

**FROM CULTURE TO
COMPLIANCE:
MAXIMIZING BOARD
EFFECTIVENESS**

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To leave the world a bit better...to know that one life has breathed easier because you have lived. This is to have succeeded.

- Ralph Waldo Emerson

For it is in giving that we receive.

- St. Francis

Source: quotationsbook.com, data pulled August 31, 2015.



Are you hoping for the best?



Or aiming for success?



Board Essentials

Federal Requirements

- Tax-exempt status
 - 501(c) 3
- 3 Step process
 - File application
 - Receive preliminary approval
 - Receive permanent status
- File Annual 990

Board Essentials

Georgia Requirements

- Minimum 3 board members
- File corporate minutes
- File annual registration
- Be incorporated as a nonprofit

Board Essentials

- Do they properly understand Fiduciary Duty?
- Is there a culture of Engagement & Advocacy?
- Do they contribute to fundraising?
- Do you have the right people?

Board Essentials

- **Duties of Care**

Requires Directors to be adequately informed to function effectively and that he or she discharge his or her duties in good faith using the care that a prudent person would use in similar circumstances.

- **Duties of Loyalty**

Requires Directors to act in the best interest of the nonprofit, and not for his or her personal advantage or benefit. The duty of loyalty usually relates to conflicts of interest.

- **Duties of Obedience**

Requires Directors to ensure the organization adheres to applicable laws, regulations, as well as its own bylaws and stated purpose/mission.

Board Essentials

Duty of Care

- Bylaws – have them and use them
 - Concentrate on policy over procedure

Duty of Loyalty

- Conflict of Interest Form attest to:
 - Receiving and understanding
 - Has read and agrees to comply

Duty of Obedience

- Have a mission statement and keep it relevant
- Have a strategic plan

Board Best Practices

- Keep size manageable
 - Average is 12
- Stagger overlapping terms 2-3 years
- Establish Officers
 - Chair, Vice-Chair, Treasurer, Secretary
- Consider committees carefully
 - Executive, Finance, Development
- Use task groups as alternative
 - Social media
 - Events

Board Best Practices

- Recruitment
 - Needs Matrix
 - Build your culture
- Board Orientation
 - Consistent information on organization and expectations
 - Job description-Engagement Form
- Board Training
 - Added to existing meetings
 - Consider Board retreat
 - Social opportunities

Board Best Practices

- Include Consent Agendas
 - Written materials sent prior to meeting
- Bylaws Review
 - Opportunity to understand programs and mission
- Strategic Planning
 - Building the road map and assessing progress
- Mission Statement
 - Short and relevant - review

Board Best Practices

- Executive Director Annual Review
 - Standardize the process
 - Compensation should rely on comparative data
- Board Self-Assessment
 - Measurable improvement plan
- Meeting Attendance
 - Duty of Care
 - Do you have name only members?

Board Compliance

- Audit
 - Compliance with requirements
- Filing annual 990
 - Full board should review
 - Check your publicly available 990
- Conflict Of Interest
 - Annual Conflict of Interest forms
- Document Destruction & Retention
 - Written policy
- Whistleblower Process
 - Written policy

Effective Board Culture

Avoids:

- Group Think
 - If everyone in the room is thinking the same thing, no one is thinking.
- Complacency
 - Business as usual
- Poor Decision Making
 - Resources first, mission second

Board Fundraising

- Board Goal
 - Collective target
- Individual Commitment
 - Annual
- Give or Get
 - Raise it or donate it

Board Fundraising

- ***Everyone* Participates**
 - Must choose one of the following Roles:
 1. Fundraiser
 - Making the ask or participating with staff
 2. Connector
 - Make the introductions
 3. Ambassador/Volunteer
 - Advocate the cause and support events

The Numbers

- American individuals, estates, foundations, and corporations contributed a records \$410.2 Billion to US Charities in 2017.
- Since the recession ended in 2009, charitable giving has increased 30.6%
- Dollars are up but donors are down:
 - In 2015, according to IRS data, 51.6% of charitable donations came from households with annual incomes of \$100,000 and above
 - Overall fewer households are giving charitable gifts, but the gift size is up.
- Millennials lag behind other age groups in donating
 - They tend to approach giving “holistically” from taking jobs they are passionate about to supporting businesses and buying goods claiming to have social justice missions.
- 15.5% increase in donations to private foundations & donor advised funds

Source: Giving USA, "Charitable Giving Statistics," data pulled June, 2018.



Good News

- It is estimated that between \$6.6 trillion and \$27.4 trillion in *charitable bequests* will be made between 1998 and 2052.
- It is estimated that *charitable contributions* will total between \$21.2 trillion to \$55.4 trillion between 1998 and 2052.
- By the year 2055, some \$41 trillion will change hands as Americans pass their accumulated wealth to the next generation.

Source: Giving USA, "Charitable Giving Statistics," data pulled June, 2017.

A large, stylized, gold-colored letter 'Q' graphic that is partially cut off on the left side, serving as a decorative element for the title.

Adding Planned Giving When You Have No Additional Resources

Add to Board Development

- The Board is in a position to usher in a planned giving culture and nurture deferred donors and the creation of the “Wish List.”

Several Low Or No Cost Options For Laying Planned Giving Groundwork

- Adding Planned Giving Bequest Language To All Current Materials
- Develop Legal Designation Language To Include Your Organization In Bequest Planning
- Develop Transformational Gift 'Wish List'
 - This should include designated Naming Opportunities always 'ready-to-go'.





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Create A Planned Giving Policy To Include:

RULES

1. YOU CAN....
2. YOU CAN'T...
3. YOU CAN....
4. YOU CAN'T

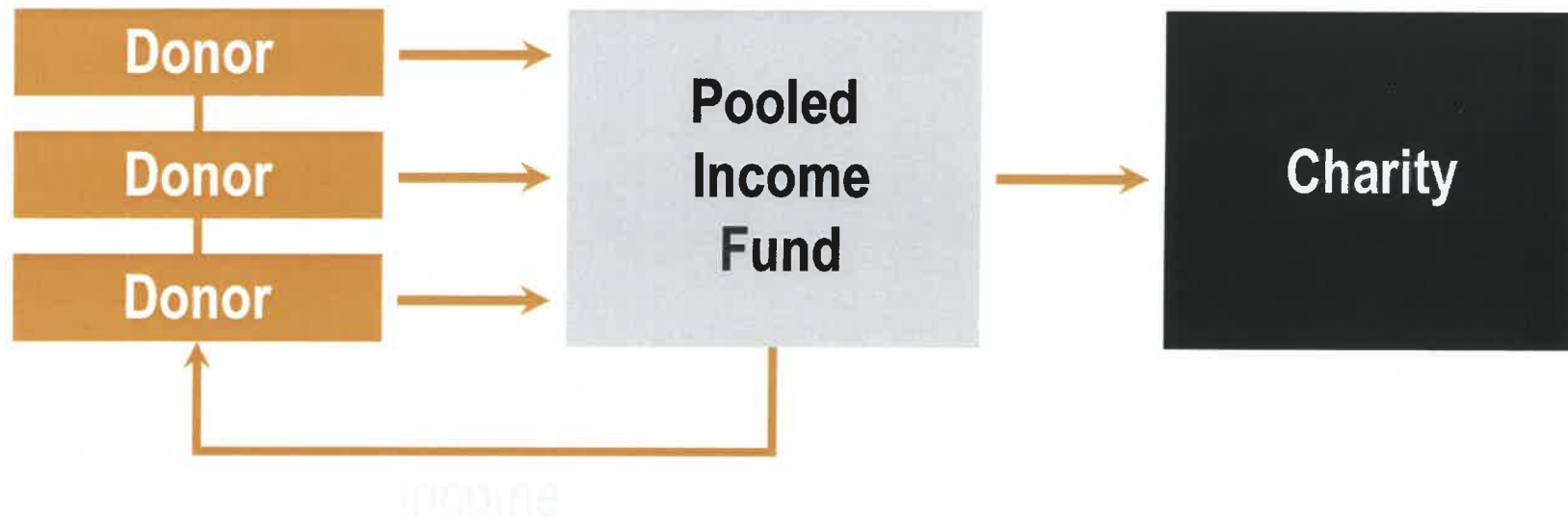
- Acceptance Policy
- Guidelines For Counting Gift Value
- Guidelines For Recognition In Legacy Society
- Spending Policy
- Trustee/Executor Designations

Instruments of Planned Giving

- Pooled Income Fund
- Donor Advised Fund
- Charitable Gift Annuity
- Charitable Remainder Trust

Instruments of Charitable Giving

POOLED INCOME FUND



The content on this slide is our summarization of 26 U.S. Code, Section 642 (c)(5), data pulled September 3, 2015; Renaissance, charitabletrust.com, Pooled Income Fund (PIF), data pulled September 3, 2015.

Instruments of Charitable Giving

DONOR ADVISED FUNDS

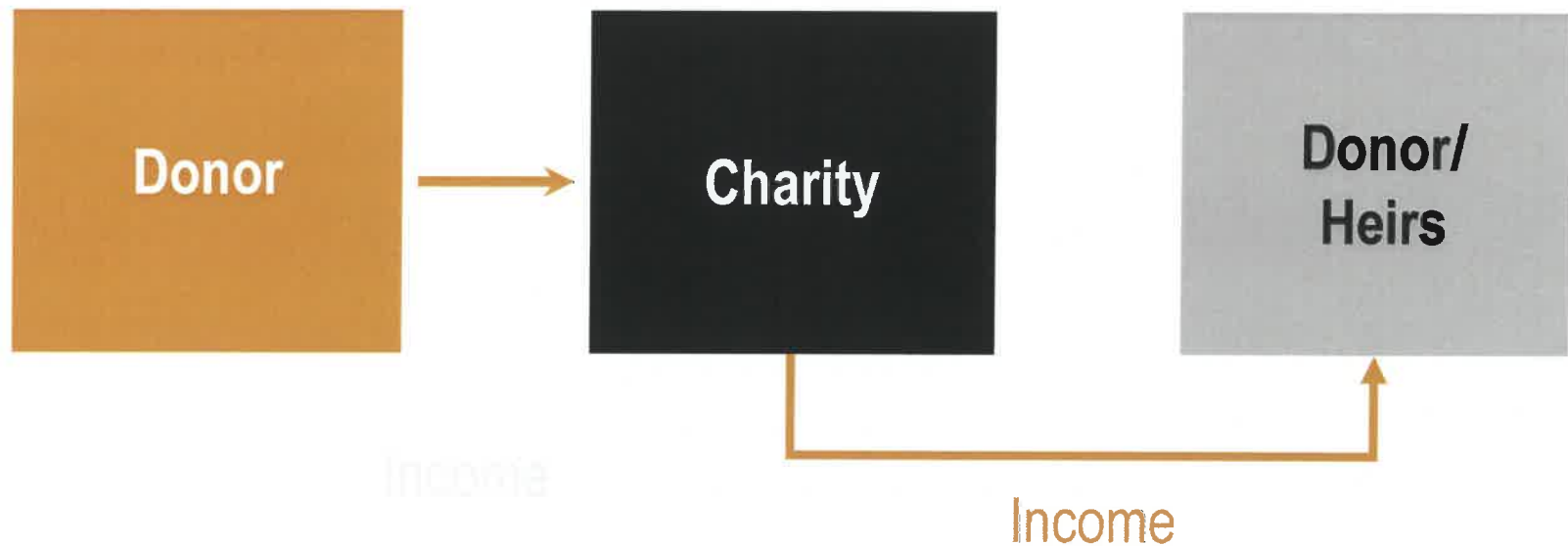


Income

Content on this slide is our summarization of 26 U.S. Code Section 4966 (d)(2), data pulled September 3, 2015; CharitableTrust.com; Renaissance, charitabletrust.com
"Donor Advised Fund," data pulled September 3, 2015.

Instruments of Charitable Giving

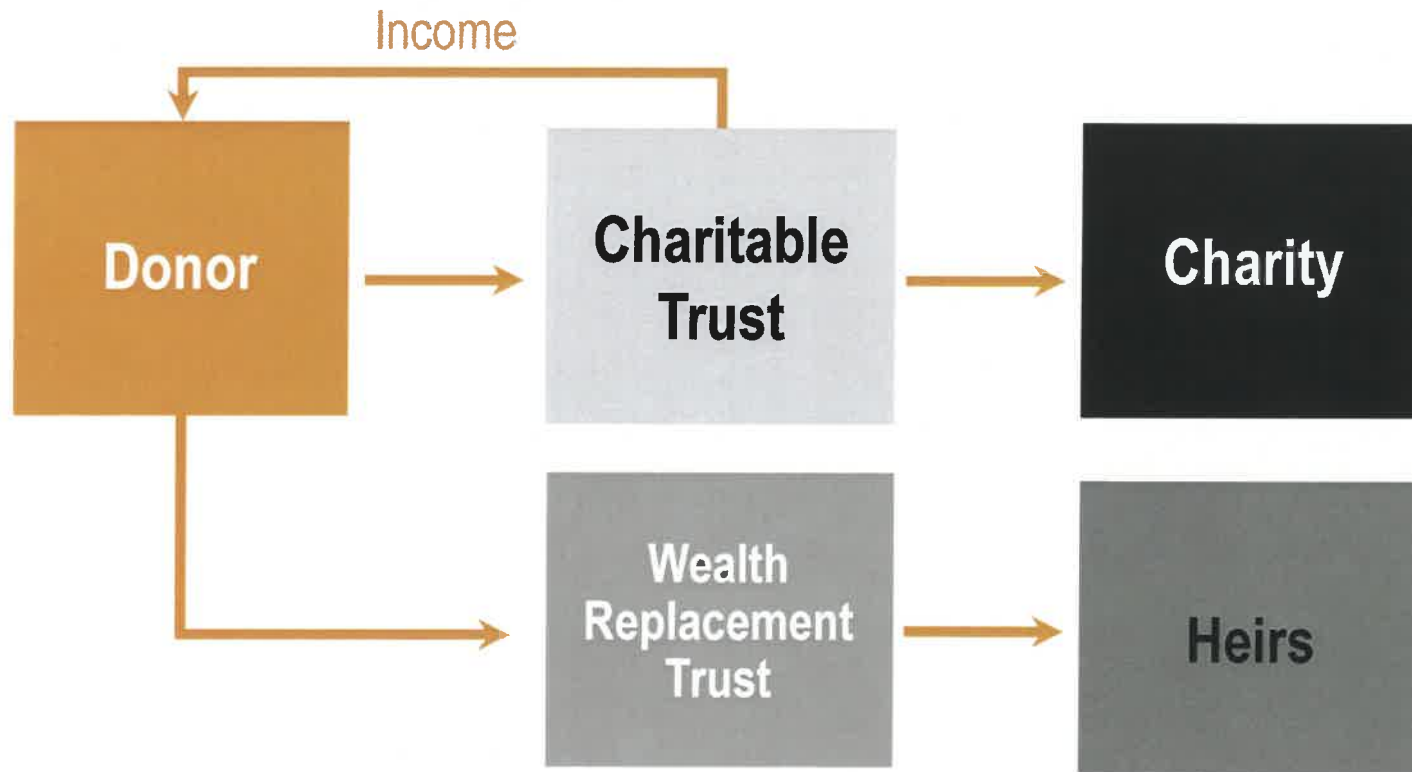
CHARITABLE GIFT ANNUITY



Source: Renaissance, charitabletrust.com, "Case Strategy: Increasing Future Cash Flow," 2014; Renaissance, "Charitable Gift Annuity," data pulled September 3, 2015.

Instruments of Charitable Giving

CHARITABLE REMAINDER TRUST



Content on this slide is our summarization of 26 U.S. Code, Section 664(a-d), data pulled September 3, 2015; Renaissance, charitabletrust.com, "Charitable Remainder Trust," data pulled September 3, 2015.

The Importance of Proper Stewardship

Make sure you are providing:

- Consistent Communication
- Personal Contact
- Meaningful Organizational Engagement
- Opportunities To Share Their Story

Donors who make bequests increase their giving in the subsequent 5 years by 75%.

National Association of Charitable Gift Planners 2018

Consider the Creation of a Legacy Society

- Enlist Key Donor(s) To Foster The Relational Nature Of Planned Giving





Don't overlook the low hanging fruit

Gifts of....

- Life Insurance
- Appreciated Stock
- Real Property
- IRA

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You Are Just Getting Started....



Thank you for attending!

What are your
questions?



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