



VANNO VOICE

July 31, 2008

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Greetings! We appreciate your patience as we upgraded our technology capacity to communicate with you more efficiently. We are pleased to bring you the July 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. You also can read past issues on the VANNO website at www.vanno.org.

Training and Networking Opportunities

VANNO Convenes Regional Conference To "Build Bridges" Among Nonprofits, Businesses, and Local Government . . . 200 leaders of nonprofits, businesses, and local governments will come together on September 9, 2008 to address pressing issues of the Tri-Cities region (Cities of Petersburg, Hopewell, Colonial Heights and the surrounding Counties of Sussex, Prince George, Dinwiddie, and southern Chesterfield). The conference presents a unique opportunity for cross-sector relationship building and problem solving. The event begins with a discussion on regional issues with a panel of leaders in the nonprofit, local government, banking and health-care industry followed by several breakout sessions to further discuss and collaborate on existing services and community needs. A keynote address will be given by Robert Egger, founder of the V3 Campaign (an effort to get the "voice, value and votes" of the nonprofit sector recognized in every American election by 2017), co-convenor of the first Nonprofit Congress, and one of *The Nonprofit Times*' "50 Most Powerful and Influential Nonprofit Leaders." And the capstone event will be a Candidates' Forum to which Virginia candidates for U.S. Senate have been invited to participate in a question-and-answer session, addressing some of the regional concerns raised throughout the day as well as challenges facing the state's nonprofit sector. VANNO is thankful for the generous support of the Conference's major sponsors—the Cameron Foundation, the John Randolph Foundation, Wachovia, ConnectSouthside, and Wéyo, which is serving as media sponsor for the event. The Conference is an example of VANNO's continuous efforts to raise awareness of the value of nonprofits. For more information on the event, including registration and sponsorship opportunities, visit www.vanno.org.

VANNO Services and Benefits

Two Nonprofits Receive VANNO Scholarships for Professional Development . . . The first two recipients of the Katie Campbell Professional Development Scholarship are Tammi Nichols, Development Director with Tri-Cities Habitat for Humanity in Petersburg, and Jenna Clarke, Program Coordinator with the statewide Rx Partnership. Both recipients receive cash awards of \$250 to be used toward training activities that advance their skills and effectiveness in some aspect of nonprofit management. Scholarship applications were solicited from VANNO member organizations across Virginia, and reviewed by a distinguished Review Panel which included: Robin Foremen, The Norfolk Foundation; Cheri Villa, Nonprofit Northern Virginia; Lisa Sales, The Nonprofit Reporter; Debra Dodson, Community Foundation of the Dan River Region; and Katie Campbell, the Scholarship's namesake and principal of Skye Consulting. This scholarship was established in October 2007 to honor Ms. Campbell who served with distinction as VANNO's administrator from 2004-2007. VANNO plans to grow the amount of scholarship funds in future years in order to assist more small to medium nonprofit organizations throughout the Commonwealth.

Virginia's Nonprofit Sector: A Major Economic Force Study Forthcoming . . . This statewide economic impact study is scheduled for release before Labor Day. Preliminary findings reveal that

- Program
 - Learn How to Host a Candidates' Forum
 - Guidance Available for Nonprofit Lobbying
 - VSAE's Fall Marketplace Tradeshow
 - Microsoft Launches *NGO Connection*
 - VANNO Names New Board Chair
 - New Feature
- Column: From Principle to Practice

Virginia's nonprofit community is a tremendous financial and employment contributor to the growth and viability of Virginia, and particularly its capital region. VANNO is part of a consortium of organizations supporting the commissioning of the study by Johns Hopkins University. Initial findings demonstrate that:

- Virginia nonprofits have 350,000 employees and volunteers, which exceeds other large industry sectors such as manufacturing, accommodations and food, construction, or finance and insurance.
- Virginia nonprofits spend \$27 billion, including \$8 billion in wages and compensation, each year.
- Virginia nonprofits generate \$461 million in sales, use, and income tax for the State each year.
- Employment in the nonprofit sector has grown 35 percent in the past 10 years, versus 10 percent in the for-profit sector and 12 percent in the public sector.
- More people in Virginia work in the nonprofit sector than in its finance, insurance, wholesale trade, and real estate industries combined.

VANNO will make the report accessible on its website and will join with the report's funding partners in ensuring its findings are communicated to policy makers statewide.

VANNO Offers Alternative to Rising Cost of Health Insurance . . . Through its partnership with the Washington, D.C. based Center for Nonprofit Advancement, VANNO offers Virginia nonprofits the choice of two providers (United Healthcare and Kaiser Permanente) and several plan options. The program is open to any VANNO member organization with at least two employees. Plans are guaranteed issue, with no medical underwriting. For more information, contact Dave Dixon at 1-877-767-1479 or visit www.vanno.org. VANNO will be scheduling information meetings this fall for those individuals and organizations interested in learning more.

Legal and Regulatory Compliance

IRS Provides Charities Guidance on Political Activities . . . As part of its 2008 Election Compliance Initiative, the IRS is providing direction both to charities as well as to candidates of the prohibition on political activities. The IRS has reorganized its website materials concerning the ban to make them more accessible to organizations, political candidates and parties, and the general public. Visit the site to

- View a news release reminding charities and churches of the ban.
- Read examinations of organizations the IRS believes may be violating the ban.
- Access a script and PowerPoint of a recent phone forum on election year rules for exempt organizations

Note the ban does *not* include voter education or "get out the vote" activities. For an excellent source for guidance on how charities *can lawfully engage with politicians*, see the Nonprofit Vote Engagement Network's *Nonprofit Guide to Hosting a Candidates' Forum* at www.nonprofitvote.org.

E-Postcard Filings Due . . . Under the Pension Protection Act of 2006, most small tax-exempt organizations whose gross receipts are normally \$25,000 or less must file a Form 990-N, *Electronic Notice (e-Postcard) for Tax-Exempt Organizations not Required To File Form 990 or 990-EZ*. Before this law was enacted, these small organizations were not required to file annually with the IRS. The

first filings are due in 2008 for tax years ending on or after December 31, 2007.

Properly Substantiated Donated Vehicles. . . . When a charity accepts the donation of a vehicle, boat, or airplane valued at more than \$500, two things must happen –

- The accepting organization must furnish IRS Form 1098-C to the donor, stating the value and disposition of the vehicle, generally within 30 days of either the sale of the vehicle, or after the date of the contribution. The donor must attach this form to his/her federal tax return in order to take a deduction.
- A separate copy of Form 1098-C must be filed with the IRS for each qualified vehicle valued at over \$500 that is donated. For tax year 2007, this form must be submitted by Feb. 28, 2008. If the vehicle is not valued at more than \$500, the organization is not required to file Form 1098-C. However, the form may be used to acknowledge receipt of the gift, and establish its value for purposes of the donor's income tax deduction.

For more information, visit the Charities and Nonprofits section of www.irs.gov.

Public Policy Impacting Nonprofits

Congress Considers Bill to Increase Charitable Mileage Rate . . . H.R.2020, a bill to increase the standard mileage rate for charitable purposes to the standard mileage rate for business purposes has been referred to the House Committee on Ways and Means. If this bill ultimately becomes law, individuals who volunteer for charitable organizations will be able to take a personal deduction for their expended mileage at a rate comparable to the standard business rate. While the deduction currently exists, the rate is far below that for business purposes.

Negotiated Rulemaking Concludes on College Cost Reduction and Access Act . . . The college loan forgiveness provision was a subject of the recently concluded Department of Education's negotiated rulemaking. The advisory panel, representing colleges, students and the banking industry, reached consensus that all 501(c)(3)s are still covered, and that the definition of a "full time" job was lowered to 30 hours a week. The Department will now move towards a proposed draft of regulations, with a view to finalizing them before November.

Federal Nonprofit Capacity Building Initiative (NCBI) Gains Support . . . On the last day of the Nonprofit Congress National Meeting, June 1-4, 2008, approximately 105 Nonprofit Congress attendees, most with State Association delegations, visited the offices of approximately 110 Members of Congress, representing 28 states, to spread the word on the work of the nonprofit sector and to build support for NCBI. VANNO Executive Director Deborah Barfield Williamson met with staff at Senator Jim Webb's office. Thanks to tremendous input from Virginia's Town Halls, she was able to share the work the nonprofits are doing in communities across Virginia and to advocate for their need for capacity building. While most visits engendered general support, there were definitely some offices that took a stronger interest and want to be more involved. These include Senators on the Senate Appropriations Committee and the Senate Committee on Health, Education, Labor and Pensions; and Representatives on the House Ways and Means Committee, Committee on Appropriations and Committee on Education and Labor. VANNO will continue to work with State Associations across the country, through our national umbrella organization, the National Council of Nonprofit Associations, to identify key questions that need to be answered to draft and introduce legislation with broad nonprofit sector support. The goal is to introduce a bill for NCBI by year-end for consideration by the new administration.

Resources and Opportunities

New Edition of *Nonprofit Almanac* Offers Detailed Report of an Expanding Sector . . . The nonprofit sector's role in the economy has expanded by most key measures since 1998. It employs more people, draws in more revenue, and contributes more to the gross domestic product than it did

a decade ago. The number of nonprofits grew to over 1.4 million organizations from 1.1 million in 1998. In 2006, nonprofits accounted for 5 percent of GDP, 8.1 percent of the economy's wages, and 9.7 percent of jobs. Health nonprofits continue to dominate the sector, with 45.4 percent of its expenses and 23.9 percent of its assets. Education is the second largest sub sector, with 11.8 percent of total expenses and 18.5 percent of total assets. *The Nonprofit Almanac's* 140 figures and tables detail revenues by type and amount, contributions, employment, expenses, and outlays. It features charitable giving and volunteering trends, data on wages and employment, revenue tabulations, and other financial information. Available from the Urban Institute Press, you can order the publication at <http://www.uipress.org> or at 1-800-537-5487.

Congressman Randy Forbes (4th District) Provides Guidance to Virginia Nonprofits, including Faith Based Organizations, on Finding Federal Funding . . . According to the Congressman, the best way to find grant programs to fit your organization or money for a specific project is through the *Catalog of Federal Domestic Assistance* (www.cfda.gov). You can search by keyword or by federal agency. Each program will show up as a link that takes you to all the information about that program, including contact information for the federal agency that administers that particular grant. Once you find a program you are interested in, simply contact the agency to ask for information about applying for that grant. They will send you everything you need to get started, and tell you when the application deadline is. Don't be afraid to ask them questions while you write your application – they are there to help you succeed! Keep in mind that a federal grant application will take quite a bit of time and energy to write. There are many resources out there to give you pointers on writing a good application, many of which are available free at your local library or online. The Congressman provides an example of a successful grant application at <http://randyforbes.house.gov/uploadedfiles/Quality%20Proposal.pdf>. Once you have finished writing your application and are ready to submit it, the Congressman's office can provide a letter of interest on behalf of your application asking the agency to give it thorough consideration

Announcements

Virginia Commonwealth University Announces 2nd Year of "Emerging Nonprofit Leaders" Program . . . Designed to strengthen the next generation of leaders in the metro Richmond community, this 8-month experience helps participants deepen their leadership capacity, advance their understanding of leading in the nonprofit sector, and strengthen their network of nonprofit colleagues. The program runs from November, 2008 through June, 2009 and applications are due by Friday, September 5, 2008. For further information, including required time commitments and selection criterion, as well as application materials, please email Deb Cuny at cunyd@vcu.edu.

New Principles and Practices for Public Interest Lobbying . . . The Center for Lobbying in the Public Interest (CLPI) recently released *Smart and Ethical Principles and Practices for Public Interest Lobbying*, a benchmarking tool nonprofits can use to assess their current lobbying work and set aspirations for their future lobbying efforts. The result of a collaborative development process with a group of nonprofit leaders and funding by the Rockefeller Brothers Fund, the principles and practices are CLPI's response to the need for nonprofits to claim public interest lobbying as an honorable and effective strategy for advancing their missions. Visit www.clpi.org/SEPP.aspx to view the full report and download the benchmarking tool.

Register now for the Virginia Society of Association Executives' 2008 Fall Marketplace Trade Show October 2, 2008 . . . 130+ Destinations, Facilities and Leading Strategic Program Support Vendors - Informative Education Seminars - One Fantastic Location! Who should attend? Association, Corporate and Government Meeting Planners, Special Event and Social Planners, Any business professional who plans off-site events! Only \$30 registration fee if registered prior to 9/19/08.

Microsoft launches NGO Connection . . . Providing nongovernmental organizations (NGOs) a place to go to learn how to use technology more effectively and to access the resources Microsoft and its partners offer. The website provides free or discounted software applications, training and

certification information, and NGO discussion forums. The goal of the website is to help NGOs achieve their organizational goals more efficiently. Visit <http://www.microsoft.com/About/CorporateCitizenship/CommunityInvestment/NGO/en/us/default.aspx>

New Chair Takes the Helm of the VANNO Board of Directors . . . VANNO is pleased to announce that J. William (Bill) Gray, Jr., a partner with the law firm of Hunton and Williams, will serve as chair of the Board of Directors for the ensuing year. Mr. Gray, who has served as a member of VANNO's Board, graciously accepted the nomination by his fellow board members at the Board's June 9 meeting in Fredericksburg. Mr. Gray's legal expertise in charitable tax law is extensive and notable. He has formed, assisted, and advised numerous charities, private foundations, business leagues, and social welfare organizations. VANNO and the organizations it serves will benefit greatly from Mr. Gray's leadership. For more information on his background visit <http://www.hunton.com/bios/bio.aspx?id=15609&tab=0013>.

From Principle to Practice

This new section of the *VANNO Voice* will serve as a monthly reminder and guide to assist your organization in becoming more accountable to various stakeholders—including the various government agencies that regulate your organization, the organizations and people who support you, the people you serve, and the public at large.

We begin by asking you to take the Accountability Quiz. . . Does your organization

- Hold staff and board trainings on ethics or take other measures to foster a culture of accountability and transparency?
- Have a code of ethics and a statement of values and post it on your website?
- Follow a conflict of interest policy and post it on your website?
- Have board members with financial expertise?
- Have its financial statements independently audited?
- Have board members review financial statements, including the Form 990?
- Have your CEO or CFO sign the Form 990?
- File your Form 990 electronically?
- Post your Form 990 on your website?
- Post your policies, financial information, and information on program results on your website?
- Have a whistleblower policy?
- Take steps to remain current with the law?

Give your organization 1 point for every yes. If your organization scores:

12: Great! Keep up the good work and pass along your success stories and model policies to other organizations to learn from. Or send them to VANNO for us to post on our website!

9-11: Good, but there's room for improvement.

6-8: You've indicated a commitment to accountability but need to advance beyond the basics.

0-5: Time to get serious about accountability. Engage your board, staff, and volunteers quickly to help make some needed changes.

Look for more guidance in upcoming issues of *VANNO Voice* on how to improve your organization's accountability or download our *Guide to Accountability for Virginia's Nonprofit Organizations* at www.vanno.org.