

SUMMER
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Desperately seeking sponsors

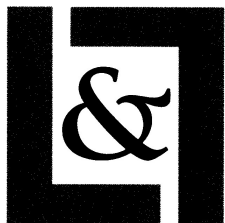
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Desperately seeking sponsors

How to boost support for your annual event

Professional organizations' annual conferences are a key member benefit and one of the best ways to attract new members. Likewise, nonprofits' annual galas are prime opportunities to raise funds and gain publicity for the charity's mission. These events, however, often represent large line items in a nonprofit's expense column.

Sponsors — individuals and companies that help foot the bill through cash or in-kind participation — can take some of the financial pressure off organizations. Everyone, of course, is tightening their belts these days, so you may need to work extra hard and use more creative methods to find the sponsors that will make your next big event possible.



LAY THE GROUNDWORK

Effective sponsor solicitation starts with good attendee data. To be viewed as a viable sponsorship opportunity by potential partners, your event needs to attract the demographics it targets. So prepare detailed information about the people who've attended your event historically, where they live, the amount of buying power they have, their professions or business affiliations, and the lifestyle niches they might represent, such as young entrepreneur, art collector or stay-at-home mom.

When you're ready to pitch your packages, focus your efforts on potential sponsors that are likely to benefit from the relationship.

Potential sponsors will also want to know if your event regularly receives media coverage and if you're planning promotional activities that could include sponsors. Create a complete and accurate picture of the reach you're offering sponsors, but be careful not to guess or exaggerate. You don't want to promise something you can't deliver.

CREATE THE OFFERS

Next, develop a menu of sponsorship opportunities priced according to the number of outreach opportunities they include. A lower-level sponsorship, for example, might include a program listing, while higher-level sponsorships could include prominently placed banners with the sponsor's logo at the event. The content of sponsorship packages varies widely and will depend on your organization's mission and the scope of the event. They can be applied to in-kind as well as cash sponsorships.

When you're ready to pitch your packages, focus your efforts on potential sponsors that are likely to benefit from the relationship — not simply those that have deep pockets. Your classic

And now a word from our sponsor

In exchange for investing in your event, sponsors want exposure. Boost their visibility by offering the following in connection with your conference or gala:

Event materials. Include the names and logos of sponsoring companies on as many event materials as practical — including signs, banners, brochures, table tents, tickets, newsletters, program books and auction guides. Generally, the higher the level of sponsorship, the more visible the sponsor's name should be.

Attendance. Offer free attendance for at least one representative from each sponsoring company. Sponsors get to network with other attendees and will see the value of the event first-hand, leading, perhaps, to repeat sponsorships.

Speaking opportunity. Consider inviting a sponsor to present or be a panelist at your conference. If that's not feasible, ask the sponsor to introduce a speaker or segment that he or she helped make possible.

Verbal recognition. During opening and closing comments, thank sponsors for their support and remind attendees that their involvement made the event possible.



car exhibition, for example, might be a good match for mechanics specializing in imports or auto insurance agents, but probably wouldn't entice a women's clothing retailer.

Be sure to communicate some basic information to possible sponsors, including:

- ◆ The specific prospects they're likely to reach,
- ◆ How the sponsorship can potentially help their business, and
- ◆ How the event or audience ties into their business goals.

It's also critical to inform potential sponsors that they won't receive any "substantial benefit" — for example, advertising of its goods or services in materials unrelated to the sponsored event — in exchange for their payment. All sponsor acknowledgments must be made in connection with the specific event if you're to treat such payments as exempt from the unrelated business income tax.

DELIVER THE GOODS

The current state of the economy may mean that even past sponsors will be unable to partner with you this time around. Improve your success rate by preparing a broader range of lower-level packages or offering "early bird" specials such

as sponsorship acknowledgments in event notices on your Web site or Facebook page or in Twitter posts.

To help ensure your sponsors return next year, be sure you fulfill everything promised in your sponsorship packages. Forgetting to include a sponsor's logo on signs or failing to mention its participation during a conference's closing session not only alienates the sponsor but could be considered, in some circumstances, fraudulent.

Inform potential sponsors that they won't receive any "substantial benefit" in exchange for their payment.

STRATEGIC SPONSORSHIPS

Now may seem like a hard time to ask anyone to sponsor anything. But if you target companies and individuals strategically and demonstrate the potential value of the sponsorship, your campaign is likely to be much more effective. ✱

Helping your staff cope with economic uncertainty

In these difficult times, many nonprofits rightfully worry about dwindling support, strained budgets and the increased difficulty of delivering on their organization's promises. Dealing with those issues alone probably takes up most of every workday. However difficult it may be, however, you need to squeeze in another item: keeping your staff informed.

Staffers are likely to be as concerned as their organizations' leaders about the future of their nonprofit, its constituents and their own future employment. Now more than ever, frequent and honest communication is essential.

ACKNOWLEDGE AND ENCOURAGE

Economic bad news is everywhere these days, so even if your organization is weathering the storm reasonably well, your staffers may still be concerned. Be open with them about where you stand now and how you expect your nonprofit to fare financially in the coming year. You may want to provide some personal opinions to build rapport and ease anxiety, but your core focus should be on the facts and how you're responding to and anticipating events.



Just knowing that leadership has a plan is enough to help some people go back to focusing on their work. Employees must, however, feel confident that your plan is well considered and likely to be effective. They also need to know that you're being candid with them. Solicit staffers' questions and answer them truthfully, even if the only thing you know at the time is "I don't know."

Difficult times can have the upside of providing a rallying point for the whole organization. If you need to make budget cuts, ask for suggestions and make individuals personally responsible for specific cost-cutting tasks. This helps employees feel that they have greater control over the situation and it may make them more receptive to making any necessary sacrifices in the name of financial stability.

BE CAREFUL ABOUT THE "L" WORD

Whether the fear is actually voiced, layoffs will be on staffers' minds. Before they even ask, broach the subject to show employees that you understand their concerns — just be careful not to make promises you might not be able to keep. Although it's fine to talk about the steps you'll take to try to avoid layoffs, most leaders would be remiss to categorically deny that layoffs are a current or future option.

It's not enough to hold one meeting about the state of your nonprofit's finances and then go back to business as usual. Keep staffers informed with frequent updates, using the methods that work most efficiently in your organization. Face-to-face generally is best for big news, but you might also use e-mail, intranet posts and phone messages, or communicate via department managers.

COMMUNICATION IS EVERYTHING

These days, in addition to everything else, nonprofit leaders must assume responsibility for staff morale. The surest way to ease employees' minds is through solid communication. Otherwise, top performers might look for greener pastures (job markets are tight, but not nonexistent) — or worse, become paralyzed with worry and stop doing their jobs well. *

Policies are at the heart of good governance

The new Form 990 opens the door to a whole host of governance questions, including those posed in Part VI: Government, Management and Disclosure. This section asks specifically whether a nonprofit has in place written policies that address a number of issues, including conflict of interest, whistleblower protection, document retention and destruction, and executive compensation. Depending on the size and type of organization you're running, you may have to answer as many as 20 policy and procedure questions.

The government doesn't yet require nonprofits to implement these policies. However, you should consider putting policies in place before it does.

WHY NOW?

When you think about the range of audiences that could be viewing your Form 990, it pays to give serious consideration to the consequences of a "no" answer to any question. Competition is keen for every donation, member, grant or sponsor these days, and few nonprofits can afford to give interested parties reason to think twice before lending their support.

View the government's increased interest in nonprofit governance, then, as a gateway to better, smarter, more ethical operations. This is the perfect time to look closely at the policies you have in place, find and fill any gaps, and make written documents part of your organization's actual standard operating procedure.

TARGET AREAS

Topics subject to policy and procedure questions on the new Form 990 include:

- ◆ Gift acceptance,
- ◆ Conservation easements,
- ◆ Grant funds paid in the United States and foreign countries, and
- ◆ Tax-exempt bond policies.

This may seem like a lot to consider, but most nonprofits will want to focus their energies on four types of policies with broad applicability:

1. Conflict of interest. A conflict-of-interest policy helps make clear that the nonprofit doesn't operate to provide individual gain. The IRS also is interested in specifics regarding implementation. A question on Form 990 asks, for example, if officers, trustees, board members and key employees disclose potential conflicts of interest annually.

The simplest way to accomplish this is to make disclosure statements a part of existing annual events such as performance appraisals, designated board meetings or Form 990 preparation. You can use those milestones to remind employees and board members of the policy and redistribute copies of the written document.



2. Whistleblower. This policy should ensure that any person who provides information about practices that are illegal, unethical or in violation of the organization's policies is protected from retaliation. It should also require the organization

- ◆ Board independence, voting rights and elections,
- ◆ Board review of Form 990 prior to filing,
- ◆ Audit committees,
- ◆ Affiliate chapters,
- ◆ Joint ventures,

to protect the identity of the person who makes a good-faith report.

3. Document retention and destruction. This policy helps ensure that adequate records are retained and sensitive information is handled securely. It specifies which documents (including electronic files) a non-profit should keep and for how long. It also outlines document disposal procedures.

4. Chief executive compensation. All elements of the chief executive's compensation — the package's individual components, structure of any bonus opportunities and compensation review procedures — should be included in the policy.

DON'T REINVENT THE WHEEL

Fortunately, you probably don't have to draft such policies from scratch. Plenty of examples are publicly available for you to adapt to meet your organization's needs at Web sites such as BoardSource.org and councilofnonprofits.org. Your financial advisors can also help you draft policies that account for special circumstances.

Keep in mind, however, that your policies must be more than pieces of paper. Unless your organization follows them, the policies might as well not exist at all. *

Interns: To pay or not to pay

Internships can benefit interns and nonprofits alike. Interns gain valuable work experience and an understanding of how nonprofit organizations operate. Nonprofits gain an extra set of hands and the fresh perspective of someone outside the organization — and at little or no cost. Or do they?

Before you post an "intern wanted" notice, carefully consider whether you can pay your intern — and how much. Decisions you make regarding job responsibilities and pay can affect the type of interns you attract, the results you get and, perhaps most important, whether you're in compliance with labor laws. Four questions can help you get started.

1. WHAT'S YOUR MOTIVATION?

Consider what you'd want an intern to do and how that person would accomplish the work. Does the job require a lot of upfront training? Do you anticipate it will take a long time to complete? Will the intern be required to work fixed hours — such as working onsite every weekday from eight to noon?

Internships that focus on strategic projects for your organization are an excellent way to build a pipeline of future employees and even future leaders. Understand, though, that the more you ask of an

intern, the more they're likely to ask of you — both in experience and financial compensation. If you want a serious contribution, treat interns as serious business partners. Consider it a down payment on your organization's future.

2. WHAT'S IN IT FOR THE INTERN?

Unpaid internships aren't particularly attractive from an intern's perspective and, in some situations, cost the intern money. When you offer college credit in lieu of pay, an intern will likely have to pay his or her college for the credit. Other out-of-pocket costs such as housing and transportation can also be a financial burden to someone not drawing a salary or stipend.

At the very least, consider paying interns enough to cover their costs. Few college students have the means and motivation to donate their time, talent *and* money — no matter how valuable the work experience.

3. WHOM ARE YOU TARGETING?

Typically, the only nonprofits that receive a flood of applications for unpaid internships are high profile, such as political, arts and entertainment-related organizations. If your intern isn't going to be working next



to Bono to solve the problem of world hunger, you're likely to have a small applicant pool to choose from.

What's more, unpaid internships don't always attract the best and brightest candidates. Students with the most impressive qualifications usually have options — for stipend-offering internships as well as regular, paying jobs.

4. WHAT DOES THE LAW SAY?

From a regulatory standpoint, you need to consider whether the Fair Labor Standards Act (FLSA) will apply to your internship position. Although FLSA generally is restricted to commercial businesses, it doesn't contain a blanket exemption for nonprofits. Applicability will likely come down to the work you're having an intern do.

If there's a commercial aspect to the intern's tasks, or if the internship involves interstate transactions, FLSA requirements — which include paying at least minimum wage and meeting certain other requirements — may apply. If you're not sure if your internship qualifies, consult with legal and financial professionals who specialize in wage and labor issues.

EVERYONE CAN WIN

Although your budget is likely stretched, it's possible to come up with a solution that satisfies your nonprofit, your interns and Uncle Sam. Just plan internship responsibilities and remuneration, and run it past your advisors, *before* you put the word out that you're hiring. *

NEW RULES FOR BULK MAILINGS

Even in the age of e-mail, text messaging and Twitter, old-fashioned snail mail still has a place in the outreach efforts of nonprofits. This year, as a result of the 2006 Postal Accountability and Enhancement Act, the United States Postal Service (USPS) is implementing several new requirements and procedures. Paying attention to these changes can help you or your mailing house achieve the most favorable pricing and delivery efficiency when addressing, sorting and bundling bulk mail.

Flats Sequencing System (FSS) address requirements went into effect in March. FSS increases the efficiency by which USPS can mechanically sort "flats" — mail that's larger than standard letters like periodicals and large envelopes, but not bulky like boxes.

The delivery address should be in the top half of the piece of mail, as close as possible to the edge of the paper. For presorted mail, addresses should be in a font no smaller than 8-point type. Mail that's barcoded with a delivery point routing code should use all capital letters in a font no smaller than 6-point type.

Soon, USPS will begin requiring the currently optional Intelligent Mail® Barcode (IMB) — a 65-bar USPS barcode used to sort and track letters and flats — on all envelopes if their senders want to secure maximum postage discounts. The barcode helps USPS and provides benefits to mailers as well. Cost savings are the most obvious. (The USPS has yet to announce the actual rate structure and discounts available.) But you'll also be able to track individual pieces of mail and get a clearer picture of when your mailings reach their recipients. The USPS has dedicated a site to barcode information at <https://ribbs.usps.gov/onecodesolution/>.

If you're mailing a simple letter, you can still use a stamp. But if you're designing an outreach program that includes bulk mail, work with your direct mail consultant or financial advisor so that your design and preparation of the piece enable you to receive maximum discounts.

