

December 2002

In response to requests from consumers, families, and providers, the Missouri Planning Council for Developmental Disabilities is pleased to publish this Organizational Development and Quality Enhancement Provider Handbook.

The Missouri Planning Council believes it is critical that people with developmental disabilities and their families have a choice in selecting the organizations and individuals who provide them the services and supports they need to live lifestyles of their choice in their communities. The writing team kept this philosophy as a focus throughout the writing process.

This manual is designed to provide information, advice, and resources to support interested individuals in becoming successful and effective service providers for individuals with developmental disabilities. It is intended to assist providers of residential and day treatment services in navigating the maze of contracting, reporting, training, and licensing necessary to do so. In addition, it provides an overview of a number of management and quality improvement issues related to developing and managing a business that will be helpful to existing providers as well

The Missouri Planning Council would like to acknowledge and sincerely thank the following individuals for their contributions in the development of the Handbook.

Neva Thurston, Parent, MPC Member  
Jane Coleman, Region VIII DD Council  
Steve Lillard, SB40 Board  
Ron McCormick, Provider  
Gail Clair, Division of MRDD  
Tish Thomas, Family Member, MPC  
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This Provider Provider Handbook will be available on the Missouri Planning Council's web site at [www.mpcdd.com](http://www.mpcdd.com). If you cannot access this information on the web, please contact our office at 573-751-8611 to request a copy.

# Organizational Development and Quality Enhancement Provider Handbook

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Information, Advice, and Resources on Becoming an Effective and Successful Service Provider for Missourians with Developmental Disabilities

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*Community Outreach and Marketing*

**So Now What ?!?!?!?!?**



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*The Missouri Planning Council for Developmental Disabilities would like to acknowledge and sincerely thank the following individuals for their contributions to the development of this Provider Handbook*

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## Section One: Introduction

### What is the purpose of this handbook?

It is critical that people with developmental disabilities and their families have a choice in selecting the organizations and individuals who provide them the services and supports they need to live lifestyles of their choice in their communities. Many times individuals lack true choice when shopping for services and supports. There may be no organizations within their community who provide the services they desire or the organizations that do exist may not provide services and supports of a type and manner that match the preferences of the individual or their family. In addition, an individual and their family or a group of individuals and their families may have identified an individual who is interested in providing them services and supports but this individual is at a loss as to where to begin in meeting the requirements of funding agencies to become a provider.

This handbook is designed to provide information, advice, and resources to support individuals to successfully develop and implement a plan to become a new service provider. It is also designed to assist existing service providers to enhance the operations of their agencies. The handbook will provide support in navigating the maze of contracting, reporting, training, licensing, and other provider requirements. In addition, it provides an overview of a number of management and quality improvement issues related to the development and ongoing management of a business.

This handbook is a resource manual for providers of service that is designed to assist you to:

- Understand and meet the contracting requirements of the Missouri Division of Mental Retardation and Developmental Disabilities (MRDD)
- Provide you with access to information and resources that will assist you to manage the financial and human resources of your business
- Provide you with access to information and resources to assist you with organizational planning, customer service, and quality improvement
- Understand where to turn for support and assistance in developing and managing your organization

It is impossible for any manual to detail the specific procedures and steps that individual Missouri Division of MRDD Regional Centers or county Senate Bill 40 Boards may utilize in developing contracts with new service providers. The information contained in this manual is designed to provide general information, however it is critical that new providers discuss specific requirements and procedures with the funding agencies in your community and region of the state. In addition, though every attempt has been made to assure the accuracy of information in this handbook, requirements and procedures change frequently. It is important that you verify these requirements and procedures with your local funding agencies.

A number of resources have been quoted and provided related to organizational development and management. However, there exists an incredible wealth of additional information on the internet, in libraries, and through community resources such as your chamber of commerce and university outreach and extension offices. We encourage you to do your own research and talk with other local resources in support of the development of your organization. Finally, it is critical that you perform a needs assessment and develop a business plan prior to starting a new business or expanding your current business. There are a number of sections of this manual which will provide resources to support you in these areas.

# Handbook for Missouri Providers

## As a new provider of services how do we create a paradigm of individualized community choice and support through the services we provide?

In 1998, the Missouri Planning Council on Developmental Disabilities published “Show Me Change: Building a Participant Driven System for Missourians With Developmental Disabilities” report. The report identified the following “core principle” which forms the foundation for participant driven supports. The following are excerpts from this report:

Resources for supports in the State of Missouri must be allocated and expended from a person-centered perspective rather than a provider centered perspective. Individuals must be in control of their allocated resources for services and supports and how they are delivered.

There exists a fundamental difference between a person and a provider-centered approach. It has to do with a shift of power and is depicted in the following table:

### Provider Centered System

- Resources for support are given to those providing the supports. Decisions of what, how, and where supports are to be provided, at best, may be a shared activity with the person who is receiving the supports. However, more often these decisions are made with little direction from the person involved. Decisions are owned or controlled by individuals empowered by virtue of professionalization or position.

- Control of who provides the support almost always rests with the provider organization.

- People are labeled as “slots” (e.g. program slots, beds).

### Person/Participant Centered System

- Control of resources, decisions of how and where money is spent rests with the person who needs supports, and/or his or her family, friends or advocates.

- Control of who provides supports rests with the person and/or his or her family, friends or advocates.

- People are valued as people.

As a provider of service your primary customer is the individual with disabilities for whom you provide services and support. However, in the current system the norm is for funding to flow from agencies such as the Division of MRDD or county Senate Bill 40 Boards directly to the provider of service and not from your primary customer, the individual with a disability. Overtime, if the recommendations generated through the “Show Me Change” report become reality, funding for services and supports will shift to the control of individuals with developmental disabilities and their families.

In the interim, even though the financial resources that fund your services and support may not flow from the individual and their family, it is critical that as you develop your business that it is based upon a paradigm of person centered support where the individual receives supports and services that reflect their interests, preferences, and support needs. For example, an individual may be interested in living in their own apartment, prefer that this apartment be near shopping and entertainment areas, with supports provided through live in roommates that they select. This is in contrast to a program paradigm where individuals served by an agency receive the same “program” and have little choice in designing or requesting services that reflect individual interests, preferences, and support needs. This is further highlighted in the following parable.



# Handbook for Missouri Providers

## Beyond Programs: A Parable

In the beginning, there was placement, and lo we were happy when it happened, as placement was not mandated for adults who happened to experience severe disabilities. And so, we said, this is good. And placements multiplied and filled the earth. And then, we said, let us make programs, which focus on serving clients. And clients were defined and labeled, and grouped according to their labels and assigned programs based upon their labels. And programs created services for each label, and state agencies developed unit costs for each service. And programs prospered and multiplied, and we said, this is very good. And as programs multiplied, a cry arose: Let us evaluate these programs to see how good they really are.

And program evaluation, state regulations, quality assurance, compliance plans, and other program measures were created. And they multiplied and filled volumes. And in those times, a person arose who was a client, but who was also a prophet, and said:

"I don't want to be a client, I want to be a person.  
I don't want a label, I want a name.  
I don't want services, I want support and help.  
I don't want a residential placement, I want a home.  
I don't want a day program,  
I want to do meaningful, productive things.  
I don't want to be "programmed" all my life,  
I want to learn to do things I like, and go places which I like.  
I want to have fun, to enjoy life and have friends.  
I want the same opportunities as all of you: I want to be happy."

And there was a long silence. And lo, everyone realized that they must look beyond their programs. But they were troubled, and they asked. "How can we do this?" Would not each person need their own unique program and system of support and his own measure of its quality?" And the prophet replied "Even as you say, so should it be done  
JUST AS YOU DO FOR YOURSELVES."

- Mike McCarthy

## What is person centered planning and how can it help?

Person centered planning is a way of thinking and planning with people that respect their interests, hopes, dreams, and desires. It is not a process that relies on "professional expertise". It is a process that relies on committed people who are willing to listen and work to help people actualize their choices and dreams. It's also about listening to, learning from, and involving people in identifying the type of services and support that are most beneficial to them. A person centered approach encourages us to take direction from people by learning to identify and acknowledge their interests, gifts, and desires. As individual support networks increase their commitment and capacity to solve problems together, they develop unique responses to increase the opportunities that are available for the focus person in their community. Person centered planning refers to a family of approaches, which are designed to assist someone in making changes in their life. Person centered approaches are grassroots planning and implementation efforts in which planners work together to discover important things about the person, discover a future that makes sense to the person and those in their support network, design action strategies for change and then work together over time to accomplish the tasks that will lead to change. In real person centered planning the planners are the doers.



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## Who are the planners in person centered planning and what do they do?

Each person who is interested in planning identifies the people, which they would like to assist and support them in the planning process. A family member or friend may be of help in thinking with the person about some individuals who they would like to invite as planners. Those who plan in person centered planning should be people who know the person well, are willing to commit time and energy to the work involved in making the person's vision a reality. As the work progresses, other necessary people may also be invited to participate in the planning process because they have specific expertise or connections. Planners may include family, such as parents, brothers, sisters, grandparents, aunts, uncles...friends, the person's favorite teacher, as well as human service people who have the commitment to the individual as well as the expertise to work the system on the person's behalf.

Planners bring their experience and expertise about the person. Early on in the planning process people seek to build a clear picture of the person by listening to how the person sees their life, and later by sharing what they have discovered in their time together. Later, the person and their planners use what they know to generate ideas about meaningful life roles, inclusive education, recreation, a better job, or a new home, or how to be more involved in their neighborhood, etc...Finally, as clarity about changes emerges, everyone figures out the steps to take to move ideas forward and then goes off to do them. The planning meetings, then become occasions for reviewing accomplishments, figuring out what needs to be done next and assigning new actions, responsibilities and timelines.



Person centered planning approaches can assist you to assure that the services and supports you provide are consistent with the unique interests, preferences, and support needs of your primary customers, the person with a disability. To learn more about person centered planning see the Fast Facts publication on Person Centered Planning which is available through the Missouri Developmental Disabilities Resource Center on their web site at [www.moddrc.com/Information-Disabilities/FastFacts/personcenteredplanning.htm](http://www.moddrc.com/Information-Disabilities/FastFacts/personcenteredplanning.htm)

## As I plan the development of my organization where do I start?

As highlighted previously, person centered planning is based upon a team approach to planning where an individual identifies a support group of individuals to assist them to create and achieve a vision for their future that is based upon their interests and preferences. As you begin the process of developing your organization it is equally important for you to identify individuals who can mentor and support you. These individuals may include consumers, parents, funders, other service providers, and community members. Your first step is to talk to a number of individuals about your hopes and dreams and from these discussions identify a core group of individuals that you can meet with and call upon to assist you in developing a plan for the creation of your business. The support of a small group of committed individuals can be critical in assisting you to successfully develop and implement a plan.

# Handbook for Missouri Providers

## How are the contents of this manual organized?

The remaining contents of this handbook are divided into the following 3 sections:

1. **Provider Requirement Nuts and Bolts** This section of the handbook will highlight some of the requirements for contracting with the Division of MRDD. These include contracting, licensing, certification, service types and more.
2. **Management and Operations** This section of the handbook provides information related to managing the financial and human resources of your organization. These include budgeting and accounting, liability and insurance, staff recruitment and retention, wages and benefits, governing Boards and more.
3. **Quality Assurance and Improvement** This section of the handbook provides information regarding evaluating and improving the services and supports provided through your organization. This includes strategic planning, customer satisfaction, developing collaborative partnerships, and more.

Each section of the handbook contains a variety of subsections that are devoted to a discussion and overview of specific topics.

## Section Two: Provider Requirements – Nuts & Bolts

### What are the primary funding systems in Missouri that might financially support the services of my organization?

There are 2 primary state of Missouri systems for funding services and supports for individuals with individuals with developmental disabilities. These agencies are the Missouri Division of MRDD and the individual county Senate Bill 40 Boards. Following is a brief overview of each:

- **Missouri Division of MRDD** The Division of Mental Retardation and Developmental Disabilities (MRDD), provides lifespan services to individuals with developmental disabilities such as mental retardation, cerebral palsy, head injuries, autism, epilepsy, and certain learning disabilities. Such conditions must have occurred before age 22, with the expectation that they will continue. To be eligible for services from the division, persons with these disabilities must be substantially limited in their ability to function independently. Eligibility determination rules for MRDD can be found at [www.sos.state.mo.us/adrules/csr/current/9csr/9c45-2a.pdf](http://www.sos.state.mo.us/adrules/csr/current/9csr/9c45-2a.pdf) The division operates 17 facilities that provide or purchase specialized services. Eleven regional centers form the framework for the system, backed by six habilitation centers, which provide residential care and habilitation services for more persons with more severe disabilities. The 11 regional centers, the primary points of entry into the system, provide eligibility determination, assessment and case management services. In 1988, the division began participation in the Medicaid home and community-based waiver program, designed to help expand needed services throughout the state. The MRDD web page located at [www.modmh.state.mo.us/mrdd](http://www.modmh.state.mo.us/mrdd) is a good reference and source of additional information.
- **County Senate Bill 40 Boards** Senate Bill 40 Boards fund services for individuals with developmental disabilities and mental retardation in approximately 60% of counties in Missouri. These counties have enacted legislation establishing the boards. Senate Bill 40 allows counties to levy up to .20 per \$100.00 assessed valuation with approval by a simple majority of county voters to support the development and maintenance of services, programs and supports. The organizational structure of each Senate Bill 40 Board is different. Some Boards provide direct services, some provide funds to community agencies to provide services, and some Boards provide both direct services and funds to community agencies. The types of services and supports provided by each Senate Bill 40 Board is also different, however, many offer an array of residential, employment, and a variety of other related services.

In addition to these agencies, other agencies such as the Missouri Division of Vocational Rehabilitation also fund and provide services for people with disabilities in Missouri. Following is an overview of the requirements for providing services as a provider for the Division of MRDD. It is impossible to provide specific information related to contracting with each Senate Bill 40 Board as they all differ as to procedures and requirements. As a general rule, however, if you meet the requirements to be a provider through the Division of MRDD you will also meet many of the requirements of most Senate Bill 40 Boards. However there are also differences, for example you may be required to be a not-for-profit corporation to contract with an individual Senate bill 40 Board. If you are interested in contracting with your local Senate Bill 40 Board, it is important for you to contact them to obtain details regarding contracting procedures and requirements.

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Note: The following information provides a general overview regarding procedures and regulations that relate to contracting with of the Division of MRDD. These procedures and regulations are, however, frequently revised so it is important that you contact your local regional center to obtain the most current information.

## How do I receive information about obtaining a contract with the Missouri Division of MRDD?

The Division of MRDD can purchase “direct” consumer services through non-competitive contracting procedures. Each MRDD Regional Center has a coordinator who oversees contracting for services. A list of contract coordinators can be found on the Department of Mental Health web page at [www.modmh.state.mo.us/homeinfo/bid\\_faclist.htm](http://www.modmh.state.mo.us/homeinfo/bid_faclist.htm). If you are uncertain who to contact at your local regional center, call the Department of Mental Health’s contract unit at (800) 364-9687.

Most service contracts through the Division of MRDD are developed in response to needs identified by consumers and staff of the regional centers. Within most regional centers it is the responsibility of Quality Improvement Teams to recruit and orient new service providers. Many will maintain information about individuals and companies who have expressed an interest in obtaining a contract whether or not a need currently exists.

If a need for a new provider is identified, the Regional Center will typically send the individual or agency a contract packet that contains information regarding contracts, applications for a Medicaid Waiver Provider Number, Medicaid Waiver Certification, state licensing etc. If you are interested in becoming a new provider with your local regional center it may be advantageous for you to set up a meeting with your local contract coordinator and/or a member of the Quality Improvement Team. Each Regional Center will differ in procedures for becoming a new provider and the best way to understand these steps is through personal contact.

It is important to note that having a contract for services is not a guarantee for a specific amount of business. It is important that individuals have a choice in who provides their supports and thus the regional center cannot make a guarantee in terms of the number of individuals that might be referred to your organization for services.

## Do I need to obtain a license as a contractor of Division of MRDD programs?

Yes, The Division of MRDD funds a wide variety of services for individuals with developmental disabilities. Licensing standards apply to residential facilities and programs such as group homes, family living arrangements, semi-independent apartments, and day programs. Licensing is required for the facilities and locations in which these programs are operated. Applicants apply for licenses using forms provided by the Department of Mental Health through the office of Quality Management. Persons applying for the first time must also submit a drawing of the interior of the facility and a narrative of how each area will be used. Licensing and Certification will conduct a survey to determine compliance before issuing a one year license. Applications for licenses for succeeding years must be submitted at least 90 days before the expiration date of the current license. Note: If you are obtaining a contract to provide MRDD Waiver services, the Waiver certification process will satisfy the licensing requirements. However, you will need to meet these certification standards and other provider requirements depending on the service you will provide. See information related to the MRDD Medicaid Waiver.

# Handbook for Missouri Providers

## What are the service definitions for licensed MRDD facilities and programs?

Some of the most common include:

- **Group Homes** A residential facility serving 9 or fewer residents, similar in appearance to a single-family dwelling and providing basic health supervision, habilitation training in skills of daily and independent living and community integration and social support.
- **Family Living Arrangement** A residential facility operating in the owned or leased permanent residence of the licensee, serving no more than 3 residents who are integrated into the licensee's family unit.
- **Semi-independent Living Arrangement** A community residential facility composed of individual living units or apartments each of which provides bedroom space, living space, and a kitchen for up to 3 residents and where protective oversight is provided by staff living on-site or in close proximity, normally in the same building, but not in the same living unit as residents.
- **Day Programs** A place providing a series of interventions, activities, and instruction delivered by qualified staff for the purpose of evaluation, treatment, habilitation or rehabilitation.

## What are the standards that apply to MRDD licensed facilities and programs?

Each specific type of service as defined above has a variety of standards that prescribes requirements for services and supports. These standards relate to areas such as:

- **Physical Plant** Type of structure, size, accessibility, types of rooms, furnishings, utilities
- **Medical & Health Care** Physical examinations, access to medical/dental care, physician orders, medical supplies, medication storage/administration
- **Food Services** Kitchen facilities, dining areas, food preparation/storage, food quality, menus
- **Adequate Staff** Chief administrative officer, job descriptions, staff ratios, staff qualifications, background checks, medication administration training, First aid/CPR training
- **Record Keeping** Consumer records, staff records, record storage, bookkeeping systems, health records, fire/catastrophe drills
- **Care, Treatment, Habilitation, & Rehabilitation** Person centered plans, plan reviews, data collection, clothing/personal items, ADL training, use of restraints
- **Maintenance & Housekeeping** Cleanliness, facility repair, pest control, laundry services
- **Fire Safety** Fire alarms, fire protection equipment, heating systems, exits, evacuation routes, signage, stairways

It is important that you are aware of and comply with the individual standards that apply to the facility and program for which you are seeking licensure. A copy of the Licensing Rules can be found at [www.sos.state.mo.us/adrules/csr/current/9csr/9csr.asp](http://www.sos.state.mo.us/adrules/csr/current/9csr/9csr.asp) under "Division 40 Licensing Rules".

# Handbook for Missouri Providers

## **Are background checks required for individual staff who provide services for the Division of MRDD consumers?**

In accordance with rule 9 CSR 10-5.190 (Criminal Record Review), each residential facility, day program, and specialized service shall require all new applicants for employment or volunteer positions involving contact with residents or consumers to:

- Sign a consent form authorizing criminal record review with the highway patrol, either directly through the patrol or through a private investigatory agency;
- Disclose his/her criminal history, including any conviction or a plea of guilty to a misdemeanor or felony charge and any suspended imposition of sentence, any suspended execution of sentence or any period of probation or parole; and
- Disclose if s/he is listed on the employee disqualification list of the Division of Aging.

Each provider agency must develop a process to obtain criminal background records for new hires consistent with the requirements of this rule. The entire rule is available on the Missouri Secretary of States' web page at [www.sos.state.mo.us/adrules/csr/current/9csr/9c10-5.pdf](http://www.sos.state.mo.us/adrules/csr/current/9csr/9c10-5.pdf)

The Missouri Caregiver Background Screening form can be found on the web at [www.gov.state.mo.us/background/](http://www.gov.state.mo.us/background/)

All employees hired after January 1, 2002 are required to be registered with the Family Care Safety Registry under the Division of Health and Senior Services. Information regarding this registry can be found at [www.health.state.mo.us/FCSR/](http://www.health.state.mo.us/FCSR/)

## **What are the responsibilities of providers of MRDD services related to the reporting of complaints of abuse and neglect?**

In accordance with rule 9 CSR 10-5.200 (Report of Complaints of Abuse and Neglect), any employee who has reasonable cause to believe that a resident or consumer has been subjected to physical abuse, sexual abuse, Class I neglect, Class II neglect or verbal abuse while under the care of a residential facility, day program, or specialized service that is licensed, certified or funded by the department shall immediately make a verbal or written complaint. This rule goes on to describe different classes of abuse, reporting procedures, and investigation procedures. It is important that your agency is aware of these requirements and develops policies, procedures, and staff training to support their implementation. The entire rule can be found on the Missouri Secretary of State's web page at [www.sos.state.mo.us/adrules/csr/current/9csr/9c10-5.pdf](http://www.sos.state.mo.us/adrules/csr/current/9csr/9c10-5.pdf)

## **What are the rights of individual consumers who receive Division of MRDD services?**

Service providers must have policies and procedures to providing positive supports for people receiving services. These policies and procedures will be consistent with the enhancement and protection of human rights and should be apart of the agency staff orientation and training programs. These rights are described more fully in a publication titled "Individual Rights of Persons Receiving Services from the Division of MRDD" and is available through the Division of MRDD's web site at [www.modmh.state.mo.us/mrdd/indrights.pdf](http://www.modmh.state.mo.us/mrdd/indrights.pdf)



# Handbook for Missouri Providers

## What is the MRDD Medicaid Waiver?

The Division of MRDD administers a Medicaid program called the Home and Community-Based Waiver for individuals developmental disabilities called the MRDD Waiver. Missouri's MRDD Waiver program lets the regional centers offer specific services in the home and community to individuals who are Medicaid eligible and who would otherwise, without these services, require placement in an Intermediate Care Facility for the Mentally Retarded. Services received through the Waiver must be needed to avoid institutionalization.

## What are the services available through the MRDD Waiver?

Following are definitions of some of the most common services provided through the MRDD Waiver. For a complete description of services obtain a MRDD Medicaid Program Manual available through your regional center or online at [www.medicaid.state.mo.us](http://www.medicaid.state.mo.us)

- **Residential Habilitation** Services to provide care, skills training in activities of daily living, home management, and community integration. Services can be offered in licensed, certified, or accredited group homes, residential centers, or semi-independent living situations.
- **Individualized Supported Living (ISL)** A non-facility form of residential habilitation that provides support and training services to an individual in the individual's own residence. Individuals may live alone or with their families or may share living arrangements with others. When living arrangements are shared, no more than 3 individuals with disabilities may reside together and qualify for ISL services.
- **Day Habilitation Services** provided to enable individuals to achieve optimal physical, emotional, sensory and intellectual functioning. Services may include training families in treatment, intervention and support methodologies and in the care and use of equipment. Day habilitation services may also include coordination and intervention with the individual, family, professionals and others involved with the individual, as needed to implement the person centered plan and as directed by the planning team with the approval of the regional center. Services may be provided to individuals or to groups and may be provided either on-site, at the day program or off-site, in the individual's own home or community.
- **Therapies** A variety of therapies are available through the MRDD Waiver including physical, occupational, speech, and behavioral therapy.
- **In-Home and Out-Of-Home Respite Care** Provided to individuals unable to care for themselves, on a short-term basis, because of the absence or need for relief of those persons normally providing the care.
- **Supported Employment** Work in an integrated setting with on-going support services.

In addition to these services other services provided through the MRDD Waiver include transportation, environmental accessibility adaptations, specialized medical equipment and supplies, personal assistant services, crisis intervention, community specialist services, communication skills instruction, and counseling.



# Handbook for Missouri Providers

## What are the requirements for being a provider under the MRDD Waiver?

(Reprinted from the MRDD Medicaid Program Manual)

To become a Missouri Medicaid Provider of MRDD Waiver services, potential providers must contact the DMRDD Regional Center serving the area where the provider anticipates delivering services. Applying providers must satisfy both DMRDD and Medicaid Agency requirements. In addition, the process of obtaining a contract from the Regional Center to provide services goes hand-in-hand with the process of obtaining certification.

The DMRDD requires all potential providers to meet the following requirements prior to becoming enrolled as an MRDD Waiver provider:

- Have a current and appropriate license, accreditation or certification for each specific waiver service that is provided
- Have a current DMH, DMRDD Waiver Purchase of Service (POS) contract for the specific waiver service(s) that is provided; and
- If the waiver service “residential habilitation” is provided, have a current DMH, DMRDD Community Placement contract.



## How do I obtain an initial certification certificate?

(Reprinted from the MRDD Medicaid Program Manual)

Agencies planning to provide residential habilitation, individualized supported living, day habilitation (facility and non-facility based) and/or supported employment services which are not accredited by CARF or the Accreditation Council, must obtain an Initial Certificate of Certification from the DMRDD Regional Center for each specific waiver service they want to provide, prior to becoming eligible for enrollment as a DMRDD Waiver provider. To qualify for an Initial Certificate of Certification requires the following action:

- A Certification Safety Review Form must be completed by regional center staff
- A Self-Survey for Medicaid Certification Form must be completed by the agency with assistance from the regional center
- A Medicaid Waiver Enhancement Plan must be completed by the agency with assistance from the regional center

When all three documents are satisfactorily completed, the DMRDD Regional Center forwards the documentation to DMRDD Central Office and a recommendation is sent to the DMRDD Director recommending an Initial Certificate of Certification be issued.

# Handbook for Missouri Providers

## What are the Medicaid agency provider requirements?

(Reprinted from the MRDD Medicaid Program Manual)

At the same time the DMRDD Regional Center is assisting the provider in meeting DMH enrollment requirements, the regional center also gives the provider a Missouri Medicaid provider enrollment packet. All of the forms in the packet must be completed and signed according to the instructions provided. The following Missouri Medicaid requirements must be satisfied:

- Complete a Missouri Medicaid Provider Enrollment Application and Missouri Medicaid Provider Questionnaire, which must have an original signature
- Complete a Missouri Division of Medical Services Remittance Advice on Tape Agreement which must have an original signature
- Agree to maintain for five years or longer if specified by a contract with DMH, auditable program records reflecting services provided, recipient progress, number and kinds of recipients served and other relevant program records
- Allow the Centers for Medicare & Medicaid Services (CMS), the Department of Social Services (DSS) or its authorized representative, DMH, to inspect and examine its premises and records that relate to the provision of services under this program.

## How do I obtain a Medicaid provider number?

(Reprinted from the MRDD Medicaid Program Manual)

DMRDD verifies that all DMRDD and Missouri Medicaid requirements have been met and forwards required forms, copies of DMRDD contracts and proof of appropriate license, accreditation or certification to the Medicaid Agency. Both DMRDD and the provider receive a letter from the Division of Medical Services when the process is completed that includes assignment of the provider's nine-digit Medicaid provider number.

## What quality assurance processes relate to the MRDD Waiver?

(Reprinted from the MRDD Medicaid Program Manual)

Providers must cooperate with the following quality assurance processes:

- **Service Coordination Monitoring** Service coordination for DMRDD Waiver participants is provided by service coordinators employed by DMRDD Regional Centers or County SB-40 Boards. The service coordinator maintains at least quarterly contact with each participant or the participant's family or guardian. Face to face contact is required at least quarterly for those persons in placement and at least annually for persons who live with their family. In addition, most Regional Centers require monthly contacts. During these contacts, the service coordinator monitors the individual's health and welfare. Progress notes document whether the outcomes stated in the participant's person centered plan are occurring and whether the outcomes set forth by Certification Principles are a reality for the person. It is also the service coordinator's responsibility to review the provider's progress notes for any problems, discrepancies, dramatic changes or other occurrences that indicate a need for reassessment. The service coordinator's review includes making further inquiries and taking appropriate action if there is reason to believe the person's health or welfare is at risk. The Division of MRDD has also developed a quality assurance reference tool "Service Monitoring Guidelines" available at your local Regional Center.

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- **Regional Center Quality Improvement Teams** Each DMRDD Regional center has a Quality Improvement (QI) team that visits providers. Generally this is done together with certification for those agencies that are to be certified. These teams look for outcomes in accordance with the certification principles and work with providers to develop enhancement plans/quality outcomes and periodically review progress with the provider. Service providers must work in partnership with the regional centers to focus on quality outcomes for the people they support through development and implementation of quality enhancement plans.
- **Missouri Advocates For Individuals With Developmental Disabilities (MOAIDD)** MOAIDD, is a statewide volunteer organization composed of consumers and family members. The purpose of MOAIDD is to monitor and improve the quality of life of Missourians with developmental disabilities. MOAIDD does this by periodically monitoring residential facilities (including MRDD waiver providers of residential habilitation and individualized supported living) to promote partnerships among consumers and/or their families, service providers and the DMRDD. MOAIDD volunteers schedule visits with the permission of the waiver participant. Throughout the process, the focus is on the person and their rights, dignity and quality of life. The purpose of MOAIDD is to determine if the individual is leading as full a life as possible, not to review local, state or federal standards. Acting as an advocate, MOAIDD ensures that the consumer and/or family have the power to make choices.

### What is the process for renewing my initial certification?

Initial certification is good for up to one year. Prior to this certification expiring, a survey by the Certification team will be completed. Certification surveys will be conducted every other year with residential providers receiving a MOAIDD survey in the alternate years. As a provider it is important that you become familiar with the Certification Principles and their guidelines. Some regional centers have developed agency checklists that they use to assist you to learn about and understand the requirements. Finally, a copy of the complete rule which describes procedures to obtain certification can be found on the Missouri Secretary of States' web page at [www.sos.state.mo.us/adrules/csr/current/9csr/9c45-5.pdf](http://www.sos.state.mo.us/adrules/csr/current/9csr/9c45-5.pdf)

### How do I bill the Division of MRDD for services provided?

Here are the steps:

- Provider delivers service for consumer, the provider cannot bill until the end of the month in which the service is being provided.
- All services must be authorized prior to a provider starting services.
- Provider then contacts regional center to set up training for the billing (new providers).
- Provider comes to the regional center for the first billing cycle.
- At that time, the provider will receive the following:
  - Information System – the provider will be given a disk that can be installed on their office computer that includes instructions on how to install, providers can then bill from agency office.
  - Accounting then works with provider on steps to complete the billing, giving them a User ID and password to access the system. They are shown how to complete the billing and given a handout.
  - Accounting informs the provider on the timelines for billings to be submitted.

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- Computers are available at the regional center for providers, if they do not wish to use a personal computer to bill from their location. Other billing options may also be available.
- Providers billing from other areas in the state can request pass through to other regional centers and save long distance charges.

### What other requirements do I need to be aware of as a provider of MRDD Waiver services?

The MRDD Medicaid Program Manual includes a description of other requirements related to retention of records, nondiscrimination, documentation, financial compliance, billing and units of service. Individual Waiver services also have specific requirements related to staff qualifications. Different services include requirements related to:

- **Qualifications and Training of Direct Support Staff** For example, Day Habilitation Services require direct support staff to have a high school diploma or equivalent; be trained in CPR and first aid; and have one year of experience working with people with developmental disabilities or in lieu of experience, must successfully complete a certification principles training program approved by the regional center. In addition, program staff administering medication must have successfully completed a course on medication administration that is updated every 2 years.
- **Staff Ratios** For example, Category One Residential Habilitation services require a staffing level of 1:8 for days, 1:8 for evening, and 1:16 for nights.
- **Qualified Mental Retardation Professionals (QMRP)** For example, Day Habilitation services must be supervised by a QMRP and Category One Residential Habilitation services must include QMRP supervision a minimum of 1.66 hours per week per person served. A QMRP can include psychologists, physicians, social workers, occupational therapists, physical therapists, speech pathologists/audiologists, registered nurses, professional recreation staff, and human service professionals. The MRDD Waiver manual contains specific descriptions regarding the qualifications for each of these subgroups.

Again, it is important that you become familiar with the specific staff and other requirements for the MRDD Waiver service you will provide.

## Section Three: Management and Operation

This section of the handbook provides an overview of a number of key components and aspects related to developing and managing the operations of your service agency. To be successful, it is imperative that you have adequately planned for and considered how you will manage the financial, legal, and human resources of your organization. These principles apply whether you are a small provider serving a few consumers with few staff or a larger organization serving many consumers with a variety of staff. You can adapt the information in each section to fit the needs of your organization, however every issue is important to consider as you develop a plan for your organization. This manual is meant as an informational resource only. It is still important that you consult with an attorney and accountant as you plan the development of your new business or growth of your existing agency. Each subsection below provides an overview of one key operational area.

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**Information for Sections Three and Four draws upon information from the following resources:**

Managers Electronic Resource Center	<a href="http://erc.msh.org/">erc.msh.org/</a>
Management Assistance Program for Nonprofits	<a href="http://www.mapfornonprofits.org/">www.mapfornonprofits.org/</a>
Nonprofit Resource Center	<a href="http://www.nonprofitcenter.com/">www.nonprofitcenter.com/</a>
U.S. Small Business Administration Online Library	<a href="http://www.sbaonline.sba.gov/library/">www.sbaonline.sba.gov/library/</a>
Board Source	<a href="http://www.boardsource.org/main.htm">www.boardsource.org/main.htm</a>
About.com Human Resources	<a href="http://humanresources.about.com/">humanresources.about.com/</a>
SBA Online Women's Business Center	<a href="http://www.onlinewbc.gov/Docs/manage/index.html">www.onlinewbc.gov/Docs/manage/index.html</a>
Alliance for Non-Profit Management	<a href="http://www.allianceonline.org/default.htm">www.allianceonline.org/default.htm</a>
United Way of America Outcomes Measurement Resource Network	<a href="http://national.unitedway.org/outcomes/library/">national.unitedway.org/outcomes/library/</a>

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### Where can I receive assistance with business planning and development?

There are a number of sources of assistance available in Missouri including the Missouri Business Assistance Center, the Missouri Small Business Development Centers, Missouri Outreach and Extension and more. A description of the services of these organizations and much more can be found at the Business Development Network web site at [www.missouribusiness.net/sources\\_assistance.asp](http://www.missouribusiness.net/sources_assistance.asp)

In addition, the Missouri Business Development Network has a number of publications available related to doing business in Missouri which can be found on their site at [www.missouribusiness.net/doingbusiness/index.asp](http://www.missouribusiness.net/doingbusiness/index.asp). All these resources can be of significant assistance in assisting you to develop and implement a business plan.





# Handbook for Missouri Providers

## What are my options related to incorporation and where do I begin?

One of the first decisions you need to make is how to incorporate your agency. Missouri law allows businesses to operate under four forms of organization:

- Sole proprietorship
- Partnership
- Corporation
- Limited liability company

There are advantages and disadvantages of each structure which generally relate to liability and taxation. The two most common types of corporate structures for individuals providing contract services on behalf of people with disabilities are a sole proprietorship and the not-for profit corporation. Following is a short overview of each:

■ **Sole Proprietorship:** This is a business that is owned by a single individual and is the most common form of new business structure. In this structure the individual owner is free to operate as she or he chooses, however, there is limited opportunity for expansion and the owner has personal responsibility for all obligations, debts, and other liabilities the business may incur. Another disadvantage may be that certain funders and grant sources require non-profit status in order to access funding and support. For example the Missouri Division of Vocational Rehabilitation requires non-profit status for supported employment contractors. The formation of a sole-proprietorship is quite easy and requires only the filing of a Fictitious Name Registration form with the Missouri Secretary of State's Office. A copy of this form can be found at [www.sos.state.mo.us/forms/corp/corp56.pdf](http://www.sos.state.mo.us/forms/corp/corp56.pdf)

■ **Not-For-Profit Corporation:** A corporation is a legally created entity with rights, duties, powers, and responsibilities in and of itself. A corporation cannot act except through individuals. When individuals perform on behalf of a corporation, the actions are usually attributable to the corporation and not to the individual. Limitation of liability is one major advantage to the formation of a corporation. A non-profit organization is organized for purposes other than generating profit to be distributed to its members, directors, or officers. A non-profit may make a profit (more income than expenses), however, profits are retained to support the purpose and mission of the organization. Many not-for-profit corporations are tax exempt, however, merely forming a not-for-profit corporation under Missouri law does not guarantee that the state or federal government will treat the organization as tax exempt. Separate qualifications are required for tax-exempt status. The major advantages of this form of organization are limitation of liability, potential tax advantages, and opportunities to apply for grants and other funding. Disadvantages would include increased reporting and regulations as compared to a Sole Proprietorship. The formation of a non-profit involves filing Articles of Incorporation with the Missouri Secretary of State's Office.

It is recommended that you consult with an attorney or tax accountant to help you decide which incorporation option best fits the needs of your business. For more information on incorporation options see the publication "Doing Business in Missouri: Legal Formation" that is available on line through the following link [www.umsi.edu/~smallbus/Legalfo/legalfo.PDF](http://www.umsi.edu/~smallbus/Legalfo/legalfo.PDF) In addition, the Missouri Small Business Development Centers provide consultation and training in many areas related to new business development. Information regarding their services can be found at [www.mo-sbdc.org/index.shtml](http://www.mo-sbdc.org/index.shtml) **For the purposes of this handbook information and resources are provided that assumes the formation of a nonprofit organization.**

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## What are the steps to forming a nonprofit organization?

Every nonprofit organization must have a carefully developed structure and operating procedures in order to be effective at fulfilling its purpose. Good governance starts with helping the organization begin on a sound legal and financial footing in compliance with the numerous federal, state, and local requirements affecting nonprofits. A complete list of Missouri statutes regarding not-for-profit corporation law can be found at [www.moga.state.mo.us/statutes/c355.htm](http://www.moga.state.mo.us/statutes/c355.htm). Following is a checklist of some of the steps involved in forming a nonprofit organization.

- Determine the purpose of the organization. Every organization should have a written statement that expresses its reason for being.
- Form a board of directors. The initial board will help translate the ideas behind the organization into reality through planning and fund-raising. As the organization matures, the nature and composition of its board will also change. (See Board development on page 39)
- File articles of incorporation with the Missouri Secretary of State's Office.
- Draft bylaws. Bylaws, the operating rules of the organization, should be drafted and approved by the board early in the organization's development.
- Develop a strategic plan. The strategic planning process helps you express a vision of the organization's future. Outline the steps necessary to work toward that future, and determine the staffing needed to implement the plan. You should establish program and operational priorities for at least one year. (See strategic planning on page 42)
- Develop a budget and resource development plan. Financial oversight and resource development are critical board responsibilities. The sources needed to carry out the strategic plan must be described in a budget and financial plan. (See finances on page 18)
- Establish a record keeping system for the organization's official records. Corporate documents, board meeting minutes, financial reports, and other official records must be preserved for the life of the organization.
- Establish an accounting system. Responsible stewardship of the organization's finances requires the establishment of an accounting system that meets both current and anticipated needs. (See accounting systems on page 18)
- File for an Internal Revenue Service determination of federal tax exempt status. Nonprofit corporations with charitable, educational, scientific, religious, or cultural purposes have tax exempt status under section 501(c)(3) – or sometimes section 501(c)(4) – of the Internal Revenue Code. To apply for recognition of tax exempt status, obtain form 1023 (application) and publication 557 (detailed instructions) from the local Internal Revenue Service office.
- File for state and local tax exemptions. In accordance with state, county, and municipal law, apply for exemption from income, sales, and property taxes.
- Other steps: Obtain an employer identification number from the IRS, Form SS-4 ([www.irs.gov/forms\\_pubs/forms.html](http://www.irs.gov/forms_pubs/forms.html)); Register with the state unemployment insurance bureau; Apply for a nonprofit mailing permit from the US Postal Service, and obtain directors' and officers' liability insurance.



# Handbook for Missouri Providers

## Financial Management

Effective financial management is critical to the development of a new business. Some of the important considerations include setting up accounting systems, understanding audits, planning for cash flow, and developing and monitoring budgets. These issues are important regardless of the size of your organization. It may be advantageous for you to consult an accountant and/or talk with other successful provider agencies to obtain additional information and advice. The following provide a basic overview of a variety of financial management issues.



### What is an accounting system?

An accounting system is comprised of accounting records (checkbooks, journals, ledgers, etc.) and a series of processes and procedures assigned to staff, volunteers, and/or outside professionals. The goals of the accounting system are to ensure that financial information is properly entered into the accounting records and that financial reports are prepared accurately and in a timely fashion. A good accounting system will provide you information that is critical to monitoring income and expenses in relation to your budget and planning for cash flow needs.

### What are the components of an accounting system?

Traditionally, the accounting system includes the following components:

- **Chart of Accounts** The chart of accounts is a list of each item which the accounting system tracks.
- **General Ledger** The general ledger organizes information by account. The chart of accounts acts as the table of contents to the general ledger. Many software packages allow the user to produce a general ledger which shows each transaction included in the balance of each account.
- **Journals** Journals are used to systematically record all accounting transactions before they are entered into the general ledger. Journals organize information chronologically and by transaction type (receipts, disbursements, other). The process of transferring information from the journals to the general ledger is called posting.

### How is the organization checkbook managed?

In very small organizations, the checkbook may serve as a combined ledger and journal. Most financial transactions will pass through the checkbook, where receipts are deposited and from which disbursements are made. Smaller organizations receiving few or no restricted contributions find it easier to keep track of financial activity by running all of their financial transactions through a single checking account. Very small organizations, with few deposits and disbursements, may prepare reports directly from the checkbook after the balance has been reconciled with the bank balance.

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## What is an accounting procedures manual?

The accounting procedures manual is a record of the policies and procedures for handling financial transactions. The manual can be a simple description of how financial functions are handled (e.g., paying bills, depositing cash and transferring money between funds) and who is responsible for what. The accounting procedures manual is also useful when there is a changeover in financial management staff.

## What are the stages in the development of an accounting system?

Your accounting system will change as your organization's needs and resources change. A new, small organization may only need to keep an accurate record of activity in its checkbook. As the number of transactions grows, that organization will add manual cash disbursements and receipts journals, but may still prepare monthly reports using a summary sheet of income and expense items. Finally, as the organization acquires assets other than cash, accruals are added, and transactions become more complex, a full general ledger system will need to be incorporated. As their volume and complexity grow, the financial management activities will also require increasingly sophisticated staffing, whether by paid or volunteer staff or a combination of staff and outside service providers. An accounting system is only as good as the staff's ability to put it into practice, and should be designed with its users in mind.

## What is an audit?

An audit is a process for testing the accuracy and completeness of information presented in an organization's financial statements. This testing process enables an independent certified public accountant (CPA) to issue what is referred to as an opinion on how fairly the agency's financial statements represent its financial position and whether they comply with generally accepted accounting principles (GAAP). Board members, staff, and their relatives cannot perform audits because their relationship with the organization compromises their independence. The audit report is addressed to the board of directors as the trustees of the organization. The report usually includes the following:

- A cover letter, signed by the auditor, stating the opinion, as described above.
- The financial statements, including the statement of financial position (balance sheet), statement of financial activity (income statement), and statement of cash flows. Health and social service organizations also have a statement of functional expenses. Many audits show comparative information between fiscal years.
- Notes to the financial statements, as required by GAAP, which might include information about functional expenses, a depreciation schedule, further information about contributions, volunteer services, and other significant information not obvious in the financial statements.

In addition to the materials included in the audit report, the auditor often prepares what is called a management letter or report to the board of directors. This report cites areas in the organization's internal accounting control system which the auditor evaluates as weak.

## Handbook for Missouri Providers

Many auditors provide nonprofits with year-end financial management services that are not part of the audit. These include preparing:

- year-end financial statements based on client records
- notes to the financial statements
- depreciation schedules
- accrual and other adjustments based on client information

Many funding sources will require that you supply them with a copy of your year end audit. In fact the state of Missouri has the discretion to perform audits of contract providers.

### What is cash flow?

"Cash flow" management refers to the need to have cash come in -- flow in -- at the right times, so that it is available to flow out as needed. Everyone knows that if an organization has more expenses than income, sooner or later it will find itself in trouble. However, even if income matches or exceeds expenses in a given year, the cash from the income may not arrive in time to pay the bills as they come due. In fact as a contract service provider you can anticipate a lag of 60 to 90 days in receiving reimbursement from funding sources. A cash shortage can be very disruptive to your ability to carry out your mission. To avoid disruptions of business or to take advantage of temporary cash surpluses, cash flow can and should be projected, monitored, and controlled.



### How do you project cash flow?

Projections of receipts and expenditures, which comprise cash flow, are typically developed as part of the budget process, so that you can anticipate and develop strategies for funding the shortages or investing the surpluses. Cash flow projections follow a format similar to your budget's. For each month, anticipate how much money you will receive and how much you will spend in each category. While your cash flow projection will largely correspond to your budget, some cash flow may

come in from receivables from the prior year, cash may go out for payments made for last year's bills, and some income and expenses for the current year will be delayed until next year and, therefore, would not be included in the current year's cash flow budget. As the year progresses, cash flow projections can be updated. By comparing budgeted cash flows to actual deposits and expenditures, and understanding the nature of any variances, you can strengthen your ability to accurately anticipate cash flow in the future.

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### What are some useful strategies for planning for cash flow?

In a simple example, imagine an organization with no cash in the bank and a balanced budget, with \$10,000 in revenue and \$10,000 in expenses. If the income is received first, the organization will be able to spend it down as expenses are incurred. If, however, the expenses come in before the income, the organization cannot pay its bills until the cash is received. In this case, the organization has a problem with the timing of cash flow rather than a shortage of revenue or an excess in expenses. There are common strategies for dealing with the timing of cash flows, whether it is a cash shortage or a cash surplus. In order to meet a projected temporary cash shortage, you may want to consider any of the following strategies:

- Obtain a loan, usually from a bank or an individual
- Arrange for a line of credit from a bank.
- Speed up the collection of receivables (money owed to you).
- Finance the purchase of equipment by leasing it or paying for it over time.
- Liquidate investments.

### How can you take advantage of a projected temporary cash surplus?

To take advantage of a projected temporary cash surplus, your organization may:

- Make short term investments in certificates of deposit, money market funds, or U.S. Treasury Bonds.
- Buy supplies on sale that you will use over the course of the year.

In addition to reviewing your organization's revenue and expense budget, the board should review the organization's cash flow budget. The review should also include any measures related to managing cash flow which involve commitments on the part of your organization such as loans or revised terms with vendors.

### How much cash should we hold in reserve?

For the sake of long-term organizational and operating stability it is often desirable to build a reserve of cash to accommodate the following situations:

- Cash flow shortages which arise when **expenses fall due before the income to pay for them** is received. Factors which contribute to cash flow shortages in a balanced budget include seasonal or irregular cash flows delays in collecting fees for service, and delays in grant payments or contract reimbursements. This type of cash flow shortage can usually be covered by realistic and careful cash flow budgeting.
- Cash flow shortages which are caused by the **unpredictability of delivering services** which are part of the organization's basic mission. Money saved for unexpected problems is sometimes called a contingency fund and is usually calculated as a percentage of annual expenses. The more past experience you have to rely on when making contingency calculations, the more accurate they are likely to be.

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■ Cash flow shortages which are caused by **unexpected emergencies**, such as the withdrawal of a key funder or the loss of a key asset. Examples of unexpected emergencies include a fire destroys your site, your heating system needs to be replaced, etc. There is no easy or sure way to predict these kind of cash needs. Factors which contribute to these kinds of emergencies include the stability of funding sources (in general, fees for service are considered more predictable and stable than grants and contributions) and the predictability of expenditures (if you have old equipment or other fixed assets there is a higher probability that something will go wrong unexpectedly).

The more thought you give to anticipating these kinds of emergencies, the easier it will be to cope with them.

### How do we prepare a budget?

At least two or three months before the beginning of your fiscal year you will want to start thinking about the budget for the upcoming year. The budget ordinarily corresponds to your fiscal year, which should be selected to reflect your organization's operating cycle. For example, a nonprofit relying on government funding might choose a fiscal year ending June 30th so that the budget corresponds to the major funding cycle.

### Who should be involved in the budget process?

Staff and board members must participate in each phase of the budgeting process that affects the line items for which they will later be responsible. For too many nonprofit organizations, planning and financial management are activities that divide rather than unite the organization. For this reason, both program staff and financial staff should work with the executive director and board to develop budgets which truly reflect organizational priorities and act as a guide for spending and decision making.

### What are the steps in the budget process?

The first step in the budget process is to reflect on the goals and objectives of your strategic, long-range plan. Then, estimate the costs required to achieve your objectives, including staff, supplies, and other resources. Include both program and financial staff in discussions of programmatic costs to make sure that all resources required by programs are considered. In subsequent years you can rely on past experience, as reflected in budget to actual reports, to determine some of this information for continuing programs. Make sure to take into account upcoming changes, especially in areas such as insurance, which are subject to significant fluctuations. Since personnel costs typically account for 60 to 70 percent of a nonprofit's total expense budget, be sure to plan carefully for this line item. There can be a lot of hidden costs associated with new programs. For example, hiring new staff entails: training and support in addition to salaries and benefits; advertising new positions; evaluating your need for additional office space, furniture and equipment; and considering that an expanded staff, whether paid or unpaid, requires additional time for staff meetings, supervision, coordination. Some of the typical expense line items for which you might need to project expenses include staff salaries, fringe benefits, travel reimbursement, office supplies, telephone, postage, equipment, conference/training, rent/utilities, insurance, accounting, contract services, and advertising/memberships.

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You must budget for income as well as expenses. You can estimate revenues with some degree of accuracy as you develop a base of experience. As with any budgeting based on the past, it is important to make adjustments for future plans and changes when you have sufficient information to anticipate.

Finally, compare revenue and expense projections. At different times organizations will choose to incur a deficit, realize a surplus, or simply break even. No rule says that budgets must balance in each budget period. If you are anticipating a deficit, is it because you are investing monies raised in prior years into new programs? Does a surplus reflect a board policy to establish an operating reserve to guard against loss of future funding or cash flow shortfalls? Certainly, large deficits can lead to bankruptcy, and large surpluses may mean that the organization is not investing enough of its revenues in serving the public interest. However, for any given budget period, revenue and expenses should be in the relationship that the organization chooses, rather than mechanically balanced.

### How do you prepare a monthly budget?

It is useful to prepare monthly budgets that reflect the anticipated timing of revenue and expenses instead of dividing the full budget into twelve equal parts. For example, if your insurance is due once a year, the entire insurance premium would be reflected in that month's budget, rather than divided into twelve equal parts throughout the year. By preparing monthly budget breakdowns and comparing them with actual dollars spent and received, you can more accurately spot real changes and revise the budget accordingly. Budgets and the budget process can be an important vehicle for better programmatic and financial management and can help your organization better achieve its mission.

### Risk Management and Insurance

Understanding risk management and insurance can protect the human and material resources of your organization. This section reviews the most common types of risks and the insurance coverages available to minimize and protect against these risks.

### What are the most common risks facing nonprofit organizations?

Risk is any uncertainty about a future event that threatens your organization's ability to accomplish its mission. Viable threats endanger your organization's core assets and thereby limit your ability to provide critical services. Although your "fund balance" may be minimal, and equipment may be second generation, your agency has vital assets at risk. Generally, nonprofit assets fall into the following categories.

- **People** Board members, volunteers, employees, clients, donors, and the public.
- **Property** Buildings, facilities, equipment, and materials.
- **Income** Contracts, grants, and contributions.
- **Goodwill** Reputation, stature in the community, and the ability to raise funds and appeal to prospective volunteers.



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An organization can evaluate the risks facing it by the magnitude of the threat to its core assets. The likelihood and potential consequences of a risk materializing determine whether it is a high priority risk requiring immediate attention. The risks most common to nonprofit organizations include:

- **Injuries to Consumers, Employees, Volunteers, and the Public** The nonprofit's major risk or exposure is the possibility of someone getting hurt. The injury may be the result of the organization's negligence or a non-fault accident. Every nonprofit, when serving consumers or raising funds for its programs, must exercise a level of care necessary to protect people from harm. Injuries may arise from an automobile accident, workplace hazards, consumer participation in a regular program, or the sponsorship of a special event. An organization is liable when it is financially responsible for its actions or failure to act. Claims made against nonprofit organizations frequently allege negligence, or the failure to act as a reasonable person would under similar circumstances. To prevail, a party alleging negligence must prove that:
  - **A duty exists** An organization cannot be found negligent unless it first had a duty to exercise care.
  - **The duty is breached** An organization that does not meet its duty of care may be found negligent.
  - **An injury occurs** Negligence will not be found unless someone is hurt or something is damaged.
  - **The breach of duty caused the injury** In order for an organization to be found negligent, the injury must be tied directly to the entity's breach of its duty of care.

If the four elements exist in a given situation, a court may hold an organization liable for an injury or damages. One of the greatest risks facing a nonprofit is the failure to provide the requisite level of care required under the circumstances. The required standard of care, however, varies with the situation, the people involved, and the community in which the incident takes place.

- **Damage to Property** Every organization owns some property even if it is antiquated office furniture and computers. The damage or destruction of the nonprofit's property could impair the organization's ability to continue operations. A fire, tornado, flood, wind, explosion, vandalism, theft or electrical malfunctions can cause damage to the organization's property and have both operational and financial consequences. A word of caution: many organizations assume that a general liability policy will cover damage to another's property. However, most general liability policies exclude damage to property owned by or in the care, custody, and control of the insured.
- **Employment Practices** Employment-related matters represent the largest share of claims filed against nonprofits under directors' and officers' liability policies. Lawsuits alleging wrongful termination represent 60 percent of all suits filed against nonprofit boards. Charges of sexual harassment and discrimination are the next leading causes of employment practices claims. Nonprofit managers and boards must carefully establish and follow employment policies and procedures to reduce the risk of employment practices claims. Employment risks arise from the existence of extensive laws regulating the employer-employee relationship. The laws apply to all aspects of the employment relationship --



including the hiring, supervision, and termination of employees. Some of the issues addressed by the laws are sexual harassment, discrimination (based on sex, age, race, color, creed, national origin, disabilities, sexual orientation), wage and hour, fair labor standards, and benefit plans administration.

- **Fraud** Every nonprofit is vulnerable to fraud. The theft or misappropriation of funds can have severe consequences. A single major theft of funds or equipment could jeopardize seriously a nonprofit's viability. The organization may suffer a cash flow crunch or a reduction in services and a loss of jobs. The lack of effective internal controls may enable the thief to be successful. Even a small nonprofit with very limited resources could lose it all if an employee or volunteer steals or squanders its money.

### How do you create an insurance program?

Generally, a nonprofit should tailor its insurance program to cover the specific risks that threaten its ability to fulfill its mission. This usually means purchasing a combination of insurance coverages rather than relying on a single policy form. It is highly unlikely that any single insurance policy will address the wide range of insurable exposures facing an organization. Sometimes however, a nonprofit may elect to purchase insurance for a specific exposure and self-insure other exposures. Organizations, even those with limited financial reserves, committed to protecting the agency's scarce assets should carefully consider the coverages described below to develop an adequate risk financing program.

- **Commercial General Liability (CGL)** These policies protect a nonprofit and its directors, officers, and employees against claims alleging property damage or bodily injury caused by the nonprofit's operations or activities. CGL policies generally offer broad coverage for damage to another's property, bodily injury, and personal injury (false arrest, malicious prosecution, and defamation). Although a CGL policy provides extensive coverage, it does not address every possible liability exposure. Some insurers are willing to extend the CGL policy to provide coverage for others such as volunteers, sponsors, and landlords. Directors' and Officers' Liability Insurance (D&O) policies protect against claims alleging harm attributable to the governance or management of an organization.
- **Automobile Insurance** Nonprofits that lease or own vehicles are aware of the need for physical damage and commercial auto liability coverage. A nonprofit can be held liable, however, for the damage and injuries caused by its employees or volunteers using their own vehicles or vehicles that the agency rents or borrows for its operations. If your agency uses vehicles owned by its staff or volunteers, consider purchasing non-owned and hired auto liability coverage. Non-owned and hired auto liability coverage protects the nonprofit (not employees or volunteers unless endorsed onto the policy) against exposures in this area. Under non-owned and hired auto coverage, the driver's insurance (whether it is an employee or volunteer) will pay first -- before the nonprofit's coverage engages. Volunteers and Employees Excess Auto Liability insurance provides additional protection for volunteers and employees. This policy protects the volunteer or employee (not the nonprofit) for claims in excess of the individual's personal auto policy limit when the individual uses his or her auto on agency business.

- **Professional Liability** Professional liability policies provide coverage for claims arising from the delivery or failure to deliver professional services. The CGL policy usually excludes coverage for professional services. Some policies provide limited coverage for certain professional exposures, while others cover a wide range of professional services subject to certain exclusions. Nonprofits should consider carefully whether they have any "professional liability" exposures and purchase coverage corresponding to these exposures. As your agency develops new programs and services or pursues collaborative ventures, new exposures in this area may arise.
- **Property Coverage** Property insurance protects against damage to buildings and equipment a nonprofit owns or is responsible for, such as rented or borrowed equipment. The scope of coverage depends upon the type of property susceptible to damage and the cause of the damage. In addition to the property itself, property insurance may also pay for incidental expenses -- fire department charges, expenses incurred to save the property from damage, and debris removal. Most policies do not cover significant catastrophes such as floods. However, a nonprofit with these exposures may purchase flood coverage as a separate policy or endorsement.
- **Workers compensation and employer's liability** Workers compensation insurance is mandatory if the organization has one or more employees. The workers compensation policy provides benefits for employees' injuries arising out of and while in the course of their employment. An agency must purchase coverage for all employees whether full or part-time. A standard workers compensation policy includes employer's liability coverage. This coverage pays for the costs to defend and settle a suit filed by an employee or the employee's family in connection with an on-the-job injury or death. It is important that your insurance carrier be familiar with the nature of the services that are provided by your organization to assure that your agency receives a classification that is most beneficial. In addition, it is important that you talk with and network with other service providers to obtain information about who writes the coverage for their organizations since there is a limited number of insurance companies who write policies in this area. The Missouri Division of Workers Compensation has a publication titled "Employer's Guide to Workers' Compensation Insurance" available through their office.

### How can an organization improve its chances of buying appropriate coverage?

First, be honest with your insurance advisor about the exposures inherent in your operations. Ignoring risks to get a cheaper policy may result in not having the necessary coverage. Second, check all of your policies for exclusions. Often, the exclusions will eliminate essential coverage for the services delivered by your organization. Third, select an agent or broker who understands your organization. Brokers specializing in nonprofit organizations can be an invaluable asset. You will spend your time wisely when checking the references provided by your prospective broker or agent. Fourth, require written proposals from any prospective insurers that include copies of the policy wording. Finally, consider putting your insurance program out to bid every three to five years.

## Staff Development

Selecting and retaining top notch staff is key for business success. Talented people who continue to develop skills and increase their value to your organization and to your customers are your most important resource. How do you select and retain talented people? How do you create an environment in which talented people continue to grow and contribute? The primary elements of any plan to improve the quality of the staff you employ include improving the quality of new hires, identifying and retaining superior employees, and developing employees. This is especially true for human service agencies who typically experience difficulties in recruiting and retaining quality staff. There is no one answer or solution to this problem. The solutions relates directly to your ability to select quality people, train them, coach them, provide a supportive work environment, recognize their contributions, provide feedback, provide opportunities for career development-advancement, and compensate them fairly for the work they perform.



## **What is performance management?**

Performance management is the process of creating a work environment or setting in which people are enabled to perform to the best of their abilities. Performance management is a whole work system that begins when a job is defined as needed. It ends when an employee leaves your organization. A performance management system includes the following actions.

- Develop clear job descriptions.
- Select appropriate people with an appropriate selection process.
- Negotiate requirements and accomplishment-based performance standards, outcomes, and measures.
- Provide effective orientation, education, and training.
- Provide on-going coaching and feedback.
- Conduct regular performance development discussions.
- Design effective compensation and recognition/systems that reward people for their contributions.
- Provide promotional/career development opportunities for staff.
- Assist with exit interviews to understand why valued employees leave the organization

Following is a more detailed discussion of various aspects of a performance management system.

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## What is involved in developing a job description?

A good job description can build a connection between an employee's work and the mission of an organization. It not only helps an employee understand expectations but also how those duties relate to the outcomes the organization is seeking to improve. In addition, a good job description forms the basis for recruiting and hiring. Once you know what skills, experiences, and interpersonal qualities you are seeking you can form recruitment strategies and interview questions/activities that will assist you in recruiting the most qualified applicants. Following is a checklist of some of the key questions a job description should answer:

### ■ What is the purpose of this specific job?

- Does this job perform a service?
- Who are the primary customers served by this position?
- Where does this job fit in relation to other jobs in the department or organization?
- What values and beliefs need to guide the work of the position holder?

### ■ What are the tasks, skills, and duties required in this position?

- What are the most important duties of this job?
- What other duties and responsibilities would make the job performance more complete?
- How is each of these duties performed?
- What specific training, education, degrees, or experience should the candidate selected bring to the job?
- What skills can be learned on the job?

### ■ What are the conditions under which this job is performed?

- What are the general working conditions (i.e., setting -- indoors, outdoors, office, etc.; hours; work with other employees, with consumers, with families)?
- Does this job require making external contacts, travel?
- What is the reporting relationship?

### ■ What personality or relationship skills are necessary for this position?

- What interpersonal skills are required?
- Is the position detail-oriented or people-oriented?
- What level of decision-making or independent thinking is required?

After you have described the nature of the work to be completed and related qualifications you need to ask yourself how best to accomplish the work. In addition to the normal route of directly hiring individuals to complete the work you may want to investigate other options such as contracting with other individuals or organizations to complete the work (e.g. bookkeeping firms) or job sharing employees with other agencies.

## How can I recruit good employees?

A team recruitment strategy is a good strategy to help you accomplish this end. The reality in a tight job market is that your network of current employees are one of your best recruitment tools. There are four basic steps in a team recruitment process: defining manpower needs, finding and enticing quality candidates to respond to those needs, interviewing and selecting the best applicants, and orienting newly selected employees into the business. The most effective team-recruitment approach will include current employees at all stages of the process. Here are three strategies:

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- **Employee as Recruiter** Establishing a modest recruitment incentive program will encourage positive public relations and improve employees' perceptions of their relationship with the company. An existing employee adds value to a recruitment campaign for several reasons. Because employees have an operational understanding of the various roles and responsibilities of the agency, they will be more likely to introduce candidates who match position requirements. This will also save time and money and employees will feel valued when a personally recommended candidate is considered.
- **Employee as Interviewers** Inviting employees to participate in the interview process augments employee perceptions of value and offers front line insights regarding candidate suitability and fit within an existing team structure. This method of inclusion has a wide range of benefits including giving a voice to the employees who will ultimately work with the new employee and increasing employees' perception of value through inclusion.
- **Employee as Mentor** There is nothing more unsettling for a new employee than to show up on her first day of work with little knowledge about what she is supposed to do, how she will fit in, or who the key people in her team are. The lack of information and support is a major cause of stress for new employees at every level. While a good orientation process might help to lessen that stress, employee sponsorship will prevent it from occurring. Initial perceptions of new employees are improved from day one and a sense of community is created and nurtured.

These team recruitment and retention methods will simultaneously strengthen and improve perceptions of new recruits and encourage active participation of existing employees. Fostering a sense of community by inclusion will make recruiting and retention efforts more effective. In addition, expanding this form of networking beyond employees to consumers, families, funders, and others who know your organization can be extremely beneficial.

### How can I retain good employees?

The success of any company is directly related to the satisfaction of the employees who embody that organization. So how do you keep your most valuable human resource? It is always tempting to answer these questions with better pay and benefits. Though it is important that these remain competitive, your employees are motivated to stay or go by much more. Here are some of the other intangibles:

- Employees need to understand the “big picture” of where your organization is headed
- Employees want accessible leaders who not only talk but listen
- Employees need to know how their individual activities help the company achieve its mission
- Employees want an opportunity to use and develop their own leadership skills
- Employees want training and career advancement opportunities
- Employees want companies who recognize and respect that they have lives, interests, and demands outside of work

An old adage says, “employees don’t quit their jobs, they quit their bosses.” There is no one job perk or trendy gimmick that will help you retain good employees. Probably the best approach is to openly talk with employees about why they stay with your company and what “tempts” them to leave. This will give you some insight into creating an environment where employees know that what they do matters.

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## How can I become an effective supervisor?

As a supervisor, you are likely to be presented with new challenges every day. To help create a productive workplace that is also positive and enjoyable for both you and your employees, try these tips.

- **Set standards for quality performance** This will help your employees know what is expected of them. Give employees enough room and special incentives to meet these standards once they are in place.
- **Foster communication** Having an "open-door" policy will help keep communication flowing between you and your employees. Be available and approachable to your employees, so they aren't intimidated to come to you. Also, be open to receiving feedback from employees.
- **Be supportive and recognize contributions** Employees often look to supervisors for feedback and direction. A supportive management style reinforces confidence and encourages employees to continue their hard work.
- **Offer formal and informal training** By fostering a learning environment, you will help employees stay on top of the latest skills related to their job duties.
- **Encourage goal-setting** Work with your employees on a plan to achieve their goals. This will help motivate employees and may encourage them to further develop their skills.
- **Reward and appreciate good work** Positive reinforcement is one of the best ways to motivate employees to work their best.
- **Lead by example** You set an example to others in your workplace. Make sure that your own actions are consistent with the expectations you place on your employees.

Both you and your employees benefit when you practice effective management techniques and create a healthy work environment.

## How do I develop effective employee teams?

People in every workplace talk about building the team, working as a team, and my team, but few understand how to create the experience of team-work or how to develop an effective team. Belonging to a team, in the broadest sense, is a result of feeling part of something larger than yourself. It has a lot to do with your understanding of the mission or objectives of your organization. Successful team building, that creates effective, focused work teams, requires attention to each of the following.

- **Clear Expectations** Do team members understand why the team was created?
- **Context** Does the team understand where its work fits in the total context of the organization's goals, principles, vision, and values?
- **Commitment** Are members committed to accomplishing the team mission and expected outcomes?
- **Competence** Does the team feel that its members have the knowledge, skill, and capability to address the issues for which the team was formed?



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- **Charter** Has the team taken its assigned area of responsibility and designed its own strategies to accomplish the mission?
- **Control** Does the team have enough freedom to feel the ownership necessary to accomplish its goals?
- **Collaboration** Are team members working together effectively and understand the roles and responsibilities of team members?
- **Communication** Do team members communicate clearly and honestly with each other?
- **Creative Innovation** Does the organization reward people who take reasonable risks to make improvements?
- **Consequences** Do team members feel responsible and accountable for team achievements?
- **Coordination** Do teams coordinated their activities with others in the organization?
- **Cultural Change** Does the organization recognize that the more it can change its climate to support teams, the more it will receive in pay back from the work of the teams?

Time and attention spent addressing each of these areas will help ensure your work teams contribute most effectively to your organization's success.

### How do you evaluate employee performance in a meaningful manner?

Performance management is about having everyone succeed and improve. In order for that to happen, the manager and the employee have to work together to identify barriers to success (whether they are from the employee or the system of work), and to build plans to overcome those barriers. It is a process that should occur throughout the year not just a one time annual discussion. No system is perfect. What you need to do is find ways to make performance better, and sometimes that means the manager and the employee need to figure out the best method to use in their unique situation. The single most important question is: What things have made your job more difficult, which have been the most satisfying, and what do we need to do in the next year to help you become more productive? The discussion needs to be forward looking, and not be restricted to "deficits" of employees. To accomplish this, managers should have informal short talks once every few weeks with employees - five or ten minute "how's it going?" talks. Hold quarterly discussions that are a bit more organized. Schedule a year-end review that is really just a review. By the time the year-end review happens everything should have been discussed before with no surprises. The year- end review really becomes a time for more formal future planning. Here are some sample questions to help guide these discussions:

- What are the most satisfying features of your job?
- What are the most challenging and difficult features?
- How could your job change to increase your job satisfaction?
- What are your personal/professional goals? How can we be of assistance to you in achievement of these goals?
- Think about who your customers are in your current position. What things could you and/or the organization do to provide a better level of service to these customers?
- Please provide a few suggestions as to how your supervisor could provide you with improved support and be more effective in their job.



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## What are employee handbooks and should I have one for my agency?

Each employer must make its own decision as to whether or not it will have an employee handbook and what its' contents should be. There are certainly potential advantages to an employer who has a handbook. There are also potential disadvantages, particularly where the handbook is not properly prepared. The employee handbook should not be presented as a stern admonition to employees, warning them of the limits on their employment rights and the harsh consequences of failure to adhere to rigid company practices. Rather, it should show the employer and the environment in a positive light. Consider these potential purposes of employee handbooks:

- Making the employee feel at home with a welcome to his or her new employment.
- Letting the employee know what is expected in terms of certain basic company policies.
- Letting the employee know what benefits the company provides, including holidays, health insurance, disability benefits etc.
- Letting the employee know something about the company, its history and mission.
- Letting the employee know that the company complies with anti-discrimination laws.
- Avoiding unintended contractual relationships with the employees.

Many funding organizations require that an agency have certain organizational policies in place. The Missouri Division of MRDD requires some policies to meet licensing and certification standards. Quality Improvement teams at the regional centers may be able to assist you in forming required policies and provide sample policies to assist you. It is also important that an employer include a statement in the manual that the employer reserves the right to change, delete or amend any statement made in the booklet unilaterally and without notice. Be sure your lawyer reviews your handbook before you give it to employees.

## Benefit Management

Employee benefits play an important role in the lives of employees and their families and have a significant financial and administrative impact on an organization. Most agencies operate in an environment in which employees have come to expect a comprehensive benefits program. Indeed, the absence of a program or an inadequate program can seriously hinder an agencies ability to attract and keep good personnel. Employers must be aware of these issues and be ready to make informed decisions when they select employee benefits. Many human service organizations with limited financial resources have not adequately addressed the issue of benefits. It is most important for you to know what type of benefits most important to your employees and make these your first priority.

Designing the right benefit plan for your employees can be a complex task. You may want to contact an insurance carrier or a benefits consultant for assistance in designing and implementing your benefit plan.

## Why offer your employees benefits?

Here are some of the reasons employers offer their benefits:

- To attract and hold capable people.
- To keep up with competition.
- To foster good morale.
- To provide opportunities for advancement and promotion as more senior staff retire.

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A combination of benefits programs is the most effective and efficient means of meeting economic security needs. For many employers, a benefit plan is an integral part of total compensation, because employers either pay the entire cost of a benefit plan or have employees contribute a portion of premium costs for their coverage.

### What is an employee benefit plan?

There are both mandated and optional benefits. They include:

**Mandated Benefits:** The employer must pay in whole or in part for certain legally mandated benefits and insurance coverage:

- **Social Security** For more information related to the federal Social Security program [www.ssa.gov/](http://www.ssa.gov/)
- **Unemployment Insurance** For more information related to Unemployment Insurance benefits [www.dolir.state.mo.us/es/dolir4b.htm](http://www.dolir.state.mo.us/es/dolir4b.htm)
- **Workers' Compensation** For more information related to Workers' Compensation in Missouri [www.dolir.state.mo.us/wc/index.htm](http://www.dolir.state.mo.us/wc/index.htm)



Funding for the Social Security program comes from payments by employers, employees and self-employed persons into an insurance fund that provides income during retirement years. Unemployment insurance benefits are payable under the laws of individual states. Employer payments, based on total payroll, contribute to the program. Workers' compensation provides benefits to workers disabled by occupational illness or injury. Private insurance or an employer self-insurance arrangement generally provides the coverage.

**Optional Benefits.** A comprehensive benefit plan can include the following elements:

- Health insurance
- Disability insurance
- Life insurance
- A retirement plan
- Flexible compensation (cafeteria plans)
- Leave

Broadly defined, a benefit plan can include other items such as bonuses, service awards, and reimbursement of employee educational expenses.

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## What type of health benefit plans are available?

Group health plans help attract and keep employees, relieve your employees of the anxiety of health care costs, and usually cost less than purchasing several individual policies with comparable coverage.

As an employer, you can choose either an insured (also known as an indemnity or fee-for-service plan) or a pre-paid plan (also known as a health maintenance organization).

- **Traditional Indemnity Plans** An indemnity plan allows the employee to choose his or her own physician. The employee typically pays for the medical care and then files a claim form with the insurance company for reimbursement.
- **Preferred Provider Organizations** Preferred provider organizations (PPOs) fall between the conventional insurance and health maintenance organizations, and are offered by conventional insurance underwriters. A PPO is a network of physicians and/or hospitals that contracts with a health insurer or employer to provide health care to employees at discounted rates.
- **Health Maintenance Organizations** Health maintenance organizations (HMOs) provide health care for their members through a network of hospitals and physicians. Comprehensive benefits typically include preventive care, such as physical examinations, well baby care and immunizations, and stop-smoking and weight control programs.

In addition to basic health insurance plans the following are may also be offered:

- **Dental Benefits** Most plans cover all or portions of the cost for the following services:
  - Cleaning, X-rays and oral examinations
  - Fillings
  - Crowns and dentures
  - Root canals
  - Oral Surgery
  - Orthodontia
- **Disability Benefits** A disability plan provides income replacement for the employee who cannot work due to illness or accident. These plans are either short or long term and are distinct from workers' compensation because they pay benefits for non-work-related illness or injury.
- **Life Insurance** Traditionally, life insurance pays death benefits to beneficiaries of employees who die during their working years. There are two main types of life insurance:
  - Survivor income plans, which make regular payments to survivors.
  - Group life insurance plans, which normally make lump-sum payments to specified beneficiaries.

## How do I find a good plan?

Finding a benefit plan that meets your budget constraints and fills the needs of your employees is crucial. Among the sources to check are:

- Chamber of Commerce
- Independent insurance agents
- Trade associations
- Community business leaders
- Benefit consultants of actuaries
- Service Corps pf Retired Executives (SCORE)  
(affiliated with the U.S. Small Business Administration)

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## What types of retirement benefit options are available?

Most financial planners report that an individual requires about 75 percent of his or her pre-retirement income to maintain the same standard of living enjoyed during one's working years. Social Security, employer-sponsored retirement programs and personal savings are the three sources of postretirement income.

- **Social Security Benefits** Social Security provides retirement benefits for most persons employed or self-employed for a set period of time (currently 40 quarters; about 10 years). Benefits paid at retirement, traditionally age 65, are based on a person's earnings history. Payments may begin at age 62 at a reduced rate or, if delayed until age 70, at an increased rate.
- **Employer-Sponsored Retirement Plans** A retirement plan can attract and reward key employees. The benefits and tax advantages of supplementing Social Security with a qualified retirement plan are significant. A qualified plan is one meeting Internal Revenue Service (IRS) specifications. Accountants, banks, insurance and investment professionals, as well as other financial institutions, can provide information on pension plan products.

## What questions should I ask before finalizing a pension plan?

- Does the plan require a given level of contribution each year?
- Do the plan provisions (eligibility, hours of service and vesting of employer contributions) meet current and future needs?
- What are the costs of establishing and administering a plan and trust, including providing annual employee reports? For how long are these costs guaranteed?
- What are the investment options offered? Which offer guarantees and which do not. What is the 10-year historical performance of the various investments?
- Are there any loads (charges) associated with deposits (front-end charges) or surrenders (rear-end charges) from the plan?
- Can employees make individual investment selections and what types of reports do participants receive?

## What are flexible compensation or cafeteria plans?



Cafeteria plans offer employees a minimum level or "core" of basic benefits. Employees are then able to choose from several levels of supplemental coverage or different benefit packages. All packages are of relatively equal value, but can be selected to help employees achieve personal goals or meet differing needs, such as health coverage (family, dental, vision), tax reduction (thrift plans, salary reduction), retirement income (pension plans) or specialized services (day care, financial planning, legal services).

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## What type of leave options are available?

There are a wide variety of paid and unpaid leave plans for all businesses. Among the typical options are:

- Annual leave
- Holidays (national and state)
- Sick leave
- Personal leave (birthday, choice)
- Compassionate leave (funeral, family illness)
- Community Service (voting, jury duty, court witness, National Guard, volunteer Fire Fighter)
- Education/training
- Religious observance
- Emergency leave
- Parental (formerly maternity) leave
- Leave without pay
- Leave of Absence (paid or unpaid)

## What options do I have for determining eligibility for leave?

In determining employee eligibility for leave, an employer must find answers to many questions, including the following.

- How much paid leave time can the company afford per year?
- How many categories of leave should there be?
- Can employees carry over unused leave from one year to the next? If so, how much?
- Are there leave rights during probation?
- Who gets first choice of dates in scheduling leave? How are conflicts resolved? By seniority?
- Can employees borrow leave in advance?
- At what point does extended/borrowed paid leave become unpaid leave and extended/borrowed unpaid leave become unemployment?
- Are employees eligible for more leave after a certain number of years with the company?

Employers must determine when eligibility for leave begins: immediately? after the first year? Many employers establish a paid annual leave schedule by declaring employees eligible for so many hours leave after they have worked a specified number of hours; for example, two hours leave for every 80 hours worked or one day for so many weeks worked.

## How do I make choices related to employee benefits?

Before you implement any benefit plan, you should ask yourself some questions:

- How much are you willing to pay for this coverage?
- What kinds of benefits interest your employees?
- What do you think a benefits plan should accomplish?
- Is a good medical plan more important than a retirement plan?
- Do you want to administer the benefits plan, or do you want the administration done by an insurance carrier?
- What is your employee group like today? Can you project what it might look like in the future?

If you are serious about offering your employees a benefit plan, the next step may be to contact an insurance broker or benefit consultant who can help you design a specialized benefit program.

## Wage and Hour Laws

### What are the wage and hour regulations that apply to the state of Missouri?

The Division of Labor Standards has the responsibility of administering Missouri's Wage and Hour Laws. The courts of Missouri follow an "Employment-at-Will" doctrine. This means that both the employee and employer can end the employment relationship at any time and for any reason, as long as it is not discrimination under the Civil Rights Act. Unless there is a written employment agreement, an employer may dictate or change the terms and conditions of employment. The employee can either agree to the terms and conditions, or refuse them and risk termination.

The minimum wage and overtime rules can be found on the Missouri Secretary of States web site at [www.sos.state.mo.us/adrules/csr/current/8csr/8c30-4.pdf](http://www.sos.state.mo.us/adrules/csr/current/8csr/8c30-4.pdf) Listed below are some of the most commonly asked questions.

- **Are breaks or lunch periods required?** There are no state laws regarding breaks or lunch periods. These issues might be addressed by company policy.
- **Are benefits such as vacation, sick leave and health care required?** Missouri has no law requiring paid vacations for private sector employment. This is an issue that must be addressed by the employee with his or her employer. The State of Missouri does not have a law that requires employers to offer any type of fringe benefit, such as insurance or sick leave.
- **If an employee is terminated when are their final wages due to them?** Wages are due at the time of termination. If not paid at that time, the employee should contact their former employer by certified mail return receipt requested, requesting wages that are due.
- **If an employee quits their job, when are their final wages due to them?** There are no requirements under Missouri law that address when wages are due when an employee quits a job. If wages are not paid by the next regular pay period, then the wages would have to be collected by legal action.
- **What does an employee need to do to request a "Letter of Dismissal"?** If you worked for an employer for over 90 days and they had 7 or more employees you would be entitled to a Letter of Dismissal.
- **Does an employer have to furnish their employees with a statement of deductions?** At least once a month an employer is required to furnish employees a statement of deductions as part of a check or in a separate document.
- **Can an employer require their employees to work more than 8 hours a day or more than 40 hours per week?** There are no Missouri laws which restrict the number of hours an employer can require an employee to work. If the employee refuses to work the requested hours, the employer can terminate the employee without violating any laws. If the employee is covered under the federal overtime law, (if the businesses' gross annual volume sales made or business done is more than five hundred thousand dollars), they are to be paid time and one half for any hours over 40 hours in a workweek. (See RSMo Chapter 290.505)



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- **Can an employer reduce the wages of their employees?** An employer can reduce an employee's wages without violating any law. However, an employer subject to the Federal Fair Labor Standards Act (FLSA), may not reduce an employee's wages below the federal minimum or below state minimum wage. Missouri law requires employers to give a thirty day written notice of reduction of wages. (See RSMo Chapter 290. 100)
- **Is an employee required to give their employer two weeks notice when they quit their job?** No. Missouri courts go by a doctrine of "Employment-at-Will" which does not require any notice. The state laws provide no requirement for notice from or for employers.
- **What is the minimum wage?** \$5.15 per hour. The minimum wage increased to \$5.15 per hour on September 1, 1997. The Missouri Minimum Wage and Overtime Law, sections 290.500 to 290.530 is not enforced by the state. The U.S. Department of Labor, Wage and Hour Division, does have authority to collect wages for workers.
- **When does overtime come into effect?** Overtime is based on a 40 hour work week, not an 8 hour day. The Federal Fair Labor Standards Act (FLSA), requires certain employers to pay 1 ½ times the regular rate of wages for hours over 40 in a workweek. (See RSMo Chapter 290.505)

### What are the federal wage and hour laws?

There are a variety of federal wage and hour laws that all employers need to follow. A complete listing of these laws can be found in the Fair Labor Standards Act on the U.S. Department of Labor web site at [www.dol.gov/dol/esa/public/regs/statutes/whd/allfair.htm](http://www.dol.gov/dol/esa/public/regs/statutes/whd/allfair.htm) Following are some of the most frequently asked questions:

- **What is the minimum wage?** The Federal minimum wage for covered nonexempt employees is \$5.15 per hour. The Federal minimum wage provisions are contained in the Fair Labor Standards Act (FLSA).
- **Is extra pay required for weekend or night work?** Extra pay for working weekends or nights is a matter of agreement between the employer and the employee (or the employee's representative). The FLSA does not require extra pay for weekend or night work. However, the FLSA does require that covered, nonexempt workers be paid not less than time and one-half the employee's regular rate for time worked over 40 hours in a workweek.
- **How are vacation pay, sick pay, holiday pay computed and when are they due?** The FLSA does not require payment for time not worked, such as vacations, sick leave or holidays (Federal or otherwise). These benefits are matters of agreement between an employer and an employee (or the employee's representative).
- **When must breaks and meal periods be given?** The FLSA does not require breaks or meal periods be given to workers. Some states may have requirements for breaks or meal periods. If you work in a state which does not require breaks or meal periods, these benefits are a matter of agreement between the employer and the employee (or the employee's representative).

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- **Can an employee be required to perform work outside of the employee's job description?** Yes. The FLSA does not limit the types of work employees age 18 and older may be required to perform. However, there are restrictions on what work employees under the age of 18 can do. This is true whether or not the work asked of the employee is listed in the employee's job description.
- **When is overtime due?** For covered, nonexempt employees, the FLSA requires overtime pay at a rate of not less than one and one-half times an employee's regular rate of pay after 40 hours of work in a workweek.
- **Are there any exemptions to the overtime rule?** Section 13(a)(1) of the FLSA exempts executive, administrative, professional, and outside sales employees from the minimum wage and overtime requirements of the FLSA, provided they meet certain tests regarding job duties and responsibilities and are compensated "on a salary basis" at not less than stated amounts. Subject to certain exceptions set forth in the regulations, in order to be considered "salaried", employees must receive their full salary for any workweek in which they perform any work without regard to the number of days or hours worked.
- **How many hours per day or per week can an employee work?** The FLSA does not limit the number of hours per day or per week that employees aged 16 years and older can be required to work.
- **How many hours is full-time employment?** How many hours is part-time employment? The FLSA does not define full-time employment or part-time employment. This is a matter generally to be determined by the employer. Whether an employee is considered full-time or part-time does not change the application of the FLSA.
- **Are pay stubs required?** The FLSA does require that employers keep accurate records of hours worked and wages paid to employees. However, the FLSA does not require an employer to provide employees pay stubs.

It is important to note that you can be audited by the state or federal government for wage and hour issues. It is critical that you are aware of and comply with applicable regulations and have a system for documenting compliance.

### Board Development

#### What are the responsibilities of a nonprofit board of directors?

Each non-profit must have a governing board of directors as outlined within the bylaws of the organizations. There are 10 primary board responsibilities which include the following:

- **Determine The Organization's Mission And Purposes** A statement of mission and purposes should articulate the organization's goals, means, and primary constituents served. It is the board of directors' responsibility to create the mission statement and review it periodically for accuracy and validity. Each individual board member should fully understand and support it.

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- **Select The Chief Executive** Boards must reach consensus on the chief executive's job description and undertake a careful search process to find the most qualified individual for the position.
- **Support The Chief Executive And Assess His Or Her Performance** The board should ensure that the chief executive has the moral and professional support he or she needs to further the goals of the organization. The chief executive, in partnership with the entire board, should decide upon a periodic evaluation of the chief executive's performance.
- **Ensure Effective Organizational Planning** As stewards of an organization, boards must actively participate with the staff in an overall planning process and assist in implementing the plan's goals.
- **Ensure Adequate Resources** One of the board's foremost responsibilities is to provide adequate resources for the organization to fulfill its mission. The board should work in partnership with the chief executive and staff to develop and implement plans to finance the operations of the agency.
- **Manage Resources Effectively** The board, in order to remain accountable to its funders, donors, the public, and to safeguard its tax-exempt status, must assist in developing the annual budget and ensuring that proper financial controls are in place.
- **Determine, Monitor, And Strengthen The Organization's Programs And Services** The board's role in this area is to determine which programs are the most consistent with an organization's mission, and to monitor their effectiveness.
- **Enhance The Organization's Public Standing** An organization's primary link to the community, including constituents, the public, and the media, is the board. Clearly articulating the organization's mission, accomplishments, and goals to the public, as well as garnering support from important members of the community, are important elements of a comprehensive public relations strategy.
- **Ensure Legal And Ethical Integrity And Maintain Accountability** The board is ultimately responsible for ensuring adherence to legal standards and ethical norms. Solid personnel policies, grievance procedures, and a clear delegation to the chief executive of hiring and managing employees is essential. The board must establish pertinent policies, and adhere to provisions of the organization's bylaws and articles of incorporation.
- **Recruit And Orient New Board Members And Assess Board Performance** All boards have a responsibility to articulate and make known their needs in terms of member experience, skills, and many other considerations that define a "balanced" board composition. Boards must also orient new board members to their responsibilities and the organization's history, needs, and challenges. By evaluating its performance in fulfilling its responsibilities, the board can recognize its achievement and reach consensus on which areas need to be improved.



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### What are some good ways to orient new Board members to our organization?

You can shorten their learning curve and make newcomers to your board feel involved more quickly by giving new directors an orientation packet before they come to their first board meeting. Here are suggestions for materials that should be included:

- **Articles of Incorporation and Bylaws** Every director needs to know the rules.
- **Statement of Board Member Duties and Responsibilities** You can't expect directors to carry out their duties if they don't know what they are.
- **Program Descriptions** Give your directors ammunition for talking about your organization. Try to develop short paragraph descriptions of each program so they can pass the elevator test. The elevator test? How would you describe your organization and its programs to a fellow elevator passenger as you travel between floors.
- **Annual Report** If you publish an annual report, it should be included in the packet. Also, any printed program brochures should be added.
- **Budgets** Be sure to include financial information, including the projected budget for the current year and the latest audit.
- **Schedule of Board Meeting Dates** If you're really organized, you will schedule a full year of board meetings at the beginning of the year. This allows directors to add the dates to their calendar and, it is hoped, increases attendance. Add other important dates, also, such as your annual meeting and special events.
- **Recent Board Minutes** Give your new members a running start on the business of your organization by sharing copies of recent minutes.

## Section Four: Quality Assurance and Improvement

Quality assurance and improvement is a critical piece for all successful organizations. Unfortunately, all too often it is the piece within an organization that gets the least attention and focus. It is important that your organization is clear on the needs that the services of your agency are designed to meet, that you have created a strategic plan to address these needs, that you have a way to evaluate the effectiveness of your organization in meeting these needs, and that you are working with others to create beneficial systemic change within the community. The following sections provide an overview of these important quality assurance and improvement strategies.

### Strategic and Organizational Planning

#### What is strategic planning?

Strategic planning is a management tool that is used to help an organization do a better job, to focus its energy, to ensure that members of the organization are working toward the same goals, to assess and adjust the organization's direction in response to a changing environment. In short, strategic planning is an effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it, with a focus on the future.

#### What are the basic steps in a strategic planning model?

Many books and articles describe how best to do strategic planning, however there are a number of fundamental steps that comprise most strategic planning processes. Below is a brief description of the five basic steps in the process.

- **Step One - Getting Ready** To get ready for strategic planning, an organization must first assess if it is ready. While a number of issues must be addressed in assessing this, the determination essentially comes down to whether an organization's leaders are truly committed to the effort, and whether they are able to devote the necessary attention to the "big picture". An organization that determines it is indeed ready to begin strategic planning must perform five tasks to pave the way for an organized process:
  - identify specific issues or choices that the planning process should address
  - clarify roles (who does what in the process)
  - create a Planning Group (staff, Board, constituents)
  - identify the information that must be collected to help make sound decisions.
  - The product developed at the end of the Step One is a Work plan.
- **Step Two - Articulating Mission and Vision** A mission statement must communicate the essence of an organization to the reader. An organization's ability to articulate its mission indicates its focus and purposefulness. A mission statement typically describes an organization in terms of its:
  - Purpose - why the organization exists, and what it seeks to accomplish
  - Business - the main method or activity through which the organization fulfill this purpose
  - Values - the principles or beliefs that guide an organization's members as they pursue the organization's purpose

Whereas the mission statement summarizes the what, how, and why of an organization's work, a vision statement presents an image of what success will look like. For example, the mission of an organization serving people with disabilities might be "empowering and supporting people with disabilities to obtain and maintain lifestyles of their choose" and a vision statement might be "all people with disabilities will have community jobs, homes, and recreation opportunities that reflect their unique interests, preferences, and support needs". Another example of a mission, vision, and set of values are those that guide the Division of MRDD and can be found at [www.modmh.state.mo.us/homeinfo/vision.html](http://www.modmh.state.mo.us/homeinfo/vision.html). At the end of Step Two, a draft mission statement and a draft vision statement is developed.

- **Step Three - Assessing the Situation** Once an organization has committed to why it exists and what it does, it must take a clear look at its current situation. Remember that part of strategic planning, thinking, and management is an awareness of resources and an eye to the future environment, so that an organization can successfully respond to changes in the environment. Situation assessment, therefore, means obtaining current information about the organization's strengths, challenges, and performance. These could include a variety of primary concerns, such as funding issues, new program opportunities, changing regulations or changing needs in the consumer population. The point is to choose the most important issues to address. No more than five to ten critical issues should be selected. The ongoing evaluations of your programs should be used to identify these critical issues (see page 44). The products of Step Three include a data base of quality information that can be used to make decisions and a list of critical issues which demand a response from the organization.
- **Step Four - Developing Strategies, Goals, and Objectives.** Once an organization's mission has been affirmed and its critical issues identified, it is time to figure out what to do about them: the broad approaches to be taken (strategies), and the general and specific results to be sought (the goals and objectives). Strategies, goals, and objectives may come from individual inspiration, group discussion, formal decision-making techniques, and so on but the bottom line is that you agree on how to address the critical issues. This can take considerable time and flexibility: discussions at this stage frequently require additional information or a re-evaluation of conclusions reached during the situation assessment. It is even possible that new insights will change the thrust of the mission statement. It is important that planners are not afraid to go back to an earlier step in the process and take advantage of available information to create the best possible plan. The product of Step Four is an outline of the organization's strategic directions - the general strategies, long-range goals, and specific objectives of its response to critical issues.
- **Step Five - Completing the Written Plan** The mission has been articulated, the critical issues identified, and the goals and strategies agreed upon. This step essentially involves putting all that down on paper. Usually one member of the Planning Committee, the executive director, or even a planning consultant will draft a final planning document and submit it for review to all planners. Revisions should not drag out for months, but action should be taken to answer any important questions that are raised at this step. It would certainly be a mistake to bury conflict at this step just to wrap up the process more quickly, because the conflict, if serious, will inevitably undermine the potency of the strategic directions chosen by the planning committee. The product of Step Five is a strategic plan!

Once this plan is developed is critical for Board and staff to frequently review progress toward completing the plan and make updates and revisions as necessary.



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### How do I determine if there is a need for specific type of services?

Before launching a new program or expanding an existing program, it's a good idea to undertake a needs assessment. Although you'll never be able to count exactly how many potential individuals could benefit from this service, you can get good estimates that will help you determine the demand for the program and the staffing patterns you'll need to implement it. You'll also get a better idea of the types of services needed and desired by your consumers.

You need to gather information related to:

- What Do Consumers Want?
- How Can I Best Provide These Supports?
- How Many People Need This Support?
- Is Anyone Else Providing This Service?

Don't make the mistake of thinking you know what your customers want or need. Even if you're a professional in the field, it's imperative to get input from the users of the service. A good place to start is to talk to a wide variety of individuals. These might include local Regional Councils, the Regional Center, parent groups, Senate Bill 40 Boards, and most importantly your primary customer people with disabilities. You connect with consumers through organizations such as People First and local Independent Living Center. More formal options include developing questionnaires or conducting focus groups with constituents of these above groups.

If you spend the time collecting good information about community and consumer needs, your program will stand a better chance of meeting consumer needs and receiving funding.

### Evaluating Programs and Outcomes

#### How do we determine if the people we are supporting are achieving quality outcomes?

The ultimate success of your organization relates to your ability to support individuals to obtain outcomes that are truly their outcomes (e.g. where they want to live, who they want to spend time with, what type of work they enjoy) and to support people in a manner that is consistent with their preferences (e.g. who provides the support, where/when the support is provided). Thus to determine if you are supporting people to achieve quality outcomes you need to know what unique outcomes they are seeking for themselves and to plan together the role your agency can play in helping them to achieve these outcomes.

The Missouri Division of MRDD has defined a number of desirable outcomes both for people with disabilities as well as agencies that provide them with services and supports. These outcomes are as follows: A copy of the entire "Missouri Quality Outcomes Discussion Guide" can be obtained at your local Regional Center.

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## Outcomes for People:

- People belong to their community
- People have a variety of personal relationships
- People have valued roles in their family and in their community
- People are connected with their past
- People's communication is understood and receives a response
- People are provided behavioral supports in positive ways
- People are provided support in a manner that creates a positive image
- People express their own personal identity
- People have control of their daily lives
- People have the opportunity to advocate for themselves, for others, and for causes they believe in
- People's plans reflect how they want to live their lives, the supports they want, and how they want them provided
- People live and die with dignity
- People feel safe and experience emotional well being
- People are supported to attain physical wellness
- People are actively supported throughout the process of making major lifestyle changes
- People are supported in managing their own home

## Outcomes for Agencies:

- Action at all levels of the organization is consistent with a shared mission which is developed in response to the goals and aspirations of the people supported
- The agency initiates and maintains positive working relationships with other organizations within and outside the service delivery system
- The agency empowers staff to meet people's needs
- The agency regularly evaluates its success in meeting people needs

## What are some strategies for measuring and evaluating consumer satisfaction with our supports and services?

For many years, nonprofit organizations (and those funding their services) have focused on "process measurement"--collecting information about the number of persons served, units of service provided, and cost per unit of service. Unfortunately, this tells us little about true results or outcomes. One solution is to break away from the old-style of "bean-counting" or process measurement and embrace a new kind of outcome measurement. There are six basic steps to an outcome measurement system:



- **Step 1: Commit Yourself** First, you need to commit yourself to a new approach to outcome measurement. This approach differs from old-fashioned process measurement in several ways:
  - It is based on actual results of individual service activity.
  - It is immediately responsive to change.
  - It measures effectiveness, efficiency, and consumer satisfaction, on an ongoing basis.

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A few of its benefits include:

- It increases results for the people whom you are committed to serve.
- It improves community support for your services.
- It increases the efficiency of the services you provide.
- It helps assure that you're offering services cost-effectively.

- **Step 2: Visit Your Mission Statement** An effective outcome measurement system starts with a broad mission and vision statement. Your statement should answer three questions:

- To whom do you provide services?
- What services do you provide?
- What is the end or goal toward which you deliver these services?

In other words, what kinds of services does your organization provide to whom so that these people may achieve what outcome?

- **Step 3: Create Program Objectives** This is probably the most critical part of outcome measurement. With this step, you clearly and precisely answer the question: What will this program achieve for the people you serve? You should create program objectives for three types of outcome measures.

- **Effectiveness Measures:** What will people do differently while or after they receive your services?
- **Efficiency Measures:** How will you provide services with a minimum of effort, expense, and waste?
- **Consumer Satisfaction Measures:** How will you assure that people are satisfied with your services and the personal outcome of those services?

- **Step 4: Devise Goals & Criteria** For each program objective you establish, you must develop goals for its achievement. In these goals, describe the programs and services you provide, the results you and those you serve wish to achieve. Explain how you'll know if you've reached your objective. You also need to develop a system to collect information related to each goal.

- **Step 5: Analyze Results, and Suggest Changes** Take time at least once a year to gather and analyze data on how well you're meeting your objectives. Create a management report in which you describe what objectives you achieved, exceeded, or didn't meet and why. Based on your results, recommend program changes. This can feed your strategic planning process as described on page ?

- **Step 6: Put Changes into Effect.** You must be willing to use the information you've gathered in ways that will satisfy not only your organization's mission, but the individual goals of the people you serve.

Some of the tools you might use to collect information related to results might include:

- Surveying consumers and their families in relation to how effective your supports and services have been in supporting them to achieve desired outcomes
- Holding small group discussions with consumers and their families to identify what is working and what needs improvement
- Conducting similar surveys and discussions with employees of your agency and funders

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## Community Outreach and Marketing

### **What should the role of my organization be in working to strengthen the quality of the community network of supports available for people with disabilities in my community?**

It is essential that you not provide services and supports in a vacuum. As mentioned previously the individuals with disabilities you serve and their families are your primary customers, however, it is critical that you also work in partnership with other community and state providers, advocacy groups, funding agencies and others. Collaborations with these groups can:

- Provide a base of support for problem solving
- Assist you to identify funding, policy and other changes that might affect the service of your organization
- Help you identify new and different ways of providing services and supports
- Keep you grounded in the needs and concerns of the people you support as well as those who fund services
- Allow you to be a part of larger positive systemic changes

Some groups in Missouri you may want to develop a connection with include:

- Regional Developmental Disabilities Advisory Councils
- Local People First Chapters
- Other Local Disability Advocacy Groups
- Local Parent Groups
- County Senate Bill 40 Boards
- Local Provider Groups

It is up to you to identify what resources are available in your area and talk to individuals involved in coordinating their activities. This form of networking can provide you access to other resources, keep you grounded in community needs/politics and act as a form of marketing for your services.

### **What are some other approaches to marketing the services and supports of our agency?**

The quality of the services you provide is by far your best marketing tool. The more responsive your services are to customers and the strength of relationships that you maintain with consumers, families, and funders will have much to do with developing future growth opportunities. One definition of marketing is “the act or function of identifying overall customer needs and building new agency services, solutions, or approaches to help satisfy the customer”. So if you are measuring consumer satisfaction and needs as identified earlier and feeding this information into a strategic planning process, the result will be new strategies and approaches to addressing needs.

Another key aspect of marketing is building awareness in the community regarding the unique benefits, characteristics, and outcomes of the services you provide. What distinguishes your services from those of others? What are its' unique features and benefits? What outcomes can people expect to achieve? It is important that promotional materials for your organization reflect these characteristics. This includes materials such as brochures, newsletter stories, and annual reports. The staff and Board of your organization must also be able to discuss the unique characteristics of your agency in their interactions with others. They, along with the individuals you serve, are your strongest ambassadors within the community.

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### So Now What ?!?!?!?

The information in this manual was developed to assist you to create an effective and successful plan for the development of your new business or continued development of your existing business. We hope it provided you with an overview of some of the important ingredients that will lead to success or at least provided you access to individuals and other resources who can help. The following checklist is designed to assist you with your planning. Good luck and remember:

*" A leader is one who knows the way, goes the way, and shows the way" - John Maxwell*

Key Agency Ingredients	Work to Be Done	By Whom & When
Incorporation		
Service Contracts, Licensing, Certification etc.		
Board Formation/Development		
Strategic Plan Development		

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Key Agency Ingredients	Work to Be Done	By Whom & When
Budget& Financial System Development		
Risk Management & Insurance		
Recruiting and Retaining Staff		
Benefit Management		
Program Evaluation Development		