

Fiscal Sponsors: The COVID Conversations – Call #4 – April 28, 2020

Speaker: How are we doing, Andrew? Are we all here? You're still letting people in. everyone who's on his in. So we've got about 32 people. Okay. Let me probably get started. All right. Thanks everyone for being here. So today we're just going to do some welcoming here. Then we're going to get to our traditional polls that we do check where people are at with their, mostly as it relates to the PPP. Then have a guest today to talk to us about some HR issues that are coming up for folks. we will, as you see here, we'll, we're going to be doing a breakout session so people can get more personal feedback from each other, share about what your HR concerns or whatever else comes up in your group. we want to solicit some ideas for future weeks and then we'll wrap up and close. I do know that, there was a working group from our last meeting who I believe got together last Friday and I'm wondering if there's any representative of that group who can sort of fill us in on what you talked about. what came out of it. If anything, we're, we're eager to hear from you. So, if there's someone who could talk to that, unmute yourself and go for it.

Speaker: I can do that unless Asta wants to lead. Okay, great. yeah, we had a really great meeting last Friday afternoon. we discussed the PPP, the challenges of those who have it, and those who are waiting to get it like ourselves. and then what, what conditions, like what are the terms that we could lock down that really would lead us to forgiveness because that's what we're all pursuing here. asked to had some resources. I had a Paychex webinar that was really helpful. I can share it with anyone who'd like to, receive that if they want. and then I guess for where we went next steps is just continuing to share resources. And then other folks who want to join the session are welcome to, particularly if you have a clear path towards forgiveness. I think that's what we're all really trying to wrap our minds around asked. Did you have anything to add to that? I'll mute now. no, I, I think this was a great summary of a number of different things we discussed. you know, the,

Speaker: the devil is in the details. so every organization is in a slightly different places. and ha manages a slightly different scenario. but what we tried to do is just clarify what are some of the black and white (things) that we know already. and then w what are some of the graves as well? You know, that at the end of the day, it's partially depends on what your lending institution will ask you to submit. There are some basic guidelines, but, what we've seen the banks do in the application process, taking it a little slightly different, we expect that the same will apply in the loan forgiveness aspects as well. I shared some resources. I'll be, trying to reformat them so it's nice and clean. and we could share it with a broader group, with everybody else.

Speaker: Andrew, I'll send it over to you as soon as I have to reformat it. it's really based on a number of different resources that I been looking at over the course of the last couple of weeks and trying to find something that is simple, consistent and doesn't miss out the details. And then the other piece of course, we talked a little bit about, the grant, how restricted grants or unrestricted grants are impacted. And I think there are organizations are in different phases on how they will approach, this aspect. I don't know if Kenya is here. Maybe she or Line would want to add anything else,

Speaker: Not seeing them. Does anyone have any questions, comments or feedback for, for the breakout group?

Speaker: Okay. Craig, I see your comment here having been asked about waving fees, we actually have a poll question about that. it's, it's one of the questions we've been asking. I think every week, we may not have asked it last week, but, and I don't know if you've been attending before, but I believe my memory is that there have been a lot of requests to sponsors for reducing fees and most have responded that they are not reducing fees. But, you know, we'd love to hear about your experience with this, Andrew. given that you want to, you want to just go to the polls. Thank you, sir. Let's do it and ground us. Let's do it. Alright.

[POLLS ARE TAKEN]

Speaker: Those are some fascinating results. I think we could have a breakout group on each one of these topics to dig deeper. Unfortunately, we don't have the time to do that. but if there were any subgroups that wanted to get together and talk about this, Craig, if you wanted to ask a sub group to get together with you to talk about the fee question, go ahead and post in the chat and, and sort of self-organize if you want. that worked well last week with Jennifer and the folks who got together. So I would encourage you to do that. all right, great. Were there any surprises there? Any deep thoughts that anyone would like to share before we move on about that data

Speaker: I guess we'll, we'll move on. So if you're anything like us at social good fund, you have been trying to untangle the HR, to understand the PPP to do that in the most beneficial way. But there are lots of tricky HR things that are coming up and what we're finding is that sometimes we're intention with our projects because projects either want to lay people off or don't want lay people off. And now that we know we're getting PPP, we don't want people getting laid off and we want to get people rehired. So there's a lot of moving pieces here and I know that we are not the only ones who are trying to work through these things. I'm lucky to have a fantastic HR team. I'm sure you are as well. Many of you have that. but we thought it would be a great idea to ask, a professional to come in and share some of his thoughts about this. So without further ado, Andrew, you want to make an introduction here for us?

Speaker: Sure. Well, you may already see him on your screen. but we have Andrew, I just realized that I've never actually learned your last name, so I'm not sure if it's Levy or Levey.

Speaker: Levy - rhymes was Chevy.

Speaker: Okay. Andrew Levey, who's clearly a good friend of mine (ha), is the HR director at Community Partners and is also a trained attorney in HR and employment law and is one of the few people I know who can bridge the gap between law and fiscal sponsorship and actually manages an HR organization. So, we brought him on and we shared ahead of time with him some questions that we've gotten from you all and I think Oliver's going to lead the Q and A.

Speaker: Alright. I want to encourage folks to go ahead and put your questions in the chat while we go about this. If we can pick up an answer to any of those, we will. If we can't hopefully you'll be able to follow up directly with Andrew. Andrew Levy. Rhyme's with Chevy. Thank you so much for being here today. We're excited to have you. So we'll just jump right in. Is that cool?

Speaker: Absolutely. I just want to say thanks for having me a pleasure to be here. I know some of you, it's nice to put faces actually with some of the names and I see the names with the faces like Oh, okay. I've spoken to that person before. So great to be here with everybody's well and I just will add one thing to what Andrew said, which is yes, I'm a California licensed attorney. I did practice labor and employment law for almost 20 years and then I've done HR for about the last almost 15 years now in California. This is not legal advice though. I just need to say that you should talk to your own legal outside advisors, accountants, things like that. I'm giving you my HR opinion. The other thing I will tell you is at Community Partners we have 950 employees. So we are not eligible for the PPP. There are other parts of the CARES Act that I've really dug in on employee retention tax credit and such because that applies to us as PPP doesn't. Well I haven't dug in as much I did at the start because we weren't really sure if it was going to change or not. So I do have some ideas and opinions about it, but I'm not the PPP expert so I just want to throw that out there for you guys. Other than that, happy to answer any questions anybody has.

Speaker: Great. Thank you, Andrew. I'm jealous of the uniformity of the gray and your beard.

Speaker: it's my quarantine beard.

Speaker: Here we go. Thank you again for being here. So what general recommendations and or best practices are you promoting during this challenging time as it relates to employees in the following areas? General communications, how much information is too much and how much is not enough?

Speaker: So I generally live by the idea that in a lack of communication, negative ideas will fill the void. So can there ever be too much communication? I suppose it's possible. I haven't yet seen it in the HR world. I think someone earlier said that she had a surprise layoff and that she was at a five. And the first thing I thought was, Oh God, surprise. That's the one word I don't ever want to hear evolving in HR in any way. Surprise. So I think more communication is better generally if you're thinking about, and we have communicated, early and often, and not even as often as I would like personally in my organization, but saying that everything's on the table, we're looking at all kinds of options. We've put it together in a phase one and moving to phase two kind of expense reduction and different things we're doing and we've being honest with our staff about, we don't know where this is going to go and we don't know.

And it's okay to say that 'we don't know, but I can't tell you. The worst thing you can do is say to somebody, 'there won't be hours reductions or won't be paid reductions or won't be layoffs' and then have to do it. So I think you're better off saying there might have to be, we're hoping to avoid that we're doing everything we can. and I think the more you communicate the better. Now communication should be new information or

changing information, not just, well, we're still thinking about layoffs, we're still thinking about layoffs, we're still thinking about layoffs because that becomes very, can be very wearing. But, but I do, I do encourage them as much communication as you can give and, and be okay with the fact that you don't have the answers.

Speaker: Thank you. Speaking of communication, I am sure I am not the only one. My HR staff is not the only HR staff out there that finds themselves in the tricky situation of being asked by employees of our projects. What they should choose as it relates to a lay off and unemployment or stay on and receive PPP and another two and a half (months) of payroll or furlough or reduced hours. And we're, you know, sometimes it's clear, sometimes it's not clear. We're a little bit timid in providing too much advice. So what can you say to us here?

Speaker: I would say that you do not want to provide too much advice that way. You want to help them understand what the options are. Look, if you stay on with PPP, this is you're going to continue to get your salary. There's no guarantee that that goes forever. And that if you are to get laid off or if you ever take a furlough or you take reduction in hours, you may or may not be eligible for unemployment. Now, a couple things when you say that is that everybody says, Oh, well it's a COVID related layoff for sure. It's certainly you're eligible and under the technical definition of what unemployment insurance in California at least, should do. That's true. But you never know what EDD is going to do. And so you don't want as an HR staff or as an organization to promise this is what you're going to get.

The other thing that's happened now with the federal benefit of the \$600 we had in one of our projects, three employees write a letter to the project executive director or what we would call our project leader asking to be laid off because they looked at the math and said, Oh, I'm going to get X from the State of California and \$600 from Uncle Sam and I'm going to make more, so please lay me off. You know, and that's something that they can do. And certainly, if you lay them off, they may or may not get it. I think you want to be careful about telling them 'Yeah, you're going to get it.' Because they may not. Right now, the federal government is paying that \$600. My understanding is they just realized, they kind of realize, Oh wait, it's prorated amounts of prorated depending on how much you were making.

We're just going to give everybody \$600 that might incentivize people to take the money that may get looked at. That may get changed. And that, as I recall, is a, I think a 16 week benefit, whereas normal EDD is 26 weeks and there's talks of extensions on both of those, but we just don't know what's going to happen. So I would avoid giving specific advice to just say, this is what we understand the rules to be. We don't know if you're going to get it. It's up to you. And of course there is that tension with PPP where you want to keep the people on. and I think it's okay to say that say, look, we applied for a PPP loan. We can keep you on and guarantee your job, or at least likely keep you on for X number of weeks.

But, the decision is up to you. You know, the other thing comes when you start to cut expenses, you can go to voluntary packages. You can say, look, we need to cut expenses. We're going to offer voluntary packages of X. One of the things we're kicking around is

three months plus a week for every year of service in our organization. as a potential voluntary package, we are not there yet. We haven't offered those. But those are the kind of ways you, you would do that. And then you can give people information about, Hey, here's what's being considered, but there's no promise that this is actually going to happen because that's where you yourself, the trouble when you promise people are going to get something.

Speaker: Yeah. I should have added in the poll a question around, fiscal sponsors that may be in, in, in need of maybe in the position of laying off core staff as we already heard one story this morning. Maybe next week we'll talk about that. So, related to the question you just answered, is there any other kind of counsel to employees that should be avoided for, for example, are there things that employers shouldn't say, actions the employer should or should not undertake in this weird time we find ourselves in beyond what you've already told us.

Speaker: I think you want to be really careful about promising anything, right? And saying, you know, Oh, don't worry, you'll always have a position here. We're always going to need you. We're going to be able to do this because you just don't, you don't know. And one of the things I've spent a lot of time on in the last two or three weeks is there's been a ton of webinars about balancing equity in any kind of layoffs, terminations, reductions in force, reductions in salary and so forth. And so there's a lot of employees that are bringing to my attention, 'You know, it's always the most vulnerable that get cut first.' And one of the things I've been trying to communicate to the employees when they come to me and saying, you know, you don't, we want to be very careful about judging from the outside what people's circumstances are. You know, you say somebody's more vulnerable. You don't know if they're at home. You know, they might make more money, but they're at home taking care of three relatives and they all so pay for their godson's college or whatever. So to make those assumptions and people start to get very nervous and start to make assumptions about who's more worthy or less worthy or who needs it more. And so we try to just, we've been trying to communicate about we're, we're taking equity into this. it is being considered, we are going to take input, from each team and each team leader as we get to these, each project leader. But ultimately we can't make promises to anybody,

Speaker: So don't make promises, communicate a lot and let honesty and transparency be your guide. And also don't assume things about a person's personal situation.

Speaker: Right. And I think also just be okay with the fact that you don't have the answers and it's okay to say, I don't have the answers right now and I don't know what the answers are going to be and we're working through that.

Speaker: Fantastic. Okay. slightly more technical here. what kind of guidance/counsel should the employer provide vis-a-vis COBRA and how it might apply to a regular employee taking a layoff?

Speaker: So depends on whether you're talking a real layoff or a furlough. with some sort of potential to be reemployed Cobra. A Cobra is triggered by the loss of the job. That's the qualifying event under the Cobra language. And under Cobra you have 60 days to elect

to take it and you can keep it for up to 180 days. A lot of times people play that float on Cobra. So they play the, 'I have 60 days and I get something new. And so I don't want to pay those two months of Cobra because I'm, you got another gig that's going to offer me insurance or I went to covered California or whatever it is.' So you have that float. I always tell people that, you know, you have 60 days to make up your mind. So if you're out riding your bicycle and you sprain your ankle and you go to the emergency room, on day 59, you're going to end up paying for two months of Cobra, but you are still covered even if you haven't elected it.

if you do that on day one and nothing happens and you get some sort of other job or other coverage, you've wasted that money. So I do always tell people like, you probably better holding off on that payment until day 59, day 60. I would check with the COBRA administrator or your carrier about how, how and when they have to receive payment to keep coverage from lapsing. But you can push that envelope. If you're furloughed in some cases, and we have negotiated with insurers. They're allowing furloughed employees right now to keep their benefits as long as the premium is being paid. And that means both sides of the premium whatever the employer was covering, plus whatever the employee was covering. And if you have the employee furloughed, they're not making any money. There's no way to get that money out of their paycheck. So you have to make, arrange with somehow to get that covered. But often the insurers will allow that right now. And I've never seen that before in my 30 years of being around employment law and employment and healthcare, insurers and so forth. So if you haven't done that, you might reach out to your carriers and say, Hey, if I have furlough, some people, if they're coming back and they keep their benefits and, they, I know many of the carriers are doing that right now. so that's a maybe a tip that can be helpful

Speaker: Can an employer proactively lay off employees due to a large accrual of sick time liability on the books? That is to say, lay off employees because the sick time liability is so large as to pose a real threat to employer viability.

Speaker: So the, the shorter answer is, I don't know what a proactive layoff is. I mean, I guess it's proactive because you're getting rid of the sick time. If you're firing them, laying them off whatever term you want to use, separating them because they have sick time, that's a dangerous decision to make. There's got to be a real business reason behind it. Hey, if we have to cut 20% of salaries and those people fit into the 20% of salaries, maybe that's okay. But I would not be terminating people just because they have large sick timebanks. And I would also advise that that organization to look at their sick time bank, if it's that large, it shouldn't because sick time does not have to be paid out upon termination, at least in California. So that would be, if they don't use it, if you terminated them, they wouldn't get it, but the vacation would so their sick time shouldn't be that big. I mean, you can put a cap on it. I think in California it's, I don't remember off the top of my head, but I think you can cap it out at about 60 hours. So it shouldn't be a huge number. Whereas vacation usually is much higher.

Speaker: Okay. Specifically in reference to the new families first act approved in March for COVID-19, does an employer have any recourse or action to take when they know, but can't exactly prove, an employee is taking advantage of leave options simply because they have a child at home from school?

Speaker: That's a tricky one because - the answer is because people have leave rights, they don't have any additional rights that they wouldn't otherwise have. So if you don't qualify for the leave, you don't get the leave. But, you're talking about not having the ability to prove it. Well, if you get the court, if you get to a claim on this, if you get to a discrimination claim, you have to prove it. and, and that may be more difficult. So I would be careful if you don't think you can prove it for pushing that envelope. I will also tell you under all the guidance I've seen under both the FFCRA the CARES act, just department of labor standards enforcement, department of labor, California labor commissioner, and the EDD are all saying to relax your requirements on verification of employees' conditions, especially involving sick time.

So we typically would require a note from a doctor. if somebody was out three days in a row on sick time, we've waived that requirement now. With the COVID LA sick time for any of you that have employees in LA that are more than 500 employers and that's us. And so you're not subject to the other ones. You have that COVID sick time that's required 80 hours of COVID sick time. San Francisco city and County just did they call it a little bit differently. I think it's the emergency leave or something, but the 80 hours. You have to give those and requirements on that are basically somebody telling you I need time off because of a covert related issue, whether it's to care for a child, to quarantine myself, to get tested, to have to look after somebody who is sick. So it's going to be really hard to push the envelope on that. I would say you're, you're better off taking the headache of having that person abuse for lack of a better term to leave. Then the headache you're going to have of trying to deal with it after the fact when you want to focus on recovery.

Speaker: Got it. Thank you. all right. Coming towards the end here. General guidelines, recommendations, advice for supporting employee morale during this time. What in your experience works well? Is there anything that should be avoided if possible? What can you tell us?

Speaker: So again, communication, a lot of communication. Hey, here's where you are. you know, I know with Community Partners we've just looked at our budget. We were in our budget planning anyway. Our fiscal year runs July 1st to June 30th. So we were just starting our, our planning as this crisis happened for next year and we've, we've run a finance team has worked their tails off, running best case, worst case and probable case scenarios on the budget. And we've tried to share out as much information as we can and said, look, this is what our budget looks like. This is what this may require. So share that information. explain to people that we are giving all the information we have and we, and we don't have all the answers right now. Couple of things we've done, we've done some Zoom, stress reduction workshops with a couple of outside consultants that do this for our teams. Just to give them that opportunity.

And we've just acknowledged that it's, it's a tough time and people are going to be, less productive regardless and, and being okay with that and understanding that. Now, that said, I will tell you, so one of the things we're looking at, because we're not PPP eligible is this employee retention tax credit, which is also an availability for you. Well, if you don't, if you don't get the PPP funds this might be availability for you, but that requires you, getting attacks credit based on paying employees for hours paid but not worked. So

you're essentially paying people not to work and that requires employees admitting they don't have work to do, which is a very, very difficult thing to do. So we've gone out to our core staff and said, we know that this may not be the safest thing to do now, but this might help us.

You know, with the tax retention that would allow us to hold onto some people for a longer period of time. Let us know if you're not working. So we sent out a little survey through Paylocity, which is our HRIS provider. And out of our 47 core staff, three folks that they had, they were working less. Everyone else was, were working the same and about two thirds were more. So I, you know, it's those kinds of things that, you know, everyone is very nervous and you acknowledge it and you say, you know, we're trying to give you as much information as we can. We'll share with you everything we know and, and just be honest with the fact that we don't know where this is going to go. Because I think we're headed for some sort of slow reopening. We're already talking about what does that mean to go back to reopen. And there's many of our employees have said, I'm not rushing back to the office. I can do my work fine just here. Even if you told me I could come in tomorrow, I don't want to come in and wear a mask and have to be six feet away from everybody else. So I think morale is just being honest with it's unknown and it's scary for everybody.

Speaker: Great. Thank you. So, we're going move on in our agenda here. but Andrew, there were a couple of questions asked in the chat, if you wouldn't mind if you can respond to that during the rest of the meeting. Just want to thank you so much for being willing to do this for your time today and your expertise. I'm sure folks, if you have general questions you want to follow up with Andrew, they can follow up with you. Is that okay Andrew?

Speaker: Absolutely. I know some of you on here I've connected with many times before. I try to be as generous as I can with my time. I would just say to you, if I'm a little slow to respond to understand it is very, very hectic for my team right now. And I will say that though, feel free to reach out if you go to the Community Partners website and look at the Our People page and our staff. You will see my direct line and my direct email. it's just alevey at community partners. It's that second E in there that sometimes throws people off. If you wouldn't mind just putting it in the chat and that would be great. I will do that too. And then if anybody wants to reach out, feel free and I'll try to answer these questions as you guys are moving along here.

Speaker: Thank very much. Thank you very much.

Speaker: Thank you. Everybody. Be safe. Be well.

Speaker: So we're going to go into a breakout room here. we're going to try and do this. We'll give you about 10 minutes. really it has two purposes. One, just check in and connect with other people out there trying to do the good work. and you know, share you are not alone. And two, if there were any questions that came up, anything you're doing, especially during this time as it relates to employee's HR issues, please feel free to discuss that. We'll come back, we'll do a quick debrief. we'll solicit some topics for next week. We have some ideas we want to solicit and then we'll leave you with some final thoughts. Sound good? Alright. Thank you. Andrew, if you could do your magic...

[BREAKOUT SESSION]

Speaker: If I could just make a quick suggestion. When we go to the breakout rooms, some people are attending these meetings for the first time and there's a little leave the breakout room meeting at the bottom and that actually kicks you out of the entire meeting.

Speaker: Oh, okay.

Speaker: You might want to tell people like, just wait for it to send you back into the main meeting room.

Speaker: Thank you very much for that. Alright. So just being mindful of time, I want to encourage you to reach out either to Andrew or myself about suggestions for improving this or for other topics that you think would be particularly useful here. We have a couple of things up our sleeve. We're working on getting more people with expertise coming and talking to us. I'm doing this in an hour. It's really hard to get the kind of sharing that we might otherwise get. and I know you all understand that and I appreciate it. I just want to leave you all with a little story and a, a thought that I've been having. So, I know I cannot be the, the only person out here that is looking at the world right now and trying to understand, you know, what our new reality is.

Speaker: And part of that process is looking at the things that are out there and surviving, and may even be thriving at this moment. I do think that fiscal sponsors are uniquely well positioned to ride out this crisis. And it makes me think of resiliency. and it's something that I'm really trying to focus on. What are the inherent strengths that increase the resiliency of our little niche of fiscal sponsors, of the nonprofit sector in general of how the philanthropic and nonprofit sectors work together to support that resiliency. And one of my thoughts about resiliency is that they seem resilient systems seem to be defined by their diversity and on a lot of different levels, diversity of revenue streams, diversity of, of staff and, and all, all sorts of diversity. The diverse systems are the ones that are going to be best positioned to be resilient.

Speaker: And I think along with this idea of resiliency, I've been focused on the idea of this is a time that is calling on each of us to show some kind of uncommon bravery. And sometimes that bravery is just a deeper connection to your own humanity and how you yourself relate to other humans in this world. And I've been thinking a lot about how that bravery gets translated in the way Social Good Fund practices fiscal sponsorship.

And I want to share a quick story with you about how, how we're approaching the current moment and how we're trying to be brave and how we're trying not to sit around and wait, and I don't share this with you to toot our own horn, but I do. It's something that I'm particularly proud of because at this moment, what we do more than any other moment in our path is really, really important potentially to give people the opportunity to stand a project up now and respond to the world and say that, yeah, I can make a difference.

Speaker: A few weeks ago, my team read a story in the Washington post about a guy named Dr. Frank Gabrin, who is the first emergency room doctor in New York City to die of COVID-19. And when I read the article and I shared it with my team and one the thing that stuck out to us was that at the end of the obituary about this remarkable human being, it said that his family was trying to get ready to set up a foundation in Dr Gabrin's honor. My team reached out to the journalist. We told them about our services. We said this is not about making money for us. We all have personal connections. My wife's a nurse, my brother's an emergency room doctor. My best friend is an ER doctor. This is about, this is about connecting a human to human and we know that no normal person wakes up in the morning and knows how to start a foundation and knows about fiscal sponsorship and knows about the ins and outs of starting a 501(c)3.

Speaker: Well, we got put in contact with the late doctor's business partner, we reached out. Long story short, we brought them on at a discounted rate as a project of ours so that they were ready for the online Memorial that had hundreds of people attended to start the Dr. Frank Gabrin Support Heroes Foundation. They were ready to fundraise on Sunday for their event. And you know, that's just us being us and us saying, we don't have to wait. There are people out there who need us. There is no one to call. You wake up in the morning, you want to do something like this. There's no one you call – no nonprofit doctor. You know, you have to figure it out. We can be more proactive in the way we do this. We can play a larger role in providing relief in providing support, and in providing a human touch to people.

Speaker: So I want to all this to say, I want to encourage you to be brave and as a human in this moment, and to allow that to translate into bravery in the way you're all out there practicing fiscal sponsorship. I realize everyone's got their own deal. You can't do things you can't do, but I just want to put it out there that that now is the time. If you have it inside of you, now is the time to bring it. And that's it. I'll get off the soap box because I see the bubbles getting up here.

So thank you all for attending. I really look forward to seeing you all again next Tuesday. Hopefully we have some more tricks up our sleeve or something or other. Please do email us if you have any questions, comments or concerns. Once again, oliver@socialfund.org. Alright, there you go. thanks everyone. Have a great rest of your week. You're not in this alone. We'll get through it together. Thank you everybody. Everybody. Thank you.