



## VANNO Voice

February 13, 2009

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Dear Virginia Nonprofits,

Undoubtedly, our sector faces challenging times. Here, at VANNO, we are committed to serving you through these times. Over the last few months, we have increased our advocacy efforts on your behalf and developed a special initiative to provide you the just in time support you need—our “Just in Time” series. Look for us to continue to find creative, collaborative, and cost-effective ways to serve and represent your collective interests. We encourage all of you to take the same approach in serving your constituents.

Ironically, these challenging times may also be opportune. Now, more than ever, we can make the case for the critical role nonprofits play in improving the quality of life in communities across Virginia. The critical and supportive services nonprofits provide buttress the impact of the government and for profit sectors. And so much of what we are able to accomplish is through the leveraging of multiple, yet some times limited, sources of financing and volunteer, as well, as paid labor.

This month, VANNO celebrates its 5th anniversary. While we pause a moment to celebrate, we realize that much work remains to be done—in unifying our sector, in brokering resources across the state, and in maximizing our collective purchasing power. Thank you to all of our supporters. And for those of you who may not have formally engaged with us, we invite you to do so. VANNO members receive exclusive, cost-savings benefits—some of which we highlight in every issue of VANNO Voice. If you haven’t already done so, join today by visiting [www.vanno.org](http://www.vanno.org).

VANNO is pleased to provide you this latest edition of the VANNO Voice. We hope you will find its contents informative and helpful. I invite your feedback so that we can continually improve this tool for you.

With best wishes,  
Deborah Barfield Williamson  
Executive Director

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## VANNO Updates

### **VANNO Kicks off Town Hall Series**

Join VANNO and VOLUNTEER Hampton Roads at a Town Hall Meeting March 12th in Norfolk to collaborate and network with fellow nonprofit leaders and representatives from the government and business communities. We will be discussing local and regional challenges and opportunities including workforce development, infrastructure, nonprofit efficiency and transportation issues. [Read more](#) or [download event flyer](#)

This is the first in a series of Town Hall Meetings sponsored by VANNO this spring in conjunction with the 2009 [Nonprofit Congress](#) – which has been moved from New Orleans and reformulated as a conference for state associations in Washington, DC. The registration fee of \$15 will cover a continental breakfast and materials. [Register today](#)

### **Just in Time Audioconference Series nearly complete; still 2 workshops left!**

Throughout January and February, VANNO organized a series of teleconference workshops with its consultant partners to assist nonprofit leaders in responding to the economic downturn. There are still 2 workshops left you can register for today and recorded replays will be available online in the coming weeks. These workshops are just \$25 per workshop for members; \$35 per workshop for non members.

[Click here](#) to register online. Read the full workshop [descriptions here](#).

#### **Wednesday, February 18 - 3:30pm**

Emergency Funding Sources in Times of Economic Crisis  
Presented by: Tom Triplett, Fieldstone Alliance

#### **Tuesday, February 24 - 3:30pm**

Teleworking's Triple Bottom Line  
Presented by: Harriet West, Clifton Gunderson LLP

### **VANNO to Represent Nonprofit Sector at Public State Budget Hearings**

In early January, VANNO presented testimony on behalf of Virginia's nonprofit sector at the Virginia House Appropriations and State Senate Finance Committees public hearings held across the state. The joint committees were addressing amendments to the 2008-2010 state budget and the impact of the current economic downturn.

- Register as a Nonprofit with the Neighborhood Assistance Program
- From Principle to Practice
- Feature Article: Creating A Powerful Fundraising Partnership with Your Board, Part 1

Read VANNO's testimony [here](#).

## Legal and Regulatory Compliance

### **Final 2008 Forms 990 and 990-EZ Available**

The 2008 Forms 990 and 990-EZ [information returns for tax-exempt organizations](#) are now finalized, along with schedules and instructions for filing in 2009.

[StayExempt.org](#), which provides online IRS educational resources for tax-exempt organizations, now features five [new online mini-courses](#) on the redesigned Form 990.

These mini-courses provide information on preparing to file the new Form 990 as well as a walk-through of the entire form and frequently used schedules.

### **Webinar: Board and management transparency - Making sense of the new Form 990**

Disclosures on the new 990 form will provide the public with increased and readily accessible knowledge about a nonprofit's finances, management, and governance.

That information, in turn, may compel nonprofit leaders to practice better management and leadership in addressing greater public scrutiny.

[A free Philanthropy Journal webinar](#), presented by lawyer Marty Martin, JD, MPA, provides an introduction and overview to the key management, governance, and reporting issues required to complete the new form.

### **Retirement Plans for Public Schools and Exempt Organizations Get Extension on Time to Complete Written Plans**

The IRS has issued a notice announcing relief for certain retirement plans that do not have a written plan in place by January 1, 2009. The new guidance is for retirement plans -- referred to as 403(b) plans -- covering employees at public schools, colleges and universities, and other tax exempt organizations. The IRS will not treat a 403(b) plan as failing to satisfy the requirements and the final regulations during the 2009 calendar year, provided that: (1) on or before December 31, 2009, the sponsor of the plan has adopted a written § 403(b) plan that is intended to satisfy the requirements of § 403(b) (including the final regulations) effective as of January 1, 2009; (2) during 2009, the sponsor operates the plan in accordance with a reasonable interpretation of § 403(b), taking into account the final regulations; and (3) before the end of 2009, the sponsor makes its best efforts to retroactively correct any operational failure during the 2009 calendar year to

conform to the terms of the written § 403(b) plan.

This extension will give plan sponsors additional time to put their plan documents in place. Read more by downloading this [IRS notice](#).

## Public Policy Impacting Nonprofits

### **VANNO Monitoring Legislation in 2009 Virginia General Assembly**

Each year, VANNO tracks and monitors legislation that impacts the state's nonprofit organizations in the Virginia General Assembly. Stop by VANNO's legislative profile at [Richmond Sunlight](#) for updates on the bills VANNO is monitoring. You may also find out who your Senator and Delegate is and contact your legislators directly at the [General Assembly website](#). VANNO's leadership is also continuing its efforts to formulate appropriate positions on select pieces of legislation that stand to affect the interests of Virginia's nonprofits in a significant way. Please email [info@vanno.org](mailto:info@vanno.org) if there is a specific bill you are monitoring.

### **Nonprofit Recommendations Delivered to President Obama**

On December 22, 2008, VANNO, in close collaboration with its state association counterparts across the country (through the National Council of Nonprofits), responded to then President Elect Obama's request for input regarding ways the federal government can work better with nonprofits. The report provides an overview of how the economy is harming nonprofits. Read the report and its recommendations on the [VANNO website](#).

### **GIVE Act Reintroduced in Both Houses and IRS National Taxpayer Advocate Agrees: Let Treasury Determine the Charitable Mileage Rate**

Senators Benjamin Cardin (MD-D), Olympia Snowe (ME-R), Chuck Schumer (NY-D), and John Ensign (NV-R) reintroduced the Giving Incentives for Volunteers Everywhere (GIVE) Act (S 243) last week in the new 111th Congress. The [press release](#) states that it would "grant the IRS discretion in setting the mileage deduction rate for volunteers and charitable organizations...as high as the business mileage deduction but not lower than the deduction for moving and medical expenses." Representatives John Lewis (GA-D) and Devin Nunes (CA-D) reintroduced their companion legislation in the House,

the Fair Deal for Volunteers Act of 2009 ([HR 524](#)). Carved in statute, the deduction is 14 cents and provides a substandard tax deduction for charitable volunteers compared to the [business and government standard mileage rate](#) set by the IRS – 55 cents today – or even the medical rate of 24 cents.

### **Serve America Act Is Reintroduced**

On January 16, Senators Edward M. Kennedy (MA-D) and Orrin Hatch (UT-R) introduced the "Serve America Act," a bill to expand national and community service opportunities for all Americans. The Act will put Americans of all ages and backgrounds to work to help address local and national challenges by encouraging increased levels of volunteerism. Read Senator Kennedy's [Press Release](#) to learn more.

## **Training and Networking Opportunities**

### **Discount Available for VSCPA Government and Nonprofit Conference**

Form 990 has undergone significant changes — the first in this area in 40 years. Tales of fraud are constantly on the front pages. Data protection becomes more necessary as our world becomes increasingly virtual. And our economy is ever-changing and fraught with peril. You know that the key to thriving in the current financial community is to have the best, most up-to-date information with which to make decisions. Join the Virginia Society of Certified Public Accountants (VSCPA) at the 8th Annual Government and Nonprofit Conference on April 20, 2009 at the Westfields Marriott Hotel in Chantilly. VANNO members receive a 10% discount on the cost of nonmember registration. Plus, if members register before March 23, you can take advantage of a \$50 early registration discount. Please instruct your members to call the VSCPA Education Team at (800) 341-8189 if they wish to register for this conference and take advantage of the special discount. (Please note that they will not be able to take advantage of this discount online.) Learn more on the [VSCPA website](#)

### **Deadline Approaching: Earn a CVA - Certified in Volunteer Administration**

Do you mobilize and manage volunteers? Are you looking for a way to strengthen your professional credibility? If so, now is the time to consider earning the CVA (Certified in Volunteer Administration) credential, originally developed

by the Association for Volunteer Administration and now sponsored by the Council for Certification in Volunteer Administration. The deadline for registering for the next cycle is March 1, 2009. Learn more at [www.CVAcert.org](http://www.CVAcert.org)

### **Free GuideStar Webinar on Research and Analysis**

Webinar Title: Nonprofit Research and Analysis Tools to Get the Job Done

Date: February 18, 2009

Time: 1 p.m. EST

Cost: FREE

Register:

<http://ga3.org/ct/374RmLE1->

[Eko/guidestar\\_premium\\_webinar](http://ga3.org/ct/374RmLE1-Eko/guidestar_premium_webinar)

(Space is limited, so please register early)

### **Upcoming Idealware Seminars**

Turn your attention to learning about the software that can help you raise money- maybe even in time for this year's appeal. Idealware has a great fall line up of online seminars about the software that can help your organization. VANNO members receive a discount for Idealware seminars (usually \$40 each). Learn more and register for the below seminars by [clicking here](#).

Upcoming seminars:

[Getting Your Systems to Talk to Each Other](#) - 2/19 - 1pm

[Choosing Broadcast Email Software](#) - 2/26 - 1pm

[Building An Effective Email List](#) - 3/5 - 2:30pm

[Considering Social Media for Your Organization](#) - 3/12 -

1pm

### **New Online Masters of Science Management/Nonprofit Available**

New England College (NEC) gives you the opportunity to earn your Master's Degree through an online program created specifically for people working in nonprofit organizations. The Master of Science in Management/Nonprofit Leadership (MSNPL) program gives you online access anywhere, anytime to the most beneficial nonprofit leadership curriculum available. To Learn More, Please Visit,

<http://ga0.org/ct/K128AYn1yUwp/>

## **VANNO Services and Benefits**

As members of VANNO, you can receive discounted

benefits and services through our partnership with the National Council of Nonprofits. If you haven't already done so, join today at [www.vanno.org](http://www.vanno.org).

### **FREE Delivery of The NonProfit Times!**

Get a FREE subscription of The NonProfit Times for one year. The NonProfit Times is the most respected source for news and editorial in the nonprofit community. It provides insightful special reporting that has been hailed by industry leaders as "a great resource." With huge financial reform looming on the horizon, isn't it about time YOU received The NonProfit Times? The Nonprofit Times is offering a free, one year subscription to eligible VANNO members. With your subscription you will receive:

- 22 issues delivered the way you like them - print or online
- Notices of upcoming events and webinars that you can view from the comfort of your own office, avoiding a costly trip to a seminar

[Click Here](#). Get Your Subscription to The NonProfit Times Today!

**Shopping for Affordable Health Insurance Coverage for Your Employees?** Contact VANNO at 804-565-9871 or [info@vanno.org](mailto:info@vanno.org) to learn about the providers and plans in its group health insurance program.

### **VANNO Members Also Access Benefits with the Council of Nonprofits**

As a part of your VANNO membership, member organizations receive a free subscription to the bi-monthly newsletter Nonprofit World (a \$59 value), monthly issues of Funding Alert, a subscription to the on-line funding database GrantStation (a \$599 value) and a weekly email newsletter, GrantStation Insider, discounts for the Learning Institute and many additional online archival resources and recruitment tools.

**Do Employees Need Access to Prescription Drug Coverage?** Through your VANNO membership, you, your staff, your members, and their families can save 15% to 75% on prescription medication costs through SunRX. Getting started is simple. There is no signup process. All that anyone needs to do is visit [SunRX](#), select VANNO from the drop down menu, and print out their card.

## Resources and Opportunities

### **Submit Appropriations Requests to Senator Webb**

You can now submit an appropriations request to Senator Webb for the 2010 fiscal year. Learn more, view instructions and fill out an application at: <http://webb.senate.gov/services/approps.cfm>. Please be aware that completion of the application packet does not guarantee funding as it is a very competitive process. The application deadline is February 27, 2009. If you have any questions concerning any aspect of the appropriations process, please call (202)-224-4024 and a member of the Senator's staff will be able to assist you.

### **You Need It? Surplus Property Just Might Have It**

Is your organization in desperate need of office furniture, chairs for a meeting or office equipment? Or how about a vehicle, refrigerator or storage shelves? You may be eligible to access these items and other surplus property through the **Virginia Office of Surplus Property Management**.

**The Federal Surplus Property Program** is available to "donee members" only. A donee member includes some qualified (tax-exempt) nonprofit organizations. The only cost to your organization is a service and handling fee. The cost for property is generally 10-35% of its original cost. A complete list of available property, including some with color pictures and descriptions, can be found on the [Surplus website](#). The website also has downloadable application forms. Once your application is approved, most property can be viewed in person at 2 convenient distribution centers located in Richmond or Wytheville (Southwest Virginia).

To find out if your organization is eligible to become a "donee", submit an application or contact our offices at [statesurplus@dgs.virginia.gov](mailto:statesurplus@dgs.virginia.gov) or call 804-236-3662. Applications and other information are available online at <http://surplus.dgs.virginia.gov>.

## Announcements

### **VANNO Board Elects 2 New Members**

At its January 22, 2009 meeting, the VANNO Board of Directors elected Marta Wilson and Lee Switz

Marta Wilson is currently President and CEO of Transformation Systems Incorporated (TSI), a leadership consulting firm founded in 1994. Specializing in leadership, Marta holds a Doctorate in Industrial and Organizational Psychology from Virginia Tech. She has served on the consulting staff of the Federal Executive Institute and received the U.S.

Lee Switz is president of Lee Switz, Ltd where she acts as fundraising counsel for nonprofit organizations. She also is the business liaison for Youth Matters, and previously served as the Executive Director of J. Sargeant Reynolds Community College Education Foundation, Inc. A Smith College graduate, she also received her MBA from Virginia Commonwealth University.

### **The Community Foundation of Richmond and Central Virginia Opens Stettinius Nonprofit Leadership Nominations**

The Community Foundation of Richmond and Central Virginia is pleased to announce the 2009 Stettinius Awards for Nonprofit Leadership. This awards program seeks to recognize outstanding professionals who provide effective organizational leadership within the local charitable sector. The Stettinius Fund for Nonprofit Leadership will award cash grants of up to \$10,000 to outstanding professional leaders employed by recognized 501 c 3 nonprofit organizations that serve the greater Richmond or Tri-Cities communities. It is expected that up to 5 awards will be made each year. The award may be used to pursue professional development opportunities of the candidate's own design, including executive seminars, professional exchange programs and travel. Please visit The Community Foundation's website, [www.tcfrichmond.org](http://www.tcfrichmond.org) for additional information and guidelines to applying.

### **Seventh Annual Government and Public Service Job Fair February 20 at the University of Richmond**

Government and public interest legal employers are invited to participate in the **7th Annual Government and Public Interest Job Fair**, to be held at the University of Richmond campus on Friday, February 20, 2009. You will be able to interview first- and second-year law students from the University of Richmond, The College of William & Mary and Washington and Lee University for summer 2009 positions, and May 2009 graduates for entry-level positions. [Click here](#) for more information.

**Register as a Nonprofit with the Neighborhood**

### **Assistance Program**

The [Neighborhood Assistance Program](#) administered by the Virginia Department of Social Services emphasizes partnerships between the private and public sector to assist the economically deprived. State tax credits are provided as an incentive for businesses and individuals to contribute directly to an approved nonprofit organization designed to benefit impoverished people. Business contributions may be in the form of cash, goods, stock, real estate, professional services, contracting services and rent or lease of the participating nonprofits' facilities. Individual contributions are limited to cash or marketable securities. In return for their contributions, businesses and individuals receive credits that may be applied against their state income tax liability.

Eligibility for NAP is limited to nonprofit organizations whose primary function is providing assistance for impoverished people. Several of the activities sponsored under the program include education, job training, housing assistance, health care clinics and community services. Organizations wishing to participate in NAP must submit an [application](#) to the Office of Community Services no later than the first business day of May. NAP applications are available in March of each year

### **From Principle to Practice**

#### **Does your organization have a Document Retention and Destruction Policy?**

It should! In 2002 Congress passed what is commonly known as the Sarbanes-Oxley Act. Primarily directed to publicly traded companies, the Act includes some provisions directed at non-publicly traded companies—which includes nonprofits! Specifically, the Act requires the retention and protection of any document that could possibly be used in federal litigation against the organization. These may include financial records, contracts, and employment records. These include not only paper records but electronic ones as well. For examples of such policies, visit [www.irs.gov](http://www.irs.gov), [www.managementhelp.org](http://www.managementhelp.org), or Google "document retention policy". And remember, a policy is no good if not implemented. So ensure that employees and staff are made aware of the policy and provided guidance on procedures.

### **Feature Article**

**Creating A Powerful Fundraising Partnership with**

## **Your Board, Part I**

**by: Katherine L. Morrison, President, Morrison Nonprofit Transitions**

### Fundraising Magic

I like the definition of “fundraising magic,” which we all tend to believe other nonprofits possess. Fundraising magic is hard work on the part of people who are thoroughly prepared. This is good and bad news – it means you too can possess the magic, but it will take effort.

### Understanding the Competition

We have to realistically face the environment in which we seek to raise funds for our worthy cause. Reality is that there were 626,000 nonprofits in 1995 but that number grew to 1,045,000 by 2005. In the face of that incredible competition you must be clear about what distinguishes your cause and you must be relentless in communicating that to donors.

### The Donors' Point of View

Examine your nonprofit from a donor's point of view

- Do you do something important?
- Do you do it well?
- Who is your client?
- Is your organization a safe investment? A good investment?
- Are you a good partner?
- Do you have an edge; something that sets you apart?

### A Philanthropic Culture

To attract the greatest number of donors you and your board must create a philanthropic culture. This means that everyone actively participates including all staff with the executive director as the primary advocate. Everyone should base their actions around always considering “what would our donors think?” and that ever-important corollary – “how would my actions/statement look on the front page of our local newspaper?” A culture of philanthropy also understands good stewardship which means truly engaging supporters and genuinely asking for their expertise and input, not just for their money.

### The Role of the Board

In its **Twelve Principles of Governance That Power Exceptional Boards**, BoardSource describes the resource development role of boards this way: *“Exceptional boards link bold visions and ambitious plans to financial support, expertise, and networks of influence. Linking budgeting to*

*strategic planning, they approve activities that can be realistically financed with existing or attainable resources, while ensuring that the organization has the infrastructure and internal capacity it needs.”*

Specifically, board members have three duties in regard to fundraising:

- To personally, financially support the organization
- To actively participate in fundraising including meeting with funders, connecting the organization to resources, etc.
- To monitor the progress of the fundraising plan

Getting your board to embrace these fundraising responsibilities depends on three key steps, each of which is critical

1. The recruitment process – Often boards are reluctant to fundraise because they have not been recruited for that purpose. Fundraising may never have been a part of their duties for various reasons such as dependence on government contracts, fees for service or specific foundation grants. When these funding sources are reduced for whatever reason the organization has to rethink fundraising and introduce this responsibility to the board.

Even if the organization always intended for its board to be involved in fundraising board recruiters are reluctant to discuss it fear of scaring off potential board members. Many boards think that once a new member gets on the board he or she will naturally want to go out and ask for money. However, if they have not been told up front that fundraising is a part of their role, they won't necessarily accept it later.

2. Constant mission engagement – Often board members aren't fundraising because they aren't fully engaged in mission. Ways to enhance that involvement include providing opportunities for them to participate in program activities, putting mission statements on every board agenda, name tents etc. to reinforce it constantly, and sharing anecdotes about real clients, not just numbers. Every board meeting should begin with a "mission moment" so that the Board continually hears new information about the organization. This prepares board members with conversational, engaging information they can use.
3. A Board Resource Committee – which can make all the difference between an effective, enthused Board

and one that does not understand its role in advancing the organization's mission through fundraising. A key roles of this committee is to develop a board member job description that includes a required financial contribution from each board member as well as the expectation that each board member be involved in the organization's fundraising efforts through attendance at events, planning development activities, and helping to identify, cultivate and solicit potential donors. This committee also assures that the position descriptions are not ignored during recruitment and to make sure that each potential board member understands that fundraising is an important part of his or her job as a board member. It is better to turn away a prospective board member who is not willing to get involved in fundraising than to fill a seat just so the committee can say it has met its goal to bring on a certain number of new members. A recruit who is a reluctant fundraiser should serve on a committee or in some other volunteer position.

Part II will be included in the March newsletter

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VANNO believes in the power of its growing and diverse membership that includes nonprofits throughout Virginia. VANNO makes available a wide range of benefits to Virginia's nonprofit sector including group purchasing discounts, technical assistance, news, research, and advocacy. If your organization is not a member, JOIN NOW at [www.vanno.org](http://www.vanno.org)!