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Nonprofit Accountability Taskforce News

Schuylkill County's Source for Nonprofit News &
Issues for Nonprofit Boards of Directors

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VISION's Nonprofit Accountability Task Force is proud to bring valuable news and information to Schuylkill County Nonprofit Organizations

Welcome to the first edition of Schuylkill County Nonprofit Accountability Task Force Newsletter. We hope you find this to be a valuable source of up-to-date, vital information for nonprofit management, leadership and growth. In addition to nonprofit information, funding opportunities, and training events, your nonprofit organization can post job opportunities, trainings, conferences, news and announcements...**at no cost!!** All nonprofit announcements are **FREE!** Let the Nonprofit Accountability Task Force News be a vehicle for your agency to help fill your needs, as well as to bring you the latest news in best practices for nonprofits. Simply submit your announcement, along with a contact person/ information to: Jennifer Melochick, Temple NEST Research Analyst, jennifer.melochick@temple.edu.

The Schuylkill County Nonprofit Task Force was recently formed to explore ways to support nonprofit 501(c)3 organizations. The Task Force has brought together several of the major organizations in the county who interact with area nonprofits on a regular basis. Schuylkill County's VISION, the Schuylkill Area Community Foundation, Schuylkill United Way and Temple University's Nonprofit Evaluation Services and Training Center are all supporters of the Schuylkill County nonprofit sector and are members of the Task Force. The group's goal is to make it easier for nonprofits to thrive so that they can continue to serve the residents of Schuylkill County.

In the March 2010 Nonprofits Boards Issue:

- From the Director's Desk: Welcome to the Nonprofit Accountability Taskforce News
- Breaking New Ground: Good Practice is Good Practice
- From the Temple NEST: Joining a Nonprofit Board of Directors? Issues to Consider
- Focus on Research: Are Public Service Nonprofit Boards Meeting their Responsibilities?
- New RFP's and Funding Opportunities for Nonprofits in Pennsylvania
- Upcoming Nonprofit Events and Trainings
- About Schuylkill County's VISION's Nonprofit Accountability Task Force

Welcome to the Nonprofit Accountability Taskforce News

Schuylkill County's VISION's Non-Profit Accountability Taskforce was formed to support and bring resources to the over 800 non-profit organizations in our community. By working to strengthen our non-profit sector and the services they provide, we are working to build a stronger community. We would like to use this newsletter as a tool to encourage communication and address issues that affect all nonprofits in our community.

Today I would like to talk about developing a strong board. Why is Board Leadership and Development important to the success of nonprofits? Each and every day, Boards of Directors chart the path for nonprofit organizations.

Are you prepared and informed enough to make those decisions?
Are the correct people serving on the board?
Are you making legal decisions for the organizations?

Boards **OWN** the organization and are responsible for its well being as provided in the non-profit organization's by-laws. Boards are the driving force in the planning of the future for nonprofits. Boards are responsible for driving the Mission and Vision of the organization.

Board members need to hold themselves accountable for their performance. An effective board can provide a foundation for the mission of the organization and a framework of expectations that make it possible for the management, staff, and volunteers to focus upon the day-to-day tasks of making that mission a reality.

The bottom line: Without a strong board, nonprofit organizations show limited success in meeting both client and community need.

Steps to Board Building:

1. Building an effective board is similar to creating a winning sports team. Recruiting talented players that fit the team and training them to play their best are key ingredients.
2. Board members join an organization for a limited amount of time and pledge their personal, professional, and financial resources to advance the mission of the organization. Some helpful questions for board member "recruiters" to ask include:

- What gaps in expertise exist on the current board?
- Who is likely to be interested in the mission of the organization?
- What does the position offer to the prospective board member? Why join?

3. Even the best of teams experience challenges, so providing a “playbook” of policies that build unity and enthusiasm for the mission and define how conflict will be resolved will go a long way toward making sure that the board fulfills its purpose.

Joanne Parulis, jparulis@schuylkillvision.com

Breaking New Ground: Good Practice is Good Practice

In this edition of the Newsletter, you are reading about the responsibilities of nonprofit boards. The essential responsibilities of a board are important to remember no matter what the size of the nonprofit group. Schuylkill County's VISION is a 501c3 organization that serves a number of coalitions that focus on strategic issues in Schuylkill County PA. Each of these groups is regulated under VISION's 501c3 but each is required by VISION to maintain the essentials of board structure. Each group has designated leadership. Each of these groups has an advisory board that defines the mission of the group and plans the ongoing activities to fulfill that mission. Financial records are maintained and audited by VISION. Agendas and minutes are produced for each meeting. Meetings are held on a regularly scheduled basis. Program evaluation is done and used to guide decisions. This structure allows for accountability and continuity of the coalition's mission.

Even if your nonprofit group is not a 501c3, the practices of a good board will help you achieve the mission of your group. It will also allow those who follow you to understand what has been accomplished, what lessons your group has learned, and how you have established the group as an important contributing member of your community.

Kay Jones, kjones@schuylkillvision.com

From the Temple NEST: Joining a Nonprofit Board of Directors? Issues to consider

Joining the board of directors of a local nonprofit organization is an enriching opportunity enabling you to: (1) assist the mission or the organization by sharing your skills and (2) improve your own skills. However, before you commit to a board, you should review the following checklist to be certain that it is the right decision for you. Remember, we all should have a personal commitment to give back to our communities, and nonprofit organizations make available good opportunities to use our talents to improve society.

Ask the organization for the following materials and read them prior to joining. Each of these documents is essential and offer good insight into the organizations capacity. A reason for reviewing these documents is to understand the current standing of the agency so you are clearly aware of both the financial and programmatic position of the agency.

- **Organizational bylaws** - The bylaws will describe the mission of the agency and provide information on the operations of the board. For example it will discuss the agencies members, how members elected and the length of their terms, how issues are decided, committee structure, and your responsibilities as a board member. **Action:** You should review the bylaws and make certain you understand both your responsibilities and those of other directors.
- **990 IRS Filing** – The IRS 990 tax filing describes the current overall financial picture of the organization. It lists assets and liabilities, reviews previous fiscal year income and expenses, identifies board members, addresses conflicts of interests, and provides the internal revenue service with information regarding compliance with U.S. Tax codes.
- **Annual Report** - Although not mandatory, good organizations produce an annual report that identifies a “snapshot” by briefly highlighting: (1) the programs offered; (2) their impact on the community and outcome data; and (3) a summarized financial report.
- **Audit** – An audit is an independent accountant's statement of financial review that examines the internal accounting practices of the organization in relation to best practice standards. Accountants review compliance with external contracts and governmental requirements.
- **Agency Budget** – Organizations should develop and monitor an annual budget that identifies projected income sources and tracks expenditures on a month to month basis.
- **Strategic Plan** – A strategic plan serves as a guide for organizational direction agreed upon by key stakeholders (e.g., board members). Members should agree upon the direction that they would like the agency to pursue over the course of a prolonged period (3 to 10 years).
- **Copy of Board of Directors Liability Insurance** – As a prospective board member you should be certain that the organization has officers and directors liability insurance to protect you in case of unfortunate events (e.g., lawsuits, criminal acts, etc.). As a board member, you are liable for the activities of the organization including those under your employment.

Ask for an orientation to the organization. Meet with the board president and board executive committee, schedule time to meet with the director, tour the facility, and talk with others in the community about the agency. Based on this information, you should draw a conclusion if the organization is a good fit for you.

Finally, ask yourself if you are willing to commit your time, talents, and resources to the organization. All board members should expect to contribute at least 2 hours per week to board related activities. Each board member typically serves as a member of at least one subcommittee or workgroup. Each board member should serve as a spokesperson of the agency, so prepare yourself to learn about how the organization operates and understand the outcomes of the agency. To this end, you must believe in the mission and vision of the agency and understand that the activities implemented are congruent with current practices that achieve best outcomes in a cost-effective manner. It is important to attend board meetings and share your opinions. Effective organizations consider diverse opinions and respect all views. Helping and challenging the organization and questioning the administrative team are an important issue toward achieving accountability, mission and vision. Finally, if you are unable to commit time to an organization as a board member, decline participation and try to assist the organization through volunteer service or resource generation.

Remember, the nonprofit sector relies on volunteers to guide and direct the organization. Your contributions will improve our society and your community. Please contribute your time and you will be pleasantly surprised with the rewards that you derive from active participation.

If you have questions or concerns about nonprofit management, please feel free to visit the following websites that offer information about ethic practice in the nonprofit sector: (1) Independentsector.org; (2) irs.gov; (3) fieldstonealliance.org; and (4) fdncenter.org

David Zanis, Ph.D., Director, Temple University NEST, dzanis@temple.edu

Focus on Research: Are Public Service Nonprofit Boards Meeting their Responsibilities?

Herman, R.D., (2009). Are public service nonprofit boards meeting their responsibilities? *Public Administration Review*, 69(3), 387-390.

Most often, nonprofits are evaluated on the services they provide to the community. Rarely does anyone evaluate the performance of an organization's Board of Directors. Yet, the Board is the key to any nonprofit agency's sustainability and success in achieving its mission through the most fiscally sound and ethical management principles.

A study by Francie Ostrower, as reviewed by Herman (2009), collected data from the largest random sample of U.S public benefit nonprofit boards (n=5,115). Her report examined two broad nonprofit board issues: the extent to which Boards meet certain accountability standards and performance criteria.

In terms of accountability, Ostrower's study finds that larger boards are better at accepting certain Sarbanes-Oxley accountability standards like having an audit committee, conducting an independent audit, having a conflict-of-interest policy, and having a whistleblower policy), even though current recommendations are purporting smaller boards. The study also found that lack of diversity among board members led to fewer accountability standards in the organization, suggesting that board and organizations that put forth a concerted effort for building a diverse board may also put forth more effort in other policy areas and standards. This is a question to be answered by future research.

Ostrower's study looked at several board roles which can be used as performance benchmarks including fundraising, financial oversight, evaluation of the chief executive, planning, policy making, program monitoring, community relations, public advocacy, performance review and management. According to chief nonprofit executives, boards perform most poorly in fundraising (51% poor or fair), public advocacy (46% poor or fair) and community relations (36% poor or fair) (Herman, 2009).

Many organizations struggle with board recruitment and finding new members who are willing to serve and have the skills necessary to effectively guide a nonprofit organization. 41% of the board members in Ostrower's study were 50-65 years of age and 37% were ages 36-50. As these board members fulfill their board terms and rotate off the boards, the need for training potential new board members on issues of accountability and performance becomes a critical task for a nonprofit organization. The findings of this study suggest that nonprofits are currently not effective in executing their responsibilities and that not much has been done to develop best practices to orient and train new board members.

It is therefore the responsibility of every new and current board member to understand his or her individual and collective role on a board. Current board members and agency executives need to investigate and instigate research on best practices in board performance. For many nonprofits, this is a key to sustainability and survival.

Barry Nazar, Ph.D., barry.nazar@temple.edu, Temple NEST

New RFPs and Funding Opportunities for Nonprofits in Pennsylvania:

Ben & Jerry's Foundation

Deadline: The application process to the Ben & Jerry's Foundation begins with an initial Letter of Interest, and if invited, is followed by a full proposal. Letters of Interest may be submitted at any time and are reviewed on an ongoing basis.

The Ben & Jerry's Foundation offers competitive grants to not-for-profit, grassroots organizations throughout the United States which facilitate progressive social change by addressing the underlying conditions of societal and environmental problems. All of the Foundation's funding decisions are made by a team of Ben & Jerry's employees that meets three times a year to review proposals. We do not offer grants to support basic or direct social service programs.

Generally we fund organizations with budgets under \$250,000. We only distribute funds to organizations with 501(c)3 status, or who have a sponsoring agency with this status

For complete grant information, visit: <http://www.benjerry.com/company/foundation/>

Ambrose Monell Foundation

Deadline: Letters of Interest may be submitted at any time during the year and are reviewed on a continuous basis (there are no deadlines for LOIs). Proposals are to be submitted only upon invitation – unsolicited proposals will not be reviewed.

The mission of the foundation is to voluntarily aid and contribute to religious, charitable, scientific, literary, and educational uses and purposes, in New York, elsewhere in the United States and throughout the world. Past funding has included a wide range of biomedical research programs as well as health related research and service projects in New York and nationally. All applicants must be qualified to receive charitable grants under the Internal Revenue Code and applicable regulations.

For complete grant information, visit: <http://www.monellvetlesen.org/monell/default.htm>

Upcoming Nonprofit Events and Trainings:

- **“Demystifying State Charity Registration Laws” Webinar**

Thursday March 18, 2010

1:00 PM – 3:00 PM

Visit www.templenest.org to register for this **FREE** webinar today!!

Because understanding and complying with state charity laws is so important to every organization that solicits money - no matter how big or small - Temple NEST and Martignetti Planned Giving Advisors, LLC are proud to present a “Demystifying State Charity Laws” webinar. During this **FREE** webinar event, Mr. Tony Martignetti, Esq. will explain the laws and what they mean for volunteer organizations. He will explain what a “solicitation” is; where you need to register; what exemptions exist; and how to get started. He’ll cover Pennsylvania, Delaware and New Jersey registration and leave you with a sensible plan for getting into compliance everywhere you solicit. **Please plan now to join us!**

SCHUYLKILL 2010 & BEYOND POWER BREAKFAST

Information is Power: Learn Where to Find Data & Use it To Your Advantage

In today's competitive environment using data is key. Many of us rely on numbers on a daily basis to help us make crucial decisions.

- How do we support grant proposals for funding?
- Where do we build more schools?
- How do we attract new clients?
- How do we improve our community's health?
- How do we bring tourists to our community?

Panelists:

- **Dr. Hakan Can - Penn State - Schuylkill**
- **Erin Portland - Schuylkill Intermediate Unit 29**
- **Susan Smith - Schuylkill County GIS**
- **Dr. David Zanis - Temple University**
- **Frank Zukas - Schuylkill Economic Development Corp.**

Keynote Speaker: **Jonathan Johnson, Center for Rural PA**

Jonathan Johnson is a senior policy analyst with more than 16 years experience in analyzing and evaluating rural policies and programs for the Center for Rural Pennsylvania.

Join us for the **SCHUYLKILL 2010 & BEYOND POWER BREAKFAST**

Information is Power: Learn Where to Find Data & Use it To Your Advantage

Tuesday, March 23, 2010

8:15 a.m. - 9 a.m.: Continental Breakfast

9 a.m. - noon: Presentation

Penn State Schuylkill Campus Auditorium, Rt. 61 – South, Schuylkill Haven, PA

Cost: \$20/person, includes continental breakfast

Seating is limited. Registration is required.

To register call: 570-622-6097.

Registration deadline - Friday, March 19.

Please make checks payable to: “Schuylkill County’s VISION”

FOR MORE INFORMATION CALL:

Schuylkill County’s VISION at (570) 622-6097

or visit www.schuylkillvision.com,

Schuylkill County - Demographics

About VISION’s Nonprofit Accountability Task Force:

The mission of the Nonprofit Accountability Task Force is to make it easier for the nonprofit sector to thrive in Schuylkill County. The task force’s newsletter will be published on a quarterly basis and welcomes comments and ideas for future publications. Please contact any of the partners that comprise the Nonprofit Accountability Task Force:

- Schuylkill County VISION, 622-6097
- Temple NEST, (866) 769-1863
- Schuylkill Area Community Foundation, 624-7223
- United Way of Schuylkill County, 622-6421