Personnel Management Riddled with Legal Pitfalls

For many of Lawyers Alliance’s nonprofit clients, managing and motivating their staff and volunteers is an ongoing challenge. Yet nonprofits need competent and dedicated personnel to achieve their goals – no less than their counterparts in the for-profit world.

Sound personnel practices are important for nonprofits to comply with the law, operate strong programs, and be accountable to regulators, funders and the public. Lawyers Alliance’s staff and volunteer attorneys are equipped to help nonprofits with a range of employment law questions, such as: Is a particular staff member an exempt or non-exempt employee? How should an organization’s personnel policies address family medical leave issues in light of current law? How can the board of directors raise the salaries of senior staff without running afoul of laws related to excessive compensation?

We urge clients and potential clients with employment law concerns to contact us early for guidance, so that they are better prepared to manage difficult personnel situations and reduce the risk of liability. Frequent topics include:

**Personnel policies**

Lawyers Alliance’s business law services include drafting, reviewing and revising personnel policies that address topics such as employee classification, overtime, benefits, confidentiality of records, and workplace safety.

**Recent case:** An economic development organization was quadrupling the number of paid staff. Lawyers Alliance staff and pro bono attorneys assisted the organization in creating written personnel policies applicable to the growing size and new management structure, continued on page three

Lawyers Alliance Aids Collaboration Among Workforce Development Organizations

The executive director of a nonprofit is thrilled about a new government grant. As usual, money is tight and the contract will pay for much-needed services. Soon after hearing the good news, the executive director gets a stack of papers with lots of fine print detailing her nonprofit’s responsibilities under the grant. After reading over the documents, she is a bit puzzled: some sections are not completely clear, others commit her nonprofit to things she had not expected.

Still, she signs the contract, eager to roll out the services and feeling powerless to negotiate any of the terms. This government grant, she reminds herself, will not be the last her nonprofit will need. The last thing she needs is for her organization to be pegged as “difficult,” which could jeopardize future funding.

This scenario is familiar in the nonprofit sector as executive directors, under growing pressure to do more with less, weigh how best to collaborate with government and community organizations. Such collaborations stand a better chance of succeeding when nonprofits can turn to legal counsel for help in sorting out the terms of written agreements and building important safeguards into contracts.

The United Way of New York City recognized how legal counsel can strengthen collaborations when it worked with Lawyers Alliance for New York to help organizations taking part in **NYCWorks**. Funded by the New York City Council and managed by the United Way of New York City, NYCWorks awarded $14 million in grants to continued on page two
organizations providing job training, counseling, placement and support services to residents of low-income communities across New York City.

Collaboration was the linchpin of NYCWorks as this program created partnerships among employers, education programs, social service providers, and workforce development organizations. Lawyers Alliance helped organizations to understand the terms of the contract with the United Way of New York City. It also helped “lead” and subcontracting organizations to negotiate contracts with each other. Tapping the expertise of its staff and volunteer attorneys, Lawyers Alliance represented 12 organizations, assisting them with 16 legal matters.

Fort Greene Strategic Neighborhood Action Partnership (the Partnership) was one of the NYCWorks grantees. Located in the Fort Greene section of Brooklyn, the Partnership provides computer classes, job counseling and placement services to residents of three public housing developments and surrounding neighborhoods. Lawyers Alliance, through a pro bono attorney at Stroock & Stroock & Lavan LLP, helped the Partnership to negotiate a contract with the United Way of New York City that addressed the community organization’s interests and helped to achieve its goals. For example, thanks to Lawyers Alliance, the Partnership gained more favorable terms and a contract that recognized the Partnership’s goal of serving public housing residents.

“We are a small organization without a lot of experience with government contracts,” said Dr. Georgianna Glose, Executive Director of the Partnership. “The peace of mind we got from having Lawyers Alliance at our side was invaluable. We entered into agreements knowing exactly what we need to do to honor our commitments. We also knew that we had done everything we could to protect our interests.”

Workforce development, along with building access to capital and credit and other aspects of revitalization of low-income neighborhoods, is a priority for Lawyers Alliance under its Economic Development Initiative. This means it conducts energetic outreach to encourage such organizations to take advantage of its legal services and workshops.

Lawyers Alliance regularly holds workshops of interest to workforce development and other community organizations. For example, this spring Lawyers Alliance held a workshop for members of the New York Employment and Training Coalition on new regulations governing nonprofits engaged in lobbying related to procurement contracts. The law, which took effect January 1, 2006, requires some organizations seeking state or local funding to register with the New York State Temporary Commission on Lobbying.

For information about Lawyers Alliance’s services to workforce development and other economic development organizations, contact Senior Staff Attorney Neil Stevenson at (212) 219-1800 ext. 273.

These NYCWorks grantees benefited from legal counsel provided by Lawyers Alliance for New York:

Brooklyn Workforce Innovations
Citizens Advice Bureau
The Doe Fund
Dress for Success
East River Development Alliance
Ft. Greene SNAP
Haitian-Americans United for Progress
Henry Street Settlement
Hunts Point Works
Northern Manhattan Improvement Corporation
Southern Queens Park Association
STRIVE
in advance of it receiving a sizeable grant that would help pay for the staff expansion.

Hiring and Termination
While most employees of nonprofits in New York are employees-at-will, nonprofit employers (like for-profit companies) are subject to many laws related to the hiring, discipline, or termination of employees.

Recent case: An elder services organization sought Lawyers Alliance’s guidance regarding the possible termination of an elderly van driver based on performance and safety concerns. We arranged for immediate legal assistance from pro bono attorneys well-versed in the intricacies of employment law, enabling the organization to understand what steps to take to terminate the employee in a manner that minimized its exposure to legal liability.

Volunteer and Intern Management
For many nonprofits, volunteers and interns are a critical component of the staffing structure, yet organizations often lack a solid infrastructure for selecting and supervising these workers.

Recent case: A youth services organization that matches volunteer mentors and tutors with students in an after school program sought legal assistance in updating its volunteer application and fingerprinting procedures. Lawyers Alliance’s staff and pro bono attorneys reviewed the application form and provided guidance on current laws governing the fingerprinting of youth workers.

Nonprofit managers, whether or not their organization is a client, may receive legal and practical information through Lawyers Alliance’s educational programs and Resource Call Hotline. Check our website at www.lany.org for the next scheduled workshop on topics such as employment law, legal issues for nonprofits working with volunteers, and preventing and responding to harassment in the workplace.

For further information about Lawyers Alliance’s employment law practice, contact Senior Staff Attorney Maria Cilenti at (212) 219-1800 ext. 222 or Program Associate for Client Relations Angela Cheng at ext. 278.
Lawyers Alliance helps nonprofits to save money, improve or expand services, and manage employees. These are just some of the ways our clients benefit from our legal services. How do we know this? We asked our clients.

After our work with a client is complete, we use a written questionnaire to ask them about our impact on their operations, finances, programs, governance, human resources, and other management areas.

In the past year we heard from more than 100 organizations. The results: 98% of our clients are satisfied with the legal services of our pro bono and staff attorneys. We also learned about our impact: 67% of our clients saved money as a result of Lawyers Alliance’s legal services, 24% improved or expanded programs and services, 21% acquired a greater capacity to manage employees, and 8% gained a stronger board governance.

Our interest in gauging our impact extends to our volunteers and whether we are meeting their needs. In January of 2006 we began using a questionnaire that asks, among other things, what our volunteer attorneys value most about our co-counseling, what we can do to make their pro bono experience more rewarding, and what sorts of legal cases they would like to work on in the future. Our volunteers fill out the brief questionnaire form once they have completed their work with clients.

So far, we are encouraged by what we’ve found: 94% of those who completed the questionnaire rated their pro bono experience with Lawyers Alliance as “Excellent” or “Very good.” Initial reports from our volunteers show that our pro bono cases are personally satisfying, fulfill individual or firm’s pro bono goals, and provide volunteers the opportunity to work with other attorneys in their firms.

One volunteer wrote: “Working with your client on a variety of projects was pretty exciting. The legal issues they presented were very different from my day-to-day routine.”

What we learn from our clients and volunteers will help us improve our services, and continue to recruit and retain New York City’s top pro bono business attorneys to represent nonprofits serving low-income communities.

Among the results:

98% of clients satisfied with our legal services
94% of volunteers rate their pro bono experience ‘Excellent’ or ‘Very Good.’
Mark Brossman Receives Lawyers Alliance's Award for Pro Bono Leadership

Mark E. Brossman, a partner at Schulte Roth & Zabel LLP, received Lawyers Alliance’s first annual Award for Pro Bono Leadership for his outstanding pro bono legal services to nonprofit organizations by a law firm partner. Lawyers Alliance presented the award at a reception at T New York on June 13, 2006.

“Mark personifies what this award is all about. He understands that partners play a critical role in communicating the importance of pro bono service through action and words,” said Sean Delany, executive director of Lawyers Alliance. “Over the years Mark has been an eloquent voice for pro bono service. More importantly, he ‘walks the walk’ – the number of nonprofit organizations Mark has assisted represents a truly remarkable record of service for community organizations all over New York City.”

Mark E. Brossman is a partner and co-head of the employment and employee benefits practice at Schulte Roth & Zabel. He represents clients in all aspects of employment and employee benefits law, including employment discrimination, ERISA, labor relations, education law and related litigation. Mr. Brossman serves as chair of the Committee on Employee Benefits of the New York State Bar Association and is a member of the Academy of Employee Benefit Authors.

“The number of nonprofit organizations Mark has assisted represents a truly remarkable record of service.”

As a pro bono attorney for Lawyers Alliance, Mr. Brossman has represented more than 12 nonprofit organizations on employment and other nonprofit business law matters. These include Asian Americans for Equality, Council of Senior Centers & Services of New York City, The East Harlem School at Exodus House, East Harlem Tutorial Program, Flatbush Haitian Center, Friends of the Family Academy, Hearts and Minds Network, HIV Law Project, Kingsbridge Heights Community Center, Manhattan Neighborhood Renaissance LDC, Neighborhood Housing Services of New York City, and Northern Manhattan Collaborates.

“It is an honor to receive this award from Lawyers Alliance for New York. I’m grateful for the many opportunities they’ve given me to help all kinds of organizations doing great work,” said Mr. Brossman. “My pro bono experiences with Lawyers Alliance’s clients have been immensely rewarding, both personally and professionally.”

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Lawyers Alliance Elects Vice Chair and Welcomes Six New Directors

Edward F. Greene, General Counsel of Citigroup’s Global Corporate and Investment Bank, was recently elected Vice Chair of the Board of Directors, joining fellow officers Christine D. Rogers (Chair) of Arnold & Porter LLP, Nicholas A. Kronfeld (Treasurer) of Davis Polk & Wardwell, and Samir A. Gandhi (Secretary) of Sidley Austin LLP.

In addition, Lawyers Alliance recently elected the following Board members:

S. Todd Crider is a partner in the Corporate Department of Simpson Thacher & Barlett LLP. He advises clients in international corporate finance transactions, mergers and acquisitions and project finance.

Blair M. Duncan is the General Counsel for the Upper Manhattan Empowerment Zone, where he manages all legal and compliance matters.

David J. Gilberg is a partner at Sullivan & Cromwell LLP. His practice involves a broad range of securities and derivatives-related regulatory and transactional matters.

Thomas H. Kennedy is a partner at Skadden, Arps, Slate, Meagher, & Flom LLP. He concentrates on mergers, acquisitions, corporate finance and other transactions, with an emphasis on the telecommunications and information technology industries.

William F. Lloyd is the General Counsel at Deloitte & Touche USA LLP. Previously, he was a partner in the Chicago office of Sidley Austin LLP.

Ira I. Roxland is a partner at Sonnenschein Nath & Rosenthal LLP. He concentrates in the transactional practice areas of domestic and cross-border mergers and acquisitions and corporate finance.