

# Public Policy Memo

To: Members of the Admissions Committee  
Masters in Public Administration Program  
The Evergreen State College

Fr: Manuel Alberto Aybar, MPA Program Applicant, Fall 2023

RE: Instituting Corporate Governance and Supervision in Non Profit Agencies

## Executive Summary

Proper non profit corporate governance and supervision is a challenge because fiduciary responsibility of corporate boards is poorly understood. This problem impacts all facets of agency function and in the long run depletes the finances, morale, operations and day-to-day leadership of the agency at hand. Without proper board governance and supervision, agencies run the risk of negatively impacting targeted populations and losing future individual and collective NOFA's and other funding opportunities. Implementing proper board governance and supervision, especially in agencies operating in geographically or culturally isolated areas, would likely contribute to and foster a lens of transparency, which in turn, would likely improve overall efficiency and agency metrics. Accordingly, I suggest that as a matter of practice, non profit agencies engage in constant review of agency operations and commit to necessary actions to ensure corporate compliance and supervision across all agency platforms.

## Background

The attached memorandum was written as a initial assessment of fitness and operational procedures for the largest housing and social services provider in the Olympic Peninsula. A unique corporate hybrid, the agency was nested and partially funded in a scenic hotel and restaurant owned by a three members of the board. The memo writer was hired as the Chief Operations Officer to bring structure, fiscal solvency and succession planning and ensure future operations. At first blush, the agency lacked many internal mechanisms to protect itself from inurement and had little to no risk management. After speaking with leadership, line staff, and agency clients, the memo writer consulted policies and regulations relating to non profit governance from the Internal Revenue Service, the Washington Secretary of State and the Washington Attorney General, and detailed forty-one areas of concern that required immediate board attention.

## Recommendation

The memo writer breaks down the six key points for concern and recommends immediate action to the board. After detailing the current programs in place and client caseload, the writer recommends a triage of the forty-one areas of concern and suggest implementing a red light/yellow light/green light approach: red light items must be addressed immediately, yellow light items can be put in the queue of need and green light items are require little oversight at the time. During closed discussions the writer suggested the hiring of a corporate counsel. Given the importance of the region and the care of unhoused persons, the board voted to implement the triage of care presented in the memo.

Respectfully Submitted,



Manuel Alberto Aybar

# Exhibit A - Public Policy Memo



## Memorandum

October 20, 2021

To: [REDACTED], President, [REDACTED]  
[REDACTED] Board of Directors  
FR: [REDACTED], Chief Operating Officer  
RE: Agency Review, Operations & Compliance Report

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In September of 2021 the Board of Directors of BHS hires a Chief Operating Officer to lead the agency and initiate succession planning. In meeting various board members, the COO was tasked with completing an agency wide review of current operations and compliance.

The following internal review started on September 28<sup>th</sup> to October 20<sup>th</sup>, 2021. This initial report is provided to the president and Board of Directors of BHS to inform their next board meeting and agenda set for October 25<sup>th</sup>, 2021. The following staff were consulted in assembling this report:

- |  |                                   |
|--|-----------------------------------|
| ▪ [REDACTED], Executive Director             | ▪ [REDACTED], Sales and Marketing |
| ▪ [REDACTED], Director of Operations         | OAP                               |
| ▪ [REDACTED], Former Director of Development | ▪ [REDACTED], Maintenance OAP     |
| ▪ [REDACTED], Director of Development        | ▪ [REDACTED], Maintenance OAP     |
| ▪ [REDACTED], Case Manager                   | ▪ [REDACTED], Front Desk OAP      |
| ▪ [REDACTED], Case Manager                   | ▪ [REDACTED], Front Desk OAP      |
|  | ▪ [REDACTED], Bookkeeper OAP      |
|  | ▪ [REDACTED], Chef OAP            |

### *Perceived Operations:*

#### BHS

- ✓ Operations, Case Management (Programs), Peter's Place, Pat's Place, Hope House, Development/Grants, Board of Directors, Finance, Staffing, Antique Sales

#### OAP

- ✓ Hotel, Restaurant, Events, Maintenance, Board of Directors, Gardens, Museums, Arts, Staffing, Recycle

### *What was found:*

Operationally, the agency lacks:

1. Ethics and compliance system to mitigate risk management
2. Internal Visions Lens or Focal Points
3. Weak systematic points of entry
4. Ability to be self-sustaining
5. Cohesive Board of Directors support
6. Protection policies in place for children and vulnerable adults
7. Protection policies for staff along with clearly defined activities, responsibilities, and protocols with external environments
8. Delegated responsibilities



9. Separate IT functionality
10. Clear client policies, procedures, or handbook
11. Quality assurance systems in place to monitor, review, data analysis and decision making and funder compliance
12. Clear and direct institutional policies and procedures,
13. Fiscal and accounting and purchasing procedures separate from OAP
14. Human resources manual for supervisors/managers
15. A clear org chart or job descriptions for each position and/or progressive job classifications
16. Separate bookkeeping/payroll between OAP and BHS (though I understand we have a new BHS bookkeeper but still under OAP operational control)
17. Data sharing agreements with other partner agencies
18. A clearly defined grievance resolution and appeal system
19. Intake safety protocols and physical separation between mixed populations in the same area (families w/kids in adjacent room to single adults)
20. Separation between retail rooms and BHS rooms
21. A clear DV response process and policy
22. Entry and access to our programs based on a vulnerability index
23. Regular maintenance at Peter's Place
24. A clearly defined strategy and screening process for volunteers
25. A clearly defined purpose for the director of development
26. Administrative support for BHS separate from OAP for staff and clients
27. Quality management and risk mitigation based on current insurance coverage
28. Concise transportation policy with staff driving clients and minors and picking up clients in the streets in their own vehicle with no proof of insurance on record at BHS office
29. A clear role and title change for Cherie
30. A policy for HIPAA/PHI for BHS
31. No clear plan or on point agency wide messaging to shift community narrative for Pat's Place or Cherry Street. I anticipate this situation at Pat's Place will mirror the Jamestown Healing Campus/Save our Sequim/City of Sequim kerfuffle, with the difference that PT likely has more economic power to fund opposition to our permanent supportive housing plan
32. The staffing and a sustainable and practical plan to meet the stipulated program requirements for Pat's Place (security + dedicated case manager)
33. Emergency and security measures (fire drills) for BT and PP along with a safety committee
34. Clarity regarding client fees and BHS income
35. Clear demarcation and staff responsibilities between BHS and OAP Personnel
36. Trauma informed and confidentiality training for all staff
37. Staff wellness plan
38. Staff pay equity
39. Appropriate policies and procedures for resource allocation
40. Signed conflict of interest documents and separate bank signers for OAP and BHS
41. A clearly defined MOU between OAP and BHS



### ***Key Points of Concern:***

Present operations place the agency at risk due to:

- Private benefit/inurement – the interface between OAP and BHS lacks clarity and both agencies reside operationally in one entity
- Lobbying & Political interface activity without policies and procedures in place to direct such interactions
- Unrelated business income (UBI) – OAP and other SOI
- Annual reporting obligation – no fiscal policies in place, based on “take my word”
- Operation in accord with stated exempt purpose(s) – strategic purpose and operations not aligned
- Staff pay and benefit inequity

### ***Current Programs in Place:***

- BHS Bayside Towers – General access including beds for seniors and vulnerable populations beds – 10-14 rooms
- Jefferson County Therapeutic Courts – two rooms referred by court
- Dept. of Commerce/OlyCAP Family Emergency Shelter Program – four rooms family rooms
- Peter’s Place – 12 Tiny homes for disabled seniors / In Home Case Management as needed – programmatically this is very weak
- Food & Hunger Cessation – County funded meals program for homeless in residence at county homeless encampment
- Client Enrichment Program – activities and psychoeducation activities
- Education & School Program – 8 families on site with 10 minor children, five in elementary school one in junior high school
- Veteran Services – VASH and case management as needed
- Prevention and Early Intervention – basic linkage and consultation
- After care/PSH Services – after care/wrap around to keep folks in their home
- 1<sup>st</sup>, Last and Deposit OlyCAP Program/ Bayside Community Housing Resource Center – new program recently funded not yet operational – mainly online portal as point of entry

### ***Current Caseloads:***

- 49 in PE&I & Eligibility Waiting List
- 19 at Bayside Towers and 12 at Peter’s Place: 31 in Active System of Care / Housing
- 24 with touch and go after care services/PSH
- TOTAL ACTIVE CASE LOAD: 104
- Percentage of Active Clients with Entitlements: 89.5%


### ***Immediate Attention Traffic Light:***

(Red Items must be immediately prioritized, then Yellow Items concurrent. Green Items proceed as is.)

Red Light (50% of operational time)

- Safety Changes, Safety Policies and Procedures, Safety Committee
- Confidentiality Based Program Changes
- Client Paperwork Update & renew all treatment plans, client handbook



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- Hire new BHS staff: Case Manager II and Admin staff
  - VI-SPDAT Eligibility & Master List for fair and equitable program entry
  - CM Mechanics/Training/Electronic Record
  - Risk Assessment Client Narratives for Insurance Review
  - HR Jackets, Proper EH/CoC

- Trauma Informed Care Training for All Staff and Board
- Updated, detailed & formal MOU between INN PROPERTIES, LLC & BHS detailing OAP staff support to the letter
- ROI for all clients and partner agencies
- Align PTSD and CSD interdepartmental transfers – McKinley Vento
- Peter's Place Program Handbook

Yellow Light (25% of operational time):

- Board Oversight, Succession Planning/Org Chart & Basic Outline of 5-year Strategic Plan
- Online Presence & clarify IT structure
- Development and \$ for specific programs
- Finance and Administration policies and procedures geared towards specific BHS work
- Program Policies and Procedures, Scope of Work & Quality Management

- procedures, i.e., BHS Standard Practice Manual
- Develop Ombudsman & Grievance Procedures as specific for BHS
- HMIS training and HMIS entry for OlyCAP compliance
- Increased funding for SUD, Families and Senior Housing
- Meet Transportation, Education & Enrichment Needs for quick rollout

Green Light (25% of operational time):

- Support Current Impact Programs (BHS Bayside Towers, Jefferson County Therapeutic Courts, Dept. of Commerce/OlyCAP Family Emergency Shelter Program, Peter's Place, Food & Hunger Cessation, Client Enrichment Program, Education & School Program, Veteran Services, Prevention and Early Intervention, 1<sup>st</sup>, Last and Deposit OlyCAP Program, Bayside Community Housing Resource Center)

- Ongoing Pat's Place, Cherry Street, and other community housing needs
- Ongoing community partnerships and referrals
- Ongoing development & marketing efforts
- Ongoing board activity
- Ongoing community access to BHS and OAP

Respectfully Submitted,