

Back in 1971 as a young camp director, I was in a workshop room crowded with Christian camping leaders, taking notes as fast as I could (no laptops back then), when someone tapped my shoulder. I turned to see my wife, Joanne, motioning for me to exit the meeting. Expecting bad news, I followed her outside.

"I don't know what workshop you're attending, John," she began, "but it doesn't matter. Olan Hendrix is teaching an all-day seminar on Management 101, and he just described you to a T. You've been through college and seminary, but you've never read a management book, never taken a management course—and you could be the poster boy for everything managers and camp directors are doing badly. Just follow me back to Olan's session. Some day you'll thank me!"

That day-long crash course in Management 101 changed my life. I have thanked Joanne a zillion times—and Olan Hendrix dozens of times. (Olan, by the way, was the first president of ECFA.)

The truth is, I was unprepared for

leadership. I didn't know what I didn't know about boards, budgets and all the rest. Maybe you're in the same boat? Perhaps the emerging young leaders on your team don't know what they don't know?

Four levels of management knowledge. Over the years, I've observed that there are four levels of management knowledge. The challenge is to mentor your team members so they become life-long learners in the broad spectrum of all things leadership and management—

"I didn't know what I didn't know about boards, budgets and all the rest."

moving from Level 1 to Level 4 when possible. No single person, of course, will master every competency, but your team members must *collectively* master at least 20 core competencies. Where are you? Where are your team members?

- **Level 1:** I don't know what I don't know.
- **Level 2:** I know what I don't know.
- **Level 3:** I have an action plan to address what I know I don't know.
- **Level 4:** I am knowledgeable and effective in this core competency and can mentor others.

The 20 management buckets system will help you balance the urgent with the important and help you coach your team members towards a comprehensive approach to organizational effectiveness. For example, here's the core competency in the Results Bucket:

We focus on results. We are not activity-driven, we are results-driven. We measure what we value—so we celebrate both the

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Management Buckets

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writing and the achieving of team-blessed standards of performance for every staff member, board member, and volunteer. We also abandon dead horses and sacred cows.

Each management “bucket” represents a core competency every organization must master. Every bucket has a dozen or more balls—specific action steps someone must take to meet that competency. The balls are all about action, execution and implementation! This is not dry theory—it’s in-the-trenches real life stuff.

When you use the “buckets” and “balls” language with your team members you’ll help them understand the

“Silo thinking and Lone Ranger management styles create long-term havoc.”

comprehensive and interdisciplinary complexity of the leadership and management world. Silo thinking and short-term Lone Ranger management styles create long-term havoc. The buckets and balls will help your team members see the big picture and how each person’s work contributes to your organization’s mission. Then encourage your team members to add their own unique action step statements (balls) to each bucket.

No one person will master the core competencies in all 20 management buckets. No one leader or manager will have the capacity, or the giftedness, to implement every ball (action step) in every bucket. Effective leaders know they must build teams of people with diverse experiences and strengths in order to master these critical core competencies.

Cause. Community. Corporation. The 20 buckets are categorized into three arenas: Cause, Community and Corporation. Some managers bring three baseball caps to their staff meetings labeled Cause, Community and Corporation, so when they speak, their team members know what hat they’re wearing. (Example:

wear your CAUSE hat when you’re concerned about slippage in the Results Bucket.)

The CAUSE is all about your mission, your customer, your strategy, your programs, products and services—and the results you are targeting. The language of CAUSE is purpose-driven, energetic, and often laced with athletic and military imagery. “OK, team, let’s get out there and take that hill. Win one for the Gipper!”


The buckets in the COMMUNITY arena are no less important, but the vocabulary is softer. Here we hone our core competencies in people skills and we seek to create a God-honoring culture with three to five core values. In the COMMUNITY, we build and equip team members and we celebrate results using tools from the Hoopla! Bucket. We invest time in affirmation—not because it increases revenue, but because it honors our people.

Leaders of churches and other nonprofits, who work with donors and volunteers, will balance the CAUSE rhetoric with the warm language of COMMUNITY. *Example:* “We are extraordinarily blessed by our volunteers.”

When a leader or manager wears the CORPORATION hat, the focus is on operations, systems, marketing and public relations, boards and meetings. Here managers focus on their fiduciary responsibilities, hiring and firing employees, delegation, organizational charts and budgets—not the stuff of the touchy feely COMMUNITY arena nor the compelling vision of the CAUSE—but no less important. It takes a village of buckets and balls to build a sustainable organization.

The 20 management buckets work well for me, but you may want to use different labels for your “buckets” and “balls.” The point is to perfect a leadership and management philosophy and system, and then—as Peter Drucker preached—practice, practice, practice the art of management.

And this final word: resist the temptation to add a “Jesus Bucket.” To master the core competencies of the management buckets, every leadership

and management breath, and every bucket, must emanate from a heart that seeks to glorify God. If you don’t honor God in all 20 buckets, a quick dip into the “Jesus Bucket” at your staff prayer meetings won’t cut it. 

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Gary Treichler Joins ECFA



Gary Treichler joins ECFA as vice president. His 37 years of ministry experience includes four and a half years as executive pastor of Orchard Hill Church in suburban Pittsburgh, a congregation of 2,500 and an ECFA-accredited member.

Prior to his assignment at Orchard Hill, Treichler was the executive pastor at Spanish River (PCA) Church in Boca Raton, and before that was a regional director for 17 years at Young Life, one of the charter members of ECFA.

His educational background includes a bachelor’s degree from Roberts Wesleyan College in Rochester, NY, and a master of divinity degree from the Reformed Theological Seminary in Orlando, Fla.

Treichler’s responsibilities will primarily relate to communication with both current and future ECFA member organizations. 

ECFA Announces 2008 Regional Seminars

Last year, more than 700 representatives from ECFA members and other professionals attended regional conferences conducted by ECFA. Reserve your space by registering at www.ECFA.org. Scroll down in the center of our home page to “ECFA Regional Workshop Online Registration.” 

ECFA is ON THE ROAD

Recent Developments

ECFA will be represented at the following events and meetings:

Jan. 30- Feb. 1	Christian Stewardship Association Albuquerque, NM Ken Behr and Dan Busby, Presenters
Feb. 8	Keller & Owens, CPAs Nonprofit Workshop Overland Park, KS Dan Busby, Presenter
March 1	ECFA Standards Committee Meeting Washington, DC
March 4	Christian Camp & Conference Association Chicago, IL Corey Odden, Presenter
March 9-11	National Religious Broadcasters Nashville, TN Ken Behr, Gary Treichler
March 13-14	ECFA Board Meeting Washington, DC
March 22	Church Tax and Finance Seminar Winchester, VA Dan Busby, Presenter
April 20-24	Christian Management Association Dallas, TX Ken Behr and Dan Busby, Presenters
May 26-28	Association of Gospel Rescue Missions Dallas, TX Dan Busby, Presenter

● **Senator Grassley presses inquiries.** Senator Chuck Grassley, R-Iowa, the ranking member of the Senate Finance Committee, continues to press six major church-based ministries for information regarding possible misuse of donations made to religious organizations.

None of the ministries are required to file the financial disclosure Form 990 with the IRS because they are designated as churches. And, none of the ministries are ECFA members.

Grassley sent letters to Kenneth and Gloria Copeland, Creflo and Taffi Dollar, Benny Hinn of World Healing Center Church Inc. and Benny Hinn Ministries, Eddie Long, Joyce and David Meyer, and Randy and Paula White.

● **Oral Roberts University applying for ECFA membership.** The process of financially accrediting scandal-plagued Oral Roberts University has begun at the request of the evangelical school's benefactors.

Mart Green, whose family founded Hobby Lobby, Mardel and other businesses, gave the university \$8 million and promised \$62 million more if it changed the way it operated.

When Green pledged to bail the university out of debt, he stipulated that ORU apply for ECFA accreditation.

● **New Form 8919 could have implications for many employers.** The IRS has developed a new form for employees who have been misclassified as independent contractors by an employer. Form 8919, *Uncollected Social Security and Medicare Tax on Wages*, may now be used by taxpayers to report the employee's share of uncollected social security and Medicare taxes due on their compensation.

Sometimes the worker is incorrectly

treated as an independent contractor when they are actually an employee. When this happens, Form 8919 will be used beginning with tax year 2007 by workers who performed services for an employer who did not withhold the worker's share of social security and Medicare taxes.

By using Form 8919, the worker's social security and Medicare taxes will be credited to their social security record. To facilitate this process, the IRS will electronically share Form 8919 data with the Social Security Administration.

● **IRS issues proposed cafeteria plan.** The proposed rules (Reg. 142695-05) reflect the change in the definition of "dependent" under Section 125: the addition of qualified benefits, such as adoption assistance, health savings accounts, and qualified HSA distributions from health flexible spending accounts; the prohibition against long-term care insurance and services as a qualified benefit; and the addition of the key employee concentration test in the nondiscrimination rules.

The IRS intends to be much stricter about enforcing the written plan requirement than it has been in years past. Many employers either did not bother to establish a formal plan before taking pretax deductions or lost track of their 125 plan years ago. Employers with Section 125 plans need to review the new rules and have their plans revised by the end of 2008.

Some states require employers to establish 125 plans. Massachusetts (effective July 2007) was the first state with this requirement. Similar requirements also have gone into effect in Connecticut (October 2007), Missouri (January 2008) and Rhode Island (July 2009). ☐

MEMBER NEWS

Changes to ECFA's Membership

Accredited Members

New Members:

1. Alabama Teen Challenge, Oxford, AL
2. Blood: Water Mission, Nashville, TN
3. Church of the Nazarene, Global Ministry Center, Kansas City, MO
4. City on a Hill Productions, Louisville, KY
5. Closed Door Ministries, Grand Rapids, MI
6. ECHO, Miami Springs, FL
7. Every Nation Churches, Brentwood, TN
8. Every Nation Ministries, Brentwood, TN
9. Las Vegas Rescue Mission, Las Vegas, NV
10. Nightlight Christian Adoptions, Fullerton, CA
11. Northern Churches Care, Colorado Springs, CO
12. Orphanos Foundation, Cordova, TN
13. Pregnancy Resource Center Naples, Naples, FL
14. Providence Home, Columbia, SC
15. Russian Leadership Ministries, Wheaton, IL
16. Safe Harbor, Birmingham, AL
17. Samaritan Community Center, Rogers, AR
18. Share International, Ruston, LA
19. The Northwest Ministry Network, Snoqualmie, WA

Voluntary Resignations:

1. Compassionate Alliance, Ocala, FL
2. Marketplace Network, Boston, MA

Name Changes:

1. Life International, Gridley, IL is now Lifesong for Orphans

Mergers/Discontinued Operations:

1. Sonlife Ministries, Elburn, IL, merged with YouthFront
2. Community Bible Study International, Herndon, VA, merged with Community Bible Study, Colorado Springs, CO

Affiliate Members

New Members:

1. Make Way Partners, Birmingham, AL
2. Strategic Renewal International, Forest, VA

Mastering the Management Buckets

20 Critical Competencies for Leading your Business or Nonprofit

by John Pearson



This book is a written crash course in Leadership and Management 101. It is more pragmatic than comprehensive. It's part resource library, part filing system, and part tool box.

John Pearson, former president of the Christian Management Association, created a 20-management-buckets system. He observed leaders and managers who excelled in the customer bucket but didn't know what they didn't know in the people bucket. He suggests that not all buckets are created equal, but to be effective, you must know the 20 buckets and the critical balls in each bucket. This book is just an introduction to Buckets 101. This book will save you some scars and scares, and also lighten your load on your God-honoring management journey.

Mastering the Management Buckets

_____ copies @ \$13.00 (retail \$19.99)

plus \$2.13 shipping per book

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Card #: _____ Expiration Date: _____

Name on Card: _____

Signature: _____

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