Institute for Nonprofit Administration & Research

Journey to Nonprofit Success

Nikki Stork, MS, CNP

Heather Carpenter, Ph.D.

About the Authors

Nikki Stork, MS, CNP

"Many people start and join nonprofits because they want to help others; however, it can be a challenge for nonprofit leaders to receive help themselves. We hope this booklet gives you the hand up you're looking for. Now, let's embark on this Nonprofit Journey, together."

Nikki Stork was a previous Consulting Assistant with the Institute for Nonprofit Administration and Research at LSUS where she worked with a variety of nonprofit clients, participated in event planning, and supported organizational outreach activities. Her past consulting projects include donor solicitation letters, event marketing, graphic design, and organizational strategy. She also served as an Americorps VISTA member where she helped raise over $20,000 in 10 months for the Cavalier Care Center at Bossier Parish Community College. Nikki earned her Masters in Nonprofit Administration from LSUS and is a Certified Nonprofit Professional.

Dr. Heather Carpenter, Executive Director, Institute for Nonprofit Administration & Research

"We created this booklet to address the capacity building challenges that nonprofits face in our community. We hope you find this booklet helpful and we are excited for you to join us on the Journey to Nonprofit Success!"

Dr. Heather Carpenter's mission and passion are to help people run more effective organizations and accelerate people's nonprofit careers. She is a highly networked professor, researcher, and trainer and was named a 2022 Top 50 Power and Influence Nonprofit Leader by the Nonprofit Times.

Dr. Carpenter is Executive Director of the Institute for Nonprofit Administration and Research, Director of the Master of Science in Nonprofit Administration program, and Norman A Dolch Super Professor at LSU Shreveport. She has co-authored the following books: Nonprofit Crisis Management: Response to COVID-19 and The Talent Development Platform: Putting People First in Social Change Organizations and co-edited the Teaching Nonprofit Management textbook.

Dr. Carpenter also serves as the Co-Editor in Chief of the Journal of Nonprofit Education and Leadership and Board Treasurer of the Nonprofit Academic Centers Council. She earned her Ph.D. in Leadership Studies with an emphasis on Nonprofit and Philanthropic Leadership from the University of San Diego and a Master of Management in Nonprofit Administration from North Park University in Chicago, Illinois. Before pursuing her Ph.D., Dr. Carpenter ran nonprofit organizations in Illinois and California.

About INAR

The Institute for Nonprofit Administration & Research (INAR) was founded in 2001 to conduct research and disseminate knowledge about nonprofit organizations. INAR strives to elevate the future of the nonprofit sector through transformative education, impactful research, and professional development.

LSUS

Institute for Nonprofit Administration & Research

The Purpose

The purpose of this booklet is to provide a centralized source of information for nonprofit organizations. This booklet will discuss the nonprofit fundamentals that every organization, new and old, should know.

How to Navigate

- We wrote this booklet so that the information builds on itself. However, feel free to skip around and read topics that you are most interested in!
- We have given extra attention to some of the topics in the booklet. Often found in a sidebar, we felt that these topics were extra important.
- We tried to add graphics and diagrams to every section to make the booklet more interesting to read and to be more visually appealing.
- **This booklet has links embedded in some of the text. You can click on headings in the table of contents to easily navigate to sections you are most interested in. You can also click on the text listed in "resources" at the end of every section to read more about the topic.**

Before We Jump Into it...

We want to give a special "Thank You" to key individuals of our Advisory Board who helped make this booklet possible:

Lynn Stevens

Director of Workforce Development

Goodwill Industries of North Louisiana, Inc.

Verni Howard

Executive Director

Providence House

Liz LaBorde

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Community Foundation of North Louisiana

Toya Graham

Executive Director

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Cecilia C. Woodley

Grant Writer

Cecilia C. Woodley, L.L.C.

We would also like to thank Dr. Eva Johnson for her contributions to the early conception of the booklet. These amazing nonprofit leaders provided key guidance and expertise needed to make this booklet what it is. Using their insight, this booklet addresses some of the most common questions people have when they are new to the nonprofit world. We hope you find this information helpful and welcome you to join us on the Journey to Nonprofit Success.

Let's Begin!

Table of Contents

What is a Nonprofit?

There are 26 tax exempt categories of nonprofits according to Charity Navigator; however, for the purposes of this booklet, we will focus on the most common type of nonprofit: 501c3.

When people think about nonprofits, they usually think of 501c3 charities. These organizations operae for the public benefit and are restricted from generating profit to disperse to shareholders (we will go more in-depth about that later). Some examples of nonprofit organizations are local animal shelters, food pantries, and museums.

All 501c3 organizations can be further categorized into 10 subsectors:

1. Arts, Culture, and Humanities
2. Education
3. Environment and Animals
4. Health
5. Human Services
6. International, Foreign Affairs
7. Public, Societal Benefit
8. Religion Related
9. Mutual/Membership Benefit
10. Unknown, Unclassified

These subsectors determine the overall purpose of the organization. For example, an animal shelter will be considered an "environment and animals" nonprofit, while a domestic violence shelter will likely be considered "human services". It's important to properly categorize your nonprofit organization because this will be reported to the IRS, and it helps to determine the overall theme of your organization's mission.

Mission, Vision, Values

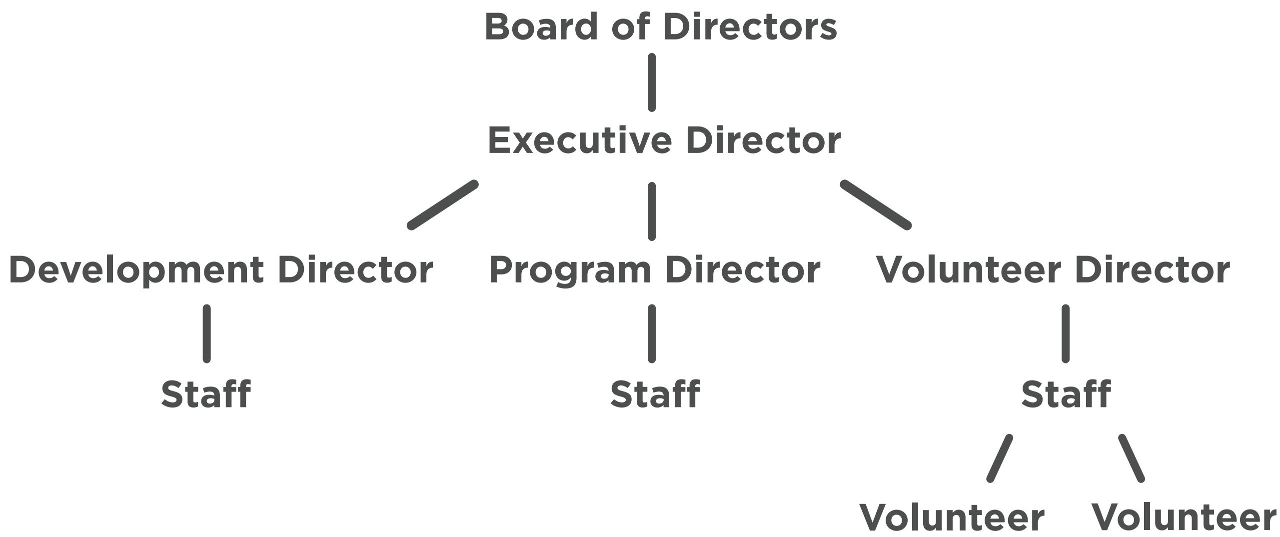
While the subsectors help to define the overall purpose of an organization, the mission, vision, and values define the specifics of what the organization does. A mission statement is a one or two sentence explanation of the community needs, the people served, and how your organization solves that need.

When crafting your mission statement, ask yourself, "if this was the only thing someone read about my organization, would they understand what we do and why we do it?". A vision statement takes your mission one step further and explains to people what the overall problem is that you are trying to address. Think of your vision statement as the macro-level explanation of your organization. Lastly, your organizational values help to keep your organization grounded as it makes decisions and grows. Organizational values are essentially the tenets from which your organization lives by; all your actions and decisions need to be aligned with your values.

Structure of a Nonprofit

To have a healthy and functional organization, it's important to understand how these unique entities are structured. The next page gives you a general idea of a nonprofit's structure.

Sample Nonprofit Structure 1



While many established organizations operate with this type of structure, depending on how old your nonprofit is or the mission of the organization, your structure may look a little different (or a lot different). Here are some other organization structures.

Sample Nonprofit Structure 2

Sample Nonprofit Structure 3

All these structures are good, and they all serve different purposes depending on the needs of the organization. We don’t expect a brand-new organization to start with a board of 15 and a staff of 20. Many brand-new organizations start with a board of 3 to 5 and recruit volunteers using their existing networks (for example, people you know from work or church).

There are some legal requirements to keep in mind as you think about the structure you want your organization to have.

Nonprofits are required to have at least 3 board members to maintain their tax exempt status. Additionally, it can be problematic to have a board consisting of family.

These two restrictions can be difficult for organizations just starting out, especially since many of us turn to the people we are closest to when we need help.

Despite this difficulty, it's important to ensure that you have 3 or more board members, and you are recruiting neutral parties. The reason for this is because nonprofits are designed to be of public benefit. Having 3 or more board members ensures that there isn't just one person making all the decisions. Additionally, refraining from filling your board with family helps to minimize bias in the decision-making process.

Differences between Nonprofits and For-Profits

Now that you understand what a nonprofit is, let's look at some of the differences between nonprofits and for-profits. Let's start with the graphic on the next page:

Important

"Nonprofits are required to have at least 3 board members to maintain their status. Additionally, it can be problematic to have a board consist of family."

Family members are often the first ones we turn to when we need help. However, family dynamics can also impact an organization's ability to thrive. Because of this, it's best to look outward at your other networks when searching for board members.

Through the Looking Glass

Nonprofits | For Profits

Nonprofit

- Created for the public benefit
- Exempt from a variety of taxes
- May receive donations
- Board of Directors are unpaid
- Not owned by any one person

Both

- Both can generate profit/revenue
- Both stimulate the economy and create jobs

For Profit

- Created to make profit
- Owned by owner or share holders
- Profits are dispersed among shareholders

The term “nonprofit” is a misnomer. Nonprofits also need income to properly function and grow.

The most immediate difference between nonprofits and for-profits is that nonprofits exist for the public benefit while for-profit businesses exist to generate profit. **Does this mean that nonprofits are prohibited from making profits? NO.** Just like regular businesses, nonprofits need to generate profits so that they can pay staff, expand their services, and grow.

Important

"The Public Support Test requires that a nonprofit's income comes from a variety of sources, otherwise it will risk losing its tax status."

Nonprofits need to secure donations from a variety of sources. For example, you cannot have all of your funding come from a single foundation. You need to ensure that at least 1/3 of your income comes from a variety of sources.

Another key difference between the two is how they generate revenue. For many businesses, revenue is generated from selling goods or services. The same can be true for nonprofits; however, nonprofits can also apply for grants and receive donations. For many nonprofits, grants and donations are the primary source of revenue that keep their doors open and their services functioning.

There is also an important test to keep in mind as you think about grants and donations: The Public Support Test. **The Public Support Test requires that a nonprofit's income comes from a variety of sources, otherwise it will risk losing its tax status. In essence, a nonprofit must receive at least 1/3 of its income from public support.** We will talk more about funding later, so for now, just keep this rule in mind as you start your organization.

References & Resources

What is a Nonprofit?

Below are clickable links to web pages/resources for more information about the topics covered in this section.

General

Types of Nonprofits
NTEE Core Codes
Myths about Nonprofits

Mission, Vision, Values

How to Write a Mission Statement
Mission, Vision, Values Statements

Structure of a Nonprofit

Nonprofit Organizational Charts

Differences between Nonprofits and For-Profits

6 Differences Between Nonprofits and For-Profits
For-Profit vs. Nonprofit Organizations

Building a Board of Directors

The first step to starting a nonprofit is having an idea of what you want to do to improve your community. The second step is to develop a board. As already discussed, your board is legally required to consist of at least 3 people, including yourself.

To be ethical, you need to recruit at least 2 more people preferably who are not family members. To be clear, family members are welcome to help you in establishing your organization, but it is advised to have your actual board of directors consist of non-family.

There are a few things to consider as you build your board that we will talk about in this section: the role of the board, how to choose board members, board member job descriptions, and board orientation materials.

The Role of the Board

The board of directors acts as the governing body of your organization and assumes the legal liability for your organization. For most nonprofits that are just starting out, your organizational structure will consist only of your board of directors. In this case, your board is responsible for all aspects of your organization. In established nonprofits with a paid executive director, the role of the board is to guide the vision and direction of the organization while the executive director and staff's role is to carry out that vision.

There are a variety of different board structures that your organization can adopt. Depending on the size and stage of your organization, some structures will be better suited for you than others. The most common types of board structures are working, governing, fundraising, and advisory boards. Let's go through what each of these are.

Working Board

This board structure is common among new and small nonprofits who have no paid staff. With this structure, board members conduct day to day operations of the organization.

Governing Board

A governing board is more common among established organizations and take on the traditional role of overseeing the vision and direction of the organization.

Fundraising Board

This structure prioritizes the fundraising responsibility of the board of directors. Most boards require that their members donate a certain amount, but this board structure places an emphasis on securing external funding as well.

Advisory Board

This board is separate from the board of directors. The purpose of an advisory board is to advise the board of directors and the executive director on specific issues/topics.

Many organizations use a combination of these board structures. For small and new organizations, it's common to use a combination of working and fundraising structures. For organizations with no paid staff, it's up to the board to oversee the vision, to carry out daily tasks, and to secure the necessary funding.

For more established organizations, it's common to see a governing and advisory structure in place. For a governing board to exist, there must be at least one staff person that is responsible for securing funds and handling daily operations.

Additionally, as an organization grows, its programs may become more complex. This is where establishing an advisory board would be helpful. For example, an organization that offers after school care may be looking to expand their program reach. They may want to establish an advisory board of parents and teachers because they have knowledge and expertise about how to reach the target audience.

How to Choose Board Members

Being a member of a board is a big commitment so you want to find people that can give their time, talent, and assistance in an effective and meaningful way. You also want to find board members who are passionate about your mission. Here are some places to begin looking for potential board members.

Social Groups

Maybe you are part of a book club, Junior League, or a neighborhood association. Your current social networks are great places to look for like-minded people and share your ideas.

Church

Ask around your local church groups. People at your church might be looking for ways to give back to the community.

Professional Networks

Maybe you attend conferences, a young professionals group, Rotary, or are a member of the Chamber of Commerce. These professional networks are great places to look for skilled individuals in your area.

For a new organization, one of the most important traits to look for in a board member is a passion for the cause. When you are just starting out, you need to look for people who are willing to work with you as a team and be excited about what is being built. As time goes on, it's helpful to fill your board with people from different backgrounds (accountants, lawyers, people with nonprofit experience, etc.), but this is something you can work towards. To start, you just need people who are committed and will work to get the organization to that point. Start small and work to build a bigger, better future for your organization.

Board Member Job Descriptions

Serving as a board member is a volunteer role (remember, it is illegal and unethical for board members to be paid more than a substantial amount). Despite this being a volunteer role, we still commonly refer to their duties and responsibilities as being part of their "job description". Even for brand new organizations, and especially for established ones, it is advised to have a board member job description.

Having a living document that outlines what the responsibilities and expectations are of your board members helps to clarify what the role is and promotes accountability. Board members are responsible for hiring, evaluating, and firing the Executive Director, in addition to monitoring and approving financials and assuring that the Executive Director has filed legal documents with the state and IRS. For this reason, **it is important for board members to be fully aware of their responsibility and the importance of their position with the organization.**

Some components of a board member job description might include:

- supporting the mission and vision of the organization
- providing feedback and assistance to the Executive Director with strategic planning, fundraising, and program objectives and outcomes.
- evaluating financial documents and budgets
- recruiting new board members
- serve on subcommittees as needed
- promote the organization in the community
- support the organization in fundraising activities

Board Orientation Materials

Board orientation materials will vary across organizations. Larger organizations may have a variety of history, programs, and bylaws to share with new members while small/new organizations may only have limited programs.

Important

"It is important for board members to be fully aware of their responsibility and the importance of their position with the organization. "

Board members are people too, so even if they have the best intentions, it helps to have a job description that establishes clear expectations and goals. It's hard for anyone to accomplish great things without a roadmap so help your board help your organization by drafting up a job description.

We would still encourage small/new organizations to develop their version of orientation materials. Specifically for new organizations, these materials can double as a “slide deck” that is used to inform others (including funders) what your organization does and how it does it.

References & Resources

Building a Board of Directors

Below are clickable links to web pages/resources for more information about the topics covered in this section.

The Role of the Board

Board Roles

Board Structures

How to Choose Board Members

Finding the Right Board Members

Nonprofit Board Members

Board Member Job Descriptions

Sample Board Member Job Description

Job Descriptions for Board Members

Board Orientation Materials

Board Orientation

Board Orientation Checklist

Legal Documentation

What are Articles of Incorporation?

In essence, a nonprofit's Articles of Incorporation (AOI) is a legal document that is submitted to the State to show that you are a legitimate organization.

In Louisiana, filing your Articles of Incorporation requires paying a small fee and having your document notarized. Since we aren't a team of lawyers, we recommend reviewing the resources at the end of this section. Legal jargon can be a nightmare to navigate, but you don't want to be denied over a technicality and have to start all over! **If you have questions, consult with an expert.**

Important

"If you have questions, consult with an expert."

When looking for an expert (lawyer, accountant, consultant, etc.) make sure the person you reach out to has experience specific to nonprofits. Most professionals in these areas operate within a specialty and, while there is some overlap, nonprofits have their own requirements that need special expertise. You wouldn't go to a heart doctor for knee pain, the same principle applies here!

Bylaws

Bylaws are the rules that govern your organization. They dictate the terms for board members, voting requirements, record keeping, emergency procedures, dissolving the nonprofit, and a variety of other things. **Bylaws are something that are created by the board; however, there are numerous templates available online to help you get started.**

EIN

An EIN is an Employer Identification Number for your organization. **This will be provided to your organization by the IRS and is required to obtain a tax-exempt status.** Additionally, grant makers and foundations will require your EIN before they are able to consider your grant request.

Conflict of Interest

Easily overlooked, conflict of interest policies help to keep organizations accountable and ethical. It may seem like a simple concept to always do the right thing, however, we rarely operate in "right and wrong" situations. In reality, most situations we encounter are mixed in nature; they are a mix of good and bad decisions and, in practice, it can be difficult to discern what is right or wrong (as they say, "hindsight is 20/20").

Important

"Bylaws are something that are created by the board."

In Louisiana, it is not required to file your bylaws with the state; however, the IRS does require them. Therefore, don't delay in establishing your bylaws.

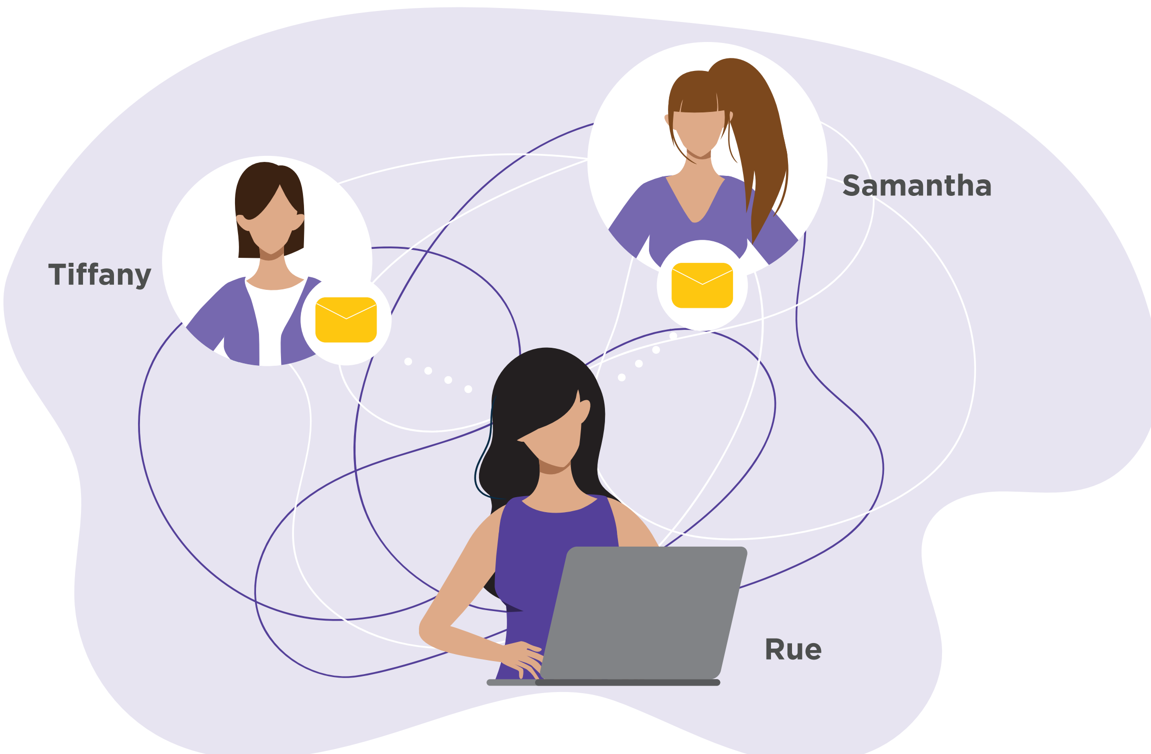
"EIN will be provided to your organization by the IRS and is required to obtain a tax-exempt status."

You will also need your EIN to open a bank account for your nonprofit.

Because of this grey reality, conflict of interest policies help keep us accountable by having protocols in place for difficult situations or decisions. Let's look at a couple of real-world scenarios.

Nepotism

Nepotism is when preferential treatment is given to someone based on their family relation or friendship.



Rue is the hiring manager at Donuts 4 Kids. Rue has narrowed down the applicant pool to two people: Tiffany and Samantha.

Tiffany:

- 10 years experience
- Worked at similar organizations
- Well-rounded skillset, matches job description

Samantha:

- 3 years experience
- Volunteered at similar organizations
- Skills match some, but not all, requirements listed in the job description

Rue is a family friend of Samantha and they participate in many activities together. Rue really likes Samantha and doesn't want to impact their personal relationship. She ultimately decides to hire Samantha and justifies this decision by saying Samantha is a quick learner and can be easily trained for the job.

So, how is this a conflict of interest? Specifically, how does this demonstrate nepotism?

In this scenario, Rue was heavily influenced by her feelings about her and Samantha's personal relationship. This factor caused her to overlook a highly qualified candidate in favor of an underqualified one. Not only is this unethical, but it can lead to a lawsuit against the organization.

Self-Dealing

Self-dealing is when a person in an organization acts in their own best interest rather than in the best interest of the organization.

Jeff is on the board of Donuts 4 Kids. Donuts 4 Kids is expanding their team and needs more office space so they decide that they want to build a new building. Jeff suggests hiring his construction company because he will give them a discount.

Without taking proper vote, the board agrees that Jeff's company should do the construction; after all, discounts are always great!

So, why is this an example of self-dealing?

In this situation, the conflict comes from the fact that Jeff, a board member, will personally benefit from the transaction. This isn't to say that you are never allowed to receive professional services from board members or their companies, it just means that you have to do your due diligence when selecting a service provider.

What the board should have done is created a call for proposals and allow multiple companies to "bid" on the project. If Jeff's company wanted to participate in the call for proposals, then it is only ethical for Jeff to remove himself from the voting procedures when the board chooses a provider.

By following these safeguards, the board ensures a fair selection process and minimizes the chance for a conflict of interest to arise. If the board still chooses to select Jeff's construction company then great! They can rest easy knowing that they followed the appropriate policies and procedures.

From these examples, we can see how difficult it might be to discern that a conflict is happening in real-time. Even the perception of a conflict of interest can cause trouble for an organization, so nonprofit leaders need to think about how their decisions would appear from the view of another person's perspective.

Board members of an organization may be held legally liable for the consequences resulting from a conflict of interest. Therefore, the importance of establishing these policies early-on cannot be overstated. If you're having trouble starting your policies, start with a template! There's a variety of free resources available on the internet.

References & Resources
Legal Documentation

Below are clickable links to web pages/resources for more information about the topics covered in this section.

General
Louisiana Nonprofit Laws
Legislation in the States

What are Articles of Incorporation?
Articles of Incorporation Template and Sample
How to Incorporate a Nonprofit
Suggested Language for Incorporations

Bylaws
What are Nonprofit Bylaws?
Louisiana Laws Governing Charitable Organizations

EIN
Employer Identification Number
Obtaining Employer Identification Number

Conflict of Interest
Conflict of Interest: Examples for a Nonprofit Board
Nepotism

Finances

Running a nonprofit requires the board and staff to understand nonprofit finance and it should not be delegated to just one person.

Unified Chart of Accounts

The nonprofit Unified Chart of Accounts (UCOA) was created many years ago to help standardize how nonprofits report their financials. This chart of accounts is standard in QuickBooks for Nonprofit and helps when completing the annual tax form 990.

Nonprofit Financial Statements

There are four financial statements nonprofits are required to complete as determined by the Federal Accounting Standards Board (FASB). These include the Statement of Financial Position, which shows what a nonprofit owns and what it owes at a specific point in time. It includes Assets, Liabilities and Net Assets. Within the assets, these are sorted in order of the items that are quickly converted into cash or how quickly an item is owed. Nonprofits must also show their assets and liabilities in a classified manner, where the items are convertible into cash or owed within a year.

The second required statement for nonprofits is the statement of activities. The statement activities show the revenue and expenses of an organization over a specific time period. The revenue is shown through unrestricted and restricted net assets and expenses by program, administration, and fundraising.

The third is the Statement of Cash Flows which shows cash that goes in and out of the organization in three categories, Investing, Operating and Financing Activities. The fourth statement is the Statement of Functional Expenses, which shows the natural expenses in three columns including program, administration, and fundraising.

Reporting 990

Nonprofits of all sizes are required to complete a form 990. Depending on the size of your organization, the form 990 will be more detailed. At the $50,000 or less level is the 990 e-postcard, at about $50,000-$100,000 level is the 990 ez and the $100,000 level above is the 990.

Budget to Actual

A nonprofit at a minimum must show their budget to actuals on a quarterly basis to the board of directors. This demonstrates that an organization is fiscally responsible.

References & Resources

Finances

Below are clickable links to web pages/resources for more information about the topics covered in this section.

Unified Chart of Accounts

Nonprofit Unified Chart of Accounts

Nonprofit Financial Statements

Financial Management

New Nonprofit Financial Reporting Standards

Reporting 990

Form 990 Resources and Tools

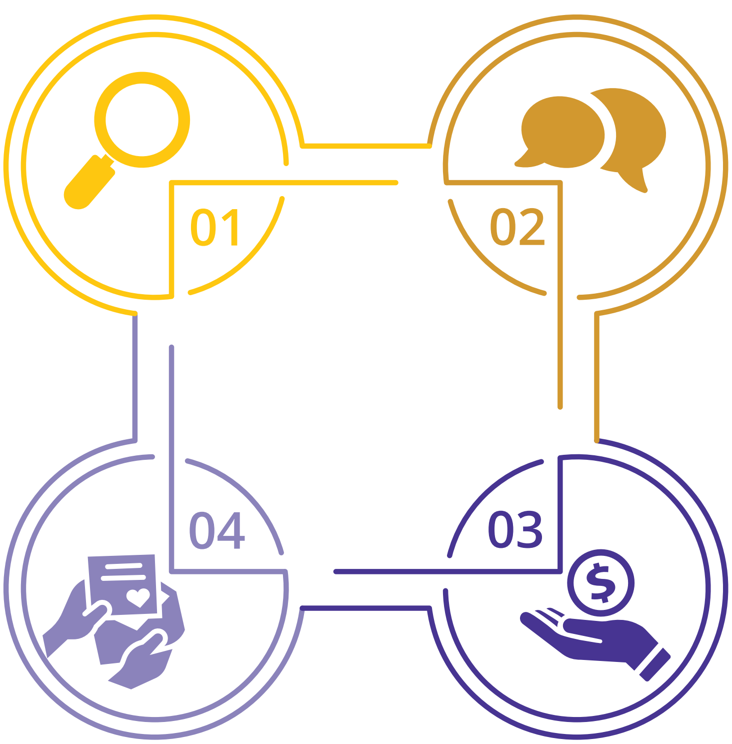
Budget to Actual

Budgeting for Nonprofits

Fundraising and Generating Revenue

One of the biggest questions nonprofits ask is: “How can I raise more money?”. The good news is that there are a variety of sources for funding. There are four main ways that nonprofits raise funds: foundations, corporations, government, and individuals.

Before asking for donations, there is a method to fundraising that every nonprofit leader should know: prospecting, cultivating, soliciting, and stewarding. Let’s look at how this process works:



Prospecting
Research and evaluate potential donors

Cultivating
Communicate with donors and involve them in your organization’s mission

Soliciting
Make the ask

Stewarding
Thank your donor and keep them involved in your work

Foundations

Foundations are typically created by families, communities, or businesses. Many families with a large amount of resources create a foundation and use those funds to support organizations they are most passionate about. Community foundations typically use the resources from a variety of funders to support organizations in a specific region. Lastly, large businesses often have a designated foundation that gives funds to nonprofits whose missions align with the business. Let's look at some examples:

- The Beaird Family Foundation is a family-owned foundation in Shreveport that supports a variety of organizations.

- The Community Foundation of North Louisiana is a community-funded foundation that supports nonprofits within North Louisiana.

- The Kroger Foundation is an example of a large business that has created a foundation to support organizations whose missions are focused on hunger and nutrition.

Foundations are a great place to start when you are looking for funding. Most foundations have specific service areas that they prefer to give to whether it be organizations that operate in a certain geographic area or ones whose missions support a specific cause. Foundations that accept new grant applications will often have a website, so be sure to look them up and read their eligibility requirements.

Corporations

Businesses are often looking for ways to give back to their communities and one of the ways they do that is by donating to nonprofits. Businesses can donate to nonprofits through giving money, in-kind goods, and/or time. Many corporations have benefits for their employees such as being paid for volunteer work or matching employee donations. If you are looking for corporate support, it is best to look at what businesses currently exist in your local area and start looking into those first. Some businesses will support nonprofits across the country, but most will require the nonprofit to be located in the same region the business is operating in.

Government

A variety of funding is available to nonprofits through the government. Nonprofits can receive government contracts to provide services that the government cannot provide. These services are often reimbursable. Nonprofits can also apply for grants through various government programs through Grants.gov.

Individuals

Statistically, contributions from individuals make up the largest amount of donations given to nonprofits. People give to nonprofits for a variety of reasons and it can be difficult to know exactly why your organization compelled someone to donate. Research shows that once a person has donated to an organization, they are far more likely to donate to that same organization again. Therefore, it's important to keep track of who has donated and add them to your mailing list or spreadsheet. This will help you to create a contact list of people who you can reach out to for annual donation requests. **Remember: when collecting people's information, you are responsible for protecting that information and maintaining confidentiality unless given specific permission to share their information.**

References & Resources
Fundraising and Generating Revenue

Below are clickable links to web pages/resources for more information about the topics covered in this section.

Foundations

Raising Money from Foundations Part 1

Raising Money from Foundations Part 2

Corporations

Utilize Corporate Fundraising

Government

Resources for Understanding Government Grants

Individuals

Introduction to Individual Giving Training

Fundraising

Marketing

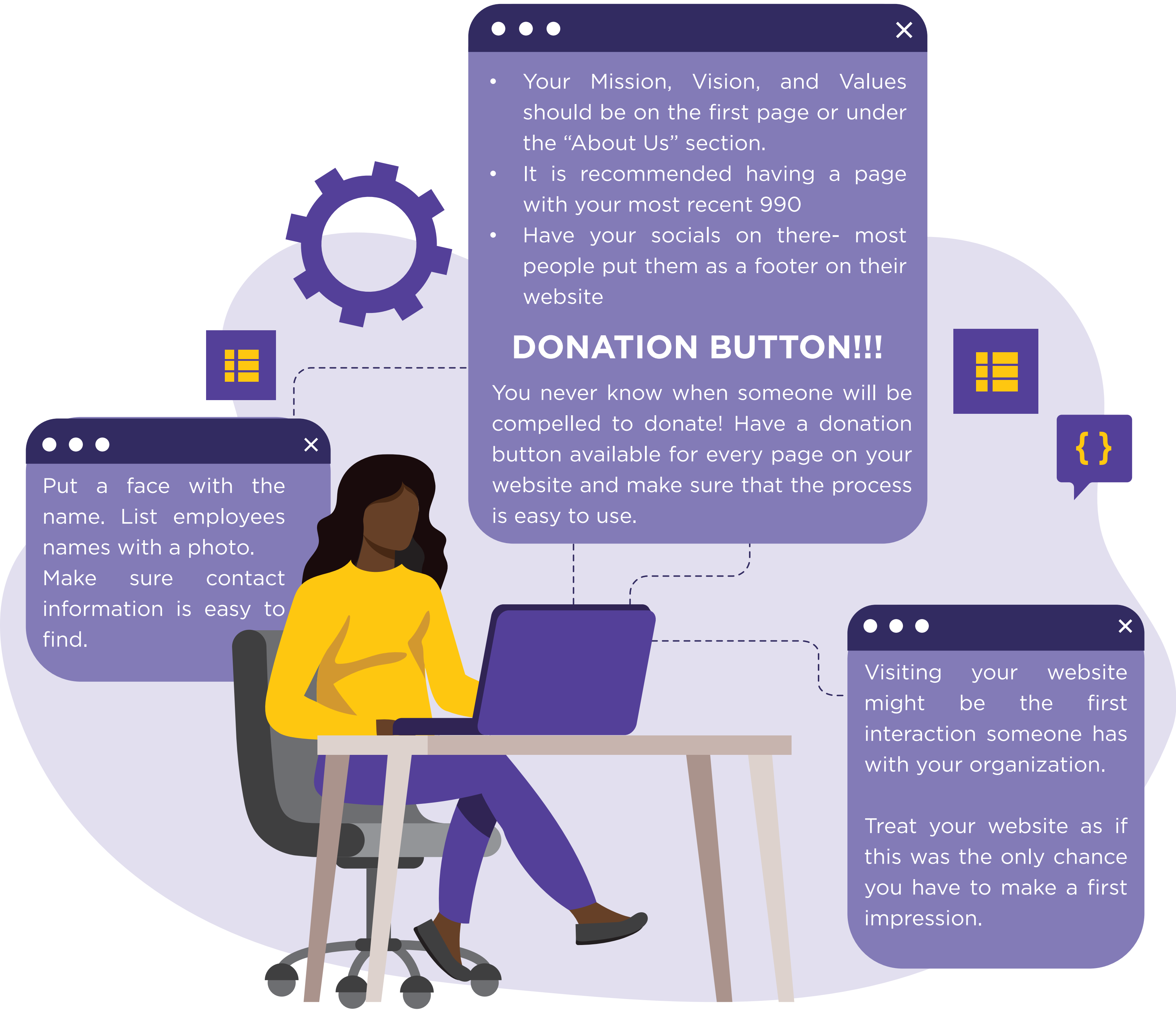
In general, if you don’t tell people about your organization and mission, then no one will know it exists.

A common misconception that people have when starting a nonprofit is that they believe this is a “if you build it, they will come” situation. It is not. This applies to both donors and clients/people you serve. If you don’t have any marketing, then people won’t know you are out there. If people don’t know you exist, then you won’t have donors and you won’t have people come to you for help.

Marketing doesn’t have to be expensive, but you do want to utilize as many methods as possible to spread the word about your mission and organization. There are some simple things that you can create that will help you to build awareness and credibility. The best tools to use starting out are to build a website, use social media, and have a way for people to contact you. If funding is available, your organization may be able to afford printed materials, direct mail, and advertising.

Website

Creating a simple website will greatly help you in shraing your mission and building credibility. For many people, visiting your website will be the first time they interact with your organization, so you want to make a good first impression. You want your website to look cohesive and organized. Choosing a color scheme/theme and sticking to it will help you to look cohesive and presenting your organization's information in a structured way will help your website look organized. Let's look at some of the key points you should keep in mind when building your website.



Social Media

Having social media is helpful in sharing information about your organization, tell others about recent and upcoming events, and to ask for donations. Three of the most common platforms organizations use are Facebook, Instagram, and LinkedIn. Each of these has its own target audience and should be used to reach these different audiences.

Social media should drive traffic back to your website. **The goal of social media is to spread awareness and create interest so that someone would be compelled to go to your website for more information.** Social media should drive traffic to your website; not the other way around. Once people get to your website, you want them to focus on the great work your organization is doing and possibly donate rather than sending them back to your social media.

Contact Information

If you are collecting people's contact information, then there are a few privacy concerns to keep in mind. If a donor expresses that they want to remain anonymous, then you are expected to uphold that request and maintain their confidentiality.

Important

"The goal of social media is to spread awareness and create interest so that someone would be compelled to go to your website for more information."

Interesting to note: Research says that you should spend at least 4 hours a week on each social media tool.

You are allowed and encouraged to share how much someone has donated unless they have explicitly requested you not to. Sharing how much money has been raised not only encourages others to donate, but also helps to raise the credibility of your organization.

If you have a newsletter or mailing list, you must obtain a person's permission before sending them your information. For example: Let's say you just started a newsletter, but you don't have anyone's emails to send it to. You CANNOT start searching for emails and adding them to your newsletter without their knowledge. You CAN have a signup page on your website where people can add themselves to your mailing list. Additionally, if someone has donated in the past and they gave you their email, you may add this email to the mailing list. Regardless of them giving you permission to add them to your mailing list, you MUST have an option for them to unsubscribe; this is the law.

References & Resources
Marketing

Below are clickable links to web pages/resources for more information about the topics covered in this section.

Website

Guide to Creating a Free Website

Must-Haves for a Nonprofit Website

Social Media

Guide to Nonprofit Social Media

Nonprofit Marketing

Social Media for Nonprofits

Contact Information

Digital Privacy Compliance for Nonprofits

Human Resources (HR)

Your people are your most important asset in your nonprofit. This section describes key HR areas for you to focus on.

Policy Manuals

As you start down your nonprofit journey, it's important to think about and develop your ideal policies and procedures. Drafting these policies early on not only gives you a foundation to build from, but also puts you ahead of the curve in establishing your organization in the community.

While there's a variety of policies you should research and implement, this booklet will discuss four of the most prominent: conflict of interest, harassment, whistleblower, and executive compensation policies.

Tip: There are a variety of policy manual templates available on the internet that you can customize to fit your organization.

Harassment

There are many forms of harassment, and these conflicts can start on day one or your organization's life. Harassment isn't only something that happens between employers and employees; these situations can also happen between board members and between the organization and individuals. It's nearly impossible to predict who will find themselves in this situation (if we could predict it, then we would all just not interact with people like that in the first place); therefore, it's important to establish policies for these scenarios when you start your organization.

Whistleblower

All nonprofits should have a whistleblower policy and opportunities for employees and board members to report wrongdoing without retaliation. There are also external third party services that nonprofits can use as well.

Job Descriptions

You can find many nonprofit jobs on sites like Indeed.com and Idealist.com. It is best practice to include the salary level in the job description/job announcement.

All staff and board members should have a job description that explains their job duties. Components of a job description can be seen on the next page.

For nonprofit executives: Boards must do their due diligence in looking up similar organizations (mission, cities, size, etc.) to determine an appropriate executive compensation.

Insurance

There are two main types of insurance that nonprofits should possess. General Liability, and Directors and Officers. Then, based on the mission of the organization, they should have other policies as well.

- General Liability Insurance: This protects the organization against any negligent (unintentional) liabilities that occur at the organization office, organizational events to clients, event participants, and employees.

- Directors and Officers Insurance: This protects the board of directors and executives of the nonprofit against wrongful (intentional) acts. This could include wrongful termination, harassment, and discrimination.

It is important that anyone who works with children does background checks and has an insurance policy on Improper Sexual Conduct. This policy protects the organization if the organization does its due diligence in background checks and child safety. The costs of these insurance policies are minimal compared to the payment of lawsuits that could occur if these precautions are not in place.

References & Resources

Human Resources (HR)

Below are clickable links to web pages/resources for more information about the topics covered in this section.

Policy Manuals

Nonprofit Employee Handbook Template

Nonprofit Employee Handbook Template NACC

Whistleblower

Whistleblower Protections for Nonprofits

Job Descriptions

Nonprofit Job Description Toolkit

Nonprofit Job Description Examples

Insurance

Nonprofit Insurance Alliance

Nonprofit Risk Management Center

Background Checks

Key Principles of Youth Protection

Child Protection Policy Example

Next Steps

Consulting

The Institute for Nonprofit Administration & Research offers assistance with start-up nonprofits, board of director retreats, expansion projects, strategic planning, and more. Our team of nonprofit experts can design a plan that fits your needs and guide you through the process.

Research

Research is often included in our consulting plans. Finding out what client needs are can help develop a more focused strategic plan. We also specialize in program assessment and evaluation which is often required for grant funding. Our research services include focus groups, internet and telephone surveys, and placement and promotional exams.

Classes & Workshops

We have an education program for all your nonprofit needs. INAR has nonprofit workshops, Undergraduate certificates, minors, and Bachelors degree, Graduate certificate and degree.

Important

We are available for consulting on a variety of nonprofit needs.

Contact us at:
318.795.4264
inar@lsus.edu

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