



*Igniting the Leader in You!*

**2023**

# Leadership Development Academy

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- 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



***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



*Igniting the Leader in You!*

# MEET YOUR PRESENTERS

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*Igniting the Leader in You!*

**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

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

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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

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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.



A portrait of Cherika Wilson, a Black woman with long, dark, curly hair, wearing a light pink top. She is smiling and looking slightly to the right of the camera. The portrait is set against a white background and is framed by a red border on the left and top, and a dark grey border on the bottom and right.

## **Cherika Wilson** – Co-Founder and President, Champion College Alumni Association NY

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Cherika is a proud alumna of Champion 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 Champion College Alumni Association, Northeast USA

# Nonprofit Fundamentals

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What is a Nonprofit organization?

What are the different types of nonprofits?

**Meg Barnette**

President and CEO, Nonprofit New York

**NONPROFIT  
NEW YORK**

A relentless,  
collective  
force for good.

# **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?

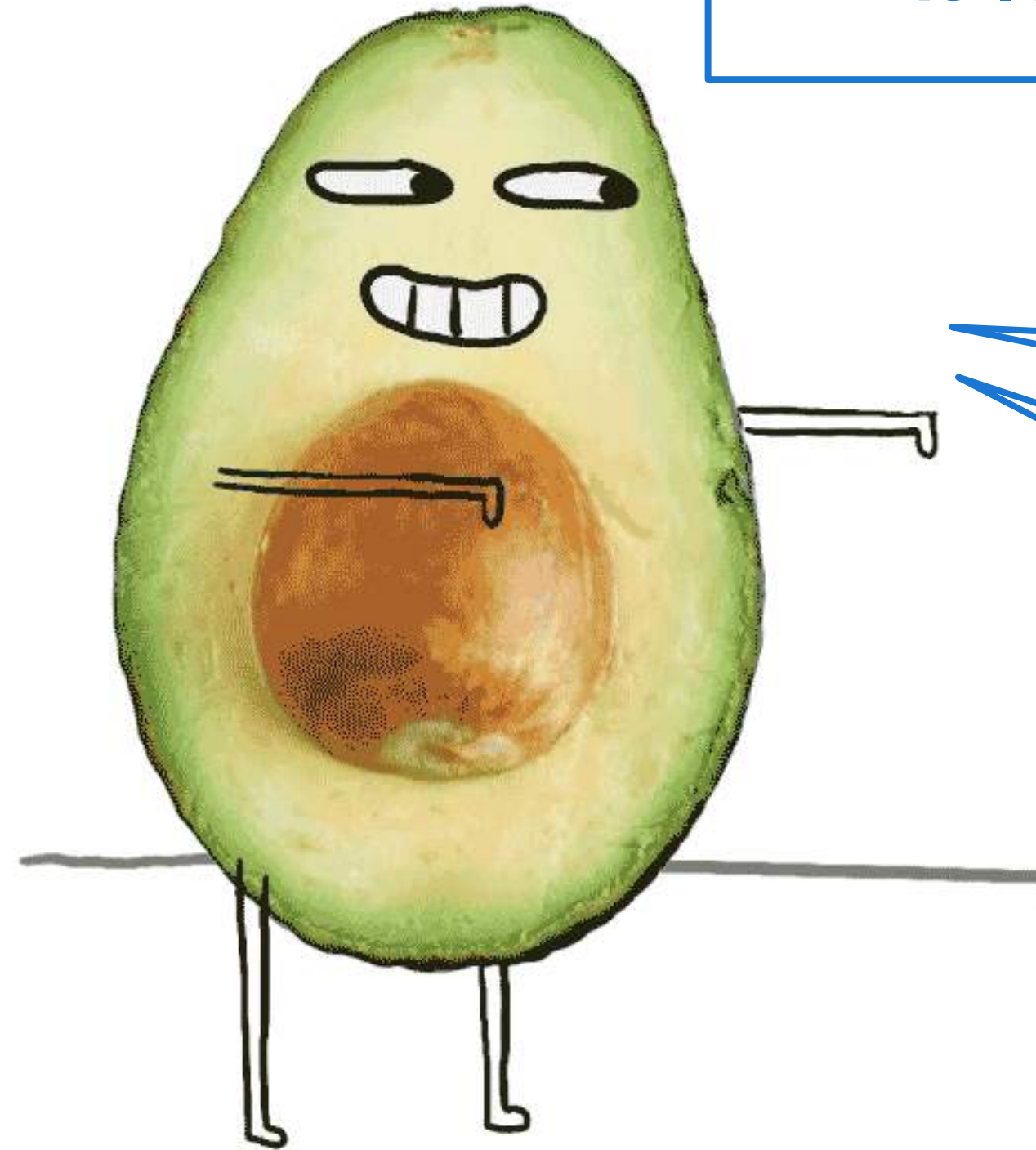
Influencing the outcome of an **election**

VS.



Influencing **legislation, budgets, executive branch decisions, ballot initiatives**

# Advo-cado!



*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



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## What are nonprofits allowed to do?

The electoral line is not always clear:

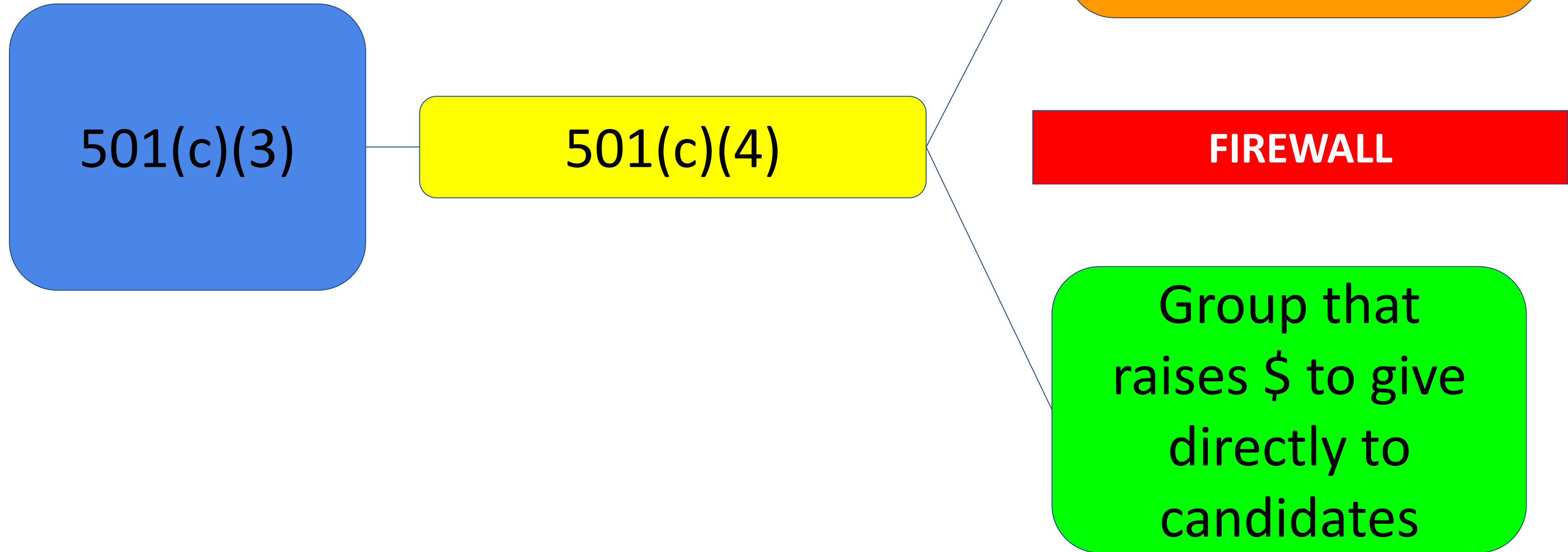
- Perceived endorsement or opposition
  - Why scorecards and candidate questionnaires are tough for many 501(c)(3) orgs
- Not just what you are saying, but **when** you are saying it and **how much you're spending** to say it
- What is deemed political? Who decides?

## 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**



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## 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

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**Meg Barnette**

**[mbarnette@nonprofitnewyork.org](mailto:mbarnette@nonprofitnewyork.org)**

# Nonprofit Fundamentals

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## 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

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## 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

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## 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 fillin-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 \(nysed.gov\)](#)



# Creating a nonprofit organization in New York State

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## Incorporating in the State of NY

### 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

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## 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

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## 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

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## 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

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## 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

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## 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

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## 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

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## 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.

<https://www.stayexempt.irs.gov/home/resource-library/virtual-small-mid-size-tax-exempt-organization-workshop>

[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

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## 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

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## 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**

# Managing A Nonprofit Organization

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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

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## Non-Profit Board Responsibilities:

- Three Primary Legal Duties:

1. Duty of Care

2. Duty of Loyalty

3. Duty of Obedience

# Managing A Nonprofit Organization

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## 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.

# Managing A Nonprofit Organization

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## 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.

# Managing A Nonprofit Organization

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## 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.**

# Managing A Nonprofit Organization

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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

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## For Additional Information:

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

<https://www.urban.org/sites/default/files/publication/84161/2000925-State-Regulation-and-Enforcement-in-the-Charitable-Sector.pdf>

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

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

# Meeting Spaces

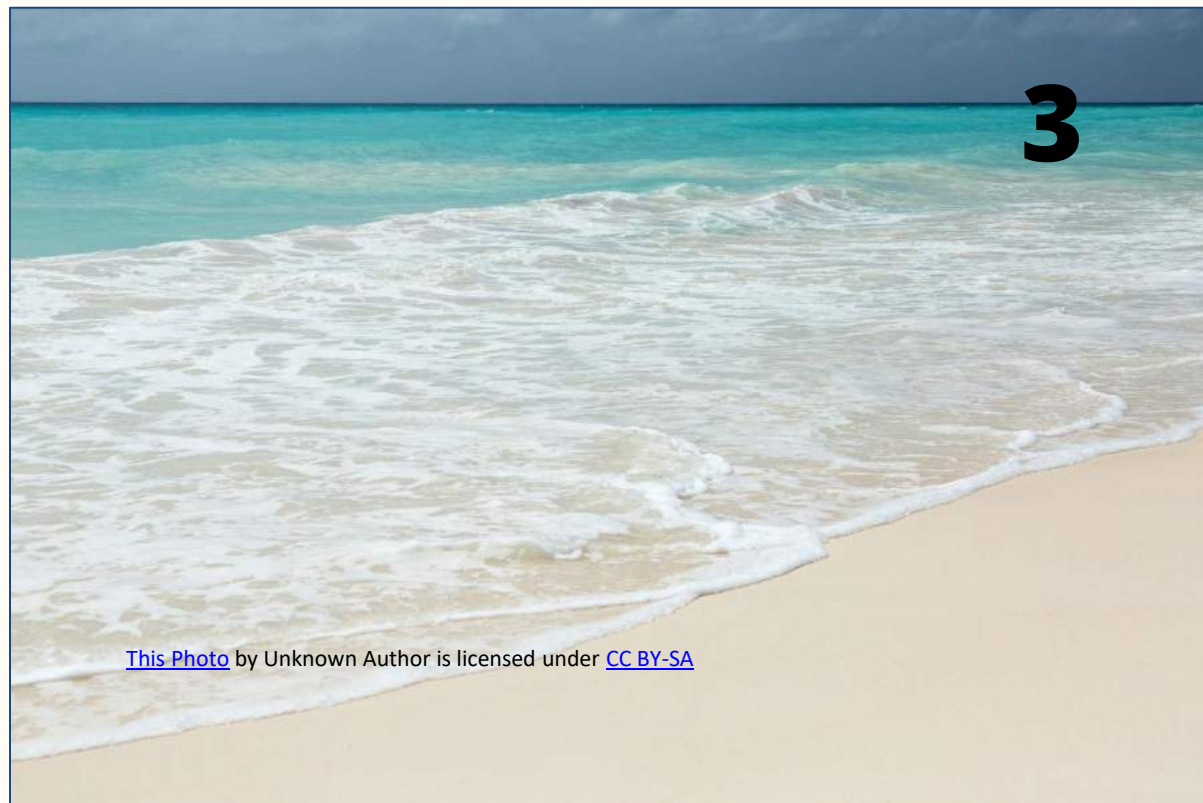
**Board Meetings**

**Committee Meetings**

**General Body Meetings**

**Board Retreat**

# Board Retreat

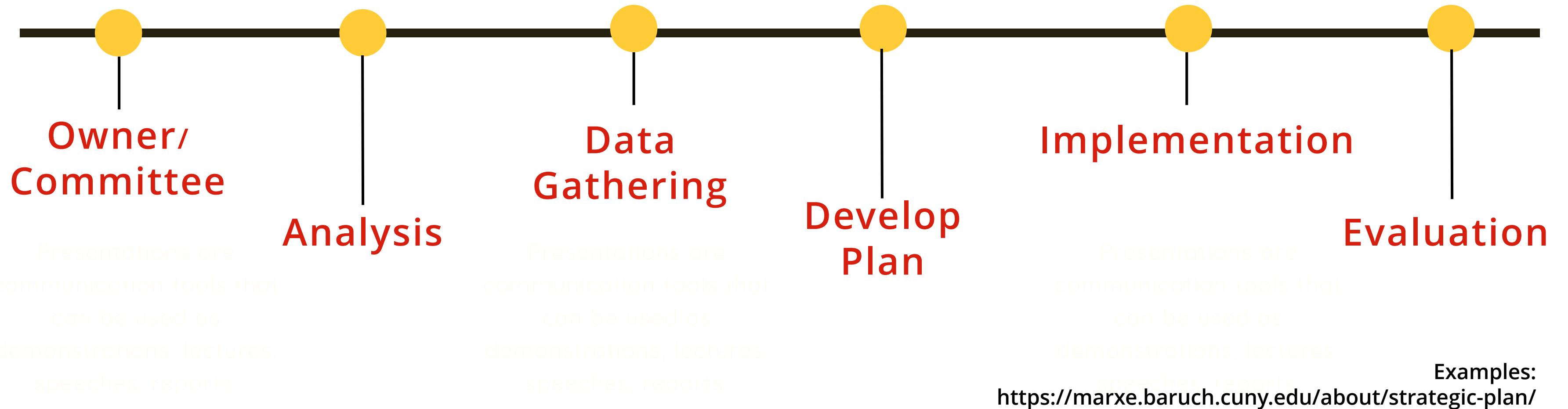


# Goals of a Board Retreat

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- Orientation
- Training
- Teambuilding
- Assess progress/evaluate
- Planning and goalsetting
- Inspire and Motivate

# Strategic Planning





# 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?



***Igniting the Leader in You!***

Q & A

# Nonprofit Fundamentals

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## Quiz for Nonprofit Organizations

- Accountability
- Transparency
- Ethics

# MEET YOUR NONPROFIT FUNDAMENTALS TEAM



*Igniting the Leader in You!*



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



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Thank  
you!

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