



December 2005

Greetings!

We are pleased to bring you the December edition of the VANNO Voice – your link to news and resources for Virginia’s nonprofit sector! We encourage you to forward this valuable information to your colleagues, both inside your organization and throughout your community.

Tell VANNO What You Need

VANNO is currently developing an array of benefits that will provide access to and save money on programs and services for Virginia’s nonprofits. We do not want to duplicate or compete with other organizations that already support you and your work. Rather, VANNO seeks to fill the gaps and provide products you need but can’t get elsewhere.

VANNO is now conducting a brief statewide survey to learn what you need to support and sustain your work in the community. If you work for or volunteer with a nonprofit organization, simply click the link below to begin the online survey. You can complete the survey in less than 8 minutes, we promise!

BONUS: All organizations completing the survey will be eligible to win a FREE 1-year membership in VANNO! All survey responses must be received by January 30, 2006. The drawing will be held in February 2006.

P.S. This message is being distributed throughout Virginia via a number of channels. We apologize if you receive it more than once.

[Click here to take the survey...](#)

VANNO Co-Sponsors Regional Forum on Nonprofit Standards

Date: January 12, 2005, 8 - 10 am

Location: Greater Reston Chamber of Commerce, 1763 Fountain Drive, Reston, VA

Topic: **“From Principle to Practice: Walking the Talk of Accountability”**

Nonprofit accountability is a hot topic – for Congress, the IRS, and

fundere. Building an organization committed to the highest ethical standards demands more than just following the law: It also requires creating an environment of transparency, accountability and integrity. Come participate in a practical and lively discussion about how to make accountability standards a part of daily nonprofit management and governance, and learn about resources to help you "walk the talk" in your organization.

Panelists:

- Mary Agee, President & CEO, Northern Virginia Family Services
- Jane Kornblut, Third Sector Services, LLC
- Katie Campbell, Administrator, VANNO

This session is co-sponsored by VANNO and the Greater Reston Chamber of Commerce. VANNO members and interested others can go to the Chamber website to register for this free event, or call 703.707.9045.

[Click here to register online...](#)

In-Kind Advertising from Google

Google Grants is a beta program offering in-kind advertising to increase awareness and increase traffic to nonprofit organization websites. Any organization based in the United States and classified as a 501(c)(3) is eligible, except those that are religious or political in nature. Google employees select the recipients of these grants every three months.

[For more details on how to apply...](#)

"Field Facts" for Your Board

A recent study by the internationally known McKinsey consulting firm reports that Board members want more information about the *industry* that the company is in, rather than more information about the company's operations. This has relevance to nonprofit Boards as well, though we tend to focus almost exclusively on internal management issues rather than learning about what's happening in other agencies such as ours. Try devoting 5-10 minutes at each Board meeting to share a "Field Fact" – some information related to the business you are in (i.e. community theater, crime prevention, teen pregnancy, etc.). This is an easy way to continuously educate Board members about current trends and realities, keep them engaged, and help them make strategic decisions about your organization's future.

What Does Ex Officio Mean?

Often, chief executives are said to serve as ex officio members of their board, meaning that they attend board meetings "by reason of their office," rather than through elections. Other ex officio members could be government officials who are required to represent the government as part of a major grant provision. These delegates are appointed because of the position they hold and not because they have expressed particular interest in the organization. It is important to expect the same commitment from these delegates as from other board members. There is often a misconception that ex officio board members lack voting rights, but the term has nothing to do with voting. It is important to clarify in the bylaws

whether or not ex officio board members may vote.

Source: BoardSource, November E- newsletter, e-news@boardsource.org

Mileage Reimbursement Rate

Effective September 1, 2005, the IRS set the reimbursement rate for mileage driven on business to 48.5 cents per mile. This rate is an increase over the former reimbursement rate of 40.5 cents per mile. The rate of 48.5 cents is in effect until December 31, or until a new reimbursement rate is set. In Virginia, the mileage reimbursement rate for state government is also currently 48.5 cents. Both these figures provide a useful guideline for nonprofits in establishing their own rates for reimbursing staff and/or volunteers.

Regional Conference for Nonprofits

Registration is now open for the fifth annual Hampton Roads Institute for Nonprofit Leadership Conference, "Nonprofit Excellence: The Marriage of Passion and Capacity," to be held at the Portsmouth Renaissance Hotel on January 27, 2006. Last year's conference was oversubscribed, so register early! For more details, contact VOLUNTEER Hampton Roads at 757.624.2400 or visit their website.

[For more details and registration...](#)

Who Will Fill Your Shoes?

As the Baby Boomers retire, it will become increasingly critical that community foundations and nonprofits throughout the country make strategic investments in preparing next generation leadership. A new monograph, "Mentoring the Next Generation of Nonprofit Leaders: A Practical Guide for Managers," is aimed at senior leaders in the nonprofit sector with the hope that it will help structure the process of human resource development and leadership transitions for nonprofit organizations. The monograph describes 12 best practices in workplace mentoring, provides tools for constructing mentoring plans and agreements, and includes a comprehensive bibliography. Published by New Voices, a free PDF version is available online.

[Click here for the free PDF...](#)

On-line Learning with CharityVillage

CharityVillage Campus is a new e-learning service specifically for people who are interested in fundraising and nonprofit management. Right now, you can now sign up for courses on 3 topics: Proposal Writing, Grantseeking, and How Fundraising Works. Fees range from \$37 to \$97 each.

When you sign up for any course, you'll have access to all of the materials and resources for a full three months. You can complete your learning at your own pace and come back anytime for a refresher or to download additional worksheets, samples, or resources. Each course is web-based, so you can study from the comfort of your own home or office. They're all chock-full of great information and handy downloadable resources that you can print out for future reference.

The Challenge of Founder Transitions

Three separate studies have projected that 50-85% of all nonprofit executives will leave their positions during the next five to seven years. If you are a founder, you may have heard from colleagues or seen first-hand how traumatic a transition can be. If you are a Board leader (or a funder), you know the organizational risks associated with a poorly managed executive transition. You may also recognize your reliance on the founder. Sustaining the work of the organization without this leader may appear daunting, perhaps nearly impossible.

Founder Transitions: Creating Good Endings and New Beginnings, is the latest volume in a monograph series on executive transitions and executive transition management. Funded by the Evelyn and Walter Haas Jr. Family Fund and the Annie E. Casey Foundation, the series is a joint effort of CompassPoint Nonprofit Services and TransitionGuides among others, and now includes four publications, all of which are available through the Annie E. Casey Foundation and online. Here are a few key points from this publication:

The Founder's Dilemma: The founder's challenge may begin with a simple question: Do I want to leave? This deceptively simple question may give rise to several issues such as:

- Identity
- Letting go of position and power
- Confusion about what kind of change or break is needed
- Career / professional uncertainty
- The loyalty trap
- Fear of organizational collapse
- Financial considerations
- Founder's early life experience and motivation

The Board's Dilemma: The relationship between the founder or long-term executive and the Board contributes to the complexity of founder transitions. Common challenges are:

- Accountability / who's "really" in charge
- Survival fear / responsibility panic
- Time and commitment anxiety
- Authority and power issues
- Competing values
- Accountability
- Unattended organizational weaknesses
- Fundraising dependence on founder
- Mission creep and / or static or unfocused direction

While there may be no simple solutions to these difficult problems, there are several paths founders and their Boards can pursue to address these issues and strengthen their organizations.

Successful transitions require change both from the founder and the organization. The founder must tend to several private and very personal

issues in order to prepare to move on. Similarly, Boards and their leadership must often increase their levels of effort and involvement. Tim Wolfred of CompassPoint Nonprofit Services describes this board engagement process as “stepping up.” The quality of the executive’s private work and the board’s ability to step up can predict the success of the transition. Both the Board and the founder then have a responsibility to plan for the transition itself.

Getting to a clear decision to move on generally requires a good deal of forethought centered on two key questions:

1. What's going on?

- Do I still want to lead this organization?
- Is it right for me? Am I right for the organization and its needs?

2. Am I ready to make a decision?

- Am I physically and emotionally ready to take on this important life question?
- Am I financially ready to make a change, whether to retirement or another position?
- Do I have the necessary support systems in place to go through what is an emotionally and intellectually challenging change process?

Thinking about these questions does not necessarily lead to a transition. For example, one founder felt burnt out, but a three-week vacation to Europe re-energized him and led to a renewed commitment to his organization. Another founder decided after 15 years as an executive, she needed a sabbatical and returned from the sabbatical committed for another five years or more.

This private reflection period can last months or even years. At some point, however, some action becomes necessary. Possibilities include:

- Formulating the key personal and professional questions facing the founder;
- Taking a long vacation or sabbatical to prepare for or to begin exploring the decision to depart;
- Getting professional consultation or support around the transition decision; and/or
- Setting an initial timeline for deciding or for departing.

Depending on the circumstances and timing, the founder’s reflection and assessment should ultimately prompt a sense of urgency around a more active, public phase of the transition process. When there are 18 months or more before departure, this often takes the form of leadership succession planning. Elements of this process include:

- Working with a small group of senior staff and / or Board members to identify critical skills and competencies for the chief executive role.
- Reviewing the founder’s key relationships related to fundraising, policy and legislation, technical expertise, and other functions central to the organization’s mission.

- Developing a transition action plan with timetable and budget.
- Deciding whether to utilize an interim executive during the transition period.
- Agreeing on a communication plan – how does the founder wish to be remembered? What will be said about the founder’s next focus of activity?

Another valuable strategy is the use of guided or facilitated story-telling about the organization, its history, and work. This is an excellent way to identify and begin to clarify the founder’s legacy - for both the founder and the organization - providing a way for the founder, Board, and staff to explore what about the values and mission are “sacred” and should be sustained under new leadership. Some founders find it helpful to draft an “ethical will” that describes what they think is important and valuable about the organization and what the founder wants to hand off to their successor.

Source: Adapted from an article by Tom Adams, President and Senior Managing Partner of TransitionGuides, a consulting and educational services company specializing in Executive Transition Management, and consultant to the Annie E. Casey Foundation’s Leadership Transition project.

[To read the entire series....](#)

Introduction to Succession Planning

The Enterprise Foundation recently hosted a web- based orientation workshop on succession planning in collaboration with CenterPoint for Leaders, Managance Consulting and TransitionGuides. More than 50 participants explored - via phone and the web - how to apply succession planning to their organizations. To access the archive, including an audio-visual recording of the event, go to [The Enterprise Foundation website](#) and click on "8/10/2005 Succession Planning and Executive Transition Management."

VolunteerMatch Launches New Tools

Is your nonprofit a Community Leader? VolunteerMatch is excited to let you know we've launched a brand new set of benefits to help you recruit volunteers more effectively, gain more visibility and build better relationships with your volunteers. Join now and enjoy more for less.

Great new tools include:

- Photo Manager
- Form Manager
- Document Manager
- Greeting Manager
- Maps
- Forums

[Visit VolunteerMatch today to learn more!](#)

Charity Advocacy Blocked in Bill Passed by House

The United States House of Representatives has approved a housing bill that includes an amendment that blocks advocacy work for organizations that access affordable housing funds. Despite the nonprofit sector rallying in opposition, H.R.1461, the Federal Housing Finance Reform Act of 2005, passed in the U.S. House of Representatives by a recorded vote of 331-90, with the anti-advocacy language in the Affordable Housing Fund (AHF) amendment remaining intact.

A fiercely divided House voted 210-205 in favor of the AHF amendment, which had been tacked onto H.R.1461 last minute by financial services chairman Michael Oxley, R-Ohio.

As per the amendment, any nonprofit that carries on voter engagement activities, such as voter registration or get-out-the-vote efforts, is prohibited from applying for or receiving grants from the Affordable Housing Fund -- even if the efforts are non-partisan and even if the nonprofit pays for the activities using private funds.

"(The AHF amendment) is a gag order on nonprofits serving low-income families and is tantamount to voter suppression," said Nan Aron, president of the Alliance for Justice in Washington, D.C. "To force a nonprofit to choose between building affordable homes in low-income communities and encouraging voter participation among the people who live in those communities is absurd."

Rick Cohen, executive director, National Committee for Responsive Philanthropy (NCRP) in Washington, D.C., further contends that the amendment, which does not apply to for-profits, creates an un-level playing field for nonprofits and hinders many core functions of the sector.

"Nonprofits that do affordable housing not only do this where the private market is not operating -- which is why you have nonprofits in the first place -- but they're also doing affordable housing from a constituency-controlled, community-based perspective. It's building community," said Cohen. "And that's the last thing you want to sacrifice in a program dealing with poverty in American cities and rural areas."

So broad is the reach, said Cohen, "there are the provisions in the (AHF amendment) that are attacks on nonprofits being affiliated with other kinds of organizations that did even a modicum of advocacy and so forth." According to Cohen, affiliation meant not just creating a (c)(4), but having overlapping board members, participating in a joint funding project, or simply sharing office space.

Likewise, added Anna Oman, communications coordinator at OMB Watch, a nonprofit watchdog organization in Washington, D.C., "the affiliation language of the gag provision essentially would create guilt-by-association for nearly every nonprofit that would be seeking the (affordable housing) funds."

The original intent of the bill was to strengthen oversight of government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac and establish an Affordable Housing Fund that would require the GSEs to contribute 5 percent of their after-tax income to the AHF. This would provide low-income individuals with affordable housing, beginning with Hurricane Katrina victims. However, in what Cohen regards as a "stealth"

move, Rep. Oxley tacked on last minute the AHF Manager's amendment with its anti- advocacy language. Neither spokesperson for Rep. Oxley nor Rep. Richard Baker, R-La., the bill's sponsors, returned telephone calls seeking comment.

As the bill moves to the joint House/Senate Conference Committee, along with the Senate version, S.190 (which does not have an Affordable Housing Fund provision), both Cohen and Oman have high hopes that H.R.1461 will pass with the AHF provision, but sans anti-advocacy language. "I hope that people in the Senate will get behind the idea that this is an inappropriate, if not unconstitutional, assault on core nonprofit rights and functions," said Cohen.

Added Aron, "The obstacles nonprofits would face to access this much-needed new fund (AHF) are unnecessary and potentially unconstitutional. The anti-advocacy provisions in this bill are a clear attempt to destroy privately-funded, nonpartisan programs that encourage Americans to vote."

Source: *The NonProfit Times*, Weekly News Update, Novmber 7th, 2005, www.NPTimes.com

IT Disaster Recovery

How fast could your organization get its technology systems working after a major disaster? This is an important question for all nonprofits – no matter how small or large – and practical advice is now available. A new document, "IT Disaster Recovery After The Fact," provides instructions on a wide variety of topics including hardware recovery, dealing with lost passwords, working with borrowed computer equipment, insurance claims, and restoring Internet connections. Published by CompuMentor's Healthy and Secure Computing campaign, this publication can be accessed online.

[Click here to read the publication...](#)