2008
CONNECTICUT NONPROFIT
EMPLOYEE BENEFITS STUDY
### Survey Topics

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Off</td>
<td>14</td>
</tr>
<tr>
<td>Paid Time Off</td>
<td>14</td>
</tr>
<tr>
<td>Vacation</td>
<td>14</td>
</tr>
<tr>
<td>Holidays</td>
<td>15</td>
</tr>
<tr>
<td>Sick Days</td>
<td>16</td>
</tr>
<tr>
<td>Personal Days</td>
<td>16</td>
</tr>
<tr>
<td>Bereavement</td>
<td>17</td>
</tr>
<tr>
<td>Leave of Absence (Nonmedical)</td>
<td>17</td>
</tr>
<tr>
<td>Maternity/Adoption</td>
<td>17</td>
</tr>
<tr>
<td>Family Medical Leave</td>
<td>18</td>
</tr>
<tr>
<td>Health Care Coverage</td>
<td>18</td>
</tr>
<tr>
<td>Prescription Medications</td>
<td>19</td>
</tr>
<tr>
<td>Consumer-Driven Health Care Plans</td>
<td>20</td>
</tr>
<tr>
<td>Wellness</td>
<td>20</td>
</tr>
<tr>
<td>Domestic Partner Benefits</td>
<td>20</td>
</tr>
<tr>
<td>Dental Insurance</td>
<td>21</td>
</tr>
<tr>
<td>Benefit Costs and Administration</td>
<td>21</td>
</tr>
<tr>
<td>Nonmedical Insurance</td>
<td>22</td>
</tr>
<tr>
<td>Life Insurance</td>
<td>22</td>
</tr>
<tr>
<td>Accidental Death and Dismemberment</td>
<td>23</td>
</tr>
<tr>
<td>Short-Term Disability</td>
<td>23</td>
</tr>
<tr>
<td>Long-Term Disability</td>
<td>23</td>
</tr>
<tr>
<td>Vision</td>
<td>24</td>
</tr>
<tr>
<td>Pension and Retirement</td>
<td>24</td>
</tr>
<tr>
<td>Personnel Policies</td>
<td>24</td>
</tr>
<tr>
<td>Work Schedule</td>
<td>24</td>
</tr>
<tr>
<td>Professional Development — Undergraduate</td>
<td>25</td>
</tr>
<tr>
<td>Professional Development — Graduate</td>
<td>25</td>
</tr>
</tbody>
</table>

### About the Report

CBIA has partnered with Connecticut Association of Nonprofits (CT Nonprofits) to produce the most detailed report on the benefits provided to employees of Connecticut nonprofits. The report includes information on 358 organizations. A list of participating companies that agreed to be named appears at the end of the report. We have also included a profile of the participants by organization type, revenue, county and number of employees.

In an effort to control costs and produce a more environmentally friendly report, only this executive summary is available in hard copy. Survey participants and purchasers will have electronic access to a more detailed presentation of the data, including breakdown by revenue and number of employees.

We strongly urge you to be selective and use discretion in disseminating any information contained in this report. With this in mind, do not use the data in collective bargaining.

The cost of this report is $75 for members of CBIA and CT Nonprofits and $125 for nonmembers. Copies are available from CBIA, 350 Church St., Hartford, CT 06103 or by calling 860-244-1977, and from CT Nonprofits at [www.ctnonprofits.org](http://www.ctnonprofits.org) or by calling 860-525-5080.

### About CBIA

CBIA is Connecticut's largest business association, with 10,000 member companies. Our public policy staff works with state government to help shape specific laws and regulations to make Connecticut's business climate competitive and support job creation. Our councils, committees, and roundtables give members forums in which to become involved in the legislative and regulatory process.

One of the most important functions of CBIA is providing members with information that can help them better manage their business. We host training seminars, workshops, and conferences on environmental regulations, health and safety, human resources, taxes, energy, health care, and compensation and benefits. Our telephone consulting services give members free access to our experienced staff of professionals on a wide range of business topics.

Many CBIA members take advantage of our employee benefit plans as well. These include an innovative health insurance program as well as other insurance lines, retirement plans, a COBRA continuation program, an eyewear savings plan, and group purchasing opportunities.

Visit cbia.com
# Contents

Table of Survey Topics ................................................................. 2
About the Report .............................................................. 2
About CBIA ................................................................. 2
About Connecticut Association of Nonprofits ............................. 5
Firm Overview: Kostin, Ruffkess & Company, LLC ..................... 6
Are You Ready for the Final 403(b) Regulations? ....................... 8
Connecticut State Unemployment System — Nonprofits Have Another Option .......................... 10
Executive Summary ............................................................. 12
Survey Methodology and Demographics .................................... 12
Report Highlights .............................................................. 14
Endowment Accounting UPMIFA and FAS 117-1 ....................... 26
Principles and Practices For Nonprofit Excellence in Connecticut .............................................. 28
List of Participating Companies .............................................. 30
The Face of Nonprofits in Connecticut.

The Voice of Nonprofits: Connecticut Association of Nonprofits (CT Nonprofits) is an association of over 525 nonprofit organizations. The goal of CT Nonprofits is to enhance the ability of its members and all nonprofits to provide high quality, accessible, cost-effective services to the communities they serve. CT Nonprofits is committed to ensuring the stability of the nonprofit community and to ensure a financial foundation on which nonprofits can continue to deliver products and services to the citizens of Connecticut.

Contact us today to become involved: 860.525.5080 • www.ctnonprofits.org

Supporting nonprofit excellence through:
Advocacy • Strategic Partnerships • Cost-saving Benefits • Educational Support

90 Brainard Road, Hartford, CT 06114 • 860.525.5080 • www.ctnonprofits.org
About Connecticut Association of Nonprofits

Connecticut Association of Nonprofits (CT Nonprofits) — the largest membership organization in the state dedicated exclusively to nonprofits in Connecticut — strives to serve, support and strengthen nonprofit organizations in building and sustaining healthy communities. CT Nonprofits is a network of more than 525 nonprofit organizations, supporting our members’ needs so they may serve their communities to achieve their missions.

To achieve this mission, CT Nonprofits offers its members a wide range of benefits to help them succeed, including:

Strength in numbers — CT Nonprofits is the largest membership organization in the state dedicated exclusively to nonprofits in Connecticut. Together, our voice is heard.

Advocacy — Members of CT Nonprofits receive the benefit of a strong advocate for their cause at both the state and local levels. We have a history of effective relationships with state-elected leaders; we provide critical analysis of state budget and legislative issues specific to nonprofits; and we assist state leaders in developing public policy to strengthen the nonprofit sector. We work actively to increase charitable giving and to direct more government resources and contracts to nonprofits. CT Nonprofits has a proven track record of legislative success.

Information — CT Nonprofits provides its members with publications and member newsletters focused on the latest nonprofit issues and trends; exclusive access to resource materials focusing on best management practices; timely alerts on funding and developments in state government; and a web site that serves as a primary resource and point of entry to Connecticut’s nonprofit sector for the public and nonprofits of all types. The new online Career Center at www.ctnonprofits.org provides individuals and nonprofit organizations with the latest technology in career development and offers a host of benefits for nonprofit employers and job seekers. In addition, CT Nonprofits offers a Nonprofit Employee Handbook and conducts periodic salary/benefits surveys on behalf of its members.

Education — At CT Nonprofits, we believe in educating nonprofit professionals throughout Connecticut on the best practices and ideas available. By having a strong and well-educated staff, your organization will have the ability to serve your community more effectively and efficiently. As a member of CT Nonprofits, you will receive discounts on more than 150 education/training opportunities at our Center for Professional Development and a reduced fee for our annual state-wide nonprofit conference.

Partnerships & Collaborations — CT Nonprofits provides members an opportunity to network and problem-solve shared issues through monthly management forums and sector meetings. Forum groups include Development, Finance, Human Resources, Marketing & Public Relations, and Technology, while sector groups focus on Children & Youth, Community Justice, Developmental Disabilities, Juvenile Justice, Mental Health, Substance Abuse, and the Arts. CT Nonprofits is always working hard to build a coalition of nonprofits working together for a better Connecticut.

Cost-Saving Benefits — As a member, you receive the combined buying power of more than 525 nonprofit organizations, allowing your agency to receive cost savings on a wide variety of products and services. Members also receive exclusive benefits, such as the option to participate in the Unemployment Services Trust, a cost-effective alternative to paying state unemployment taxes.

FREE Technical Support and Access to Experienced Staff: CT Nonprofits’ staff is committed to serving your organization and providing you with the highest standards of service. Members call us first for help on issues of management, legislation, human resources, finance, technical assistance, and others. We are here to help you and your organization in any way we can, because our mission is simple...to support and strengthen the nonprofit community.

FREE Publicity: Every day, CT Nonprofits promotes the good work of its members and highlights their critical role in the community. We do this through our Web site, legislative testimony, and conversations with our state’s elected leaders and key policy makers. Our outreach also includes publications, such as our Nonprofit Advantage, which reaches more than 4,000 readers in Connecticut.

Profit from our nonprofit experience. Call us today at 860-525-5080 or visit www.ctnonprofits.org.
For forging strong relationships with our clients has been the hallmark of Kostin, Ruffkess & Company, LLC. Focusing on the success of our clients, and the businesses and organizations that they represent, has allowed us to become one of the premier business advisory and certified public accounting firms in New England.

The right mix of expertise, services, and locations creates the perfect fit.

WHO WE ARE
Founded in 1949, Kostin, Ruffkess & Company, LLC is the premier business advisory and certified public accounting firm in New England. Since our inception, we have grown from a three-man office to become one of the largest regional firms in the Northeast with a full-time staff of over 140 employees and offices in Farmington and New London, Connecticut, and Springfield, Massachusetts. Our growth stems from our entrepreneurial spirit and focus on providing the highest level of accounting, auditing and tax services.

HOW WE ARE DIFFERENT
Knowing you
We know you and your business are unique, and we make the effort to understand your unique situation. At Kostin, Ruffkess & Company, LLC, our professionals focus their practice areas into industry specific niches, ensuring we are experts in the industries we serve and able to give industry specific solutions tailored to you and your organization. Our unique business perspective allows us to identify issues before they arise and provide you with unique financial solutions. We work side-by-side with you to review past financial and operational performance, assist in identifying benchmarks and goals, and plan the strategies needed to help you attain them.

OUR SIZE
At Kostin, Ruffkess & Company, LLC, we think our size will fit you just right. We are large enough to offer the traditional and non-traditional financial services you and your business require, yet small enough to ensure you get the personal attention and service you deserve. With our substantial audit and consulting capabilities, we offer a one source...many solutions approach to serving your needs. Let us show you how our size can be a perfect fit for you and your business.
QUALITY & EXPERTISE

Integrity. Trust. Service. These are our core values. Through our commitment to them, we have distinguished ourselves as superior professionals measured by three primary elements:

- Responsiveness
- Expertise
- Knowledge

And it is these values that ensure you receive quality and expert services that you can trust.

ASSOCIATIONS

How can a regional firm compete with the resources of a national firm? By being a member of a community of regional firms and leveraging the resources of that community. Kostin, Ruffkess & Company, LLC is a founding member of The Leading Edge Alliance, an association of large independent accounting firms throughout the country established to provide member firms with best practice resources. Our affiliation enables us to expand our resources to include additional expertise of professionals in firms similar to our own. Kostin, Ruffkess & Company, LLC is also a member of Kreston International. Similar in concept to The Leading Edge Alliance, Kreston International enables us to extend our resources worldwide.

OUR SERVICES

Need traditional accounting, auditing, and tax service? We can help. Looking for non-traditional financial services such as comprehensive wealth management and technology consulting? We can help with that, too. We have a host of financial services that we provide, including:

- Accounting & Auditing Services
- Tax Planning & Consulting
- Business Consulting
- Fraud Investigation & Prevention Services
- Litigation Support
- Business Valuations
- Estate Planning & Administration Services
- SOX Compliance
- Employee Benefit Plans Services
- Succession Planning
- Comprehensive Wealth Management
- Information Technology
- Mergers & Acquisitions

OUR AFFILIATES

Simplified. It's how we'd all like our finances to be — easier to understand, easier to manage, easier to keep organized. At Kostin, we found that through our onsite affiliates, we can help our clients simplify their finances by putting all of their financial advisors under one roof. With our affiliate Kreston Wealth Management, LLC, we can provide insurance, investment advice and management, and financial planning.

WANT TO KNOW MORE?

If you would like more information about Kostin, Ruffkess & Company, LLC and how we can help you and your business, please visit us at www.kostin.com or call us at 800-286-KRCo.
Are You Ready for the Final 403(b) Regulations?

Jason D. Newman, CPA
Lindsey A. Wright
Kostin, Ruffkess & Company, LLC

On July 26, 2007, the IRS published final regulations applicable to 403(b) plans. These regulations will eliminate many of the operational differences that previously existed between 403(b) plans and other tax qualified programs, e.g., 401(k) plans. Also, employers and vendors providing services to 403(b) plans will receive much-needed guidance regarding plan administration. Many of the current 403(b) plans will need to be amended to comply with new documentation and administrative requirements, and entities sponsoring these plans will be faced with several new regulatory responsibilities. For most plans, these rules are applicable for tax years beginning after Dec. 31, 2008. Different effective dates may apply to collectively bargained plans and some church-sponsored programs.

In general, 403(b) plans are established for educational and nonprofit organizations. They may be funded through insurance annuity contracts, custodial mutual funds or retirement income accounts. Contributions may be made by an employee on a pre- or post-tax basis and employer can make matching and non-elective contributions which are not taxable to the employee when used to fund the plan. Generally, a 403(b) plan sponsored by a governmental entity will not be subject to the Employee Retirement Income Security Act of 1974 (ERISA), as it is exempted as a “governmental plan.” However, a 403(b) plan that is not sponsored by a public governmental entity must be carefully designed to avoid falling under the requirements of ERISA, despite the general belief that these plans are automatically exempt from ERISA. A 403(b) plan will be subject to ERISA unless it has no employer contributions, is purely a voluntary plan and there is minimal administrative involvement by the plan sponsor.

To avoid penalties relating to noncompliance, nongovernmental plan sponsors should consult with their independent legal counsel to determine if their plan is subject to ERISA regulations. Under the new 403(b) regulations, plans that are subject to ERISA will need to comply with the same reporting requirements as other ERISA retirement plans, including Form 5500 reporting requirements and the annual audit requirement for plans with over 100 eligible participants as of the beginning of the plan year.

ERISA regulations include several rules that require action from the sponsoring employer. Presented below is a summary of the final 403(b) regulations effective Jan. 1, 2009:

Written Plan Document
A “written plan document” is required. If your plan does not have a written document, you will need to adopt one. The document must, in form and operation, satisfy IRS code section 403(b) and the final regulations. It must include all the material plan provisions regarding eligibility, benefits, applicable contribution limits, forms of payment and timing of distributions, available funding options for the plan, etc. It must also make reference to any optional plan features such as loans, hardship withdrawals, rollover provisions, plan-to-plan transfers, or TSA contract exchange provisions that exist under the plan. The plan must define the responsibilities of the employer, service providers, and participating employees. If a 403(b) plan is subject to ERISA, the regulations impose greater fiduciary responsibilities on sponsoring employers, including monitoring investments, plan expenses and service provider services. There may also be the need to develop investment policy statements, provide employee investment education programs, and develop due diligence files to document their plan policies and procedures.

Nondiscrimination Rules and Universal Availability
Discrimination in favor of highly compensated employees with regard to employer contributions and after-tax employee contributions is prohibited under the new regulations (unless the plan is offered by state and local public schools or a 403(b) contract purchased by a church). Under the universal availability rule, all employees working more than 20 hours must be eligible to make elective deferrals under the plan. Certain classes of employees, in addition to those working less than 20 hours a week, can still be excluded. Plan benefit rights cannot be contingent on an employee decision to make elective deferrals into the plan. Additionally, employers must also inform new hires about the 403(b) plan and their ability to participate and determine if any nonparticipating employees have been appropriately notified of their right to participate.
Contributions
The aggregate contributions cannot exceed the annual limit on elective deferrals ($15,500 for 2008) and the annual 415 limit on all plan contribution made on behalf of a participant ($46,000 for 2008). Participants can elect to have all or a portion of their annual contribution made as a Roth (post-tax) contribution. Two types of “catch-up” contributions are also allowed: a) for employees age 50 or older and b) for employees with at least 15 years of service with certain employers. If an employee is eligible for both types, the 15 years of service catch-up is applied first. Regardless of which provision is utilized, the catch-up contribution is subject to an annual limit of $5,000 for 2008. As a result of these changes, employers must monitor excess contributions/deferrals, return any excess amounts on a timely basis, properly account for both the pre- and post-tax contributions made to the plan, and complete the appropriate tax filings for excess contributions.

Loans
Loans that fail to comply with certain requirements may be defaulted and considered to be a taxable distribution. To avoid being defaulted, loans must be made in accordance with a written loan program maintained by the employer. Also, the loan must have a fixed repayment schedule, in aggregate not exceed maximum dollar ($50,000) or vested percentage amounts (50%), and bear a reasonable rate of interest and contain repayment safeguards to which a prudent lender would adhere. Consequently, employers must monitor loans to ensure the loan requirements are satisfied or report a taxable distribution for a participant whose loan is defaulted.

Distributions
The rules allow distributions only after severance of employment or upon the occurrence of some event (i.e., hardship, disability or attainment of age 59 1/2). The rules regarding hardship distributions, mandatory tax withholding on eligible rollover distributions not rolled directly to another 403(b) or IRA, and involuntary cash-out rules for distributions greater than $1,000 but less than $5,000 follow the current 401(k) rules. Therefore, employers need to be familiar with the rules and regulations to avoid potential compliance issues.

Exchanges
More stringent transfer rules have been established. As of Sept. 24, 2007, transfers permitted under Revenue Ruling 90-24 are no longer allowed. Investment exchanges between accounts and contracts are permitted only if the accounts and contracts are part of the employer’s plan, the plan provided for the exchange, and the employer enters into an information sharing agreement with the issuer or custodian of the new contract or account. The information sharing agreement must specify that the employer will provide sufficient information to the institution to ensure compliance with regulations regarding loans, hardship distributions, and notifications for severance of employment.

Plan Termination
Plans can be terminated and benefits distributed to participating employees as soon as administratively possible. However, employers cannot make contributions to any 403(b) contract that was not part of the original contract from the date of plan termination until 12 months after all terminated plan assets have been distributed. Additionally, employers need to make sure that termination distributions and associated tax filings are made in a timely fashion and that contributions to a new 403(b) are not made prematurely.

Controlled Group/Aggregation Rules
Additional determinations need to be made concerning common control. If entities are under common control (80% or more board control) or if two or more exempt organizations coordinate their day-to-day activities and elect to treat themselves as being under common control, all members of the common control group must be offered the opportunity to participate in the 403(b) plan. These rules require identification of common control entities to ensure proper notification is given to eligible employees.

ACTION STEPS FOR PLAN SPONSORS
- Obtain a written plan document
- Review the provisions of your plan document to ensure compliance
- Consider adding optional plan provisions described above
- Ensure your plan is in compliance with the universal availability and controlled group/aggregation rules
- Prepare required employee communications
- Implement internal procedures for monitoring plan limits on contributions and loans
- Review eligibility for distribution payments and investment changes
- If your plan is subject to ERISA, review your fiduciary responsibilities regarding monitoring investments, expenses and vendor services
- Consider an Investment Policy Statement
- Assess Form 5500 reporting requirements
- Create or enhance a plan committee to review and approve administrative procedures
- Maintain a due diligence file to document administrative decisions
- Hire plan professionals to assist you with compliance issues
- Assess need for an audit
In 1972, the federal government enacted legislation that required nonprofits to provide unemployment benefits on the same basis as for-profit entities. However, the legislation included a provision that allows a 501(c)(3) corporation to opt out of its state unemployment system to become a direct reimburser (DR). This means that instead of paying a tax to the state, the agency directly reimburses the state dollar-for-dollar for the unemployment claims paid out to their former employees. This allows a nonprofit to avoid subsidizing employers whose maximum tax rate is insufficient to fully cover their claims — an inherent aspect of the tax system. Each state unemployment system has a maximum unemployment insurance rate, which means there is a cap for employers who have high turnover. Since the amount of benefits being paid out to their former employees may be more than what the employer is paying into the state unemployment fund, other employers enrolled in the state unemployment system are subsidizing the poor claims experience of their counterparts. Essentially, liability is being pooled.

State Unemployment Insurance Funds are unpredictable. The lack of sustained job creation in both the nonprofit and for-profit sectors is generating long-term joblessness and stagnant wage growth, which has resulted in the reduction and in some states the exhaustion of state Unemployment Insurance ("UI") funds. States that are borrowing money from the federal government will have to pay it back with interest, which translates to higher UI tax rates and surcharges for tax-rated employers. By opting out of the state UI system, nonprofit organizations avoid the majority of the pitfalls of the state system.

Self-insurance, however, carries a degree of uncertainty and financial risk for organizations, which includes:

- Nonprofits may experience greater fluctuations in the costs they must cover. For example, an agency might lose funding for a major program and need to lay off employees. This would increase unemployment claims at the same time funding becomes tighter.
- Connecticut Department of Labor requires all direct reimbursers to provide stop-loss insurance and surety bonds.

- A nonprofit organization must allocate staff time and legal expenses to manage claims.
- A nonprofit organization must reserve and invest funds for future unemployment claims.
- Paying claims outright may cause cash-flow issues for a nonprofit.

It is because of these uncertainties that many nonprofits join the Unemployment Services Trust (UST), a grantor trust with a membership of more than 2,100 nonprofit organizations covering over 190,000 employees. It began in 1983 and at that time consisted of 58 United Way agencies in Southern California. UST was started as an alternative to the state unemployment system, as well as an alternative for nonprofits who were already directly reimbursing the state.

By participating in the UST, nonprofits pay a quarterly contribution into their own account balance. They save 50% the first year and 10% the second year, and long-term generally save 30%-50% over what they were paying in taxes to the state.

The success of unemployment trusts isn’t surprising since members get more than tax relief. For example, members of UST, which represents a broad geographic and demographic spectrum of the nation’s nonprofits, share administrative costs and avoid the cash flow exposure of self-insurance. With its group buying power, UST also purchases stop-loss insurance, so neither members nor UST face excessive claims. UST even provides risk-management services to assist member organizations with human resources issues, such as layoffs and terminations.

Deciding on an unemployment trust.
Before selecting an unemployment trust, administrators of nonprofits should check the group’s history. Don’t consider a trust that frequently has to assess its members, or borrow to meet claim obligations. The best unemployment trusts invest funds based on written guidelines and in conjunction with professional investment managers. The group should also have a history of solid investment returns.
Member organizations should receive credits when funds are not needed to pay claims. For example, the UST — with assets of over $110 million — has awarded its eligible members an experience credit refund every year since 1986, totaling more than $33 million.

When evaluating an unemployment trust group, examine their operating budget. What percentage of contributions is needed for administrative costs?

Also take into consideration the diversity of organizations that the group represents. If the group is diverse both geographically and by organization type, members get better protection against adverse economic times.

Put Your Money Into Fulfilling Your Mission & Not Into Taxes
Join the Unemployment Services Trust (UST) Today

What are the benefits and how much will we save?

- **Savings for your agency** — A typical UST member saves over 30% from participation in the state system, with a guaranteed 50% savings the first year and 10% the second year of participation. More than 2,100 nonprofit employers nationwide and more than 150 of CT Nonprofits' members have already taken advantage of this cost-reduction benefit, saving millions through rate decreases and claims disqualifications.

- **Claims monitoring services** — A nationally known claims monitor, TALX, provides claim audit and protest services as well as training and telephone assistance to your human resources department.

- **Actuarially determined reserves** — Nonprofit organizations receive a guaranteed contribution rate for the first two years of participation. Contribution rates in the third and subsequent years of enrollment are determined actuarially, primarily driven by the agency’s claims experience.

- **Opportunities for experience credits** — If your claims experience is less than anticipated, your agency is eligible to receive experience credits. UST returned more than $2 million last year to member agencies. This is an opportunity you will never have if you stay in the state system. Experience credits are used to reduce future reserve payments.

- **Investment return** — The UST invests member assets, and you are entitled to investment return. Agencies’ reserve accounts are returned to them should they ever leave the UST.

Connecticut Association of Nonprofits (CT Nonprofits) has been a proud sponsor of the Unemployment Services Trust for more than 25 years. If you are interested in learning more about UST, please visit www.chooseust.org or contact Karen Maciorowski at 860-525-5080 or karenm@ctnonprofits.org.
Executive Summary

Information regarding online access to the full report is provided to all purchasers and participants, and data is available by revenue and by employee. Please note that because of insufficient data for some of the questions, the demographic breakdowns do not report on all questions included in the overall summary.

In order to facilitate comparison, the question numbers remain consistent throughout all three reports. Therefore, the questions in the revenue and employee breakdowns are not numbered consecutively.

Survey Methodology

The Connecticut Business and Industry Association and Connecticut Association of Nonprofits (CT Nonprofits) partnered to produce this report on employee benefits offered by Connecticut nonprofits. The survey was conducted primarily through e-mail, with each organization soliciting its own membership. In addition, CT Nonprofits invited nonprofits outside its membership to participate. Each participant was given his or her own survey link by which to submit the data. The survey was conducted in October 2008, with responses due in December.

The data were compiled by CBIA with the explicit understanding that all information would be kept in the strictest confidence and not presented in a manner that identifies a particular organization. However, a listing of the participants who agreed to be identified appears in the publication.

There are two parts to this report: this executive summary, which provides an overview of the results, and an accompanying PDF with detailed data. The PDF will be e-mailed to purchasers and participants; please see the accompanying cover letter which explains how to obtain a copy of the PDF.

The percentages quoted in this report relate to the number of respondents answering each question; thus the sample size for each question varies. In addition, all figures are rounded to the nearest whole number and may not total to 100%.

Demographics

There were 358 respondents to this survey. The following is a demographic summary of these participants.

Number of employees

- 1–9: 3%
- 10–24: 10%
- 25–49: 27%
- 50–99: 14%
- 100–199: 15%
- 200–499: 21%
- 500+: 11%
- Other: 1%

Total rounded to nearest whole number.

Tax-exempt status

- 501(c)(3): 93%
- 501(c)(4): 1%
- 501(c)(6): 1%
- Other: 5%

Total rounded to nearest whole number.
### Nature of organization

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture/Food/Nutrition</td>
<td>1.9%</td>
</tr>
<tr>
<td>Animal Welfare</td>
<td>0.0%</td>
</tr>
<tr>
<td>Art/Culture and Humanities</td>
<td>7.1%</td>
</tr>
<tr>
<td>Children and Youth Services</td>
<td>8.5%</td>
</tr>
<tr>
<td>Community Justice/Juvenile Justice</td>
<td>0.9%</td>
</tr>
<tr>
<td>Developmentally Disabled Services/Centers</td>
<td>6.2%</td>
</tr>
<tr>
<td>Domestic Violence/Sexual Abuse</td>
<td>3.3%</td>
</tr>
<tr>
<td>Education</td>
<td>7.6%</td>
</tr>
<tr>
<td>Environmental Quality/Protection &amp; Beautification</td>
<td>0.5%</td>
</tr>
<tr>
<td>Health: General &amp; Rehabilitative/Nursing Homes</td>
<td>2.8%</td>
</tr>
<tr>
<td>Housing/Shelter/Homelessness/Community Development</td>
<td>6.6%</td>
</tr>
<tr>
<td>Human/Social Services</td>
<td>25.6%</td>
</tr>
<tr>
<td>Mental Health/Crisis Intervention</td>
<td>6.2%</td>
</tr>
<tr>
<td>Mutual/Membership Benefit Organization</td>
<td>1.4%</td>
</tr>
<tr>
<td>Philanthropy/Voluntarism &amp; Grant-making Foundations</td>
<td>3.3%</td>
</tr>
<tr>
<td>Religion/Spiritual Development</td>
<td>1.4%</td>
</tr>
<tr>
<td>Other</td>
<td>16.6%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>100.0%</td>
</tr>
</tbody>
</table>

### Revenue

Total rounded to nearest whole number.

- Up to $499,999: 31%
- $500,000–1,999,999: 18%
- $2,000,000–4,999,999: 19%
- $5,000,000–9,999,999: 19%
- $10,000,000–19,999,999: 8%
- $20 million +: 5%

### Location

Total rounded to nearest whole number.

- Fairfield: 1%
- Hartford: 17%
- Litchfield: 3%
- Middlesex: 24%
- New Haven: 40%
- New London: 8%
- New London: 5%
- Tolland: 1%
- Windham: 1%
**Report Highlights**

*This section provides a summary of the survey’s key findings.*

---

**Time Off**

**Paid Time Off**

1.1

Does your organization use an all-encompassing earned paid time off system whereby employees are given a set number of days to be used as they wish for vacations, holidays, personal time, and any other paid absences?

![Pie chart](chart)

The organizations using an all-encompassing earned paid time off system gave the following number of days on average depending on length of service: (Please note the averages do not include the number of days employees are allowed to carry over.)

Chart reflects figures for companies not differentiating between levels of employees.

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Average number of days given through PTO policy</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>After one year of service</td>
<td>21</td>
<td>20</td>
</tr>
<tr>
<td>After five years of service</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>After ten years of service</td>
<td>28</td>
<td>27</td>
</tr>
</tbody>
</table>

--

**Vacation**

(Note: Organizations having a PTO program are not included in the summary on vacations.)

1.1a

The maximum amount of paid vacation an employee can earn

![Bar chart](chart)

Sixty-three percent of the companies selecting “other” indicated that the maximum was based on employee or level. Thirteen percent reported 7 - 10 weeks, and an additional thirteen reported no limit.
1.2
The number of vacation days per month an employee can accrue during the first year of employment

Overall average | Mode
--- | ---
1 day per month | .83

Companies that differentiated between levels of employees had the following accrual rate:

<table>
<thead>
<tr>
<th>Nonexempt Staff</th>
<th>Exempt/Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>Mode</td>
</tr>
<tr>
<td>.93</td>
<td>.83</td>
</tr>
</tbody>
</table>

1.3
The number of vacation days per month an employee can accrue after the first year of employment

Overall average | Mode
--- | ---
1.2 days per month | .83

Nonexempt staff | Exempt/Management
--- | ---
Average | Mode | Average | Mode
1 | 1.25 | 1.6 | 1.67

1.7
Vacation days allotted on a given date or accrued

70% Allotted
30% Accrued

1.8
Policy regarding the carryover of unused vacation time into the next vacation year

54% Employee may carry over all accrued, unused vacation
16% Employee may carry over only a specific amount
30% Employee loses vacation not taken
.4% Employee paid for unused vacation
.7% Employee’s choice of pay or carryover

Holidays

2.1
The number of paid holidays given to employees
(Average does not include personal days or floating holidays.)

<table>
<thead>
<tr>
<th>Average</th>
<th>Mode</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>12</td>
</tr>
</tbody>
</table>

2.2
Other than New Year’s Day, Memorial Day, July 4, Labor Day, Thanksgiving Day and Christmas, paid holidays typically given

<table>
<thead>
<tr>
<th>Holiday</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbus Day</td>
<td>55.1%</td>
</tr>
<tr>
<td>Day after Thanksgiving</td>
<td>72.1%</td>
</tr>
<tr>
<td>Employee’s birthday</td>
<td>6.3%</td>
</tr>
<tr>
<td>Good Friday</td>
<td>49.8%</td>
</tr>
<tr>
<td>Lincoln’s birthday</td>
<td>10.1%</td>
</tr>
<tr>
<td>Martin Luther King Day</td>
<td>70.7%</td>
</tr>
<tr>
<td>Presidents’ Day</td>
<td>66.9%</td>
</tr>
<tr>
<td>Rosh Hashanah</td>
<td>3.1%</td>
</tr>
<tr>
<td>Yom Kippur</td>
<td>3.5%</td>
</tr>
<tr>
<td>No additional days granted</td>
<td>6.6%</td>
</tr>
<tr>
<td>Other</td>
<td>39.0%</td>
</tr>
</tbody>
</table>
Sick Days

3.1 
Paid sick leave policies
For the purposes of this question, a paid time off (PTO) policy, sometimes called a paid time bank, refers to when an organization combines several types of paid time off (i.e., sick time, personal time, vacation and holiday time) into one account to be used at the employees’ discretion.

3.2 
Does the number of paid sick days vary by length of service?

---

Personal Days

4.1 
Organizations reporting a policy on paid personal days

4.2 
The number of personal days offered per year

---

*Data from companies that include sick days in their paid time off policy are not included in the remainder of this section.
Bereavement

5.1
When there is a death in the immediate family, (e.g., mother, father, sibling, spouse, child), employee is paid by

- Funeral leave: 66%
- Vacation time: 4%
- Personal time: 14%
- Sick time: 4%
- Other: 13%

5.2
The number of days off allowed for death in the immediate family

- 0 days: 2%
- 1 day: <1%
- 2 days: 3%
- 3 days: 2%
- 4 days: 15%
- 5+ days: 13%

Leave of Absence (Nonmedical)

7.1
The number of organizations granting nonmedical leave of absence

- Yes — without pay: 60%
- Yes — with pay: 22%
- Yes, but pay depends on reason for leave: 17%
- No: 2%

Maternity/Adoption

8.1
Do organizations require a maternity leave benefit, or do they coordinate other existing leave benefits (e.g., short-term disability)?

- Maternity leave: 58%
- Existing leave benefits: 34%
- Other: 8%

Most of the companies selecting existing leave benefits chose short-term disability (40%). Additional organizations in this category chose the use of sick, vacation or personal time accrual (36%) and Family Medical Leave Act (17%). Seven percent of the organizations gave employees the choice between using accrued time or short-term disability.

Organizations selecting “other” were most likely to indicate that they had no policy. The maternity leave was treated as any other leave of absence or as maternity leave coordinated with FMLA.
Family Medical Leave

9.1 Employees are required to use their paid time when requesting family medical leave

- Yes: 70%
- No: 14%
- Not applicable: 17%

9.2 Organizations that require employees to use paid time were asked if they require the time be taken in any particular order (e.g., use sick time before vacation time)

- Yes: 42%
- No: 58%

Health Care Coverage

Respondents were asked to answer the questions as they apply to the plan with the largest percentage of employees.

10.1 Organizations providing group health insurance to employees

- Yes: 93%
- No: 7%

10.2 Group health insurance plans offered

<table>
<thead>
<tr>
<th>Plan</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>HMO (Health Maintenance Organization)</td>
<td>57.8%</td>
</tr>
<tr>
<td>POS (Point Of Service)</td>
<td>56.5%</td>
</tr>
<tr>
<td>PPO (Preferred Provider Organization)</td>
<td>31.5%</td>
</tr>
<tr>
<td>HDHP (High-Deductible Health Plan)</td>
<td>10.8%</td>
</tr>
<tr>
<td>Comprehensive Indemnity</td>
<td>0.9%</td>
</tr>
<tr>
<td>Major Medical</td>
<td>13.4%</td>
</tr>
<tr>
<td>Basic Hospitalization</td>
<td>9.5%</td>
</tr>
<tr>
<td>HSA (Health Savings Account)</td>
<td>21.1%</td>
</tr>
</tbody>
</table>
10.3 Organizations whose health coverage plan is insured or self-funded

- Insured: 91%
- Self-funded: 9%

10.4 The minimum number of hours an employee needs to work to be eligible for health benefits

- 20 hours: 14%
- 30 hours: 52%
- 35 hours: 10%
- 40 hours: 10%
- Full-time equivalent: 6%
- Other: 8%

Among organizations selecting “other,” answers varied. Half of them indicated 32 or 37.5 hours and the remaining 50% between 21 and 28 hours.

10.5 The minimum length of service required for an employee to be eligible for group health insurance

- Eligibility is immediate: 10.0%
- First day of month following date of hire: 17.0%
- First day of month after 30 days of employment: 25.7%
- Up to 29 days: 0.4%
- 30 - 59 days: 4.3%
- 60 days: 5.7%
- 61 - 89 days: 1.3%
- 90 days: 29.6%
- More than 90 days: 6.1%

Prescription Medications

11.1 Organizations reporting a co-pay structure with three or more tiers

- Yes: 52%
- No: 48%
**Consumer-Driven Health Care**

Employers were asked to complete the questions on consumer-driven health care plans based on the following definitions.

A **Health Savings Account (HSA)** is a tax advantaged medical savings account that is partnered with a high-deductible health plan (HDHP). HSAs enable you to pay for current health expenses and save for future qualified medical and retiree health expenses on a tax-free basis using employee and/or employer funds. Monies not used can be carried into future years.

**Health Reimbursement Accounts** are also called Health Reimbursement Arrangements (HRAs). They are employer funds available to reimburse employees for qualified medical expenses. The terms of these arrangements can provide first dollar medical coverage until the funds are exhausted.

A **Flexible Spending Account (FSA)** is a tax advantaged financial account set up through a cafeteria plan. An FSA allows an employee to set aside a portion of his or her earnings to pay for qualified expenses as established in the cafeteria plan, most commonly for medical expenses but sometimes for dependent care or other expenses.

A **Dependent Care Reimbursement Account (DCRA)** allows employees to set aside part of their pay each pay period on a pre-tax basis to reimburse eligible expenses incurred for the care of a dependent.

### 12.1

**Organizations offering a CDHC account and the percentage of eligible employees selecting this option**

<table>
<thead>
<tr>
<th>Account</th>
<th>Percentage offering</th>
<th>Percentage of employees selecting option</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Savings Account</td>
<td>16.9%</td>
<td>46.8%</td>
</tr>
<tr>
<td>Health Reimbursement Account (HRA)</td>
<td>7.4%</td>
<td>62.4%</td>
</tr>
<tr>
<td>Flexible Spending Account (FSA)</td>
<td>34.2%</td>
<td>39.6%</td>
</tr>
<tr>
<td>Dependent Care Reimbursement Account</td>
<td>21.0%</td>
<td>11.6%</td>
</tr>
<tr>
<td>No accounts offered</td>
<td>45.7%</td>
<td>NA</td>
</tr>
</tbody>
</table>

**Wellness**

13.1

**Organizations indicated having or planning to have the following wellness programs within the next twelve months.**

<table>
<thead>
<tr>
<th>Program</th>
<th>Current</th>
<th>Planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stress management</td>
<td>12.5%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Smoking cessation</td>
<td>10.2%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Weight control</td>
<td>6.9%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Physical examinations</td>
<td>13.9%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Employee assistance plan</td>
<td>29.6%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Prenatal care</td>
<td>9.3%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Well baby care</td>
<td>8.3%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Nutrition counseling</td>
<td>5.6%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Hypertension/cholesterol screening</td>
<td>6.5%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Emergency care training</td>
<td>15.7%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Accident prevention training</td>
<td>18.1%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Cancer detection</td>
<td>4.6%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Health profile analysis</td>
<td>6.9%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Literature on healthy lifestyle</td>
<td>13.4%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Physical fitness facility access</td>
<td>10.6%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Flu shots</td>
<td>31.9%</td>
<td>6.9%</td>
</tr>
</tbody>
</table>

**Domestic Partner Benefits**

14.1

**Organizations offering medical benefits to domestic partners**

- Yes: 41%
- No: 59%
14.2
Organizations providing benefits to employees’ domestic partners defined this group as

<table>
<thead>
<tr>
<th>Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opposite sex, live-in partner, not married</td>
<td>54.0%</td>
</tr>
<tr>
<td>Same sex, live-in partner</td>
<td>74.0%</td>
</tr>
<tr>
<td>Other</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

The most common response under “other” was “employees in a civil union.”

14.3
Organizations require proof of live-in status

- Yes: 51%
- No: 49%

15.2
The minimum length of service to be eligible for dental benefits

<table>
<thead>
<tr>
<th>Eligible</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible immediately</td>
<td>8.2%</td>
</tr>
<tr>
<td>First day of the month following date of hire</td>
<td>22.4%</td>
</tr>
<tr>
<td>Immediately after 30 days of service</td>
<td>4.7%</td>
</tr>
<tr>
<td>First day of the month following 30 days of employment</td>
<td>22.9%</td>
</tr>
<tr>
<td>After 60 days of service</td>
<td>7.6%</td>
</tr>
<tr>
<td>After 90 days of service</td>
<td>30.0%</td>
</tr>
<tr>
<td>4 - 6 months of service</td>
<td>2.4%</td>
</tr>
<tr>
<td>7 months - 1 year of service</td>
<td>0.6%</td>
</tr>
<tr>
<td>Other</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

16.1
Organizations offering group dental coverage

- Yes, under major medical plan: 8%
- Yes, under separate medical insurance plan: 26%
- No: 67%

Only organizations that provided comprehensive coverage, not just surgery, are included.
16.2
Actions taken by participants in the past two years or actions planned for the next year to control employee health care costs:

- Changed health insurer: 35.2%
- Became self-insured: 3.0%
- Developed employee incentive to reduce use of plan benefits: 7.7%
- Decreased benefits coverage: 18.0%
- Established a fixed dollar/percentage employer-paid premium: 12.0%
- Increased employee coinsurance percentage: 14.2%
- Increased employee contribution to premium costs: 29.6%
- Increased deductibles/co-pays: 41.2%
- Offered managed care plan for first time: 3.0%
- Negotiated lower rates with selected physicians and hospitals (PPO): 2.6%
- Changed type of plan: 36.5%
- Actively used health care data to target opportunities or interventions: 3.0%
- Added more managed care plans: 2.6%
- Used Internet to actively educate employees on how to manage health benefits: 4.3%
- Instituted claim audits: 0.4%
- Implemented a prescription mail-order program: 8.2%
- Increased prescription co-pay: 18.5%
- Increased dental premium: 6.0%
- None of the above: 13.3%
- Other: 8.2%

17.2
Eligibility requirements necessary for employees to enroll in life insurance plan:

<table>
<thead>
<tr>
<th>Eligibility Requirement</th>
<th>Non-exempt</th>
<th>Exempt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible immediately</td>
<td>13.8%</td>
<td>15.5%</td>
</tr>
<tr>
<td>First day of the month following date of hire</td>
<td>16.3%</td>
<td>16.7%</td>
</tr>
<tr>
<td>At 30 days of service</td>
<td>3.8%</td>
<td>3.4%</td>
</tr>
<tr>
<td>First day of the month following 30 days of employment</td>
<td>20.0%</td>
<td>19.5%</td>
</tr>
<tr>
<td>At 60 days of service</td>
<td>5.0%</td>
<td>5.2%</td>
</tr>
<tr>
<td>At 90 days of service</td>
<td>31.9%</td>
<td>29.3%</td>
</tr>
<tr>
<td>3 - 6 months of service</td>
<td>3.8%</td>
<td>4.0%</td>
</tr>
<tr>
<td>7 months - 1 year of service</td>
<td>1.9%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Other</td>
<td>3.8%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

17.3
The basis for determining the amount of organization-paid life insurance:

<table>
<thead>
<tr>
<th>Basis for Determining Amount</th>
<th>Non-exempt</th>
<th>Exempt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat amount</td>
<td>45.3%</td>
<td>44.2%</td>
</tr>
<tr>
<td>Multiple or percentage of earnings</td>
<td>41.9%</td>
<td>39.9%</td>
</tr>
<tr>
<td>Other</td>
<td>12.8%</td>
<td>16.0%</td>
</tr>
</tbody>
</table>

17.4
Group life insurance is offered to dependents:

<table>
<thead>
<tr>
<th>Type of Coverage</th>
<th>Non-exempt</th>
<th>Exempt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>12.0%</td>
<td>12.8%</td>
</tr>
<tr>
<td>No</td>
<td>88.0%</td>
<td>87.2%</td>
</tr>
</tbody>
</table>

17.5
Supplemental group life insurance offered to employees in addition to basic coverage:

<table>
<thead>
<tr>
<th>Type of Coverage</th>
<th>Non-exempt</th>
<th>Exempt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>27.6%</td>
<td>28.3%</td>
</tr>
<tr>
<td>No</td>
<td>72.4%</td>
<td>71.7%</td>
</tr>
</tbody>
</table>

Nonmedical Insurance

Life Insurance

17.1
Group term life insurance offered

(Supplemental and optional insurance not included)

<table>
<thead>
<tr>
<th>Type of Coverage</th>
<th>Non-exempt</th>
<th>Exempt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>73.6%</td>
<td>75.3%</td>
</tr>
<tr>
<td>Yes, but coverage is available only through flexible benefits plan</td>
<td>1.4%</td>
<td>2.3%</td>
</tr>
<tr>
<td>No, life insurance not offered</td>
<td>25.0%</td>
<td>22.3%</td>
</tr>
</tbody>
</table>
Accidental Death and Dismemberment

18.1 Accidental death and dismemberment insurance offered to employees

<table>
<thead>
<tr>
<th></th>
<th>Non-exempt</th>
<th>Exempt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>50.7%</td>
<td>52.8%</td>
</tr>
<tr>
<td>No</td>
<td>49.3%</td>
<td>47.2%</td>
</tr>
</tbody>
</table>

18.2 The maximum benefits payable under organization’s accidental death and dismemberment plan

<table>
<thead>
<tr>
<th></th>
<th>Non-exempt</th>
<th>Exempt</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 2 times pay</td>
<td>66.0%</td>
<td>67.2%</td>
</tr>
<tr>
<td>More than 2 times salary</td>
<td>4.7%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Other</td>
<td>29.2%</td>
<td>27.6%</td>
</tr>
</tbody>
</table>

For organizations selecting “other,” the average for those reporting a flat amount was $118,462. For those reporting a percentage of salary, the average was 60%. For those reporting a multiple of salary, the multiple of salary was 1.6.

Short-Term Disability

19.1 Organizations offering short-term disability (STD) insurance to employees

- Yes, organization pays 100% of premium 35%
- Yes, organization pays a percentage of premium 15%
- Yes, but employee pays the full cost 4%
- No, organization does not offer short-term disability 46%

19.3 Minimum length of service to be eligible for STD

- Immediately 66%
- Other 34%

The vast majority of companies selecting “other” reported that employees were eligible after working a set number of days, which averaged 142 days. The mode was 90 days, with a range of 3 days - two years. The next most frequent response was the first of the month following 30 days.

Long Term Disability

20.1 Organizations that offer a long-term disability (LTD) insurance plan or wage continuation plan for total disability

Non-exempt Employees

- Yes, organization pays 100% of premium 45.1%
- Yes, organization pays a portion of premium 2.1%
- Yes, employee pays full cost 5.6%
- No, organization does not offer long-term disability 47.2%

Exempt Employees

- Yes, organization pays 100% of premium 48.0%
- Yes, organization pays a portion of premium 2.5%
- Yes, employee pays full cost 5.4%
- No, organization does not offer long-term disability 44.1%
21.2

If vision care is offered, is it part of the organization’s medical coverage or a separate plan?

- Non-exempt Employees: 64% (36% Part of medical coverage, 36% Separate plan)
- Exempt Employees: 64% (36% Part of medical coverage, 36% Separate plan)

22.1

Types of retirement plan(s) offered

<table>
<thead>
<tr>
<th>Retirement Plan</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>403(b)</td>
<td>47.7%</td>
</tr>
<tr>
<td>401(k)</td>
<td>19.7%</td>
</tr>
<tr>
<td>Profit sharing</td>
<td>1.4%</td>
</tr>
<tr>
<td>Money purchase plan</td>
<td>0.5%</td>
</tr>
<tr>
<td>Defined benefit</td>
<td>5.0%</td>
</tr>
<tr>
<td>Simplified Employee Pension Plan (SEP)</td>
<td>7.3%</td>
</tr>
<tr>
<td>Simple IRA</td>
<td>5.0%</td>
</tr>
<tr>
<td>Organization does not offer a pension or retirement plan</td>
<td>13.3%</td>
</tr>
</tbody>
</table>

22.4

Vesting schedule of employer matching contributions

<table>
<thead>
<tr>
<th>Vesting Schedule</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immediate</td>
<td>37.4%</td>
</tr>
<tr>
<td>1 - 3 years</td>
<td>40.6%</td>
</tr>
<tr>
<td>4 - 5 years</td>
<td>8.4%</td>
</tr>
<tr>
<td>5+ years</td>
<td>13.5%</td>
</tr>
</tbody>
</table>

22.5

Minimum service time needed to enter the defined benefit plan

<table>
<thead>
<tr>
<th>Minimum Service Time</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>30.6%</td>
</tr>
<tr>
<td>Less than 1 year</td>
<td>21.7%</td>
</tr>
<tr>
<td>1 year</td>
<td>33.1%</td>
</tr>
<tr>
<td>2 - 10 years</td>
<td>8.3%</td>
</tr>
<tr>
<td>Combination of age and service</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

23.1

The organization offers the following alternative work schedules

- Flex time (shift the business day forward or backward by a set period of time): 48.0%
- Rotating schedule: 12.9%
- Work at home (telecommute): 32.4%
- None of the above: 42.2%
23.2
Organizations planning to offer one of the following alternative work schedules in the next twelve months

Thirty-two percent of the companies plan on offering or exploring the possibility of offering an alternative work schedule. The chart below details the options being considered.

<table>
<thead>
<tr>
<th>Option being considered</th>
<th>Percentage of organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flex time</td>
<td>38%</td>
</tr>
<tr>
<td>Telecommuting</td>
<td>31%</td>
</tr>
<tr>
<td>Considering all (flex, telecommuting, rotating schedule)</td>
<td>15%</td>
</tr>
<tr>
<td>4-day work week</td>
<td>4%</td>
</tr>
<tr>
<td>Undecided</td>
<td>12%</td>
</tr>
</tbody>
</table>

24.2
The portion of tuition that organizations reimburse for graduate college courses

<table>
<thead>
<tr>
<th>Portion of Tuition Reimbursed</th>
<th>Percentage of Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>3.2%</td>
</tr>
<tr>
<td>76 - 99%</td>
<td>0.9%</td>
</tr>
<tr>
<td>75.0%</td>
<td>1.4%</td>
</tr>
<tr>
<td>51 - 74%</td>
<td>0.5%</td>
</tr>
<tr>
<td>50.0%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Less than 50%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Varies depending on course grade</td>
<td>3.2%</td>
</tr>
<tr>
<td>Varies depending on course</td>
<td>8.8%</td>
</tr>
<tr>
<td>None</td>
<td>72.8%</td>
</tr>
</tbody>
</table>

Professional Development Undergraduate Level

24.1
The portion of tuition organization reimburses for undergraduate college courses

<table>
<thead>
<tr>
<th>Portion of Tuition Reimbursed</th>
<th>Percentage of Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>4.1%</td>
</tr>
<tr>
<td>76 - 99%</td>
<td>0.9%</td>
</tr>
<tr>
<td>75.0%</td>
<td>1.4%</td>
</tr>
<tr>
<td>51 - 74%</td>
<td>0.5%</td>
</tr>
<tr>
<td>50.0%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Less than 50%</td>
<td>7.8%</td>
</tr>
<tr>
<td>Varies depending on course grade</td>
<td>4.1%</td>
</tr>
<tr>
<td>Varies depending on course</td>
<td>8.7%</td>
</tr>
<tr>
<td>None</td>
<td>71.1%</td>
</tr>
</tbody>
</table>

24.4
Organization reimburses for the cost of textbooks.

24.7
Work schedule adjusted so that employees can take classes

Yes: 36%
No: 64%
Endowment Accounting

UPMIFA and FAS 117-1

Background

In October 2007, the state of Connecticut adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) to replace the Uniform Management of Institutional Funds Act. UPMIFA is the primary law governing the investment, management and expenditure of donor-generated funds. The new law applies to endowment funds, which are created with the intent of using the income derived from the funds to support an organization while maintaining the original principal.

UPMIFA affects endowment management in several ways:

1. UPMIFA adopts new standards for making prudent investment management decisions.
2. UPMIFA eliminates the historical dollar value threshold ("HDV").

HDV is the amount of the original gift principal. Prior to the new law, an organization was prevented from spending a gift below the HDV. Rather than using HDV as a standard, UPMIFA applies a prudence standard to the process of making expenditures from the donor-restricted endowment fund. The prudence standard takes into account the donor's intent for the fund and may allow an organization to spend from funds that are below HDV. However, attorneys general in several states (including Connecticut) dispute the constitutionality of this provision.

Financial Reporting

In August 2008 the Financial Accounting Standards Board (FASB) issued a FASB Staff Position, FAS 117-1, to provide guidance on financial reporting issues affected by the provisions of UPMIFA. FAS 117-1 will require organizations to review gift documentation and state laws and then readdress the net asset classifications.

First, an organization will need to determine if the funds are considered an endowment. An endowment may be created by a donor or by the board of directors. A legal determination may be needed to identify which funds are considered endowment funds under UPMIFA. For board-designated funds, the board may need to clarify their intent with regard to investments. The intent should clearly identify that the investments are to be used as an endowment as opposed to a "rainy day fund" to offset future operating shortfalls.

Second, the organization must determine which donor-restricted funds are required to be retained in perpetuity. These funds will be permanently restricted.

Third, all funds that are not permanently restricted will be considered temporarily restricted, including board-designated funds.

Fourth, all unspent investment earnings, whether designated by the donor for a specific purpose or for general operating purposes, will be considered temporarily restricted. This is a major change to net asset classification policy. According to FAS 117-1, the unspent investment earnings will be classified as temporarily restricted until appropriated for expenditure through an approved annual budget or approval of a specific expenditure. Previously, the investment earnings on the endowment funds not specifically restricted by the donor were considered unrestricted assets or available for use.

With the guidance of UPMIFA and FSP (FASB Staff Position), any donor-restricted endowment funds on hand as of the date of the enacted UPMIFA, including the investment earnings, may need to be reclassified. The amounts on hand (unrestricted) that have never been appropriated for expenditure will need to be reclassified to temporarily unrestricted net assets, as the purpose restriction was never met.

FAS 117-1 requires additional footnote disclosures in the financial statements of the organization. The disclosure will require a table that outlines endowment activity. This activity will include the beginning balances of the endowment funds by net asset class, interest, dividends, appreciation/depreciation, contributions, funds appropriated for expenditure, and other changes reconciling to the ending balances. For funds that existed when UPMIFA was adopted in October 2007, the activity will need to reflect any net asset reclassifications on a separate line of the statement of activities, in the earliest comparative period for which UPMIFA was effective.
Every organization needs to plan for the current and long-term effects of the market decline while also interpreting and implementing UPMIFA and FAS 117-1.

The financial statements will also require the following information:

- Disclosure of board of directors’ interpretation of the laws related to their net asset classification of donor-restricted endowment funds
- Spending policy of the organization’s endowment funds
- A description of the organization investment policies, including the return objectives, risk parameters, and how the objectives relate to the return objectives and the strategies the organization is taking to achieve those objectives
- The net asset classes for the end of the period or year, including type of endowment fund, donor-restricted endowment funds, and board-designated endowment fund.

This FSP is effective for fiscal year ending after Dec. 15, 2008, with earlier application permitted. However, reclassification of endowment net assets must occur for periods ending after October 2007.

We recommend that all organizations review the provisions of UPMIFA and FAS 117-1 and consider the following steps for compliance with the Act as follows:

- Consult legal counsel as to the interpretation of the law as it applies to your endowment funds and restrictions
- Develop or modify investment policies, including asset allocation methodologies, rate of return objectives and risk tolerance
- Develop board policies on the endowment fund spending plan by focusing on the purposes and needs of your organization
- Reassess your current recordkeeping capabilities on donor restrictions

As many organizations are discovering, the recent decline in the stock market has caused many permanent endowment funds to fall below the HDV. In addition, the decline in endowment balances will reduce future endowment earnings to support operating budgets. Every organization needs to plan for the current and long-term effects of the market decline while also interpreting and implementing UPMIFA and FAS 117-1. For assistance with these issues, please contact Patricia McGowan or Donna Gilbert at 860-678-6000. Our Not-for-Profit Services team is available to meet with you and answer these questions.
An organization’s benefits package is just one component of providing an optimal work environment. The following article speaks to a nonprofit organization’s quest to address the various challenges in creating a well-balanced and effective workplace.

Principles and Practices for Nonprofit Excellence in Connecticut was published by Connecticut Association of Nonprofits (CT Nonprofits) as a resource for nonprofits in our state. Principles and Practices is based on the fundamental values of quality, responsibility and accountability. The six characteristic accountability principles distinguish the nonprofit sector from government and the business sector. The recommended practices provide specific guidelines for individual organizations to evaluate and improve their operations, governance, human resources, advocacy, financial management and fundraising. This document has three intended purposes. The first is to provide individual organizations striving for excellence with a tool for strategic planning and operational evaluation relative to the rest of the nonprofit sector. The second is to support the growth and quality of the sector. The third is to increase public understanding of the role and contributions of the nonprofit sector. Below is an excerpt of one of the six principles outlined in this document: Respect (Human Resources). You may download the entire publication at www.ctnonprofits.org.

### Principle 3: Respect

Nonprofit organizations have a responsibility to recognize the inherent dignity of all persons. All persons within the organization or receiving resources or services from the organization should be treated fairly and with “unconditional” respect regardless of their station.

**Recommended Practices**

1. A nonprofit must comply with all local, state and federal employment laws in hiring and employing personnel.
2. If the organization employs staff, the board should annually review its overall compensation structure, using industry-based surveys of salaries and benefits. The board should establish policies on employee benefits, which may include:
   a. medical insurance;
   b. retirement plans;
   c. sick leave, maternity/paternity leave, vacation, and other paid time off; and
   d. other benefits as may be appropriate.
3. A nonprofit should adopt a set of specific, but separate, policies and procedures for personnel and volunteers.
4. A nonprofit should employ individuals who are suitable for the positions they occupy (paid or unpaid) and committed to the goals, values and objectives of the organization.
5. A nonprofit and its board should establish and abide by a broad and encompassing equal opportunity employment policy.
6. A nonprofit should strive to employ personnel and volunteers who reflect the diversity of the community, as appropriate for program effectiveness.
7. A nonprofit should support the education and development of personnel and should provide them with opportunities for growth and advancement.
8. A nonprofit organization should provide staff and volunteers with clear, current job descriptions and the tools they need to produce quality work.
9. A nonprofit should have a system in place for the succession of management and board members, most notably for the executive director and key board leadership.
10. A nonprofit should establish both employee and volunteer records retention policies and procedures that are consistent with applicable laws and best industry practices.
Basic Infrastructure Checklist
(Use this checklist to identify areas for development within your nonprofit organization.)

Principle 3: Respect

YES NO

A. Human Resources
- Compliance with State and Federal Laws
- Fair Labor Standards Act
- Connecticut/Federal Required Postings (OSHA)
- Benefits Documentation
- Criminal and Driving Records (for employees and volunteers)
- Human Resources Records Retention Policy
- Organizational Chart

B. Personnel Policies and Procedures Manuals —
individual signatures of understanding and acceptance — recommended content includes:
- Equal Employment Opportunity/Affirmative Action Policy
- Eligibility and Classifications Policy
- Code of Ethics/Employee Conduct Policy
- Conflict of Interest Policy (including disclosure of relationships)
- Confidentiality Policies and Procedures
- Nondiscrimination, Diversity and Harassment Policy
- Grievance Procedures
- Workers’ Compensation Insurance Program
- Orientation, Training and Evaluation Policy (staff and volunteers)
- Attendance/Leave Policy
- Expense Reimbursement Policy
- Management Information Systems (MIS) Policies and Procedures
  (including Internet, e-mail, technology/equipment access and use policies)
The following companies agreed to be listed in the report

Agency on Aging of South Central Connecticut
AIDS Project New Haven, Inc.
Alainça Brasileira — dba The Brazilian Alliance
Alcohol & Drug Recovery Centers, Inc.
Almada Lodge Times Farm Camp Corp. dba Channel 3 Kids Camp
Alternative Services — Connecticut, Inc.
American Clock & Watch Museum, Inc.
American Council of Engineering Companies of Connecticut, Inc.
American Red Cross
Amos House, Inc.
Applied Behavioral Rehabilitation Institute, Inc.
APT Foundation, Inc.
Arc of Meriden-Wallingford, Inc.
Area Congregations Together, Inc.
ARI of Connecticut, Inc.
Artreach, Inc.
Arts Council of Greater New Haven
Associated Builders and Contractors of CT, Inc.
Association For Community Organization and Resource Development Incorporated (ACORD, Inc.)
Ballet Theatre Company
Beth-El Center, Inc.
Brazilian Community and Cultural Center of Hartford, Inc.
Bridge House, Inc.
Broad Park Development Corp.
Burroughs Community Center, Inc.
Camp Courant, Inc.
Capital Workforce Partners
Capitol Region Education Council
Catholic Charities — Archdiocese of Hartford
Center for Children’s Advocacy
Centering Healthcare Institute
Central Area Health Education Center, Inc.
Central Connecticut Association for Retarded Citizens, Inc.
Central Naugatuck Valley Help, Inc.
Chapel Haven, Inc.
Cheshire Occupational & Career Opportunities, Inc.
Child Health and Development Institute of Connecticut, Inc.
Choate Rosemary Hall Foundation
Chrysalis Center, Inc.
Cinestudio, Inc.
Citizens for Quality Sickle Cell Care, Inc.
City Seed, Inc.
Columbus House, Inc.
Community Associations Institute — Connecticut
Community Foundation of Greater New Britain, Inc.
Community Health Services, Inc.
Community Mediation, Inc.
Community Mental Health Affiliates, Inc.
Community Music School, Inc.
Community Partners in Action
Community Prevention and Addiction Services, Inc.
Community Residences, Inc.
Comunidad Hispana de Wallingford, Inc./Spanish Community of Wallingford, Inc.
Connecticut Affiliate of Susan G. Komen for the Cure
Connecticut AIDS Resource Coalition
Connecticut Association for Home Care & Hospice
Connecticut Association for the Performing Arts
Connecticut Association of Boards of Education
Connecticut Association of Not for Profit Providers for the Aging
Connecticut Bar Foundation
Connecticut Coalition to End Homelessness, Inc.
Connecticut Council for Philanthropy, Inc.
Connecticut Counseling Centers, Inc.
Connecticut Florists Association
Connecticut Food Bank, Inc.
Connecticut Guitar Society
Connecticut Humanities Council
Connecticut Innovations, Inc.
Connecticut Junior Republic Association, Inc.
Connecticut Legal Rights Project, Inc.
Connecticut Main Street Center
Connecticut Opera Association, Inc.
Connecticut Operators of Student Transportation, Inc.
Connecticut Parent Advocacy Center, Inc.
Connecticut Puerto Rican Forum
Connecticut School Transportation Association
Connecticut Sexual Assault Crisis Services
Connecticut Society of Certified Public Accountants, Inc.
Connecticut Women’s Education and Legal Fund
Continuum of Care Inc.
Co-opportunity, Inc.