



Ready For Action

What Is Involved in
Serving on a Nonprofit Board?



Presented by Jeremy Sampson,
Washington Nonprofits



<http://www.washingtonnonprofits.org/>

Three Sectors of the Economy

Government

- Federal
- State
- County
- City

CITIZENS

For-Profit

- Sole proprietorships
- LLCs
- Partnerships
- Cooperatives
- Corporations
- S-Corporations

OWNER/SHARE-HOLDERS

Nonprofit

- 501 c 3's: (arts, education, health & human services, environmental, churches, foundations, etc...)
- Social welfare orgs
- Membership orgs

STAKEHOLDERS

The Ownership Question

- A nonprofit corporation is formed to carry out a public purpose, whether that be religious, educational, charitable, scientific or some other.
- Nonprofits are not “owned” by the person or persons that started it. They are public organizations that belongs to the public at-large.
- The parties responsible to operate the organization for the stakeholders are the members of the board of directors.

Nonprofit Impact Nationally

- **1,429,801 tax-exempt organizations**, including:
 - 966,599 public charities
 - 96,584 private foundations
 - 366,618 other types of nonprofit organizations, including chambers of commerce, fraternal organizations and civic leagues.
 - (Source: NCCS [Business Master File](#) 6/2014)

- In 2010, nonprofits accounted for **9.2% of all wages and salaries** paid in the United States. (Source: *The Nonprofit Almanac, 2012*)

- Nonprofit Share of **GDP was 5.5%** in 2012. (Source: *The Nonprofit Almanac, 2012*)

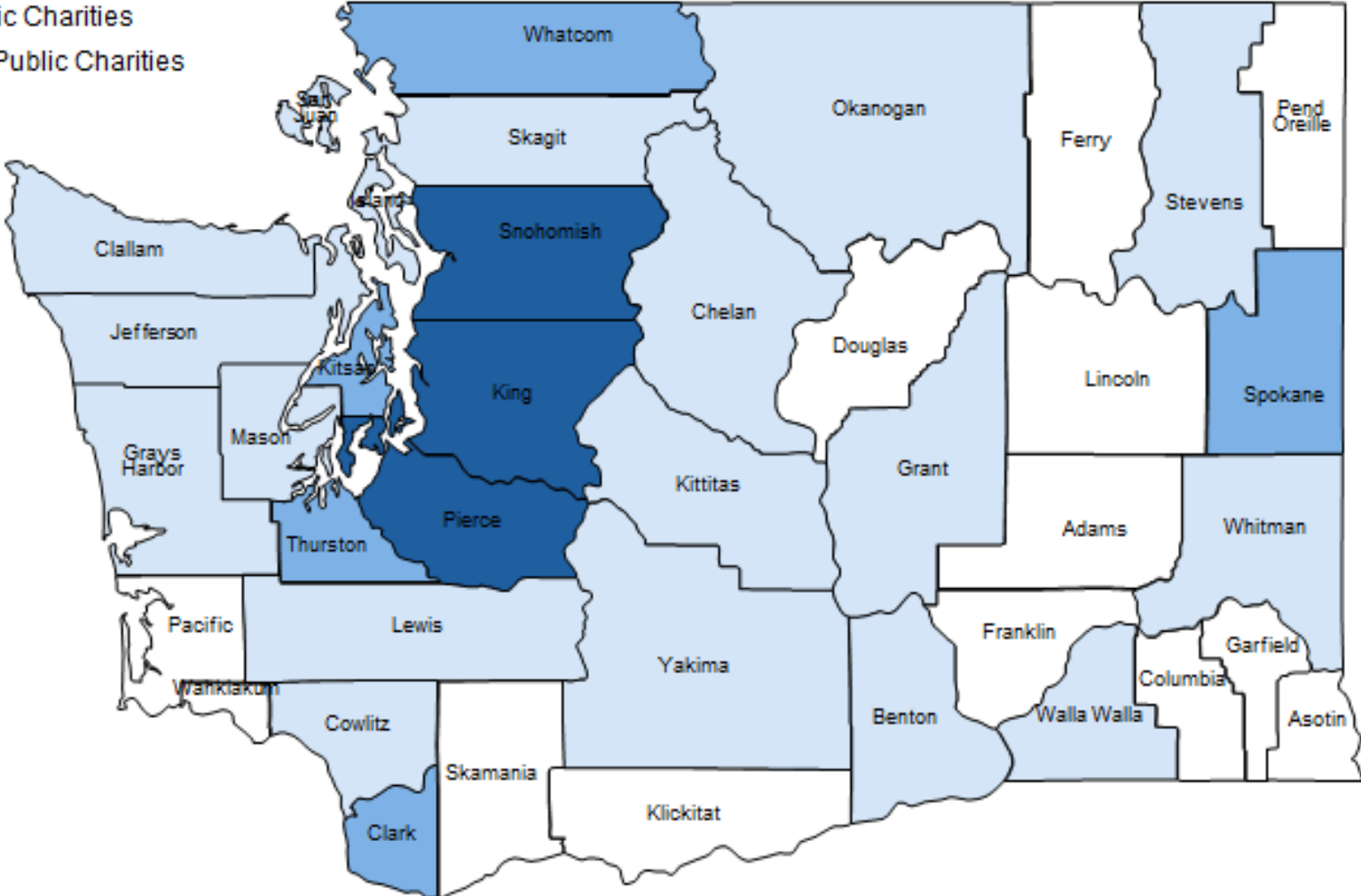
- In 2012, public charities reported over **\$1.65 trillion in total revenues** and **\$1.57 trillion in total expenses**.

Nonprofit Impact Locally

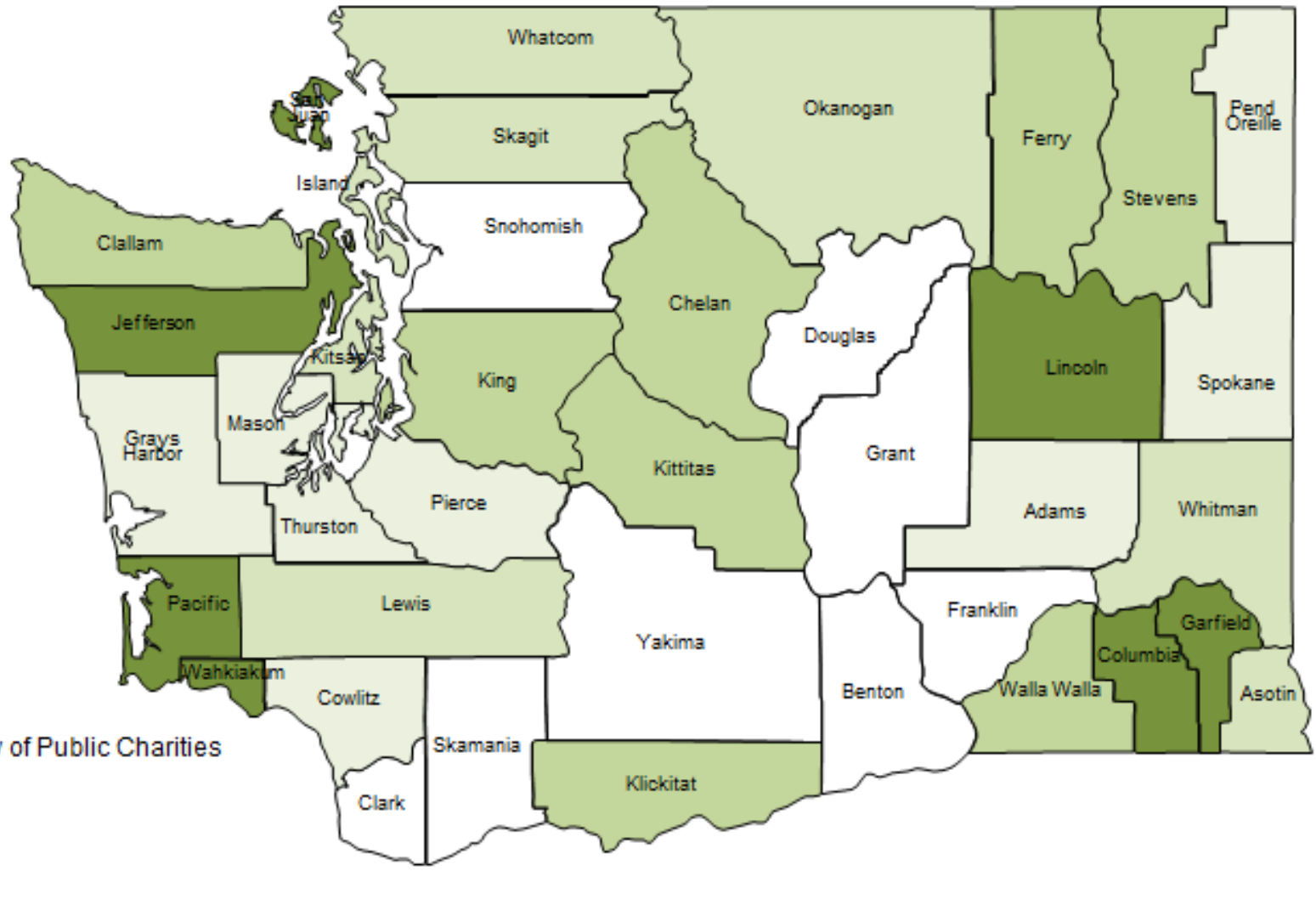
- ❑ **In June of 2014, the Internal Revenue Service (IRS) listed a total of 32,611 Washington state organizations as exempt from federal corporate income taxes.**
- ❑ **Washington ranked 15th among the states with a total just below Massachusetts and above Missouri.**
- ❑ **11 and 102 registered tax-exempt organizations, in Columbia and Walla Walla Counties, respectively, ranging from**
 - ❑ Blue Mountain Action Council
 - ❑ Dayton Historical Depot Society
 - ❑ Friends of the Weller Public Library in Waitsburg
 - ❑ SOS Health Services in College Place
 - ❑ Touchet Valley Arts Council
 - ❑ YWCA of Walla Walla

Numbers of Active Public Charities (2014)

- More than 1,000 Public Charities
- 500 – 1000 Public Charities
- 100 – 500 Public Charities
- Less than 100 Public Charities



Nonprofit Density: Relative Number of Nonprofits per Capita



Bylaws

- Filed at inception and submitted to IRS to obtain 501(c)3 status
- Specifies:
 - ▣ Size of the board and how it will function
 - ▣ Roles and duties of directors and officers
 - ▣ Rules and procedures for holding meetings, electing directors, and appointing officers
 - ▣ Board committees
 - ▣ Conflict of interest policies and procedures

Role of a Board

GOVERN
Ends

MANAGE
Means

Board represents:

Community → organization

Organization → community

Board

Chair

Exec
Dir

Staff

Community

Customers
Clients
Beneficiaries

Board and Staff

BOARD

Governance & Fundraising

- ▣ Adherence to articles, bylaws; creation of policies
- ▣ Financial Oversight
- ▣ Advocacy
- ▣ Stakeholder representation
- ▣ Oversight of Ex. Dir.

- ▣ Strategic Planning

STAFF

Operations/Fundraising

- ▣ Management
- ▣ Budgeting / Accounting
- ▣ Personnel
- ▣ Programs
- ▣ Evaluation

- ▣ Strategic Planning





Board Responsibilities

	Fiduciary	Strategic	Generative
Type of work	Oversight: Technical	Foresight: Analytical	Insight: Big picture thinking
Key Questions	What's wrong?	What's the plan?	What's the key question?
Central Purpose	Stewardship of assets	Strategist Partnership with management	Sense maker Source of leadership for the organization
Problems to be...	Spotted	Solved	Framed

Financial Responsibilities

B

BALANCE
SHEET



Snapshot

I

INCOME
STATEMENT



Period of Time

N

NINE-NINETY
(IRS FORM 990)



Public
Document

G

GIVING



Communication

O

OVERSIGHT



Internal
Controls



The 3 Ds

Duty of Care

Board members will take reasonable care (that of an ordinarily prudent person) when making a decision as a steward of the organization.

Duty of Loyalty

Board members will give undivided attention to the organization when making decisions affecting the organization. The board member will work in the best interests of the organization and not for personal gain.

Duty of Obedience

Board members will be faithful to the organization's mission and governing documents, stewarding funds in a way that honors the public's trust in that organization.



Things to Think About

Considerations for joining a board:

- **Mission/Vision, Strategy**
- **Budget/Performance**
- **Compliance**
- **Board/org Culture**
- **Your strengths/interests vs. board needs**



Board Matrix

	TERM		ROLE THIS YEAR		AREAS OF EXPERTISE										GEN		AGE				Ethnicity					GEO AREA						
	First	Second	Officers & Leadership	Other Committee	Fundraising	Finance	Marketing / PR	Board Development	Construction	Community Relations	Exhibitions/Gallery	Technology	Visual Arts	Male	Female	20+	30+	40+	50+	African American	Asian	Caucasian	Hispanic	Native American	Other	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5		
Board Member #1																																
Board Member #2																																
Board Member #3																																
Board Member #4																																
Board Member #5																																
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Board Member #13																																



Wednesday, April 12
4:00-8:00 pm, WWCC



Thank You!



Sherwood Trust

Founded by Donald & Virginia Sherwood

Jeremy Sampson
jeremysampson@gmail.com