Leadership Development Academy

When: June thru August 2023
Where: Online Via Zoom
Why: IGNITE THE LEADER IN YOU
What: 
- 14 June 2023 – Nonprofit Fundamentals
- 28 June 2023 – Building Bridges through Effective Communications
- 12 July 2023 – Nonprofit Marketing
- 26 July 2023 – Fundraising for Nonprofit Organizations
- 9 August 2023 – Leading Nonprofit Volunteers
- 19 August 2023 – LDA Summit with Discussions, Keynote Speaker, Networking, Awards and Prizes
LEADERSHIP DEVELOPMENT ACADEMY

Igniting the Leader in You!

NONPROFIT FUNDAMENTALS
Today's Discussion

Key Topics

- What is a Nonprofit?
  - Different types of Nonprofits
- Creating a Nonprofit Organization in NY
- Managing a Nonprofit Organization
- Review of Nonprofit Quiz
MEET YOUR PRESENTERS

**Meg Barnette** – President and CEO, Nonprofit New York

**Jeffrey Mason** – Past President, Dinthill Technical High School Alumni Association NY

**Natasha Davids** – Director, UJAA and IPP, Immaculate Conception High School Alumnae Association NY

**Cherika Wilson** – Co-Founder and President, Campion College Alumni Association NY
Meg Barnette – President and CEO, Nonprofit New York

Meg Barnette joined the Nonprofit New York team in May 2020 as President & CEO. Meg’s entire career has involved work with nonprofit organizations. Before joining Nonprofit New York, Meg spent over nine years at Planned Parenthood in New York City, serving in roles ranging from Vice President of Strategic Initiatives to Chief Strategy Officer and General Counsel. Meg has also served as the Chief Operating Officer at the Brennan Center for Justice, a founding staff member of the Community Development Venture Capital Alliance, and a Skadden Fellow at the Lawyers Alliance for New York. Meg is a graduate of NYU School of Law, where she was a Root Tilden Scholar, and the University of Chicago. She currently serves as Board member of Women for Afghan Women.
Jeffrey Mason is a certified public accountant and a tax manager at New York State Department of Taxation and Finance. He is a former president of the New York Chapter of Dinthill Technical High School Alumni Association.
Natasha Davids – Director, UJAA and IPP, Immaculate Conception High School Alumnae Association NY

Natasha is a Director on the UJAA Board. She has previously served as Recording Secretary and chaired several UJAA committees over the past eleven plus years. She is the Immediate Past President of her Alumnae Association - Immaculate Conception High School Alumnae Association, NY. She serves on the board of the Seraphic Society, and volunteers and supports many other nonprofit organizations in the United States and Jamaica. Natasha has worked at Carnegie Corporation of New York, one of America’s oldest grantmaking foundations, for almost thirty years where she has supported three distinguished presidents.
Cherika Wilson – Co-Founder and President, Campion College Alumni Association NY

Cherika is a proud alumna of Campion College. Her career has been primarily in the public sector, including seven years at iMentor, a nonprofit which leverages mentoring relationships to empower students along their postsecondary journey and beyond. She holds a Bachelor of Arts in Psychology and Sociology from the University of Pennsylvania, a Master of Public Administration in Nonprofit Administration from Baruch College, and a Master of Business Administration in Managerial Analytics from Mercy College. Cherika is the first president of the Campion College Alumni Association, Northeast USA.
Nonprofit Fundamentals

What is a Nonprofit organization?

What are the different types of nonprofits?

Meg Barnette
President and CEO, Nonprofit New York
Union of Jamaican Alumni Associations Leadership Development Academy

Nonprofit Fundamentals

June 14, 2023
What are nonprofits allowed to do?

- **501(c)(3) organizations**
  - Organized and operated *exclusively* for charitable purposes
  - Contributions are deductible
  - Electoral work prohibited

- **501(c)(4)**
  - Organized *primarily* for charitable purposes (60%/40%)
  - Unlimited lobbying
  - Contributions not deductible
  - Some electoral work is permitted
Possible Nonprofit Structures

- Unincorporated Association
- Unincorporated entity with a Fiscal Sponsor
- Incorporated (State Law)
- Tax Exemption (Federal Law)
  - §501(c)(3)
  - §501(c)(4)
- Election related entities (§527)
What are nonprofits allowed to do?

Influencing the outcome of an **election**

**vs.**

Influencing **legislation, budgets, executive branch decisions, ballot initiatives**
Advo-cado!

You should lobby!

Not everything is lobbying!

You can lobby!

You should lobby!
What are nonprofits allowed to do?

Limitations on Lobbying

- Direct Lobbying
- Grassroots Lobbying
- 501(h) election
What are nonprofits allowed to do?

The electoral line is not always clear:

- Perceived endorsement or opposition
  - Why scorecards and candidate questionnaires are tough for many 501(c)(3) orgs
- Not just what you are saying, but \textit{when} you are saying it and \textit{how much you’re spending} to say it
- What is deemed political? Who decides?
Who enforces the rules?

Ancillary entities affiliated with nonprofits are potentially subject to regulation and reporting requirements from multiple entities, including:

- Internal Revenue Service
- Charities Bureau of the State Attorney General
- State Lobbying Commission
- Local Lobbying regulator
- State Board of Elections
- Campaign Finance Board
Ancillary Entities

- **501(c)(3)**
- **501(c)(4)**
- **Independent Expenditure Group**
- **FIREWALL**

- Group that raises $ to give directly to candidates
Ancillary Entities

Issues to consider:

- Protect the 501(c)(3)
- Firewalls
- Governance - could an ancillary “go rogue”?
- Resource Sharing Agreements
  - What do they cover?
  - What “direction” to they go?
- Avoid Confusion
  - What hat are you wearing?
  - What entity do you represent?
- Outside Counsel - be choosy!
Nonprofit Fundamentals

Meg Barnette
mbarnette@nonprofitnewyork.org
Nonprofit Fundamentals

Creating a nonprofit organization in New York State

• Incorporating in the State of NY
• File for 501(c)3 status with the IRS
• File for NY State Sales Tax Exemption
• Register with NY State Charities Bureau
• On-going Responsibilities

Jeffrey Mason
Past President, Dinthill Technical High School Alumni Association NY
Creating a nonprofit organization in New York State

Incorporating in the State of NY

Form a Non-Profit Corporation:

1. Choose the initial directors and officers for your nonprofit

2. Choose a name for your New York nonprofit corporation
   
   Note: Obtain permission to use your school’s name
   Verify Name uniqueness: New York Business Name Database

3. Develop your mission statement
   This will become your statement of purpose that meets IRS requirements

4. Prepare bylaws for your New York nonprofit corporation
Creating a nonprofit organization in New York State

Incorporating in the State of NY

Form a Non-Profit Corporation (contd):

5. Prepare and file your nonprofit articles of organization

The Department of State has a fill-in-able Certificate of Incorporation 1511-f.pdf (ny.gov) form on its website which you can use to create your nonprofit corporation. 1511-inst.pdf (ny.gov)

Note: The articles form on the Department of State's website has the minimal information necessary to create a nonprofit in New York. It does not include language required by the IRS to obtain 501(c)(3) tax-exempt status. To receive tax-exempt status from the IRS, you'll need certain additional specific language in your certificate of incorporation, including:

- statements that your non-profit will not engage in prohibited political or legislative activity, and a dissolution of assets provision dedicating your assets to another 501(c)(3) organization upon dissolution.

Note: Approval may need to be obtained from the NYS Department of Education. consent form (nysed.gov)
Form a Non-Profit Corporation (contd):

6. Hold a meeting of your board of directors

Your first board meeting is usually referred to as the organizational meeting of the board. The board should take such actions as:

• Approving the bylaws
• Appointing officers
• Setting an accounting period and tax year, and
• Approving initial transactions of the corporation, such as the opening of a corporate bank account.
• After the meeting is completed, be sure to create minutes of the meeting.
• Consider setting up a budget.
Creating a nonprofit organization in New York State

Incorporating in the State of NY

Form a Non-Profit Corporation (contd):

7. Set up a corporate records binder

   You should set up a corporate records binder for your nonprofit to hold important documents such as articles of incorporation, bylaws, and minutes of meetings.
Creating a nonprofit organization in New York State

Incorporating in the State of NY

File for 501(c)3 status with the IRS

1. Apply for a federal Employer Identification Number (EIN)
   This requires form SS-4 (Form SS-4 (Form SS-$ Instructions)

2. Complete and submit Form 1023 or 1023EZ which is an application.
   See Publication 557 for detailed instructions.
   Will require:
   – Certification of Incorporation
   – Bylaws
   – Financial Data (depending on how long you have existed)
   – Fee
Creating a nonprofit organization in New York State

Incorporating in the State of NY

File for NY State Tax Exemption

Sales tax exemption certificates enable a purchaser to make tax-free purchases that would normally be subject to sales tax. The purchaser fills out the certificate and gives it to the seller. The seller keeps the certificate and may then sell property or services to the purchaser without charging sales tax.

For more information: NY State Exemption Certificates for Sales Taxes
Creating a nonprofit organization in New York State

Incorporating in the State of NY

File for NY State Tax Exemption

• Submit Form ST-119.2 - Application for Exempt Organization Certificate.
  – Attach your IRS determination letter if you have one,
  – a statement of activities,
  – a statement of expenses, and
  – a statement of assets and liabilities.

• Submit Form CT-247 – Application for Exemption from Corporate Franchise Taxes by a NonProfit Organization
  – Attach your IRS determination letter
Creating a nonprofit organization in New York State

Incorporating in the State of NY

Register with NY State Charities Bureau

“Most organizations that hold property of any kind for charitable purposes or engage in charitable activities in New York State and/or solicit charitable contributions (including grants from foundations and government grants) in New York are required to register with the Attorney General's Charities Bureau. Under New York Law, charity is defined very broadly to include purposes such as education, relief of poverty, cultural programs, promotion of health and research to cure disease, and many other purposes that are beneficial to the community."
Creating a nonprofit organization in New York State

Incorporating in the State of NY

Register with NY State Charities Bureau

Registration requires:
• Form CHAR410 (Registration Statement)
• Copy of Certificate of Incorporation
• Copy of Bylaws
• Copy of application for Federal Tax Exemption (Form 1023) or IRS Determination letter
• Fee

Reference: https://www.charitiesnys.com/home.html
Creating a nonprofit organization in New York State

Incorporating in the State of NY

For Additional Information:

The IRS has developed a series of workshops dealing with what an exempt organization needs to do to maintain its tax exempt status.


Overview of Form 1023 e-Filing | Stay Exempt (irs.gov)

File Error-Free Form 1023-EZ Webinar (irsvideos.gov)

Also: See post-event handout for starting a nonprofit in other states – East Coast
Nonprofit Fundamentals

Managing a Nonprofit Organization

Natasha Davids
Director, UJAA and IPP, Immaculate Conception High School
Alumnae Association NY

Cherika Wilson
Co-Founder and President, Campion College Alumni Association NY
Nonprofit Fundamentals

Ensuring Compliance:

▪ Basic Operational and Administrative Mechanisms
▪ Risk Management
▪ Record Keeping
▪ Oversight
▪ Strategic Plan for your Organization
▪ Labor Law and Other Compliance
▪ Maintaining Tax Exempt Status
No single New York State law of charities oversight exists. Rather there is a complex mix of different areas so organizations must be aware of the rules from various entities.
Managing A Nonprofit Organization

Non-Profit Board Responsibilities:

- Three Primary Legal Duties:

1. Duty of Care  
2. Duty of Loyalty  
3. Duty of Obedience
Managing A Nonprofit Organization

Duty of Care:

▪ Active participation in the governance and oversight of the activities of your organization.

▪ Ensuring prudent use of the organization’s assets including its members and good will.
Duty of Loyalty:

- Ensuring the activities nonprofit’s transactions are advancing its mission.
- Disclose conflicts of interest.
- Make decisions that are in the best interest of the organization, not the individual board member or any other entity.
Duty of Obedience:

- Ensure that the nonprofit obeys all applicable laws and regulations.
- Ensure that bylaws are followed.
- Ensure that the nonprofit adheres to its stated mission.
A board does not exist only to fulfill the legal duties and fiduciary responsibilities of the organization. Board members also provide guidance by contributing to the:

- Culture
- Strategic Focus
- Effectiveness
- Financial sustainability
Managing A Nonprofit Organization

For Additional Information:

Center on Nonprofits and Philanthropy, Urban Institute, State Regulation and Enforcement in the Charitable Sector:

National Council of Nonprofits:
https://www.councilofnonprofits.org/running-nonprofit/governance-leadership/board-roles-and-responsibilities
Who do you choose?

Raise your hand if the persons you chose varied with each scenario?

Your company is having a picnic. They have invited you to bring friends/family/acquaintances to participate in a sports day that will involve a three-legged race, an obstacle race, a sprint race, a dry bun eating contest, and a math race. You can bring five people. Who do you bring?

You have decided to start a quick-service healthy food restaurant and you are preparing to make a pitch to some major investors. You can have three other people join you on this start-up journey who do you choose.

You are stuck on a deserted island with nothing but the items you currently have in your purse/handbag, briefcase and/or pockets. If you could choose four other persons to be on the island with you to give you the greatest change of escape, who would you choose?
Board Formation

Skillset/Expertise
Legal, Accounting, Marketing, Communications, Fundraising

Representation
Race, gender, class years, location, professional background

Number & Structure
Minimum of three
What are the key roles to consider?

Supplementing the Gaps
Reaching out to the wider membership;
Leaning on other organisations;
hire/contracting for some services

Source: https://idealsboard.com/best-practices-for-non-profit-boards-of-directors/
Recruiting your Board

- Bylaws
- Job Description
- Opportunities to Get Involved
  - Committees
  - Shadowing
  - Special Projects
- Graduating Students
- Social Media
Meeting Spaces

Board Meetings
Committee Meetings
General Body Meetings
Board Retreat
Board Retreat

1. Exercise

2. Team Building

3. Relaxation

4. Finance

Leadership Development Academy 2023

Nonprofit Fundamentals
Goals of a Board Retreat

- Orientation
- Training
- Teambuilding
- Assess progress/evaluate
- Planning and goalsetting
- Inspire and Motivate
Presentations are communication tools that can be used as demonstrations, lectures, speeches, reports.
Strategic Plan

1. Mission & Vision
   An articulation of what you plan to achieve and how you plan to get there. Guides your strategic planning

2. Objectives & Key Tasks
   What are the goals of the strategic plan and what activities will allow you to meet them?

3. Key Performance Indicators
   How will you measure progress and ultimately success?

4. Financial Projections
   What is the budget? What is your expected expenditure and how will you bring in money?
Nonprofit Fundamentals

Quiz for Nonprofit Organizations

• Accountability
• Transparency
• Ethics
MEET YOUR NONPROFIT FUNDAMENTALS TEAM

Lesleyann Samuel  
IPP, UJAA and Asst. Treasurer, ICHS AA NY

Natasha Davids  
Director, UJAA and IPP, ICHS AA NY

Cherika Wilson  
Co-Founder and President, Campion College AA NY

Jeffrey Mason  
Past President, Dinthill Technical HS AA NY
Thank you!

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