



# Non-Profit Governance Basics

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# Learning Objectives

## Description:

Did your coalition start out as a working committee of a few people?

Is your coalition stuck in project mode and not paying attention to sustainability?

This workshop is designed to build foundational skills in organizational governance.

Leap forward in your coalition development by building infrastructure and tying governance to finance and fundraising.

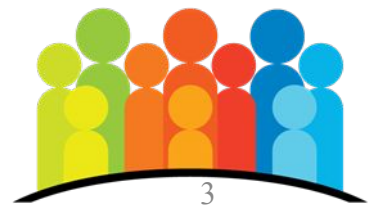
This “power” session is one-third of PreventionFIRST!’s “Business of Coalitions” training.

## Participants will:

- Understand the structure and function (roles and responsibilities) of non-profit governance
- Learn how to bridge the role of governance with budgeting and fundraising
- Utilize tools to inform application of this information to your community



# Governance



# Non-Profit/Coalition Responsibilities

- Provide clear fiduciary relationships
- Legally set up to receive funding
- Establish clear financial processes
- Document support received from members and partners



# Legal Identity

## Independent 501c3

- Employee identification number (EIN)
- Bylaws
- Articles of Incorporation
- Federal tax exemption
- Federal 990 (annual if income over \$25,000)

Partner with another non-profit or public agency to serve as your fiscal agent



# To be or not to be...

501(c)(3) –  
a public charity

- Pros
  - Limited liability for staff & board members
  - Existence not tied to any individual member/partner
  - Credibility & stability
- Cons
  - Some record-keeping & reporting
  - Initial & renewal fees for incorporating

Fiduciary agent –

A non-profit entity managing the funds for an independent organization

- Pros
  - Handles administrative tasks to ensure monies are properly used and accounted for
- Cons
  - Fees for services
  - Conflict of interest



# Other Pros and Cons

## Tax Exemption

- Exempt from incomes tax
- “unrelated business income”

## Tax Deductible Donations

- For donors

## Registration Process with IRS

- Attorney/filing fees
- Limited liability

## No Distribution to Officers

- Must be used to achieve its charitable purpose
- *Can a non-profit make a profit?*

## Public Image

- Valid & reliable
- Not just founders, but long-term sustainability



# Post-DFC: How have other coalitions sustained?

## Dearborn County CASA

- Line item in city/county budget
- Countermeasure fees

## Coalition for a Healthy Community – Oxford

- Share coordinator with school
- Expanded mission

## Covington Partners in Prevention

- School-based

## Butler County Coalition

- Integrated into Family & Children First Council

## SAGA

- Folded; reformed 3 years later as Steppin' Up





# Organizational Governance

## By-laws

- Broad
- Decision-making process

## Key components

- Purpose
- Membership
- Board of Directors
- Meetings
- Officers
- Committees
- Special Rules
- Amendments



# Governance Structure

## Standing Committees

- Executive
- Finance
- Development
- Governance/Membership/  
Nominating
- Communications/Marketing

## Ad-hoc Project Teams

- Audit
- Fundraising Event
- Strategic Planning
- Executive Search
- Grant Review



# Delineation of Roles

## Board Role

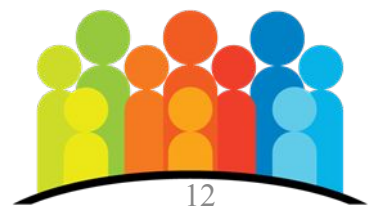
- To govern, set strategic direction, ensure fiscal responsibility, maintain accountability
- Duties include:
  - Affiliate themselves with the coalition mission – ambassador
  - Actively participate in coalition meetings and community events
  - Leverage resources through professional and personal spheres of influence
  - Participate in coalition efforts to assess and analyze root causes
  - Participate in the development of comprehensive strategies
  - Implement their parts of the plan

## Staff Role

- To support the board, coordinate implementation of the strategic plan
- Duties include:
  - Assists with support for planning, problem solving and information management
  - Support the work of committee and workgroup chairs
  - May prepare meeting minutes
  - Compile reports and facilitate meeting coordination and communication with partners between meetings
  - Monitor the day to day “business” of the coalition
  - Maintain accurate records for funding and reporting requirements

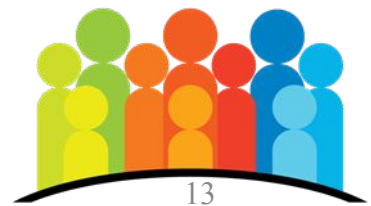


# Budgeting



# Fiscal Practices

- Annual Budget
- Accounting/Bookkeeping/Financial Documents
- Fundraising
- Fiscal procedures



# Sample Budget - Expenses

- Personnel/Benefits
- Professional Services/Consultants
- Occupancy
- Office Costs
- Training and Travel
- Special Event Costs
- Direct Program Costs



# Sample Budget - Revenue

- Government grants/contracts
- Private Foundations
- Corporate
- Individual
- Fees for Service
- Special Events
- In-kind Support

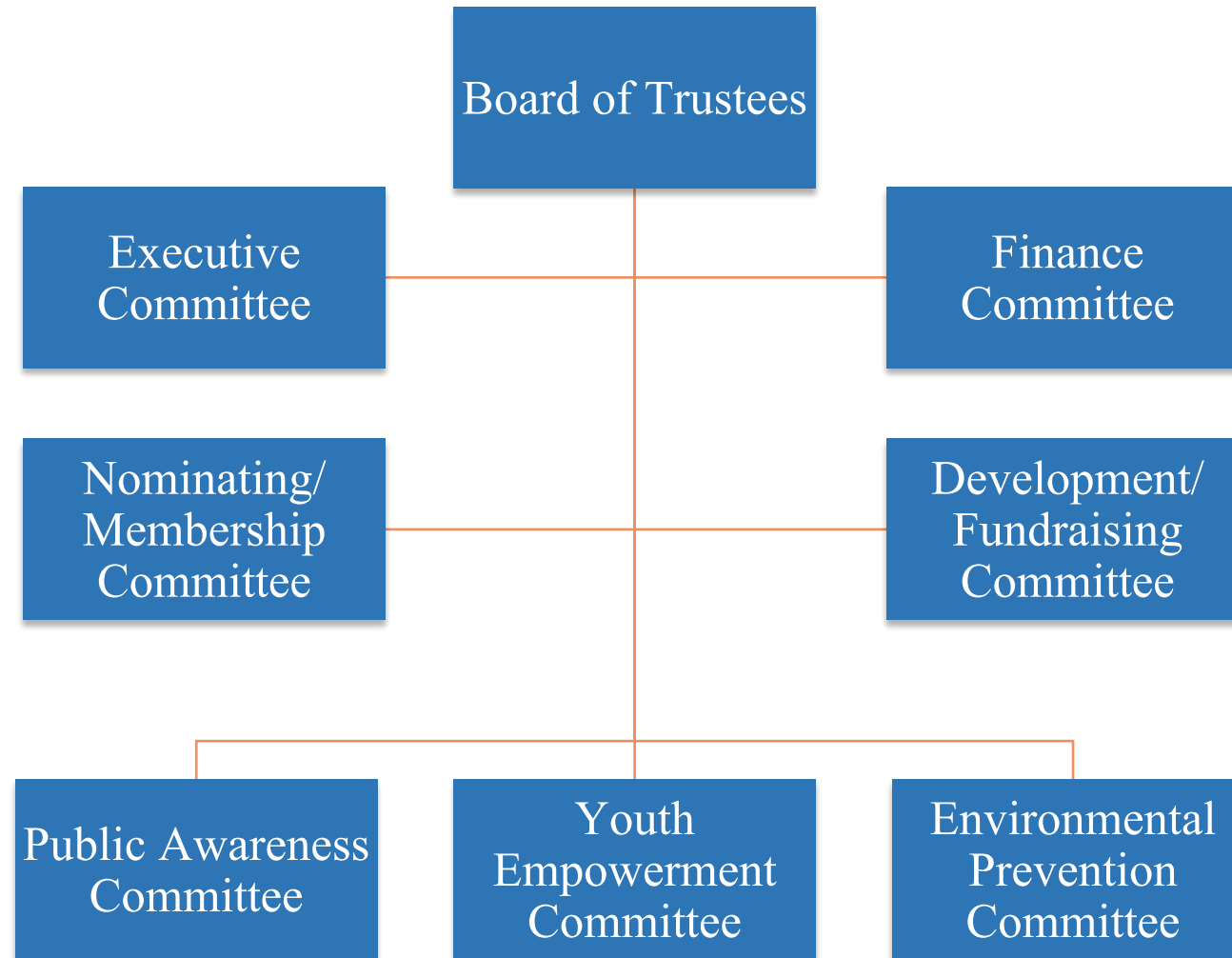


# Fundraising





# Where Does Fundraising Fit?



# Where Does Fundraising Fit?

<b>Revenue</b>	<b>FY2020 Budget</b>
Government Grants	125,000
<b>Private Foundations</b>	50,000
<b>Corporate Donations</b>	5,000
<b>Individual Contributions</b>	5,000
<b>Special Event Income</b>	10,000
Fees for Service	5,000
Other	0
<b>TOTAL</b>	<b>\$200,000</b>



# Organize for Fund Development

- Development Committee – board level committee
- Volunteers – chair, board members and other volunteers, staff support
- Subcommittees/Workgroups – Individual Donors, Organizational Donors, Special Events



# What's the Plan?

## Annual Fund Plan

- **Individual Donors**
  - Board campaign, Past Board campaign, Individual/Major donors
- **Organizational Donors**
  - Private Foundations, Corporate Donors & Foundations, alternative opportunities
- **Fundraising Events**
  - Community Awards Dinner, run/walks, golf outing, other



# Annual Fund Goals

Annual Fund Report	FY2020 Goals
<b>Individual Donors</b>	
Board of Trustees	5,000
Past Board Members	1,000
Individual Donors	1,000
<b>Organizational Donors</b>	
Private Foundations	44,000
Corporate Donors/Foundations	2,500
Alternative Opportunities	500
<b>Fundraising Events</b>	
Community Awards Dinner	5,000
Other events	1,000
<b>TOTAL</b>	<b>60,000</b>



# Activity

Identify 1 potential fund raising campaign in your community for:

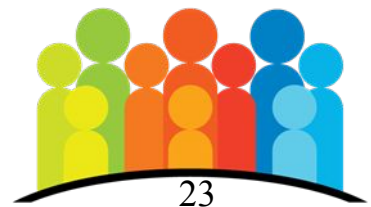
- Individual donations
- Corporate donation
- Fundraising event

Project your goal earnings from each.



# Development Process

- Communication
- Goals, Volunteers, Timeline
- Prospects
- Strategy & Solicitation Package
- Nurturing and Cultivation



# Development Strategies

- 100% board participation
- Most likely to give
- Appropriate giving levels & benefits
- Target special audiences
- Mission alignment
- Special designations or naming opportunities





# Fees for Service

## • Products

- *Building Prevention with Faith* toolkit (\$120)
- *Strong Voices, Smart Choices* parents guide (\$1)
- *Coaches Playbook* coaches guide (\$2.50)
- *Social Host Ordinance* toolkit (\$0)

## • Services

- Student Drug Use Survey (\$0.25/per survey)
- Greater Cincinnati Evaluation Center (\$5000)
- Paper Survey Scanning (see pricing)
- Substance Abuse Prevention Specialist Training (\$400)
- Other workshops and group facilitation (\$125/hr)



# So What?



# Building a Case Statement

- Program Summary
- Community Need
- Program Objectives and Benefits
- Target Population
- Funding Need
- Sponsorship Benefits



# Activity

Begin to develop a one-page case statement for a project you would like an individual or organization to fund that includes the 6 components discussed.

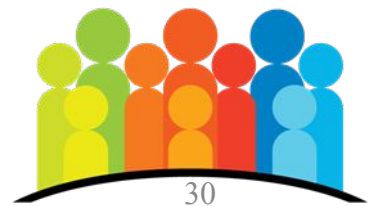


# Resources



# Resources

- BoardSource
  - <https://www.boardsource.org>
- CoreStrategies for Nonprofits, Inc.
  - <http://www.corestrategies4nonprofits.com>
- Community Toolbox
  - <http://www.ctb.ku.edu/en>
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# Knowledge Transfer

After today, I will....

- Establish a timeline to complete internal capacity activities over the next year
  - Create, or review, my Coalition's by-laws
  - Create, or review, my Coalition's organizational chart
  - Develop an annual fund plan with corresponding annual fund report
- Read one of the resources to further expand my knowledge on non-profit governance
- Complete...



# Q & A

