



ROAD MAP

TO SUCCESS

*The Destination...
a high performing nonprofit business*



COMMUNITY FOUNDATION
Ocala/Marion County

OcalaFoundation.org



WELCOME

We are pleased to introduce you to the Roadmap to Success, a compilation of recommendations for nonprofit excellence. The NonProfit Business Council (NPBC), a program of the Community Foundation for Ocala/Marion County (Florida), and the NPBC's Steering Committee created this valuable resource to assist nonprofits in our community and beyond to ensure each nonprofit operates like the business it is. In compiling references from around the country including state and federal statutes, nonprofit experts all over the United States, local nonprofit counselors and many other sources to create the most comprehensive guide applicable to nonprofits in our community. Since 2010, the NPBC has served more than 100 nonprofits each year through professional development, networking, advising and more. This new Roadmap adds another nonprofit tool to serve as a resource, mapping to the destination of a high performing nonprofit business.



Follow the mile markers through each chapter to guide you to your destination.



Those indicated by green bullets throughout are **REQUIRED** courses to take.



Those indicated by blue bullets throughout are **RECOMMENDED** courses to take.

- 3** **DESTINATION 1**
EFFECTIVE GOVERNANCE
- 6** **DESTINATION 2**
HUMAN RESOURCES
- 8** **DESTINATION 3**
FINANCIAL MANAGEMENT
- 11** **DESTINATION 4**
FUNDRAISING STANDARDS
- 14** **DESTINATION 5**
COMMUNICATIONS
- 16** **DESTINATION 6**
TECHNOLOGY
- 17** **DESTINATION 7**
STRATEGIC COLLABORATIONS
- 19** **DESTINATION 8**
DIVERSITY
- 20** **DESTINATION 9**
IMPACT & EVALUATION
- 22** **APPENDIX**





DESTINATION 1

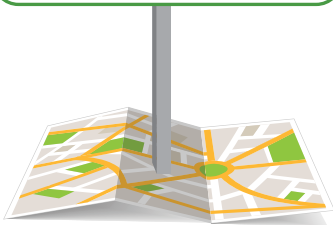
EFFECTIVE GOVERNANCE

CHARTING THE COURSE

A nonprofit board of directors should deliver elevated leadership, support, direction, and oversight, and ensure suitable financial and human resources. When effective management of those resources exists, 501 (c)(3) nonprofits excel in accomplishing their missions and impacting their communities.

ROLES OF THE BOARD OF DIRECTORS

MILE MARKER 1



SETTING STRATEGY

- Board of Directors must consist of three or more individuals with the number specified in the organization's articles of incorporation. (FL Statute: 617.0803)
- One board member is required to prepare meeting minutes of the directors' and members' meetings. (FL Statute: 617.0840)
- The board establishes and promotes the mission and vision of the organization.
- Creates and reviews bylaws.
- Manages and signs conflict of interest disclosures among board members where transactions of financial benefit are disclosed and are only authorized, approved or ratified by most of the board of directors who have no relationship or interest in the transaction. (FL Statute: 617:0832)
- Reviews policies and procedures for the organization.
- Encourages strategic thinking and unified communication to maintain healthy board culture.
- Builds a board with varied experiences, backgrounds, skills and cultures.
- Provides new board member orientation led by board leadership within three months of new board member accepting position.
- To ensure strong leadership and accountability, the organization should engage in succession planning for planned and unplanned times of transition. The plan should include board leadership, CEO and high-level staffing positions.

2/2020



- The board creates, monitors and updates the organization's strategic plan with one-year, three-year and/or five-year goals.
- Conducts annual self-assessments of board effectiveness and culture.
- Provides for regular rotation of board and officers in bylaws.
- Provides consistent education and communication to all members of the board at least monthly.
- During recruitment of prospective board members, time, fundraising and personal giving expectations should be given in writing.



FUNDRAISING AND DEVELOPMENT RESPONSIBILITIES

- The board demonstrates commitment to the organization by:
 - Volunteering time to the needs of the mission
 - Connecting supporters to the organization to ensure adequate resources for sustainability.
 - Serving as brand ambassadors and mission advocates for the organization.
 - Making a meaningful annual financial contribution(s) based on means.
- Board reviews gift acceptance, fundraising, and investments policies.



HIRING AND EVALUATING THE CEO

- The board recruits and hires an individual committed to the mission of the organization who has the skills and experience necessary to manage the assets and human resources of the nonprofit.
- Supervises and empowers the Chief Executive Officer (CEO)/Executive Director, tying job requirements and achievements directly to the organization's mission.
- Establishes set roles and authorities of the board and CEO/Executive Director, understanding that the CEO/Executive Director reports to the whole board and not to any committee or individual board member.
- A salary review committee recommends compensation, benefits and increases in reflection of industry and community standards. The board adequately documents in the organization's committee minutes the basis for the salary determination.



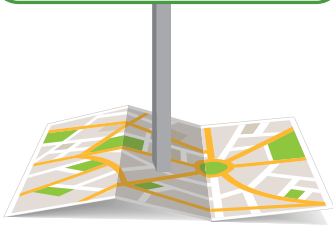
DESTINATION 2

HUMAN RESOURCES

CHARTING THE COURSE

Organizational success is achieved through effective human resources management. Nonprofits establish policies and procedures to attract, retain, and govern the process of managing employees' and volunteers' records, payroll, benefits and more.

MILE MARKER 1



EMPLOYMENT STRUCTURE

- The nonprofit complies with all state and federal legal mandates. Federal and/or state regulations include but are not limited to:
 - National Labor Relations Act
 - Civil Rights Act of 1964
 - Americans with Disabilities Act of 1990
 - Age Discrimination in Employment Act of 1967
 - Employee Retirement Income Security Act of 1974
 - Family Medical Leave Act
 - Workers' compensation
 - Unemployment compensation
 - Accurate designation of employees and contractors
 - Wage and Hour Labor Laws
- Employment taxes
 - Regular IRS deposit requirements
 - Quarterly payroll returns (941, 940, state required payroll taxes)
 - Annual tax forms (W-2, W-3)
- The nonprofit reviews all employee and volunteer interview questions for legality.
- The nonprofit produces an Employee Handbook that may include:
 - Welcome language
 - Hiring and orientation policies
 - Wage and hourly policies
 - Performance, discipline, layoff, and termination policy
 - Benefits
 - Safety and loss prevention
 - Customer relations
 - Florida employment policies
 - Additional organizational policies
- The nonprofit establishes and abides by broad and encompassing Equal Opportunity Policy.



- Maintains all staff and volunteer personnel records including:
 - Resume and/or written application
 - Background check
 - Signed employee or volunteer offer
 - Form W-4
 - Form I-9
 - Updated contact information (which includes emergency contact information)
 - Any salary recommendations
 - Signed performance reviews
 - Disciplinary reports
- Establishes Human Resources record retention policy.
- Provides written job descriptions for all employees and volunteers including regular, episodic, court ordered and minors.
- Establishes clear organizational reporting structure (Organizational Chart).



HUMAN RESOURCES

- The nonprofit conducts background checks on prospective employees and volunteers including regular, episodic, court ordered and minors.
- Maintains hiring and recruiting procedures for employees and volunteers.
- Maintains a Capital Whistleblower Policy (Section 806 of the Sarbanes Oxley the Act of 2002).
- Provides continuous performance feedback and annual written evaluations and recommendations.
- Provides adequate professional development and training.
- Provides employee and volunteer onboarding and orientation.
- Conducts weekly staff meetings and communication updates.
- Establishes procedures to recognize employee and volunteer excellence.

PAID STAFF

- The nonprofit establishes market-based compensation.
- Maintains compliance with wage and hour laws (full-time, part-time, contract).
- Nonprofit develops a comprehensive benefits program
 - Insurance (health, dental, vision, life)
 - Retirement (401k, IRA, etc.)
- CEO/Executive Director ensures annual evaluations of staff occur.

NOTES



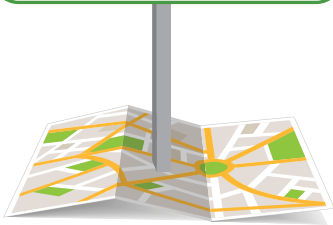
DESTINATION 3

FINANCIAL MANAGEMENT

CHARTING THE COURSE

Nonprofits have a responsibility to be good stewards of dollars received to fund their organizations. This requires not only adhering to state and federal laws but also safeguarding the organization's treasury and providing transparency to the community.

MILE MARKER 1



COMPLIANCE

- The nonprofit follows IRS/State/Local Regulations
 - Submits to IRS form 990, 990EZ or 990N on an annual basis.
 - Complies with federal payroll taxes
 - 941
 - 940
 - Tracks and records all 1099 contract work with IRS.
 - Complies with state revenue department requirements.
 - Submits RT-6 Reemployment Tax (unemployment).
 - Maintains and complies with reporting of workers' compensation.
 - Maintains and complies with the Department of Agriculture regarding the Solicitation of Contributions guidelines.
 - Submits sales and use tax as applicable. (myflorida.com/dor) (Form DR-15ez)
- Conducts an independent Audit/Review
 - Monitors compliance with federal and state(s) audit requirements.
 - Utilizes an independent certified public accountant (CPA) to conduct an audit, review or compilation. The audit or review is based upon the nonprofit's complexity and size.
 - Board establishes audit review committee that is independent of staff or conflicts of interest.
 - Creates policies and procedures for the audit review committee.

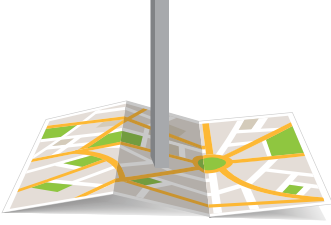


CAUTION:

The nonprofit should recognize unrelated business income and taxes associated with income.



MILE MARKER 2



ACCOUNTING PROCEDURES

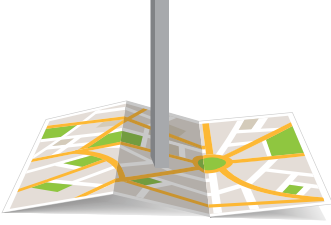
- General Accounting
 - Maintains accounting records for daily transactions.
 - Ensures financial system supports segregation of operations and programming, including appropriate Chart of Accounts mirroring the organization's structure.
 - Clearly defines internal controls procedures that include segregation of duties and other key processes for preventing financial risk.
- Areas to consider for internal controls include:
 - Receiving funds
 - Cash
 - Check
 - Credit card
 - Online transactions
 - Disbursing funds
 - Expense reimbursement
 - Online transfers
 - Establishing spending limit policy
 - Establishing contract and check signing authority
 - Establishing procedures regarding online accounting and/or banking passwords and online payments
 - Frequent password changes
 - Monitoring of who can initiate bank transfers and payments through software
 - Bank account management
 - Credit card use
 - Lending and borrowing procedures
 - Monthly close procedures
 - Substantiation of donation procedures
 - Establishing approved vendor list
 - Vendors should be approved for payment.
 - Monitor the vendor list regularly.
- The nonprofit maintains a financial records retention policy in compliance with federal and state records guidelines that includes a section on destruction of financial records.
- Maintains records on all fixed assets as well as depreciation.
- Creates an expense reimbursement policy that meets IRS standards.

INVESTMENT

- The nonprofit establishes an Investment Policy and establishes timeframe for review of policy relating to allocation of investment and returns.
- Establishes an Investment Committee whose role is to make strategic decisions, review past performance, manager selection, and portfolio management.
 - Composition of the investment committee should consist of those with a mix of investment expertise and an understanding of the nonprofit programming.



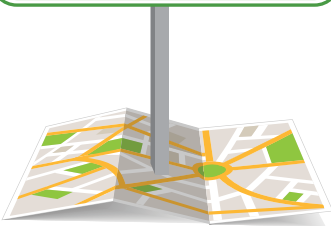
MILE MARKER 3



BUDGET

- The nonprofit maintains an annual budget (revenue and expenses) that is program centric as established by the board of directors.
- Builds a reserve fund to avoid recurring deficits and educates the board on the impact of debt to the organization.
- Reviews guidelines for reasonable executive compensation.
- Reviews restricted funds and their limitations annually and works to utilize funds to further the mission.

MILE MARKER 4



FINANCIAL TRANSPARENCY

Sharing accurate, current information helps build public trust.

- Posts Form 990 on organization's website, other online reporting mechanism (Charity Navigator, Guidestar, etc.) and/or makes Form 990 available upon request.
- Publishes review or audit of the organization's financial statements.
- Produces an Annual Report highlighting the previous year's activities, programs, services, opportunities, financials, leadership and impact
- Provides board of directors with education on understanding the organization's financial statements, restricted and/or undesignated funds, program and operational budget.

NOTES



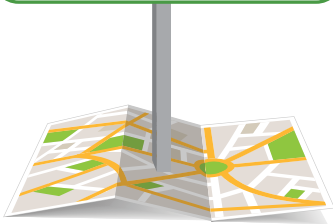
DESTINATION 4

FUNDRAISING STANDARDS

CHARTING THE COURSE

Nonprofits play a vital role in the communities they serve. They maintain ethical and legal standards of fund development, fulfill donor intent, use donations to further the organization's mission and enhance their communities. Clear fundraising policies maintain transparency and integrity of the nonprofit.

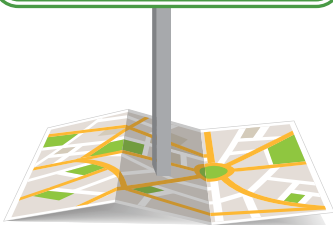
MILE MARKER 1



STATE OF FLORIDA SOLICITATION OF CONTRIBUTIONS REQUIREMENT

- The Solicitation of Contributions Act, <https://www.freshfromflorida.com/Business-Services/Solicitation-of-Contributions>, requires anyone who solicits donations from people in the state of Florida to register annually with the Florida Department of Agriculture and Consumer Services (FDACS). This applies to charitable organizations, sponsors, solicitors and professional fundraising consultants. FDACS collects registration fees and has authority to impose penalties for noncompliance.
 - To be in compliance, nonprofit files and maintains Solicitation of Contributions with the State of Florida Department of Agriculture. (FreshfromFlorida.com)
- Every charitable organization should display the following statement on every solicitation, confirmation, receipt or reminder of a contribution:
 - (Name of Charity) is a 501(c)(3) organization, Federal Tax ID number is XX-XXXXXXX and has complied with the registration requirements of the Solicitation of Contributions Act. Our registration number is XXXXXX and is currently valid until (date). A COPY OF THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION MAY BE OBTAINED FROM THE DIVISION OF CONSUMER SERVICES BY CALLING TOLL-FREE 1-800-HELP-FLA OR ONLINE AT FloridaConsumerHelp.com. REGISTRATION DOES NOT IMPLY ENDORSEMENT, APPROVAL, OR RECOMMENDATION BY THE STATE.

MILE MARKER 2



FUNDRAISING POLICIES AND PROCEDURES

- The nonprofit maintains clear, written fundraising policies that adhere to high ethical standards.



- Distributes substantiation letter to donors upon receiving gifts. Gift substantiation, required by the IRS and recommended within 30 days of gift, is a written acknowledgement to substantiate a charitable contribution of \$250 or more and must include:
 - Name of the organization
 - Amount of cash contribution
 - Description (but not value) of a non-cash contribution
 - Statement that no goods or services were provided by the organization (if that is the case)
 - Description and good faith estimate of the value of goods or services, if any, that the organization provided in return for the contribution
- For fundraising involving chance drawings, nonprofit complies with Florida Statute 849.0935.
 - Charitable nonprofit organizations are required to abide by the required disclosures and know the unlawful acts, practices and penalties as it relates to drawings of chance.
- Abides by the Donor Bill of Rights (see Appendix 2)
- Gift Acceptance Policy – defines the types of gifts your organization will accept and how gifts are to be administered. Policy could include:
 - Written agreements for major gifts, endowments and other contributions as appropriate to ensure compliance and donor intent
 - Donor privacy clause
 - Clause to inform donors of changes to the organization that may affect the use of the gift
- Fund Development Policy
 - Develops fundraising plan, incorporating strategies and achievable timelines for all campaigns
 - Maintains clear, accurate and honest information in all fundraising materials about the organization, its activities, and how funds will be spent
 - Monitors fundraising plan to ensure it supports the organization’s mission and strategic plan.
 - Honors the intent of designated gifts, and those gifts cannot be utilized for purposes apart from donor’s intent.
 - Fundraising staff and consultants should not be compensated based on dollars pledged or collected for the organization.
- Recordkeeping
 - Oversees and maintains a database management system that tracks and manages current, past and future donors and their contributions. (See Appendix 3 for recommendations)
- Resource Development
 - Develops collaborative partnerships with stakeholders.
 - Engages the community in organization’s mission.
 - Diversify funding sources
 - Individual giving
 - Corporate/business giving
 - Special event fundraising and sponsorships
 - Planned giving options
 - Major gifts
 - Grants
 - Hires and trains highly motivated staff with integrity, passion for the organization’s mission, strong values and relationship building skills
 - Maintains donor stewardship and cultivation plan.



DESTINATION 5

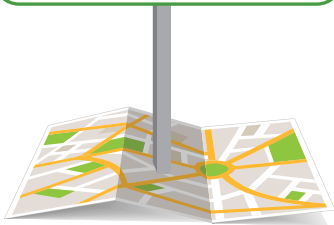
COMMUNICATIONS

CHARTING THE COURSE

To advance the nonprofit's mission and vision, nonprofits engage their communities through advocacy efforts and communications. Care should be taken to protect the organization's brand and reputation.

ROUTE 1 COMMUNICATIONS PLANNING

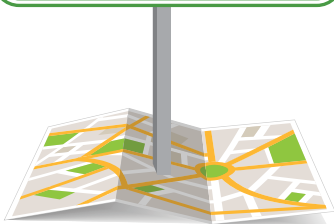
MILE MARKER 1



INTERNAL COMMUNICATIONS

- Nonprofit ensures the board of directors/employees/volunteers are the first to know.
- Creates and implements crisis communications plan when necessary. Plan assigns roles, creates contact lists, establishes a plan that will guide your organization in the event of a crisis (natural disaster, ethical dilemma, etc.)
- Keeps communication top-of-mind for staff and board by including communication strategies in regular agendas and meetings.
- Creates one-stop-shop location for all internal/external communication.

MILE MARKER 2



EXTERNAL COMMUNICATIONS

CREATES AN ANNUAL COMMUNICATIONS PLAN

- Nonprofit develops measurable communication objectives and evaluation guidelines.
- Defines key constituents/target audiences/stakeholders (donors, media, elected officials, members, clients, etc.).
- Includes timeline and budget needs for the plan.
- Identifies plan "champion" in charge of implementing and/or monitoring communication objectives to ensure they are being met throughout the year.



SOCIAL MEDIA

- Develops policies to guide board of directors'/employees'/volunteers' communication on social media.
- Adopts social media policies that share the organization's mission, story, testimonials and successes while maintaining privacy and professionalism.
- Establishes organization's brand voice for each social medium channel chosen. (A social presence on every social media channel is not always necessary.)
- Creates compelling visual content – photographs, short videos, impactful calls-to-action to engage audiences.
- Is responsive to followers and encourages dialogue and community engagement.
- Identifies technology to post and monitor social media metrics as they pertain to identified communication policies (see Technology).

PHOTO RELEASE

- To eliminate liabilities and conflicts, have individuals, including guardians of minors, who are photographed or videoed to sign waivers of approval for their use of likeness in all mediums (print, TV/radio, online, social media, etc.).



BRANDING/MARKETING

- Nonprofit develops a brand identity including but not limited to logo, tagline, font, color scheme, voice, etc.
 - Ensures organization has high-resolution logo in all formats (.jpg, .png, .pdf, .ai, .eps)
 - Ensures organization knows the color palette of the logo (CMYK, RGB, PMS, HEX)
 - Ensures organization knows the font/typography included in the logo design and any collateral material designed by outside company(s).
- Ensures brand and messaging consistency across all collateral materials and mediums.
- Identifies brand manager to oversee implementation of brand in all mediums.
- Brand Evangelism
 - Utilizes board of directors/employees/volunteers as brand ambassadors, carrying the mission everywhere
 - Identifies board of directors/employees/volunteers to hold the organization accountable with branding standards.

NOTES



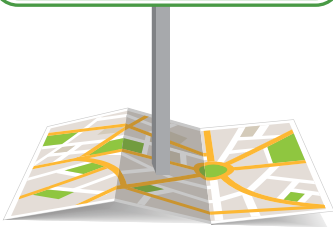
DESTINATION 6

TECHNOLOGY

CHARTING THE COURSE

Nonprofits should consider confidentiality, workplace efficiency, and ease of operations for employees and donors. Priorities placed on technology contribute to the successes of all nonprofits' capabilities.

MILE MARKER 1



DATABASES

- Client/Employee/Donor/Volunteer Databases
 - Policies to protect and limit access
 - Records retention procedures
 - Back-up and off-site data storage

TECHNOLOGY PLANNING

- Nonprofit ensures credit card processing data security standards compliance.
- Maintains recovery plan in the event of a crisis (reviews periodically).
 - Phones, communications and data access
- Maintains remote access strategies.
 - Maintains limited or full access dependent upon policy.
 - Complies with offsite usage of organization's equipment.
- Considers working with a technology provider to acquire and set-up infrastructure and security devices (i.e. Firewall, Spyware, etc.).
- Establishes schedule of technology upgrades or replacement.
 - Technology infrastructure planning includes phones, computer, printers/scanners, etc.
- Creates communication/technology policy
 - Creates and enforces technology usage agreement including but not limited to onsite and offsite social media use, use of search engines for non-work-related information, etc.

NOTES





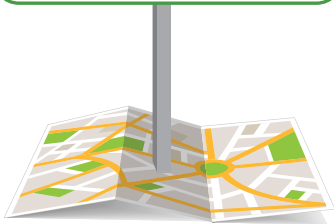
DESTINATION 7

STRATEGIC COLLABORATIONS

CHARTING THE COURSE

A nonprofit should pursue strategic collaborations to help achieve goals, improve effectiveness and efficiency, and maximize the impact of charitable resources. Collaborations strengthen community connections with constituents and others and improve services. Strong, healthy community partnerships based on trust, transparency, open communication and shared vision strengthen the capacity of nonprofits and the community.

MILE MARKER 1

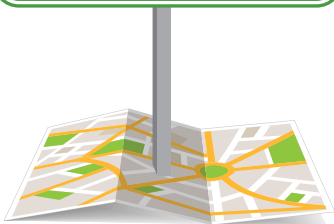


IDENTIFYING PARTNERS

When appropriate, the nonprofit fosters relationships with state, regional, and national associations, government entities, and for-profit businesses to support the advancement of its mission.

- Nonprofit ensures that any charitable organizations they collaborate with are properly registered with the State of Florida, are in good standing and have not had their 501(c)(3) status revoked by the IRS.
- Nonprofit initiates and promotes cooperation and coordination of services whenever feasible to maximize the resources available to the communities they serve.

MILE MARKER 2



RULES OF UNDERSTANDING

Informal and formal collaborations help strengthen the individual nonprofit capacity and the capacity of the nonprofit sector.

- Nonprofit develops a memorandum of understanding (MOU) when entering into a formal partnership and involves the boards of directors in the process.
- Both entities should agree on the terms of collaboration including but not limited to:
 - Scope of service
 - Key leadership
 - Communication
 - Fiscal responsibility and management
- Nonprofit carefully considers all potential legal and financial risks that may result from collaborative endeavors, such as challenges to exemption and incorporation status, risks such as exposure to anti-trust laws and anti-kickback laws and implications for contractual relationships.
- If applicable, the nonprofit should implement a written policy or procedure that requires the organization to evaluate its participation in joint venture arrangements under applicable federal tax law and take steps to safeguard the organization's exempt status.

2/2020



- Nonprofit collaborations should routinely report to the entire partnership to ensure defined goals and objectives are being met and regularly assess participating partners' fulfillment of their agreed-upon roles and use of resources.



ENVIRONMENTAL SCAN

- The nonprofit's board regularly conducts an environmental scan of similar-service organizations to assess relationships and discuss possible strategic collaborations.
- Nonprofit maintains an awareness of developments, changes and current trends at the local, state and federal levels and assesses opportunities for joint action with other organizations.
- Nonprofits should be open to consolidating and/or merging their organizations when it is in the best interest of constituents, community or service area to avoid unproductive duplication of services and to maximize available resources.
- Stays aware of and coordinates with other organizations providing similar or complementary services in their communities.
- To promote overall accountability within the sector, a nonprofit should openly communicate with other nonprofits to share and gather information on lessons learned and best practices to avoid duplication of services.

NOTES



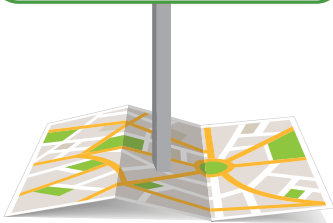
DESTINATION 8

DIVERSITY

CHARTING THE COURSE

Nonprofits, as stewards of public good in the social sector, regardless of mission, should embrace the common humanity and worth of all people regardless of race, class, gender, sexuality, religious and/or political affiliations. Nonprofits should navigate a path to deeper understanding of all potential people including clients, donors, government leaders and their community's citizens.

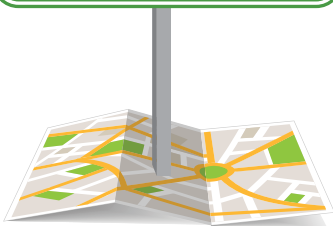
MILE MARKER 1



BOARD DIVERSITY

- Nonprofit board works effectively and authentically when representative of the community served.
 - Nonprofit board reflects the organization's values and beliefs
 - Nonprofit board best achieves their mission by drawing on the skills, talents and perspectives of a broad and diverse range of leaders.
 - Diversity of viewpoints comes from different life experiences and cultural backgrounds, which only strengthens board deliberation and decision making.

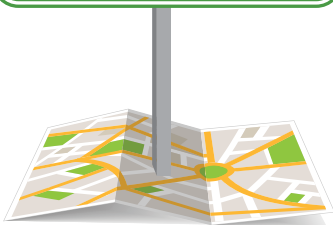
MILE MARKER 2



BOARD INCLUSION

- Board builds a culture of trust, candor and respect through inclusion where board members are encouraged to bring their perspectives, identities and life experiences into board service.
- Inclusive board culture welcomes and celebrates differences and ensures all board members are equally engaged and invested, sharing power and responsibility for the organization's mission and the board's work.

MILE MARKER 3



EQUITY FOCUSED

- Board helps organization understand the context in which they work, and how to best prioritize resources and strategies based on that reality.
- An organization's board avoids "blind spots" through awareness of systemic inequities in society, eliminating flawed strategies and creating opportunities for impact, relevance and advancement.





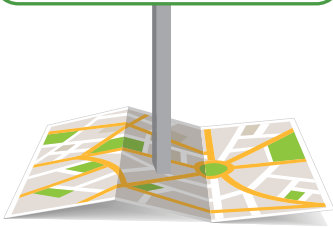
DESTINATION 9

IMPACT & EVALUATION

CHARTING THE COURSE

Nonprofits are obligated to measure their value and impact, such as outcomes and results of program initiatives, and evaluate their impacts to continually focus on improvement. It is necessary to keep constituents informed about performance and successes.

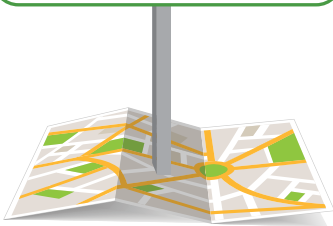
MILE MARKER 1



IMPACT

- Nonprofit values community need.
 - Commits to effectively and efficiently fulfilling their mission through program and service impacts.
 - Provides ongoing, sustainable programs, procedures, outcomes and impacts that are assessed regularly (see evaluation).
- Nonprofit provides program initiatives.
 - Creates measurable objectives for each of the programs that tracks organization's progress. S.M.A.R.T. objectives should include:
 - Specific targets – audiences, programs, projects
 - Measurables – There should be a way to show the impact more than simply “raising awareness.”
 - Attainable – Create an objective that is achievable.
 - Realistic – Create an objective that is within the scope of the nonprofit's abilities or ability to impact.
 - Timely – Give a specific timeframe to the objective and evaluate effectiveness based on the timetable.

MILE MARKER 2



EVALUATION

- Nonprofit identifies what and how to evaluate.
 - Identifies potential variables that can be measured.
 - Identifies most important data sets/variables to the stakeholders.
 - Identifies all stakeholders within the community.
 - Determines evaluation tools for collection based on nonprofit capacity.
 - Trains staff on procedures to collect and preserve data
 - When collecting data, nonprofit knows the laws regarding privacy and monitors ethical and legal concerns.
- Nonprofit analyzes results and communication.
 - Reviews effectiveness of nonprofit's work.
 - Reviews impact within the targeted problem area.
 - Modifies or eliminates data points.



APPENDIX 1

POLICIES & PROCEDURES OF EFFECTIVE GOVERNANCE CHECKLIST

It is recommended that the board of directors ensures the following policies are in place to effectively govern the nonprofit they represent. Additionally, each section's policies and procedures should be reviewed and approved by the board.

- Financial Accountability
 - Files and maintains Form 1023 with the Internal Revenue Service – application for recognition of exemption under section 501 (c)(3) of the Internal Revenue Code.
 - Files and maintains tax exemption status with the Florida Department of Revenue.
 - Has Certified Public Accountant (CPA) on the board of directors and/or on retainer
 - Prepares Form 990 (EZ for small nonprofits/full 990 for large nonprofits)
 - Reviews or audits financials annually
- Legal Accountability
 - Conflict of interest policy/conflict disclosure form
 - Code of ethics
 - Confidentiality/privacy agreement
 - Donor Bill of Rights (see Appendix 2)
 - Has attorney on the board of directors and/or on retainer
- Maintains policy on proxy and electronic board votes (could be in the Bylaws as well)
- Maintains parliamentary procedure for meetings
- Maintains board committee structure
- Ensures board commitment pledge to the nonprofit is signed annually
- Insurance Policies
 - Directors' and Officers' (D&O) Insurance
 - Bonding certificate
 - General liability insurance
 - Property/Renter insurance
- Record Keeping Policy (see Florida Statute 617.1601)
 - Board meeting minutes and record of all actions of the board for 3 years
 - Written communications to all members within the past 3 years including financial statements (Florida Statute 617.1605)
 - Annual report filed to the Department of State (Florida Statute 617.1622)
 - Accurate accounting records
 - Names and addresses of all voting members
 - Types of other records (employee records, client records, donor records, etc.) kept and length of time to keep them
 - Data security of records

2/2020



- Unrelated business income policy (see Financial Management)
- Termination policy
 - Board member
 - CEO/Executive Director
- Whistleblower policy
- Public information policy – availability of records and process of requesting them

APPENDIX 2

DONOR BILL OF RIGHTS

Taken from the Association of Fundraising Professionals, www.afp.org

- Donors have the right to:
 - Be informed of organization's mission, the intended use of donations and timeliness of use of donations for the purposes intended.
 - Be informed of the members of the board of directors and their stewardship responsibilities.
 - Have access to nonprofit's most recent financial statements.
 - Be assured gifts will be used for the purposes in which they were given.
 - Receive appropriate acknowledgement and recognition of the gift given.
 - Be assured that information about the donation is confidential and handled with respect.
 - Expect all individuals representing the nonprofit will maintain professional relationship to the donors.
 - Be informed if those soliciting donations are employees, volunteers or hired solicitors of the nonprofit.
 - Have the opportunity for names to be deleted from mailing or email lists if the nonprofit intends to share them with others.
 - Ask questions when making any donation and expect truthful, prompt and forthright answers.

APPENDIX 3

DATABASE MANAGEMENT EXAMPLES

Examples of database management systems* may include but are not limited to:

- Raiser's Edge
- eTapestry
- DonorPerfect
- Network for Good

*This list is meant as a resource and is not an endorsement for any system by any company.



APPENDIX 4

DIVERSITY OUTLINE

Recommendations for diversity in organizations include creating a diversity policy, as well as having a board matrix like the examples below.

Diversity Outline

A. “Why” Statement:

- Organization’s Principles:
- Mutual Respect: Organization commits to diversity, equity and inclusion, with an emphasis on valuing a variety of experiences
- Knowledge and Creativity: Increasing diversity and equity enables the organization to broaden insights and perspectives to become more informed decisions about the communities served
- Strategic Approach: Outline specific diversity goals and how diversity plays a role in achieving such

B. Diversity and Inclusion Statement: We are committed to creating an inclusive organization and provide equal opportunity to people of all races, ethnicities, religions, genders, sexual orientations, gender identifications, abilities, incomes, marital statuses, ages, geographic locations, philosophies and veteran statuses in all levels of staff governance.

C. Community served: Identify how the community served benefits from a diverse board and staff

D. Training as applicable

SAMPLE BOARD COMPOSITION ANALYSIS (YEAR)

NAME OF ORGANIZATION

NAME OF BOARD MEMBER

AREA OF EXPERTISE COULD INCLUDE

Public Relations/Marketing
 Financial Management
 Fundraising
 Personnel Administration
 Legal/Judicial
 Website Expertise/Technology
 Education
 Health Care
 Small Business
 Corporate
 Elected Officials
 Realty/Construction/Engineering
 Law Enforcement

RACE

Majority
 Minority

AGE

Over 65
 51 to 65
 36 to 50
 21 to 35
 Youth under 21

SEX

Female
 Male

GEOGRAPHIC INFLUENCE

NE
 NW
 SE
 SW



COMMUNITY FOUNDATION

Ocala/Marion County