



## THE VANNO VOICE

**MAY 2007**

### **Greetings!**

We are pleased to bring you the May 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 can also read past issues on the VANNO website at [www.vanno.org](http://www.vanno.org).

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### **May Classes & Training Opportunities**



Alexandria: **2007 Nonprofit Technology Showcase**  
May 22, 8:15 a.m. - Noon (FREE)

Presented by Halt, Buzas, & Powell, Ltd.  
Contact Jennifer Arce at (703) 836-1350 or  
at [jarce@cpas4you.com](mailto:jarce@cpas4you.com) with any  
questions.

Fairfax: **The Fine Art of Supervising Volunteers**  
May 16, 2007, 8:30 am - 12:30 pm  
Volunteer Fairfax  
Contact Emily Gibbs, 703-246.3460, ext.0  
[www.volunteerfairfax.org](http://www.volunteerfairfax.org)

Hopewell: **Program Planning & Evaluation in a Nonprofit Environment**  
May 10 & 17, 1:00 - 5:00 pm  
Focus INC Series, The Cameron Foundation  
Contact 804-957-5913

Norfolk: Volunteer Hampton Roads  
Contact Kristen Nelson, 757-624-2400 or  
[knelson@volunteerhr.org](mailto:knelson@volunteerhr.org)

[www.volunteerhr.org](http://www.volunteerhr.org)

**What Your Website Can Do For You**  
May 8, 9:00 am - Noon

**Risk Management for Nonprofits**  
May 15, 9:00 am - Noon

**Board Builders: The Extraordinary Board**  
May 17, 6:00 - 9:00 pm

**Communicating with Online Marketing**  
May 22, 9:00 am - Noon

**Funders Forum**  
May 24, 9:00 - 11:00 am

Norfolk: **Development & Fundraising: Creating a Plan for Thriving**  
May 10 & 17, 9:00 am - 4:00 pm  
Academy for Nonprofit Excellence, Tidewater Community College  
Contact Lillian Bailey, 757-822-1170  
[www.tcc.edu/wd/academy](http://www.tcc.edu/wd/academy)

Richmond: **Issues & Legislative Developments Affecting Nonprofits**  
May 23, 2007, 2:30 - 5:00 pm (No fee.)  
Sponsored by McGuireWoods LLP, Security Benefit and  
The Leaders Group, Inc.  
Contact Doris Cole at 804-775-7741 or [dcole@mcquirewoods.com](mailto:dcole@mcquirewoods.com).  
[www.mcquirewoods.com/events/nonprofits.asp](http://www.mcquirewoods.com/events/nonprofits.asp)

ALSO: Check the [training calendar](#) on VANNO's website for upcoming events in June!

**Free Grant-Writing Seminars**

May 3 - Loudoun County

May 7 - Prince William County

*Dates TBA - Alexandria, Arlington and Stafford Counties*

The Institute for Youth Development (IYD) is offering grant-writing seminars in Virginia's Arlington, Fairfax, Loudoun, Prince William, and Stafford Counties, Alexandria, Falls Church, Fairfax City, Manassas, and Manassas Park. Using the Federal \$50,000 Compassion Capital Fund Targeted Capacity-Building grant as a teaching model, the seminars teach techniques that will help anyone developing grant applications for government, private or foundation funders. There is no charge, but a \$25 refundable "no-show" fee is required to complete registration. **Attendance is NOT limited to Northern Virginia faith-based and community organizations.** Lunch will be provided.

For more information or registration forms, please e-mail Joanne Jones at [jjones@youthdevelopment.org](mailto:jjones@youthdevelopment.org). The \$25 'No-Show' registration fee will be refunded at registration.

## Not-For-Profit One Day MBA

June 7, 2007, 8:00 AM - 4:30 PM \$75 fee.  
Science Museum of Virginia, Richmond

Proper audit, tax and investment planning can help not-for-profit organizations meet their short-term business needs while ensuring the financial flexibility required for future success. Come join Cherry, Bekaert & Holland, L.L.P. along with Hugh F. Gouldthorpe, Jr., a gifted motivational speaker and writer, to discuss the following topics:

- organizational leadership
- productive and effective audits
- contributions and endowments
- advertising vs. corporate sponsorship
- managing your investment manager

For more details and to register, please visit [www.cbh.com/richmond-mba](http://www.cbh.com/richmond-mba) or call Sarah Lantz at 804.673.5741.

## Nonprofit Survey: Tell Us Your Priorities!

If you haven't already done so, please go to:

<http://www.surveymonkey.com/s.asp?u=148471536657>

and complete this brief survey about what you think should be the priorities for action to support nonprofits here in Virginia.

As mentioned in the April issue of this newsletter, VANNO and the individuals who served as Virginia's delegates at the Nonprofit Congress last fall invite your participation in a brief on-line survey to determine the most critical specific actions to undertake in the year ahead.

This survey builds on input gathered during 7 "town hall" meetings held throughout Virginia in September 2006. At these meetings nonprofit leaders discussed challenges they face and the types of resources and strategies that are needed in order to help

nonprofit organizations in Virginia operate more effectively and efficiently. The comments from these town hall meetings was then carried to the first national Nonprofit Congress in Washington, DC, where delegates from throughout the country reached consensus on major focus areas for the sector.

## Change in Virginia Law: July 1

### NONPROFIT SALES AND USE TAX LAW CHANGES JULY 1, 2007

The current procedure by which a nonprofit entity may qualify for tax exemption includes this provision:

*If the entity's gross annual revenue was \$250,000 or greater in the previous year, then the entity must provide a financial audit performed by an independent certified public accountant.*

In the years that this provision has been in place, legislators received complaints from small nonprofits, especially rescue squads and fire departments, regarding the cost of a CPA audit. Some nonprofits paid more for the audit than they saved with the sales and use tax exemption.

The legislators, with the assistance of the tax department, fashioned an amendment to the current law, HB 2545 patroned by Delegate Clarke Hogan, that received almost unanimous support from the House and Senate, and was signed by Governor Kaine. The revised law provides a higher threshold for requiring a CPA audit, \$1 million instead of \$250,000. It also permits either a financial review or a CPA audit if the gross was between \$750,000 and \$1 million.

Effective July 1, 2007 this provision reads as follows.

*If the entity's gross annual revenue was **\$1 million** or greater in the previous year, then the entity must provide a financial audit performed by an independent certified public accountant. **If the entity's gross annual revenue was between \$750,000 and \$1 million, then the entity must provide either a financial audit performed by an independent certified public accountant or a financial review performed by an independent certified public accountant.***

The amendment may be seen in context in the Code of Virginia at this site:

<http://leg1.state.va.us/cgi-bin/legp504.exe?071+ful+CHAP0698>

## Form 990 Revision: IRS Request for Public Comment Coming Soon

On April 17, 2007, the Urban Institute hosted the Annual 990 meeting at its headquarters in Washington, D.C. Among the speakers was Lois Lerner, director of the IRS's Exempt Organizations Division. Ms. Lerner provided an update on the IRS's

revision process of the Form 990. The goal of the process, according to Ms. Lerner, is to streamline the main body of the form into no more than two pages and to utilize schedules to collect more specific information on certain types of organizations (comparable to the revised Form 1023). She explained the challenges of coordinating revisions to the form with the publication timetables of the Forms and Publications Division. To that end, Ms. Lerner requested that interested individuals and organizations be on the look out for the IRS's request for public comment on the revised form. The IRS anticipates making this request in early summer and there will be a limited, three-month window during which the IRS will receive comments. The success of the revision process and, indeed, the usefulness of the revised form depend on the quantity and quality of input that the IRS receives from the individuals and entities that make use of the form. VANNO will provide further notice and updates on this process as they become available.

In the meantime, visit [www.irs.gov/charities](http://www.irs.gov/charities) to learn more about the IRS's regulation of charities and other nonprofits.

## Getting Rid of the Computer Guy



NPower Greater DC Region has launched NPower ON! a new, remote, IT support solution exclusively for nonprofits. Known as "managed services," NPower ON! allows nonprofits to outsource or "out-task" specific IT/network management responsibilities.

Rather than relying on costly and unpredictable on-site IT support, NPower ON! makes it possible for a variety of critical IT tasks to be handled remotely. For example, the solution automates critical network functions like security and application patch management and provides remote, real-time desktop support. Most important, it enables charitable organizations to better maintain and stabilize their networks by automatically identifying and proactively correcting network problems before they occur.

The technology which powers NPower ON! has been available in the for-profit sector for several years. However, it has not been accessible to most nonprofit organizations because of price. NPower Greater DC Region has licensed the technology and customized it to fit the needs of charitable organizations. NPower has also created a more affordable fee-structure.

NPower Greater DC Region believes that the solution is particularly important to nonprofits, since most have limited staff resources and budgets. With NPower ON! nonprofits no longer need to dedicate the necessary time and skill to fully leverage their IT operations. Instead they can focus on core activities like delivering quality services. Nonprofits with IT staff also benefit from the solution, which enables organizations to focus on more strategic IT issues like process improvement and data integration.

NPower Greater DC Region is a nonprofit technology consulting firm serving other charitable organizations and foundations in Washington, DC, suburban Maryland, and suburban Virginia. Visit <http://www.npowergdcr.org> for more information, or call 202-234-9670.

## QUICK TIP: Nonprofit Marketing

## from Shoestring Creative Group

Take a few minutes today to visit your own organization's website. Don't just look through it -- actually read it word for word (as you would hope visitors to your site would). *How long did it take before you lost interest? Or, perhaps, dare we say, got bored?*

As hard as this exercise might be in terms of giving you a dose of reality, it is an extremely important one to do. If you passed this test with flying colors (you could not stop reading all of the amazing and inspirational information on your nonprofit's website), then **Congratulations!** But, if you did not find your website interesting, chances are neither will others. Use this as a starting point to begin a conversation within your nonprofit about how you could better use your website to COMMUNICATE with your stakeholders. A website is the most effective (and inexpensive) way to get the word out about your cause.

For more great tips on how nonprofits can do a lot with their websites with very little (or no) cost, check out the Power Point presentation from the workshop "Effective Uses of New Media (when you are a nonprofit operating on a shoestring)". Available in the Resources section of our website at <http://www.shoestringgroup.com/resources.html>.

## Hourly Value of Volunteer Time Now \$18.77



Independent Sector has now announced that the 2006 estimate for the value of a volunteer hour is \$18.77 per hour. This national figure is determined annually based on the average non-agricultural wage.

The IS webpage also contains an interesting chart showing how this figure has changed since 1996, and also how various state figures compared in 2005, the latest year that this data is available. Virginia reported an hourly value for volunteer time of \$18.69.

To learn more about how these figures are calculated and how they can be used, visit, [http://www.independentsector.org/programs/research/volunteer\\_time.html](http://www.independentsector.org/programs/research/volunteer_time.html).

## Nice Guys Awards

Now's your time to shine! Nominate your organization for the Nice Guys Awards. The Nice Guys Awards are sponsored by Acacia Federal Savings Bank of Falls Church to recognize nonprofits, individual citizens, and businesses that go "above and beyond" to help others in the DC metro area. Winners will be announced on WTOP Radio and receive \$3,000 for the charity of their choice.

Nominate online at [NiceGuysAwards.com](http://NiceGuysAwards.com).

## Good News: Foundation Grantmaking on the Rise

According to a recent article in The Nonprofit Times, giving by the nation's 71,000 grant-making foundations increased to a record estimated \$40.7 billion during 2006, an

11.7 percent gain from 2005 which had a 14.3 percent increase compared to 2004. Other highlights of this research include:

- Independent and family foundations, which account for nearly nine out of 10 foundations, raised their giving by 10.3 percent during 2006
- Corporate foundation giving grew a more modest 6 percent during 2006
- Community foundations reported the fastest growth in giving, with funding up 13.2 percent during 2006. Community foundations represent 1 percent of all grant-making foundations but almost 9 percent of giving at \$3.6 billion
- Nearly 60 percent of surveyed foundations expected their giving to increase during 2007, and overall funding will likely continue to grow at a double-digit pace

This data is based on responses to the Foundation Center's 2007 "Foundation Giving Forecast Survey" from more than 875 large and mid-size foundations across the country, combined with year-end economic indicators. For more information, go to <http://foundationcenter.org/>.

## **CHANGE YOUR CAREER: Transitioning to the Nonprofit Sector**

### **A new book by Laura Gassner Otting**

Growing competition and high turnover at senior levels over the next few years will usher in a staffing crisis for nonprofits-but great opportunities for people who want to transition into the sector.

Although written for those who are thinking about making the move to nonprofits, the book could prove a valuable recruiting tool by boards of directors and advisors to nonprofits looking to attract the top talent nonprofits will need to thrive. Most importantly, she debunks myths about nonprofits frequently held by those working outside the sector, and explains common stereotypes that for-profit job candidates need to be aware of when seeking a nonprofit career.

Otting brings alive the pitfalls and rewards of making the transition by drawing on her large store of experience working with for-profit candidates looking to make the jump. Case histories throughout the book detail how individuals went about their search and spell out the lessons they learned.

*Change Your Career* will also be a useful resource for people working in nonprofits who want to take stock of their careers, as questions Otting poses are just as apt for people inside and outside the sector. To wit: Would you rather work for a company or a cause? Do you want your work to be more personally meaningful? What do you want to have done in your career and in your life? What do you want to be remembered for?

Otting artfully links high level issues with the practicalities of a job search. She provides extensive tips for successful networking, how to structure your 15- to 30-second elevator speech, what to wear to your interview, questions to expect-and to ask-at an interview, and how to discuss salary. She even provides lists of action verbs to use in your resume to help describe your experiences. Again, all good advice for job seekers currently working outside-and within-the nonprofit sector.

Source: Excerpted from a reviewed by [Peter Lowy](#) on [MassNonprofit.org](#).

## Prove your Transparency and Accountability

### [GuideStar.org](http://www.guidestar.org)

offers a simple yet accurate definition of *transparency*: It means answering these questions for donors and funders:

1. Is this a legitimate 501(c)(3) nonprofit?
2. What social impact will my donation have?
3. How fiscally responsible is this organization?
4. What are this organization's goals and intentions?

How do we communicate this information to our stakeholders and those who invest in our organizations? GuideStar Newsletter readers reported using the following documents to show their level of accountability as nonprofit organizations:

Annual audited financials	85%
Annual report	60%
IRS Letter of determination	58%
Conflict of interest policy	23%
Whistleblower policy	12%
Other	12%

In addition, many nonprofits post these documents on their own websites. In addition, GuideStar offers nonprofits a platform to demonstrate their transparency by updating the GuideStar Information Form and by uploading PDFs of required and substantiating documents to their GuideStar Reports through [eDocs](#).

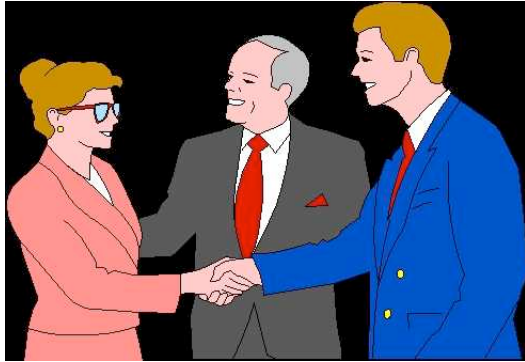
Source: Based on article by Christopher Trent Kaplan, April 2007 [GuideStar.org](#) Newsletter.

## Books Worth Reading

*"A Toolkit for Volunteer Speed Matching"* Speed Dating meets Volunteer Recruiting. Speed dating has taken the UK (and other countries) by storm, so one clever volunteer center on the outskirts of London ran with the idea to create a "Volunteer Speed Matching" event with all the characteristics of speed dating including score sheets, a stop watch, and "daters" moving from table to table on 3 minute whistle sounds! This toolkit is very practical, yet a short and delightful read - as if it were an event out of *Bridget Jones's Diary*! Available as an E-book from Energize, Inc. at <http://www.energizeinc.com/store/5-220-E-1>.

*"The M Word: A Board Member's Guide to Mergers"*. This book provides a road map to a merger's expectations, processes and obstacles. Special sections feature sample resolutions and worksheets, and highlight the key roles executive directors and funders play in a merger. The guide also goes beyond the "M word" to offer advice on how to close down an organization. \$12.00 plus shipping and handling from Compass Point at [www.compasspoint.org/bookstore](http://www.compasspoint.org/bookstore).

## Satisfy Staff First



By Ivan H. Scheier

From *Building Staff/Volunteer Relations*

As we have already discussed, most strategies for opening up participation by volunteers tend to assume that staff are the primary cause of the blockage. "If only staff would respect and trust volunteers more," we say; "if only they weren't so threatened" and "why can't they delegate more?"

The approach here, by contrast, asks certain questions which suggest that staff are not the primary reason for the difficulty. Planners/implementers of volunteer programs are very likely to be implicated, for lack of adopting appropriate strategies. Our candidate for appropriate strategy begins with this question:

How can we expect staff to carve out meaningful roles for volunteers when staff doesn't even adequately understand their own role?

Yes, most employees have a formal job description. But often what a person actively does is far from identical to the job description as written. At the specific, concrete level, what one does daily is more or other than what may have been articulated at the beginning. Not incidentally, the same is true for volunteer job descriptions. They're neat, comforting to our sense of orderliness, and often substantially mythical in detailed practice.

Once we've absorbed the need to go beyond job descriptions to actual descriptions of the job, we're ready to face a seeming paradox: you can't develop clear and meaningful volunteer jobs without first analyzing in detail what staff are doing and how they feel about it. Similarly, to involve members more meaningfully you must first scrutinize very carefully what elected officers or other group leaders are doing.

So, the first step in developing teamwork between volunteers and employees (or officers) is a process which helps staff clarify fuzzy function areas.

The clarifying process must also be comfortable, and that brings up our second main point:

- Volunteers must be seen by staff as strengthening their capability and control rather than stretching it thinner.
- Volunteers should enhance staff competency rather than challenge it.

As for control, asking staff to work comfortably with volunteers is asking them to forego the two main mechanisms by which we exercise adequate control over employees:

- We pay them (and can stop doing so).
- We order them (and can continue to do so).

A third control-threatener is overstretched time. Staff, club leaders, chairpersons and other gatekeepers are typically overworked and underhelped; that's usually why we propose involving volunteers in the first place. We then proceed (often) to lecture staff on how much additional time and effort they should invest in supervising/supporting volunteers. To this approach, I once heard a staff person react thusly: "Hey, I've already got a caseload of 70 clients. And now you seem to be asking me to add a

caseload of 25 volunteers. Are you out of your mind?"

I sympathize. We need a delegation process which puts staff in the driver's seat insofar as possible and, indeed, can be seen by them as enhancing their control of events and challenges. This is not accomplished by coming in, kicking the desk, and saying to staff: "Wow, I've got this great volunteer; wouldn't you like to meet her?" or "How about my getting you a volunteer tutor or two?"

It is not even accomplished by asking staff to submit volunteer job descriptions. As I said, many staff need a better, more specific understanding of their own jobs before they can intelligently decide how volunteers can best help them. So, we err in telling staff to look at volunteers when they should be looking first at themselves.

Source: Excerpted from *Building Staff/Volunteer Relations* by Ivan H. Scheier, and reprinted with permission. Found in the Energize, Inc. online bookstore at <http://www.energizeinc.com>.

## Sunlight Foundation Offers Unique Grants

This foundation supports programs that use the transformative power of the Internet and new information technology to enable citizens to learn more about what Congress and their elected representatives are doing. The Foundation's mini-grant program awards funding to local groups that have creative ideas for changing the relationship between elected Federal officials and the people they represent. Applications of interest come from existing small nonprofits, Web sites from offshoots of national groups, individuals and informal citizens' groups. Applicants are asked to submit a one-page summary of the project with budget and contact information. Grants range from \$1000 to \$5000. Contact: Nisha Thompson at 202-742-1520 or visit [www.sunlightfoundation.com](http://www.sunlightfoundation.com).

## Publicize Your Training Events Here

Remember to use VANNO's website calendar and monthly newsletter as a way to publicize training events you are offering. Many nonprofit staff and volunteers are willing to travel 1-2 hours in search of high quality professional development, so you may very well attract attendees from beyond your local community. Send your announcements to [info@vanno.org](mailto:info@vanno.org), or call 804-794-8689.

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**[www.VANNO.org](http://www.VANNO.org)**