



# VANNO Voice

## VANNO: Celebrating 5 Years of Service To Those Who Serve

<b>Contents at a Glance</b>	<b>VANNO Voice</b> <span style="float: right; font-weight: normal;">May, 2009</span>
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- [Edward M. Kennedy Serve America Act](#)
- [Navigating Stimulus Fund Information](#)
- [2009 Gubernatorial Forum](#)
- [e-Postcards from the IRS](#)
- [Standard Mileage Rate](#)
- [PILOT Program](#)
- [Forward Together Declaration](#)
- [Institute on Philanthropy](#)
- [Independent Sector Leadership Forum](#)
- [Free Webinars](#)
- [HUD Grantwriting Workshops](#)
- [Non-Profit Seminar](#)
- [Idealware Seminars](#)
- [Need a Consultant](#)
- [Affordable Health Insurance](#)
- [Discount from Fieldstone Alliance](#)
- [New Member Benefit from UST](#)
- [Web Conferencing](#)
- [Xerox FreeColorPrinters.com](#)
- [Do-It-Yourself Fundraising](#)
- [Free Legal Services Available](#)
- [New Population Growth Chart](#)
- [Guidestar CEO Speaks at UR](#)

Dear Virginia Nonprofits

We are pleased to bring you this month's edition of the VANNO Voice, our monthly electronic newsletter that informs you of important federal and state policy, compliance requirements, and available resources. Many of you have been inquiring as to how to access the federal funding that is being directed toward nonprofit capacity building. Please see our brief article below that provides some pointers. VANNO continues to work in partnership with the National Council of Nonprofits and other state nonprofit associations around the country to keep you informed about these opportunities.

Please forward this copy of the VOICE to your colleagues in your organization and in your community. And contact us if we can be of assistance to you in leading your nonprofit organization.

As always, we welcome your comments and suggestions on how to improve all that we do for you.

Deborah Barfield Williamson  
Executive Director

<b>VANNO UPDATES</b>
<b>Edward M. Kennedy Serve America Act (HR) 1388) Signed Into Law</b>

On April 21, President Obama signed a historic expansion of national service programs, the [Edward M. Kennedy Serve America Act](#) (HR 1388) into law. This legislation will improve and expand national and community service programs and strengthen the infrastructure for volunteerism within the nonprofit community. Prior to signing the landmark legislation, President Obama announced the nomination of Maria Eitel to be chief executive of the Corporation for National and Community Service which will administer the programs. Find out more about this landmark legislation at [www.VANNO.org](http://www.VANNO.org) or at [NationalService.gov](http://NationalService.gov).

<b>Navigating Stimulus Fund Information</b>
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Many nonprofits across the country are trying to find specific information on federal, state, and local grant opportunities under the American Recovery and Reinvestment Act. Here are some tips that update some of the information in our Special Reports (see below):

- If you have received block grant funds or other support from your state or local governments, start with them by visiting their websites or calling. Here's the official Recovery.gov [link](#) to basic information at the state level.
- If you are considering applying for a federal grant, this [link](#) to the federal department recovery sites enables you to focus on likely sources of federal funds for your programs, and review what federal departments are saying about grant programs they are administering
- The [www.grants.gov](http://www.grants.gov) website is the portal for all applications. If you want to consider applying

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for federal grants, [registration](#) is the key first step. Take time to become familiar with all the search tools for grants - including a specific one to [recovery funds](#) - and the tips and tools the site offers for applicants.

- To read grant descriptions and deadlines, go to [www.VANNO.org](http://www.VANNO.org) and download the list. Additionally, as part of Stimulus.Virginia.Gov's transition to a disclosure and transparency website, users may now sign up for email updates related to Virginia's economic recovery efforts and implementation of the ARRA. Go to [www.stimulus.virginia.gov](http://www.stimulus.virginia.gov)

Also, VANNO, in partnership with the National Council of Nonprofits continues to provide information via the Special Reports on Economic Stimulus and Recovery. Visit VANNO's website at [www.vanno.org](http://www.vanno.org) to see the latest report, #7, which summarizes a recent White House Briefing for Nonprofits.

#### VANNO Sets Sights on Convening 2009 Gubernatorial Forum

VANNO is targeting late summer/early fall to convene a 2009 Gubernatorial Forum. The forum will provide an opportunity to engage candidates running for statewide office in a discussion about their knowledge of and experience with nonprofits as well as to learn their positions and policies toward supporting and engaging the nonprofit sector. The event will be modeled from the successful [U.S. Senate Candidates Forum](#) which VANNO convened last September. More details will follow as the program develops

#### LEGAL AND REGULATORY COMPLIANCE

##### IRS Reminds Small Organizations to File e-Postcards

The IRS reminds small calendar year tax-exempt organizations to file their electronic Form 990-N, known as the "e-Postcard," by the May 15 deadline. To get more information about the annual electronic filing requirement for organizations whose annual gross receipts are normally \$25,000 or less, go to

[www.IRS.gov](http://www.IRS.gov). Non-calendar year "e-Postcard" filers must file the annual electronic notice by the 15th day of the 5<sup>th</sup> month following the end of their annual accounting period.

#### Standard Mileage Rate 2009

For 2009, the [standard mileage rate](#) for the cost of operating your car for business use is 55 cents per mile. Car expenses and use of the standard mileage rate are explained in chapter 4 of Publication 463, Travel, Entertainment, Gift, and Car Expense. For charitable-related mileage, the mileage rate for the cost of operating your car for charitable purposes remains 14 cents per mile.

#### PUBLIC POLICY IMPACTING NONPROFITS

##### VANNO Continues to Support Local Advocacy Effort to Prevent PILOT Program in the City of Richmond

VANNO is pleased to report that an attempt to assess a service fee against nonprofits in the City of Richmond to reimburse local costs of fire, police, and garbage collection has been temporarily abated. At its April meeting, Richmond City Council approved an ordinance proposed by Council President to suspend enforcement of the fee for the current tax year. Soon after that meeting, however, the City Council resumed consideration of imposing the fee as part of the 2010 budget development. In a meeting with Council President and the Mayor's chief of staff, VANNO was successful in obtaining confirmation that the proposed budget would not include any service charges on charities' real estate.

An ordinance to reinstate the fee for 2010 is under consideration pending a determination from the Assessor and City Attorney's office as to the basic reach of the service charge authorization statute in the VA Code. VANNO continues to monitor this issue and support Richmond nonprofits in ensuring Council gives the matter due consideration with respect to its impact on nonprofits in the City.

This service charge is an example of what is called "Payment In Lieu of Tax" or "PILOT" programs. Please let us know of comparable PILOT programs in your jurisdiction so that we can continue to monitor this trend across the Commonwealth.

### The Forward Together Declaration

In March, nonprofit leaders finalized the [Forward Together Declaration](#), which set as part of its long term agenda the improvement of government-nonprofit partnerships and the launching of a nonprofit capacity building initiative. The passage of the Serve America Act with the Nonprofit Capacity Building Amendment (see above) is a major step forward together. Continue the momentum and [sign the Declaration](#) today! By signing, you add your name to the list as an individual; organizational names are listed for identification purposes only.

### TRAINING AND NETWORKING OPPORTUNITIES

#### Introducing the Institute on Philanthropy's 2009 Summer Institute!

Immerse yourself for a week or two on the beautiful campus of the University of Richmond, connect with other nonprofit leaders in a "back to school" format, and take your nonprofit to the next level. Each one-week program is designed to jump start those who are new to development jobs or those who want to be able to take their nonprofit to the next level through an intensive focus in either fundraising or marketing.

Fundraising & Development Certificate -- 7/12 - 7/18/09  
Nonprofit Marketing Certificate -- 7/19 - 7/25/09

10% Buddy Discount available - call for details. Full information available online at <http://scs.richmond.edu/philanthropy> or call Kathy Powers at 804-287-1290

### Independent Sector Leadership Forum

Independent Sector is a leadership forum for charities, foundations, and corporate giving programs committed to advancing the common good in America and around the world. Accountability resources, public policy updates, and the news room are just a few of the helpful features available on this site. <http://www.independentsector.org/>

### Free Webinars Offered by ReadyTalk

Upcoming Seminars Include:

- I Tweet Therefore I am: How to Present, Monitor and Protect Your Company Brand on Twitter - Thursday, May 21, 2pm
- What's Working in Online Marketing Events in 2009 - Wednesday, May 27, 2pm

The link to the Web Seminar page can be found at: <http://www.readytalk.com/web-seminar-series>

## HUD Grantwriting Workshops

Grantwriting & Organizational Development "Critical Basics" Seminars in Richmond with live webcasting to Culpeper and Luray - different topics at each seminar - May 7, June 4, Sept 9, Oct 8 contact [anne.davis@hud.gov](mailto:anne.davis@hud.gov).

## First Market Bank Non-Profit Seminar, Earn a CPE Credit

"The Future Ain't What It Used To Be" (Yogi Berra) with discussion and review of key accounting and tax changes affecting nonprofit organizations. The seminar will run from 8-10am on June 10 at Ukrop's Support Center, 1<sup>st</sup> Floor, Large Training Room # 1 , 2001 Maywill Street (near Staples Mill and Broad - behind the Anthem building) in Richmond. Each non-profit organization can reserve space for up to two (2) guests.

As space is limited for this invitation-only event, reservations will be accepted on a first-come first-serve basis. To make reservations, please RSVP to Dawn Hathaway at First Market Bank. Please indicate the name(s) of the person(s) who plan to attend.

You may contact Dawn by: E-mail: [dawn.hathaway@firstmarketbank.com](mailto:dawn.hathaway@firstmarketbank.com)  
Phone: 804.327.5743

## 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 spring 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 (all at 1pm):

**Getting Started with Online Personal/ Team Fundraising** - Wednesday, May 20  
**Choosing a Low Cost Constituent Database** - Thursday, May 28  
**Getting Started with Online Conferencing and Seminar Tools** - Thursday, June 4  
**Getting Started with Online Donations** - Thursday, June 11  
**Considering Social Media for Your Organization** - Wednesday, June 17

## VANNO SERVICES AND BENEFITS

### Need a Consultant?

Looking for a Consultant or Some Other Type of Service? Visit VANNO's On-Line Yellow Pages at [www.vanno.org](http://www.vanno.org)

### Looking for Affordable Health Insurance Coverage?

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 Receive 30% Discount on Publications from Fieldstone Alliance

Their latest book, *Seven Turning Points: Leading Through Pivotal Transitions in Organizational Life* identifies pivotal junctures at which nonprofits must reassess the way they operate and make fundamental changes or risk decline. Each chapter describes symptoms and challenges and offers leaders usable advice on what they can do to move their organizations to a new level of effectiveness, impact, and sustainability.

For more information, visit [www.SevenTurningPoints.org](http://www.SevenTurningPoints.org)

#### New Member Benefit from UST

Save up 60% on unemployment costs with UST. UST helps nonprofit organizations save money on their unemployment costs through lower rates and expert claims monitoring. 501©(3) organizations have an exclusive advantage over their for-profit counterparts: Did you know that as a nonprofit you can opt out of the state tax-rated unemployment system and only pay dollar for dollar for the unemployment claims paid out to former employees? When you directly reimburse the state dollar for dollar for your former employees' unemployment claims you are not subsidizing other employers that have higher unemployment claims. Unlike state unemployment taxes, your contributions to UST remain as an asset on your organization's books. For more information on UST please visit [www.ChooseUST.org](http://www.ChooseUST.org) , or call toll-free 1-888-249-4788, or visit [www.VANNO.org](http://www.VANNO.org) for more information on this and other member benefits.

#### Save Time, Money. Try Web Conferencing for Free with ReadyTalk!

ReadyTalk isn't just for conference calling - VANNO and its Members use ReadyTalk to hold webinars, train new volunteers, and conduct Board meetings. The discounted price for web conferencing is just 8 cents per participant per minute. Visit [www.readytalk.com/vanno](http://www.readytalk.com/vanno) today to request more information, or contact Betsy Wells at [betsy.wells@readytalk.com](mailto:betsy.wells@readytalk.com) or 303.209.1553.

#### New Member Benefit: Xerox FreeColorPrinters.com

To qualify for and benefit from the Xerox FreeColorPrinters program, organizations must print approximately 2,000 pages (4 reams) per month or spend \$125 or more on outsourced printing and ink each month. Participants simply submit a monthly page count and purchase all supplies - which are priced competitively—through the Xerox FreeColorPrinters program. For any nonprofit doing a reasonable volume of printing, this is a great opportunity! Qualifying nonprofits will receive: A new Xerox Phaser 8560/DN business class color printer with 3 year onsite warranty and FREE delivery of the printer. For more information, go to [www.VANNO.org](http://www.VANNO.org) and click on "Benefits and Services."

### RESOURCES AND OPPORTUNITIES

#### Do-It-Yourself Fundraising: How to Get Money for Your Nonprofit

Nonprofits seem always to be looking for money. The panic of making budget seems to make raising money impossible without knowing someone rich and famous such as Bill Gates or Warren Buffet. But fundraising isn't impossible. It can be an incredibly exciting adventure. Here is a simple plan to get your fundraising off to a good start and that you can use for years to come. ... Read more: [http://ga3.org/ct/Qd4RmLE1j4Gf/do\\_it\\_yourself\\_fundraising](http://ga3.org/ct/Qd4RmLE1j4Gf/do_it_yourself_fundraising)

## Free Legal Services Available to Nonprofits

The Pro Bono Clearinghouse, a program of the Greater Richmond Bar Foundation, provides pro bono legal services to non-profit organizations in the Richmond area. 150 attorneys serve as volunteers who have agreed to donate their time and services to help charitable organizations in the community. If your nonprofit currently has a need for help with a legal transaction or you would like additional information about the Pro Bono Clearinghouse program, please contact Carol Deitrick at 780-2600 or by email to [cdeitrick@richmondbar.org](mailto:cdeitrick@richmondbar.org).

## ANNOUNCEMENTS

### New Population Growth Chart by Age 65+ Available

Is your county or city prepared? The Older Dominion Partnership compiled data provided by Virginia Employment Commission on population projections for the year 2030 for all Virginia cities and counties—including the growth of their 65+ populations. How will the age wave affect your locality? See how your county stacks up: [http://www.olderdominion.org/documents/Va\\_pop\\_growth\\_2030.pdf](http://www.olderdominion.org/documents/Va_pop_growth_2030.pdf). For more information on Age Wave Preparedness, go to [www.olderdominion.org](http://www.olderdominion.org)

### Guidestar CEO Speaks at University of Richmond on Nonprofit Transparency

In April, Guidestar CEO Robert G. Ottenhoff spoke at the University of Richmond giving a talk titled, "*The Era of Assumed Virtue is Over: How the Internet is Changing the World of Philanthropy.*" It is posted on YouTube here: [http://www.youtube.com/watch?v=95\\_nXjr0nko&feature=Playlist&p=0BAD76CFC7712604&index=14](http://www.youtube.com/watch?v=95_nXjr0nko&feature=Playlist&p=0BAD76CFC7712604&index=14). He commented about fundraising, current data on trends, the turbulent economy, restructuring and mergers, creativity and passion, donor expectations and the need for open organizations. The Modlin Center for the Arts at UR presented Ottenhoff as the annual Quigg isiting Lecturer in Arts Management.

### Feature Article: Tough Times Demand Tough Fraud Controls

VANNO is pleased to bring you this feature article by VANNO Corporate Member Clifton Gunderson, LLP

Fraud is on the rise in the nation's not-for-profits, according to surveys and studies in the past two years. Add in the pressure created by the current economic downturn, and some fear an even greater potential for more fraud on the horizon. Fraud experts suggest that this would be a good time to review fraud controls and redouble efforts to prevent and detect fraud.

In its "2008 Report to the Nation on Occupational Fraud and Abuse," the Association of Certified Fraud Examiners (ACFE) reports that, of the 959 cases it studied, 14.3 percent involved not-for-profit organizations. That's up slightly from 13.9 percent of the cases in 2006.

The median loss by not-for-profits also increased slightly from \$100,000 in 2006 to \$109,000 in 2008. This increase comes at a time when a significant decrease in median losses was seen among private companies, probably the result of the mandates of the Sarbanes-Oxley Act.

What makes fraud doubly damaging to not-for-profits is the negative impact that it has on an organization's reputation. The culture and public image of most organizations is based on trust, honesty and a commitment to the public interest. When someone is caught committing fraud, relations with contributors, volunteers and the public will suffer.

What can be done? Like their for-profit counterparts, not-for profits can implement controls to put the

brakes on fraud. While large national and international charities have deep resources for developing fraud controls, smaller charities may be hard-pressed to address their fraud risk. But for organizations of all sizes, there are a few common practices -

1 -- Segregation of Duties - Giving one person too much control over multiple parts of financial transactions is an open invitation to fraud. For example, the person responsible for collecting and disbursing funds should not be the same person who receives bank statements and prepares financial reports. At the very least, requiring two signatures on all checks can be an effective safeguard. Organizations that receive the majority of revenue in cash should have multiple controls to prevent skimming.

2 -- A Formal Fraud Policy and Code of Conduct - Until it's formalized in writing it might as well not exist. Put your policies in writing and have all employees sign documents saying they ascribe to the policy. A review and resigning of the documents should be part of every employee's annual review.

3 -- A Whistleblower's Hotline - Studies show that most frauds are initially detected through tips from employees, clients and outside vendors. Any reporting system should be anonymous, managed by a third party and available 24/7.

4 -- Hiring the Right People - Although 87 percent of fraudsters are first-time offenders, weeding out the criminally inclined is not impossible. A great deal can be learned from a candidate's references, work history and credentials. Look for people with a financial background who understand financial statements, budgeting, cash flow and the need for internal controls.

5 -- Setting a Good Example - If employees see suspicious activity being ignored or swept under the rug, they may see it as a green light to try something themselves.

6 -- Educating Employees - They are the eyes and ears of the organization, but they can't report fraud if they don't know what it is. Send them to training, or conduct internal training. Nearly half of frauds are discovered as the result of an employee tip.

7 -- Prosecuting Offenders - Fear of notoriety keeps some organizations from exposing fraudsters and taking legal action. Such lax attitudes make it that much easier for the next person to commit fraud without fear of reprisals.

As economic uncertainty continues, not-for-profits can ill-afford the financial losses, or the loss of public confidence that comes with fraud.

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VANNO exists to ensure that Virginia's nearly 40,000 nonprofit organizations are educated, engaged and equipped to serve their communities. Through training and technical assistance, its website, and collaborative efforts with other nonprofit support organizations, VANNO builds the capacity of nonprofit organizations to achieve excellence in management and governance. VANNO communicates the impact nonprofits make and the value they add to communities across the Commonwealth. As the voice for Virginia's nonprofit sector, VANNO advocates for nonprofits and organizes nonprofits to advocate for themselves. For more information, visit [www.vanno.org](http://www.vanno.org).