

The Nonprofit CONNECTION

BRIDGING

RESEARCH & PRACTICE

MAY 2006

Seton Hall University/VMC Partnership Receives \$300,000 Grant from The UPS Foundation

Seton Hall University and the Volunteer Management Centers (VMC) are partnering to offer an innovative nonprofit leadership program made possible by a generous \$300,000 two-year grant from The UPS Foundation, the charitable arm of UPS.

The grant is one of The UPS Foundation's three new national grants under its Nonprofit Leadership Development Initiative. It will be used for a new initiative titled the Board Leadership Institute (BLI): Empowering Executives As Nonprofit Leaders.

A collaboration of Seton Hall University's Center for Public Service/Nonprofit Sector Resource Institute and Volunteer Management Centers (VMC), BLI will be piloted in New Jersey, and rolled out nationally thereafter. As home to numerous major corporations, and over 20,000 charitable organizations, New Jersey is an ideal setting for the pilot.

Seton Hall has long been recognized for its programs for businesses and for nonprofits. As part of its commitment to enhancing the effectiveness of volunteers, VMC has a well-established program for board members that provides the basic building block for the new BLI pilot.

The BLI course, which will start May 11, will cover such topics as: roles and responsibilities of board members, running effective board meetings, resource development, strategic planning, legal and fiduciary responsibilities, collaborations and marketing.

Nonprofit organizations that have board members from the corporate arena are encouraged to ask those board members to participate in the training. There will also be a matching service in which individuals from the corporate world who have received the training will be put into contact with nonprofit organizations in need of board members.

For information about the Board Leadership Institute, call 973-761-9734 or e-mail bli@shu.edu.

A Word from the Editor

Nonprofits play a critical role in such diverse areas as the arts, the environment, human services, advocating for the disadvantaged, education, international humanitarian assistance, and more. In spite of, or perhaps because of their collective importance, nonprofit organizations find themselves under increased scrutiny from regulators, the media and the general public; corporate scandals adversely impact the public's trust of all of its institutions, including its charitable organizations. And the pressure grows from their boards and their funders to somehow do more with less; outcome measurements are increasingly required, and programs must demonstrate effectiveness as well as efficiency.

Traditional funding patterns are changing. Faith-based organizations are laying greater claim to resources. The enormous response to the Tsunami, and to Hurricane Katrina demonstrates anew that the charitable impulse is alive and well, but the outpouring of support following such disasters typically impacts a limited number of agencies. The ability to attract corporate support is complicated, as mergers continue to lead to a consolidation of their charitable giving programs.

Thus, at a time when the role of the nonprofit sector is more important than ever, its ability to effectively compete for resources is complicated by a powerful array of forces. In such an environment, the mission of NSRI of helping build the capacity of nonprofits in New Jersey and nationally, utilizing the resources of the Seton Hall community in collaboration with other individuals and organizations with a similar interest, takes on special significance.

I hope you find this newsletter informative; your comments are welcome. At NSRI, we look forward to continuing to work with the nonprofit community, as well as with the many other organizations dedicated to serving it.

NONPROFIT SECTOR RESOURCE INSTITUTE OF NEW JERSEY

CENTER FOR PUBLIC SERVICE • SETON HALL UNIVERSITY

Resources for New Jersey's Nonprofits: *In Brief*

Pro Bono Partnership

973-273-0600
www.probonopartner.org
information@probonopartner.org
 Free legal services, workshops, and materials on issues affecting nonprofits.

Partnership in Philanthropy

973-701-9810
www.pipnj.org
info@pipnj.org
 Assessments, consulting, and training in areas such as development and planning.

Support Center (Trenton Location)

609-278-0482
www.supportcenteronline.org
cthomas@supportctr.org
 Training and consulting services on budgeting and strategic planning.

Center for Nonprofit Corporations

732-227-0800
www.njnonprofits.org
center@njnonprofits.org
 Advocacy, resource database, publications and telephone consulting.

Nat'l. Executive Service Corps

732-542-8944
www.nesc.org
info@nesc.org
 Consulting on strategic and business planning, board development, marketing, and fundraising.

Nonprofit Finance Fund

973-285-9446
www.nonprofitfinancefund.org
NJ@nffusa.org
 Loans, planning assistance and training services.

NJ Community Capital

609-989-7766
www.newjerseycommunitycapital.org
njclf@njclf.com
 Capital and consulting services related to finance, marketing, operations and real estate.

Association of Fundraising Professionals (NJ Chapter)

609-585-6871
<http://afp-nj.org>
info@afp-nj.org
 Professional organization for career fundraisers.

BoardSource

800-883-6262
www.boardsource.org
 Training for nonprofit boards and wide array of publications.

Independent Sector

201-467-6100
www.independentsector.org
info@independentsector.org
 Coalition strengthening ties between funders and nonprofits through research, networking, and encouraging high ethical standards.

Energize Inc.

215-438-8342
www.energizeinc.com
 Consulting and training, specializing in volunteerism.

Office of Faith Based Initiatives (OFBI), NJ Department of State

609-984-6952
www.state.nj.us/state/faith/index.html
 Capacity building for faith based and community based organizations. Offers Faith Based Loop, a free e-mail service on funding and other resource development opportunities.



Technical Assistance Providers' Meeting

By Ashley Grosso

In January of last year, the Nonprofit Sector Resource Institute was pleased to host a meeting of technical assistance providers for nonprofits. Agencies present included Partnership in Philanthropy, Pro Bono Partnership, the Association of Fundraising Professionals, the National Executive Service Corps, the Support Center, and the Center for Nonprofit Corporations. Possible modes of collaborative service delivery were discussed, including certificate programs and executive director roundtables. Potential themes for collaboration that were identified included capacity building, succession planning, and board development. An important part of the NSRI mission is to build the capacity of the nonprofit sector in New Jersey and nationally utilizing not only the resources of the Seton Hall community, but also of other individuals and organizations with a similar interest. New Jersey nonprofits are fortunate to have such a wealth of TA providers, and their collective capability is a valuable resource.

Sarbanes Oxley and Nonprofits

By Barkley Calkins

Shockwaves rippled through the nonprofit sector last April when the Senate Finance Committee received a letter from the Commissioner of the IRS saying "...charities and other nonprofits exempted from taxes because they serve a public purpose have become a hotbed of tax evasion and abuse."

One part of the sector's response should be a fresh look at the American Competitiveness and Corporate Accountability Act, commonly known as Sarbanes Oxley. Passed in 2002 following corporate scandals at Enron, Worldcom, and elsewhere, the law requires publicly traded companies to adhere to substantially more stringent governance standards in a number of areas.

Because the provisions of the Act, with two notable exceptions, apply exclusively to publicly traded, for profit companies, nonprofits could be forgiven for assuming the Act has no relevance to them. Based on excellent work done jointly by BoardSource and the Independent Sector, as well as by others, it is clear that thoughtful nonprofits need to make themselves aware of the provisions and the implications of Sarbox, as it is known. (continued on page 6)



From the Assistant Editor: *About The Nonprofit CONNECTION*

The Nonprofit CONNECTION is a newsletter published periodically by the Nonprofit Sector Resource Institute, an arm of the Center for Public Service at Seton Hall University.

Issues will include pieces on timely subjects pertaining to nonprofit organizations, articles about events sponsored by NSRI, information about the ongoing projects of the Institute, a calendar of upcoming events, and an issue-in-focus section on a different aspect each issue about our specialized area of nonprofit administration, financial management.

The mission of the Nonprofit Sector Resource Institute (NSRI) at Seton Hall University is to build the capacity of the nonprofit sector in New Jersey and nationally, utilizing the resources of the Seton Hall community in collaboration with other individuals and organizations who have a similar interest.

In addition to its civic engagement and social justice objectives, NSRI supports the University in its mission of preparing Seton Hall students to become servant leaders in their professional and community lives.

We are open to suggestions for future issues, and we hope you enjoy this first edition of The Nonprofit CONNECTION. If you would like to unsubscribe from this newsletter mailing list, please send an email to nsri@shu.edu with "Unsubscribe-NSRI" in the subject line. Thank you.

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NSRI Offers Financial Management Certificate Program

By Ashley Grosso



NSRI offered a noncredit Financial Management Certificate Program over six Saturdays in September, October, and November of 2004, and again in 2005; the 2006 course is now in the planning stage. Topics covered included fundamentals, accounting and auditing, board/staff roles and responsibilities, systems, asset management, and operations management. Different instructors taught each session, which provided a more engaging format than one instructor for all of the sessions. The faculty consisted of professionals with “real-world” experience in nonprofit organizations, technical assistance organizations, and charitable foundations. Many of the instructors are also adjunct faculty at Seton Hall University. All types of nonprofit organizations were represented, and the backgrounds of the participants ranged from

Accounting, to development, to program management, to administration. One particularly beneficial aspect of this diversity of backgrounds was that participants with more experience in financial management were able to provide advice to less experienced participants. The positive dynamics between the participants as well as the various teaching techniques used, including role playing and breakout groups, energized and enhanced the all-day sessions. The lunch breaks also provided an opportunity for networking and sharing of experiences.

NSRI plans to periodically rerun the financial management certificate program, possibly with a focus on particular types of organizations, such as arts agencies or hospitals, or for a particular audience, such as new board members. Information on future professional development opportunities will be posted on the NSRI web page. If you are interested in participating in one of these certificate programs, please contact the NSRI. There is a cost for the certificate program, and partial scholarship assistance is available.

Financial Management Issue in Focus: Who’s Responsible? Board/Staff Roles

By Barkley Calkins

However obvious it may be, nonprofits benefit greatly when the relationship between the board and staff is positive, supportive, and mutually reinforcing. And as easy as it is to say, finding and maintaining a good balance is an ongoing struggle for every organization.

In the ideal, the board sets policy, the staff executes. But the complexity of essential organizational tasks, the limitations of time, the quirks of personalities, the type of board, and many other factors combine to substantially complicate the pursuit of the ideal. In reality, boards often share administrative tasks, while staff – particularly the chief executive – typically has an important hand in setting policy.

“My board is totally disengaged and disinterested” is one complaint often heard from staff. “My board is micromanaging me to death” is another. Two extremes, both of them problems. It is probably best to begin with the assumption that a perfect balance is not attainable, and a more appropriate objective is to work toward a good – not a perfect – board/staff partnership. Based on materials from BoardSource, the National Executive Service Corps, and others, some important tips include:

- Periodically revisit – and revise as appropriate – the organization’s mission and vision statements.
- Plan an annual board/staff retreat. Outside facilitators are often helpful, particularly if there have been conflicts.
- Have, or put in place, a planning process that engages board and the staff. Periodically monitor progress against plan.
- Define appropriate roles for the board and staff in the annual budgeting process. The budget is a critical link between the broad purposes of the organization and the day-to-day management.
- Evaluate programs.
- Have – or develop – a new board member orientation process, one which includes a written statement of board member commitment.
- Plan effective board meetings.

Clearly, the foregoing only scratches the surface. But the investment of time and energy in building a good board/staff partnership can be richly rewarding. Want more on the nonprofit board/staff partnership, go to www.boardsource.com.

Introduction to the Staff of NSRI



Barkley Calkins
Project Coordinator/
Director/Editor

Prior to coming to Seton Hall, Mr. Calkins had a distinguished 25 year career with J. P. Morgan and Company in New York and London; provided management consulting services, primarily to nonprofit organizations and foundations; and directed the New Jersey program for the National Executive Service Corps. A graduate of Amherst College, Mr. Calkins was a decorated Marine Corps officer and pilot. He has received training as a hospital chaplain. A ruling elder in the Presbyterian church, he is regularly involved in civic and volunteer activities. He is also a board member of the Darfur Rehabilitation Project.



Ashley Grosso
Work Study
Assistant Editor

Ms. Grosso is a fourth year undergraduate student studying Diplomacy and International Relations, with minors in Nonprofit Management, Spanish, and Political Science. She is an active member of many on-campus organizations, including the Red Cross Club and the American Humanics Student Association. She is also currently an intern at the World Health Organization office at the United Nations Headquarters in New York City.

NSRI Projects: *A Sample of Who We Help*

The NSRI provides assistance to various nonprofit agencies in New Jersey. Here is a brief overview of one organization we serve and how we help:

Darfur Rehabilitation Project

- Mission: Humanitarian organization serving families from the war-torn Darfur region of Sudan. Raises awareness in the United States of the genocide and encourages action on the part of individuals, organizations, and governments.
- How we help: Suggesting fundraising strategies, finding interns, researching other organizations with similar programs, recommending organizational strategies
- Contact information: www.darfurrehab.org
drp@darfurrehab.org

Scholarship Assistance Available for Center for Public Service Graduate Programs

Seton Hall University's Graduate Department of Public and Healthcare Administration offers Master's Degree courses leading to either a Master of Public Administration (MPA) or Master of Healthcare Administration (MHA). The MPA program offers concentrations in health policy and management; public service: leadership, governance and policy; nonprofit organization management; and arts administration. The nonprofit organization management concentration is consistently ranked within the top ten nationally. Applications are accepted on a rolling basis. Partial scholarships are available. Scholarship application review for the 2006-2007 academic year will take place in mid-June.

To apply online, visit <https://apply.embark.com/grad/setonhall/cas/17/>

For a paper application, email your request to artsci@shu.edu

Information on scholarships is available at <http://artsci.shu.edu/cps/scholarships.htm>

Sarbanes Oxley (cont'd)

- The provisions of the Act relating to document destruction and whistle-blower protection apply to all enterprises, nonprofit as well as for-profit.
- Those areas of the Act directed to governing for-profits, provide an excellent check list of good governance practices to which all organizations, nonprofit and for-profit, are well advised to adhere.

The nonprofit sector depends on the public's trust, and the organizations comprising the sector must be attentive to establishing and maintaining management and governance practices which enhance that trust.

A partial list of relevant resources follows.

RESOURCES RELATING TO THE SARBANES OXLEY ACT AND NONPROFIT ORGANIZATIONS

For more information, visit the following web sites:

<http://nsri.shu.edu>

www.probonopartnership.org

www.independentsector.org (go to the bar on accountability)

www.boardsource.org

www.vscpa.com/Advocacy/Sotext.htm (for the text of the Act)

Nonprofit Sector Resource Institute
Seton Hall University
President's Hall
400 South Orange Ave.
South Orange, NJ 07079
Phone 973-761-9734
Fax 973-313-6162
nsri@shu.edu
<http://nsri.shu.edu>