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innovative nonprofit solutions

Inside This Issue

Our Mission

The INS Group helps nonprofits, government agencies, and faith-based institutions create innovative solutions to build their capacity and sustain their programs and services.

We accomplish this by assessing, designing and implementing organizational development strategies that focus on improving effectiveness and enhancing the organization's sustainability. The INS Group was established in 1999 and provides organizational development and capacity building services nationally.

Message from the President

2013 was filled with meaningful work and inspirational stories. We learned from our clients, students, and peers. We are so very grateful to have had the opportunity to present at statewide and national conferences including the NC Center for Nonprofits Conference, the Social Equity Conference at North Carolina State University, and the CDC's Communities Putting Prevention to Work Impact Investment Workshop.

We grew our own capacity through our work with clients focusing on diverse missions from academic and youth enrichment to workforce development. We were honoured to receive invitations to serve as a guest Blogger for eCivis and to be interviewed on The Deanna Wharwood online radio show that offers resources for veterans.

We are also most thankful for the opportunity to work with the Cities of Chester, PA and Durham, NC as they address healthcare, education, and other community needs through public/private partnerships.

Our monthly webinars focused on organizational development and capacity building and were all well attended. It has fuelled us to develop a 2014 quarterly series.

As we look to the New Year and plan for success, our first newsletter focuses on some best practices related to charitable solicitation laws, by-laws and the role advocacy plays in the nonprofit sector. These three factors--solid fundraising strategies, appropriate governance, and community engagement and support in alignment with public policy—can position any nonprofit for success and sustainability. Here's to all good things in 2014.

Ruth

Ruth A. Peebles, President & Founder The INS Group

The INS Group, P.O. Box 20575, Raleigh, NC 27619

What's in Your Bylaws?

"An ounce of prevention is better than a pound of cure." These infamous words spoken by Benjamin Franklin remind us to take preventative measures. This is especially true when determining how to govern a nonprofit organization. Bylaws are to your organization as the Constitution is to the United States. They detail the procedures an organization must follow to conduct business in an orderly manner, keeping in mind its founding principles and mission. Taking preventative measures in governing a nonprofit provides a foundation upon which the organization can build its capacity and ensure long-term sustainability.

Nonprofits often neglect to revise or update their bylaws unless a critical issue or crisis arises. This mistake can be likened to waiting until you are sick to obtain healthcare.

So what does "an ounce of prevention" mean when it comes to your organization's bylaws? You can take preventative measures by applying some very simple rules to the creation and/or updates to your organization's bylaws. With the new year upon us, now is a good time for your organization to have its bylaws check-up.

Creating your bylaws:

1. Establish a bylaws drafting team that includes an experienced nonprofit consultant and/or nonprofit attorney as well as current board members. Begin with a compliant template that is specific to your state's laws. Work with your drafting team to tailor bylaws to meet the needs of your organization and which meet federal and state statutory requirements.
2. Research bylaws of comparable organizations to provide language and content as a guideline, but avoid the temptation of copying and pasting an entire document provided by a colleague or from an online search.
3. Consider your organization's current or pending board of directors and body of work as you develop terms of the bylaws. For example, should board term limits be two years or five? Should the fiscal year match the primary grant reporting years or the state's fiscal calendar?

Updating your bylaws:

1. Assign someone on the board (i.e. Board Secretary) to be responsible for maintaining documentation of approved changes to your bylaws. At least one printed copy of your current bylaws should be available at all board meetings.
2. All board members should have their own copy as part of their board manual provided to them during board orientation.
3. Review your by-laws bi-annually. Keep bylaws relevant by removing outdated provisions and adding those essential to your governance.

Your board has a fiduciary responsibility and is legally accountable for following your bylaws. It is each board member's responsibility to know what is included in the bylaws.

Are These 14 Key Items in Your Bylaws?

1. Indemnification statement limiting personal liability of board members.
2. Voting member rights statement (if applicable.)
3. Minimum/maximum number of board members.
4. Number of votes or attendees required for quorum.
5. Board terms and term limits
6. Officers: titles, appointments, term limits and responsibilities.
7. Procedure for removal of board members/officers.
8. Procedure for changing/amending bylaws.
9. Minimum number of board meetings per year.
10. Process for convening special or emergency board/executive committee meetings.
11. Process for creating or dissolving board committees.
12. Description of committee structure, roles, and responsibilities, and member appointment process.
13. Potential meeting methodology (in-person, conference calls, electronic). Can virtual votes be accepted for major organizational decisions?
14. Conflict of interest policy.

How Do We Impact Policy? Advocate.

Do you remember what you were doing on Tuesday, October 9, 2012? For Malala Yousafzai, a 15 year old Pakistani student, it was a day of tragedy and near death that strengthened her resolve and dedication to advocate for girls' education in her country and throughout the world. She has become an international voice and was nominated for a Nobel Peace Prize.

Malala Yousafzai proves that a person at any age and from any background can be an advocate for change. Advocacy is a foundational component of nonprofit work has influenced our American history. Advocacy has played a critical role in allowing citizens to resolve issues, avert problems, and be active in shaping policies and laws.

In order to be effective advocates, nonprofit boards and staff must become students of the history of advocacy by studying various social movements. For example, let's consider Marian Wright Edelman, an African American female lawyer in Mississippi living during the Civil Rights Movement. She dedicated her life to improving the life chances of America's children by establishing the Children's Defense Fund. As the first woman ever admitted to the Mississippi state bar, she was a trail blazer. She challenged the rules of the day, and openly questioned the US government's lack of response to the needs of children. She mobilized attorneys to examine how policies affected children, families and communities. And then they offered a solution.

How can your nonprofit strengthen its capacity to use advocacy to impact governmental policy?

1. Review your mission. What types of policies would enable you to better meet your goals?

2. Engage policy makers by building relationships with local and state public officials. Be sure that your staff and board members know their representatives and senators. Get to know their staff by attending their events and inviting them to yours.

3. Become a resource for public officials, especially for those who have been advocates for causes that align with those of your organization. Create simple fact sheets that clearly define your organization, its mission, and its benefits to the greater community.

4. Develop a written strategic advocacy plan identifying current policies that need updating or gaps in services that could be addressed with public attention or dollars.

5. Select a number of public officials identified as decision-makers on policies aligning with your organization's goals. Set up face-to-face meetings to cover specific talking points. Ask how you can help one another to make a better community.

Through advocacy the nonprofit sector can providing research, outcomes, testimonials, and best practice models so that public officials can make informed decisions on policies and laws that impact the communities they serve.

Lobbying: You Can. And You Should!

Client: Should our non-profit have a lobbying strategy?

INS: Absolutely and here is why...

Lobbying is a form of advocacy that when strategically planned and effectively executed can position your nonprofit to receive local, state, and federal legislative support in the form of funding, policy change and public awareness.

Use these 5 critical steps when lobbying for policy that will benefit your nonprofit's mission:

1. Know the rules regarding lobbying for your type of organization. Visits these links to learn the details:

IRS - Charities & Non Profits Lobbying: IRS.gov

Center for Lobbying in the Public Interest: clpi.org

Alliance for Justice: afj.org

2. Provide training to Board members, staff, volunteers and even donors. Plan a one-day training prior to your state's legislative session.

3. Identify other organizations with which to collaborate on lobbying efforts. The collective voice is the most powerful tool organizations use for systemic change.

4. Define your message and create fact sheets - explain your mission briefly and succinctly.

5. Send press releases; set up face-to-face meetings at the Capital; send letters and/or emails to your entire mailing list; use social media and blogging to exponentially reach an audience.

The INS Group can assist you with:

Organizational Assessments

Strategic Planning

Strategic Fund Development Planning

Board Development

Grant Writing and Research

Board Fundraising Training

Executive Coaching

Project Management

Marketing Communication

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Contact The INS Group

P.O. Box 20575
Raleigh, NC 27619

919-266-3072 (office)
919-217-2316 (fax)

info@theinsgroup.com

www.theinsgroup.com

Upcoming Webinars

Visit The INS Group - Webinars to register for our exciting and informative 2014 Capacity Building Webinar Series and learn more about upcoming educational opportunities. The cost per seat is $30.

The ABCs of Federal Grants
Thursday, January 30, 2014 2 p.m. – 3:30 p.m.

The Fundamentals of Effective Strategic Planning
Wednesday, February, 26, 2014 2 p.m. – 3:30 p.m.

How to Grow Your Individual Donor Base
Tuesday, March 25, 2014 2 p.m. - 3:30 p.m.

Upcoming Classes/Workshops

Nonprofit Fundraising
Duke University Nonprofit Management (Certificate) Program
Durham, NC
Wednesday, January 29

Grant Writing 101
Duke University Nonprofit Management Program
Durham, NC
Tuesday, February 18

Advanced Grant Writing
Duke University Nonprofit Management Program
Greenville, NC
Monday, March 3

Grant Writing and Compliance - Intensive Track
Duke University Nonprofit Management Program
Durham, NC
Wednesday, March 12

Grant Writing 101
Duke University Nonprofit Management Program
Durham, NC
Wednesday, March 26

Presentations

Beyond the School Hours XVII Conference
Foundations For a Brighter Future, Inc.
Atlanta, GA
February 12 - 15, 2014
The conference theme is "Learning All Day, Every Day." The INS Group will be presenting: Grant Writing Made Simple.

Register at: Beyond the School Hours XVII Conference

Navigating the Matrix of Charitable Solicitation Laws

Fundraising is an essential part of nonprofit work. New technologies have created a plethora of options for solicitation beyond the direct mail campaign, which is encouraging. It allows organizations to reach a new donor base via phone, text, and social media. However, the combination of new technologies and electronic banking options has also created increasingly sophisticated fraud and identity theft occurrences. Federal and state authorities have put a number of solicitation laws in place that are designed to protect donors and legitimate fundraising entities. But any new law or regulation requires compliance, which translates to diligence and paperwork. To ensure that your nonprofit is following the state charitable solicitation laws, it is best to assign a staff person such as the development director and board member to conduct an annual review of laws and paperwork. The fiscal agent who assists with tax returns and financial audits should be consulted on a regular basis to ensure that your accounting practices meet current standards and to provide some additional checks and balances.

Below are frequently asked questions we've heard from our clients when beginning their nonprofit or when creating their strategic development plan.

1. **Where do I file or how do I know if our organization has filed and is current?** Most states now require that charities, nonprofits, and their fundraisers register with their state, describe their fundraising activities, file financial documents, and pay an administrative fee.

   a. In most states, filing takes place with the Secretary of State, the Attorney General, or the Tax Division and your state will require online or in-person filing.

   b. 35 states and the District of Columbia now accept the standardized Uniform Registration Form. Additional supplemental information may be required with this form.

   c. Law for Change, contains listings of each state requirement and links for where to register or obtain a license.

2. **What are the penalties if we don't file or don't file correctly?** If your organization is raising funds without the proper licensure, it could be subject to fines, administrative penalties and potentially civil or criminal prosecution.

3. **What are the costs associated with filing, fees, and penalties?** Costs will vary depending on the state's administrative fee, the amount of money the organization raises annually, and on the number of branches or chapters the organization houses within the state. In North Carolina fees range from $50 to $400 annually.

4. **What documentation do I have to provide when filing (Charitable Solicitation Compliance)?** Documents that must accompany annual charitable solicitation compliance filings usually include the nonprofit's Form 990 (IRS annual return), audited financial statements and/or state-specific financial reports. Documents that must be filed by nonprofit organizations with initial and/or annual registrations can also include: articles and bylaws, lists of officers and directors, IRS Determination Letter and/or Application for Exemption (IRS Form 1023 or 1024), fundraiser contracts and/or copies of direct-mail solicitations.

5. **What do we need to know when hiring a Fundraising Consultant?** You should not hire a Fundraising Consultant without first confirming they have a license or are registered with your state as required by law. To search your state's registry you will need name the consultant uses for business transactions (business, personal, organization, or legal name). In your state the person may be a licensed or registered Solicitor, Fundraising Consultant, or both. A licensed Solicitor may automatically be given rights as a Fundraising Consultant or the licenses may be issued separately. Confirm which type of license they have and if current. Know what they are allowed to do under the license(s). Protect your organization from questionable actions or activities related to your fundraising strategies. If fundraising is questioned, supporterswill question the organization's ability to manage programs and its leadership's credibility.

Additional Resources:

CouncilofNonprofits.org

IRS.gov

NationalCorp.com

Still not sure what steps your organization must take to be in compliance with your state's charitable solicitation laws? Contact The INS Group, we're experienced and we'll help you get on track.

The INS Group, P.O. Box 20575, Raleigh, NC 27619