



NWKansas
LEADS



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Why did you join the board?

What do you want your legacy to be?



Today's Outcomes

Core function of Your Nonprofit Organization

Roles and responsibilities of the Board and the Board Member.

How to build a strong and effective board.

Effective board meetings for organization success.

The board's role in sustainability and growth.



A well-functioning, involved board will:

- **Keep an organization strong and moving forward.**
- **Generate support – volunteers and dollars.**
- **Fulfill the mission.**

A dysfunctional board will result in:

- **Loss of staff.**
- **Loss of funding.**
- **Loss of community respect.**
- **Unnecessary anxiety and stress.**
- **Possible closure.**



“Coming together is a beginning;

Keeping together is progress;

Working together is success”

--Henry Ford

Core Functions of a Nonprofit Organization

What makes an organization nonprofit?

Determined by the IRS and based on mission and by-laws.

There are 29 different 501(c) designations, including:

- 501(c)(1) – Federal Credit Unions & National Farm Loan Associations
- 501(c)(8) – Fraternal Beneficiary Societies & Associations
- 501(c)(13) – Some Cemetery Companies
- 501(c)(6) – Chambers of commerce, business leagues
- 501(c)(29) – Qualified Health Insurance Issuers



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What makes an organization nonprofit?

The one we care about is: **501(c)3 – Public Charity**



Religious, Educational, Charitable, Scientific, Literary, Testing for Public Safety, to Foster National or International Amateur Sports Competition, or Prevention of Cruelty to Children or Animals Organizations.

To be tax-exempt, "an organization must be organized and exclusively for exempt purposes ... and none of its earnings may inure to any private shareholder or individual."

Private inurement means that the organization's assets must not unduly benefit a person.



Core functions of a nonprofit organization

Operate for the betterment of the community you serve.

How do you define community?

Geographically?

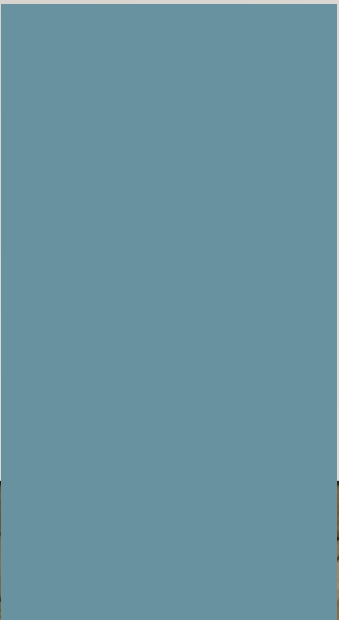
Demographically?



Core functions of a nonprofit organization



Provide a service or services that fulfills the organization's mission and purpose.



Core functions of a nonprofit organization

No mission, no margin.

No margin, no mission.



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Core functions of a nonprofit organization

Funding comes from a variety of sources:

Grants

Donations

Fund-raising events

Direct service payments or sales

Nonprofit funding

Grants

- Where to apply?
 - Government; national and regional foundations, community foundations
- Proof of charitable status & financial information
- Community partners?
- How will the project benefit the community?
- What is the time frame?
- Is the project sustainable?
- What happens if the grant is not funded?

- Follow up with timely grant report, receipts, etc.

Consider attending a grant-writing workshop.



Nonprofit funding

Grants

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The screenshot shows the 'Grants Calendar' page on the Kansas Commerce website. The browser address bar displays 'kansascommerce.gov/grantscalendar/'. The navigation menu includes 'KANSAS COMMERCE', 'BUSINESS', 'REGIONS', 'MADE IN KANSAS', 'NEWS', and 'CONTACT'. A breadcrumb trail shows 'Home / Grants Calendar'. Below the navigation is a collage of images depicting various community events, including a group photo, a ribbon-cutting ceremony, and people walking outdoors. The main heading is 'Grants Calendar', followed by a paragraph explaining the department's commitment to helping individuals, businesses, and communities achieve prosperity through financial assistance and partnership support. At the bottom, there is a 'Contact us' button and a 'GRANTS AT A GLANCE PDF' button.

Home / Grants Calendar

Grants Calendar

The Kansas Department of Commerce is committed to helping individuals, businesses and communities achieve prosperity in Kansas. One of the ways it accomplishes this mission is by providing financial assistance and partnership support to further identified goals. Most grants call for local matches and other required stipulations that vary by project. Below are the funding opportunities Commerce offers on an annual basis. Please note that grant amounts and dates are subject to change.

Contact us

GRANTS AT A GLANCE PDF

Nonprofit funding

Grants



KANSAS DEPARTMENT OF COMMERCE GRANTS AT A GLANCE	AMOUNT	MATCH	FUNDING TIMELINE			CONTACT
			Announced	Application	Awarded	
Broadband Acceleration Grant (BAG) Infrastructure buildout in economically distressed counties	\$1,000,000	50%	Jan.	Jan. - Feb.	May	Jade.Piros@ks.gov
Community Development Block Grant (CDBG) Community development projects						
Competitive Round: facilities, public service, infrastructure	\$750,000	25%	Dec.	Feb. - May	June/July	Andrew.Hayman@ks.gov
Rolling Round: housing, commercial rehabilitation, economic development	\$300,000	25%	N/A	Rolling	Rolling	Andrew.Hayman@ks.gov
Community Service Program (CSP) tax credits Amplify fundraising efforts for non-profit organizations	\$200,000	0%	Mar.	Apr. - May	June	Sara.Bloom@ks.gov
Historic Economic Asset Lifeline (HEAL) Grants Rehabilitate downtown buildings for new businesses or organizations in rural communities	\$100,000	100%	June	July - Oct.	Dec.	Trisha.Purdon@ks.gov
KCAIC Arts Integration Program Increase student success, foster creative thinking, develop job skills, enhance communities						
Visiting Artists Engage and deepen impact of arts on local and underserved audiences	\$7,500	100%	N/A	Jan. - Mar.	May	Curtis.Young@ks.gov
Integrated Arts Education Integrates arts learning into non-arts curriculum and content areas	\$7,500	100%	N/A	Jan. - Mar.	May	Curtis.Young@ks.gov
Innovative Partnerships Between arts and non-arts organizations to impact community/economic goals	\$20,000	100%	N/A	Jan. - Mar.	May	Curtis.Young@ks.gov
Kansas Touring Roster Visiting Artists Professional artists made available for booking in any discipline	\$8,500	100%	N/A	Rolling	Rolling	Curtis.Young@ks.gov
KCAIC Strategic Investment Program Support initiatives that use the arts to enhance community vitality						
Organizational Development Professional development opportunities for arts organizations	\$7,500	100%	N/A	Jan. - Mar.	May	Curtis.Young@ks.gov
New and Expanded Works Supports productions, exhibitions, programs or events by arts organizations	\$7,500	100%	N/A	Jan. - Mar.	May	Curtis.Young@ks.gov
Equipment and Technology Purchase equipment, materials and/or technology upgrades	\$7,500	100%	N/A	Jan. - Mar.	May	Curtis.Young@ks.gov
Mural & Public Art Program (KCAIC) Support permanent or semi-permanent installations, murals, other public art projects	\$10,000	100%	N/A	Jan. - Mar.	May	Curtis.Young@ks.gov
Organizational Mentorship (KCAIC) Provide mentorship services to emerging arts organizations, councils and collectives	\$7,500	100%	N/A	Jan. - Mar.	May	Curtis.Young@ks.gov
Reimagined Spaces (KCAIC) Provide publicly accessible spaces for artistic uses and public programming	\$10,000	100%	N/A	Jan. - Mar.	May	Curtis.Young@ks.gov
Rural Murals (ORP) Support new murals in rural communities	\$7,500	25%	Jan.	Feb. - Apr.	May	Trisha.Purdon@ks.gov
Strategic Economic Expansion and Development (SEED) Grants Support economic revitalization of communities under 5,000 population	\$25,000	10%	Aug.	Aug. - Oct.	Dec.	Trisha.Purdon@ks.gov
Tourism Attraction Development Grants Assist the development of new tourism attractions or enhance existing attractions	\$200,000	60%	Feb. Aug.	Aug. - Oct. Feb. - Apr.	Nov. May	Bridgette.Job@ks.gov
Tourism Marketing Grants Assist in new or first-time innovative, tourism advertising and marketing efforts	\$10,000	60%	Jan.	June - Aug.	Sept.	Bridgette.Job@ks.gov

For more information, visit www.kansascommerce/grantscalendar. Amounts and dates subject to change.

October 2023

Nonprofit funding

Donations



- Current donors to your organization.
- Donors to other similar organizations.
- New Donors.

- Marketing: media, social media, posters, signs, table tents, etc.
- Direct solicitation: letters, postcards, brochures, conversations.

- Follow up – thank you notes, etc.

Nonprofit funding

Events

- Budget
- Time
- Goals – dollars and exposure



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Nonprofit funding

Direct Services or Sales

- Direct sales such as thrift shops
- Fees for services
- Merchandise (coffee mugs or T shirts)
- Real estate rental fees



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Board Responsibilities

Three Legal Responsibilities of a Nonprofit Board

Individual members are responsible for same 3 duties as the board as a whole



1. **Duty of Care** – participate, make sound and informed decisions, provide oversight of **all** organizational activities
2. **Duty of Loyalty** – put organizational interests before any personal or professional interests
3. **Duty of Obedience** – ensure organization complies with all applicable federal, state, and local laws and regulations and that it remains committed to its mission

Responsibilities of a Board

- Establish mission and vision for the organization.
- Provide leadership and advisement
- Promote the organization
- Govern the board and its members
- Set and review, at least every other year, policies, procedures, and by-laws

Responsibilities of a Board

- Review financial status at each meeting or minimum quarterly
- Hire great staff (Director) – provide support, time, and resources to the staff
- Review tax returns and filings

Responsibilities of a Board

- Responsible to the organization – also all constituencies
- Know, understand and maintain oversight of the finances & operations
- Establishment and review of annual budget to fulfill organization's mission, vision, goals, and outcomes – should align with strategic plan.
 - Budgets are a road map to achieve goals. Be realistic on income and expenses, sources of support, and expectations



NOT the Board's role:

Controlling or micro-managing

Involved in day-to-day operations (if there is staff)

An individual – it acts as a group for success

Uninvolved, uncommitted, unengaged



Fiduciary/Financial responsibilities of a Board

The 990 – required for nonprofit organizations with \$50,000+ in gross annual receipts.

Smaller nonprofits are required to file a Form 990-N, electronic notice (e-postcard). There are no paper forms for this filing.

Fiduciary/Financial responsibilities of a Board

The 990 - It's not just about money, and it's public.

Questions about governance:

- Documentation of board meetings
- Conflict of interest policy
- Whistle blower policy
- Document retention and destruction policy
- Evaluation of programs – data used

Read and Review!





Fiduciary/Financial responsibilities of a Board

- Implementation of an independent external review/audit on an annual basis to assess all aspects of the organization.
- (Does not apply to Advisory boards – but review the host audit.)

Fiduciary/Financial Responsibilities of an **Advisory** Board

Your 990 might be part of your host organization, but you should still follow these practices:

- Documentation of board meetings

- Conflict of interest policy

- Whistle blower policy

- Document retention and destruction policy

- Evaluation of programs – data used





Remember:

Board as a whole and each individual is responsible equally.

Attend meetings

Participate at meetings

Be informed, ask questions

Your commitment when you said yes

Are you on board? Or just on the board?

Legal Responsibilities of a Board Member

Examples when a board and/or board members have been held liable:

- Organization has not paid appropriate taxes – especially payroll
- Inappropriate arrangements or contracts – especially if there is a conflict of interest
- Violation of employment laws or contracts
- Failed to take responsible steps to protect others from harm (facilities, behaviors, misconduct)



Building a culture of Accountability

Building a Culture of Board Accountability

Commitment

Attendance (address in bylaws)

Annual contribution

Annual commitment of participation

Volunteer to help at functions or with campaigns

Respond when asked





Building a Culture of Board Accountability

Independence

Accountable to the public/stakeholders

Act and serve accordingly

Serve best interests of the organization

Prepare, engage, and participate

Building a Culture of Board Accountability

Trust

Glue that holds organization together

All working in good faith toward common goal

Not to be assumed – must be earned

Need solid, timely information

Confidentiality

Appropriate discussions

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Building a Culture of Board Accountability

Diligence

Do your homework – be prepared

Take advantage of learning opportunities

Actively participate in board and committee meetings

Question and challenge

Know your job description & expectations



Building a Culture of Board Accountability

Candor

Welcomed and present at all meetings

Board chair sets the tone by

agendas

encouraging discussion and assent

goal setting and reviewing

effective, positive, efficient board meetings



Best Practices



Board Structure - Best Practices

Working committees can include:

Finance/Investment

Governance (nominations, compliance & board issues)

Development (planned giving, campaigns)

Marketing

Grant/scholarship review (if appropriate)

**Committees can include non-board members*

Board Structure - Best Practices



- Executive committees are passe
- Smaller, more involved boards
- Use of executive session when needed (legal or personnel discussions, no motions)
- Board recruitment – ongoing, strategic
- Term limits (Two 3-year terms)
- Chairperson – 2-year commitment

Board Structure - Best Practices



- Board member job descriptions
- Annual board commitments – time, talent & treasure
- Annual self evaluation of the board and members
- Annual conflict of interest, confidentiality and whistle blower forms



Board Meeting Best Practices

- Decisions based on organization's mission & vision
- Regularly scheduled meetings – minimum 6 times/year
- Agendas – support materials in advance
- Appropriate time set aside
- Action orientated, topical, focused
- Goals/outcomes for organization and board

Board Meeting Best Practices

Provided and reviewed at least 3 days in advance of meeting:

- Written committee reports

- Financial reports

- Minutes of previous meeting

- Grant applications or approvals

- Agenda

Board Meeting Best Practices

- Consent agenda - board members review all pre-provided information and have questions prepared, if any.

Any question on any item removes from consent agenda

Vote to approve (minus anything removed)

Address and vote on removed items

Old business

New business

Board education

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Working Together: Boards and Staff



The Top Staff person's duties include:

- Makes operational decisions
- Hires additional staff within budget
- Creates operational policies
- Educates and informs the board
- Brings well-documented recommendations to the board



How the board works with the staff

- Sets goals and expectations of staff
- Provide support when needed
- Hiring staff does not mean board members are not needed to do organization work
- Successful boards include Doers, Donors and Door-openers



Success requires a team effort with staff and all volunteers

- Discussion in meetings with an action items – what, who is responsible, by when
- Short term goals – long term goals
- Communication among all is paramount
- Plan – then follow the plan
- Decisions based on long term-vision



Are we preparing for the future?

- Are we diverse?
- Do we know our community?
- Are we staffed appropriately?
- Are we using our volunteers wisely?
- Are we effective – as a board? As an organization?
- Do we market our organization? Our successes?



Success takes

- Staff
- Volunteers – board members
- A written plan (measurable goals)

Staff + volunteers/board members + written plan = SUCCESS

It's a team effort!



**No one of us
can do as much as any number
of
us working together.**



Questions?