



**HPLD Foundation Board of Directors
Work Session
May 17, 2021
Centennial Park Library
2227 23rd Avenue, Greeley, CO 80634
2:00pm**

This meeting will also be streamed virtually via GoToMeeting <https://global.gotomeeting.com/join/337001181>

1.0 OPENING OF MEETING

- 1.1 Roll Call**
- 1.2 Approval of Agenda (Action)**
- 1.3 Public Comment**

2.0 FOUNDATION BOARD ICEBREAKER

3.0 FOUNDATION OVERVIEW

- 3.1 History**
- 3.2 Mission**
- 3.3 Strategic Plan**

3.0 FOUNDATION BOARD ROLES AND RESPONSIBILITIES

- 3.1 Governance**
- 3.2 Policies**
- 3.3 Finance**
- 3.4 Fundraising**
- 3.5 Public Relations**

4.0 UPDATED FOUNDATION BOARD BINDER

5.0 BOARD COMMENTS

6.0 ADJOURNMENT



Foundation Board of Directors Work Session

May 17, 2021

Foundation Overview



- Established in 2000 as a 501(c)3 organization
- To diversify and create sustainable funding streams for the District in order to relieve dependency on tax revenue and to ensure high quality library programs and services are available for future generations
- For the purpose of “providing aid and support, including financial contributions, to the Weld Library District and the public library operated by or affiliated with the Weld Library District”



Mission

- Our mission is to *build a community of library lovers* through increased collaboration, philanthropy, volunteer engagement, awareness and advocacy for the libraries of the High Plains Library District.



Funding Priorities

- Funding Priorities
 - Downtown Greeley Library and Innovation Center
 - Capital growth District-wide
 - Programs supporting education and literacy among underserved populations (identified in collaboration with HPLD MOVE)
 - Writer in Residence and the literary arts
 - High-impact District-wide programs (Signature Author Series, Summer Reading Adventure, Teen Tour, etc.)
- The Foundation solicits financial support for the District through grants, sponsorships, events, and individual donations.

Strategic Plan



- The strategic plan of the HPLD Foundation incorporates the ideas of the Foundation Board of Directors, the District, library staff, and external stakeholders concerning the development of the Foundation. Ongoing review and adjustments will ensure that the Foundation's work remains on-task and relevant.



What do we do?

- Solicit funding on behalf of the District in the form of grants, private donations, corporate support, special events, and investment earnings
- Disperse funds to the District based on Spending Policy
- Support District programs
- Manage Writer in Residence application and selection process and work with resident to on fundraising events, newsletter articles.

Foundation Board



- "The Board of Directors shall consist of not less than seven (7) nor more than nine (9) members. Five (5) or more members will comprise a majority of the corporation's Board of Directors. A minimum of two (2) shall be current members of the High Plains Library District (hereinafter referred to "HPLD") Board of Trustees and the remaining Directors shall be appointed from the community at large. All members of the Board of Directors must reside within High Plains Library District Boundaries. The term of the initial Board of Directors may be varied somewhat to achieve the membership goal of that Board, in terms of numbers."
- Trustee terms same as with District, others 3 years
- Officers: Chair, Vice Chair, Secretary / Treasurer
- Committees appointed by Board as necessary
- Chair ex-officio member of all committees

Obligations(COSOS)

- The Board is responsible for governing the organization within the constraints of the law and the governing documents.
- The Board may delegate daily management decisions to an executive team, but it must actively oversee that team and set organizational policies to ensure that the organization remains true to its mission and operates with integrity.
- The Board is also responsible for protecting the organization's charitable assets.
- The Board should manage the nonprofit's officers and ensure that the organization operates in furtherance of its charitable and tax-exempt purposes.

Legal Duties

- Duty of Care
 - Board members exercise reasonable care when they make a decision. Board members must act as an ordinarily prudent person would in a like position under similar circumstances.
- Duty of Loyalty
 - Board members act in good faith and put the interests of the organization first. Board members must never use information obtained as a member for personal gain and must act only in the best interests of the organization.
- Duty of Obedience
 - Board members operate within the laws that governed the org's formation and status and in accordance with its bylaws and mission. Board members must obey Federal and State laws as well as internal regulations.

Roles and Responsibilities



- The Foundation Board is legally and ethically responsible for all activities of the Foundation. The members of the Foundation Board are responsible for the following areas:
 - Policy Administration / Leadership
 - Finance
 - Fundraising
 - Public and Community Relations

Policy Administration



- Ensure legal requirements for conducting business are met
- Adopt, amend, and operate within the bylaws
- Formulate policies to ensure the organization fulfills its mission and complies with law and best practices
- Determine and review organization's mission, vision, and purpose
- Develop strategic plans for future direction
- Staff: advise the Board, ensure implementation of board policies, make recommendations to Board), prepare documents for Board meetings

Financial Management



- Ensure financial stability and solvency
- Review and approve annual financial documents: budget, audit, IRS Form 990, financial statements, etc.
- Develop and approve financial policies (investment, spending)
- Review statements quarterly, understand uses and sources of funding
- Manage and maintain investments for the Foundation
- Staff: work with Board to develop annual financial documents, provide regular financial statements to Board, ensure implementation of financial policies, oversee daily financial transactions, provide explanations of financial variances

Fundraising

- Ensures sufficient funds are available for the Foundation to fulfill its mission and meet its objectives
- Make a “personally significant” gift annually
- Offer support personally and through community contacts
- Understand fundraising programs and strategies
- Support fundraising activities (attend events, volunteer, etc)
- Identify potential donors and sponsors and help cultivate relations
- Staff: develop fundraising plans and strategies, evaluate fundraising opportunities, communicate with donors and grantors, ensure proper donor acknowledgement, thank donors and partners

Public Relations



- Ensure image in the community
- Understand and communicate the mission and purpose of the Foundation
- Serve as an ambassador for the Foundation and District
- Participate in public relations opportunities within the libraries and the community
- Provide guidance for annual report development
- Staff: serve as public face of organization, inform board of opportunities to participate in community and revenue-producing activities, develop communication pieces, plan marketing efforts



Next Steps

- Ethics Policy
- Seek new members to vote in during Q3 meeting
- Check out HPLD's programming
<https://mylibrary.evanced.info/signup>

Conclusion



- Questions?
 - nmercer@highplains.us
 - 970-506-8592 (office)
 - (970) 415-0092 (cell)
- More Information
 - Principles & Practices for Nonprofit Excellence in Colorado
www.coloradononprofits.org/knowledge/research-publications/principles-practices-nonprofit-excellence
 - BoardSource
www.boardsource.org/board-support/training-education/download-resources-tools/
 - CO Secretary of State
<https://www.sos.state.co.us/pubs/charities/boardTraining.html>



highplains
Library District
FOUNDATION

2019 – 2024
STRATEGIC PLAN

Mission

The mission of the High Plains Library District Foundation is to build a community of library lovers through increased collaboration, philanthropy, volunteer engagement, awareness and advocacy for the libraries for the High Plains Library District.

Funding Priorities

- Downtown Greeley Library and Innovation Center
- Capital growth District-wide
- Programs supporting education and literacy among underserved populations (identified in collaboration with HPLD Outreach)
- Writer in Residence and the literary arts
- High-impact District-wide programs (Signature Author Series, Summer Reading Adventure, Teen Tour, etc)

Strategic Focus Areas

- Volunteer Engagement
- Awareness
- Philanthropy
- Capital Campaigns
- Community Engagement
- Program Support
- Internal Leadership

Volunteer Engagement

Develop a District-wide volunteer program to serve as the basis of a Friends group

Tactics

- Assess current volunteer assets and needs across the District
- Research different structures for Foundations and Friends
- Design volunteer policy, including positions, application process, etc
- Hire Volunteer Coordinator
- Begin District-wide implementation of volunteer engagement strategy
- Train District staff on how to utilize and work with volunteers
- Identify volunteer leadership as potential Friends, start Friends interest meetings
- Connect volunteers across the District through appreciation and training events

Awareness

Raise awareness of and advocate for the Foundation, the District, and the importance of libraries

Tactics

- Develop a presence in communities across the District, focusing on strategic locations
- Add annual gala in partnership with Erie library to annual event calendar
- Focus on smaller promotional events (festivals, pubs, restaurants, coffee houses, etc)
- Rebrand the Foundation to create a distinct but complimentary identity from the District
- Implement social media strategy and digital marketing plan
- Work with District to create coordinated marketing plan consistent with District branding
- Launch *I Love My Library* campaign, highlighting the extensive impact libraries have on our communities

Philanthropy

Prepare the Foundation to move towards major and planned giving by developing a broad, enduring base of supporters

Tactics

- Create a clear and compelling case for support
- Implement donor stewardship plan and moves management strategy
- Increase donor communication and outcome-oriented reporting through quarterly newsletter
- Add quarterly donor newsletter, highlighting stories of impact
- Build community trust through accountability by pursuing the GuideStar Platinum Seal of Transparency and the Colorado Nonprofit Excellence in Principles & Practices Recognition
- Focus on donor acquisition by growing current events calendar, adding additional annual events outside of Greeley

Capital Campaigns

Support the development of a Downtown Greeley library and Innovation Center to benefit all of Weld County

Tactics

- Lead Foundation and District leadership in multi-million dollar capital campaign
- Develop a comprehensive case for support and outcome statement for capital campaigns
- Assess feasibility of campaign, assessing current donor base and testing case for support
- Acquire tax credits for the project, including Enterprise Zone Contribution Project status and Child Care Tax Credit
- Engage community partners in support of the campaign
- Create capital campaign menu, highlighting projects across the District and areas for involvement

Community Engagement

Cultivate relationships with non-profit partners, corporate sponsors, funders, and community stakeholders

Tactics

- Develop annual sponsorship opportunities and media kit
- Prospect corporate sponsors, focusing on oil and gas, agriculture, and tech industries
- Support Weld County non-profits and further philanthropy county-wide through partnership with the Weld Gives Collaborative
- Build connections with Weld County organizations that support education and literacy
- Continue partnering with Weld County nonprofits on programs and events

Program Support

Continue to expand Foundation programs and Foundation-supported District programs

Tactics

- Add publishing component to the Writer in Residence program
- Continue to support past residents through consortium, promotion, programming menu, and publishing support
- Explore options to engage diverse populations through the residency and share the wide array of stories in our community
- Secure funds for multi-lingual nursery rhyme books and storytimes
- Identify additional District programs for Foundation support as needed

Internal Leadership

Prepare staff and the board to lead the Foundation towards strategic goals

Tactics

- Recruit new Foundation board members
- Offer board trainings and retreats to position the directors as Foundation ambassadors
- Revive the Foundation's staff liaison program
- Engage District staff in Foundation programs and events
- Establish Foundation presence in the branch libraries
- Develop District-wide procedures for grants management and donation tracking
- Support staff in smaller solicitations and grants, developing an internal understanding of funding processes and empowering them to fundraise
- Consult member libraries on fundraising efforts including grants, campaigns, unique / sizeable gifts, and the use of the Foundation's 501c3 status



Foundation Board of Directors

2021 Notebook Index

- **About the Foundation**
 - 2021 Foundation Board of Directors
 - Foundation Summary
 - Foundation Strategic Plan
- **Governance**
 - Articles of Incorporation
 - Bylaws
 - MOU
 - IRS Tax Exempt Letter
- **Being a Director**
 - Roles and Responsibilities
 - Whistleblower Policy
 - Conflict of Interest Policy
 - Recruitment and Selection
 - Officer Descriptions
 - Committee Descriptions
- **Board Resources**
 - Four Behaviors of Highly Effective Board Members
 - Colorado Principals and Practices for Nonprofit Excellence
 - What Makes a Good Board Member?
- **Financials**
 - Investment Policy
 - Spending Policy
 - Distribution of Board Designated Funds
- **Fundraising**
 - Statement of Ethical Principals in Fundraising
 - Philanthropic Feasibility Study Report
 - Gift Acceptance Policy
 - Donor Confidentiality Policy
 - Designated Donations Procedure



Foundation Board of Directors 2021

Name: **Gerri Holton - Chairman**

Term: 12/31/2022

Name: **Joyce Smock – Vice Chairman**

Term: 12/31/2021

Name: **Mark Moody - Director**

Term Expires: 11/4/2022

Name: **Andrea Kaumann - Director**

Term Expires: 11/4/2022

Name: **Caleb Jackson - Director**

Term Expires: 11/4/2022

Name: **Miranda Arens-Bennet - Director**

Term Expires: 05/18/2023

Name: **Julie Forland - Director**

Term Expires: 05/18/2023

2021 Committees:

Finance: Joyce Smock, Julie Forland

Bylaws and Policy: Gerri Holton, Mark Moody

Governance / Nomination: Gerri Holton, Joyce Smock

Fundraising: Gerri Holton, Caleb Jackson, Miranda Arens-Bennet F

Friends Task Force: Andrea Kaumann, Caleb Jackson

Staff Contacts:

Niamh Mercer, Foundation Director

Christina Hardman, Development Associate

Matthew Hortt, HPLD Executive Director

2020 Committees:

Finance: Joyce Smock, Julie Forland

Bylaws and Policy: Gerri Holton, Mark Moody

Governance / Nomination: Gerri Holton, Joyce Smock

Fundraising: Gerri Holton, Caleb Jackson, Miranda Arens-Bennet

Friends Task Force: Andrea Kaumann, Caleb Jackson

Staff Contacts:

Niamh Mercer, Foundation Director

Christina Hardman, Development Associate

Matthew Hortt, HPLD Executive Director



The High Plains Library District Foundation (The Foundation) is a supporting 501c3 organization to the High Plains Library District (HPLD/The District). The Foundation was developed to diversify and create sustainable funding streams for the District in order to relieve dependency on tax revenue. The Foundation solicits funding on behalf of the District in the form of grants, private donations, corporate support, and investment earnings. The mission of the High Plains Library District Foundation is to build a community of library lovers through increased collaboration, philanthropy, volunteer engagement, awareness and advocacy for the libraries for the High Plains Library District.

The High Plains Library District (formerly the Weld Library District) was established in 1985 to improve library services in Weld County through the sharing of books, staff and tax revenue. The District serves almost 270,000 residents in Weld County and covers a geographic area of just under 4,000 square miles. The mission of the High Plains Library District is, helping build Community. HPLD's vision is to give access to answers for every question.

HPLD currently includes of seven branch libraries located in Erie, Firestone, Greeley, Evans and Kersey; Outreach Services including a Bookmobile, a Lobby Stop Van, and public computer centers; and six autonomous municipal libraries in Ault, Eaton, Fort Lupton, Hudson, Johnstown and Platteville. The vision of HPLD is to continue building on its solid reputation for quality public library services. HPLD wants to increase overall participation and unite residents by being so connected to our communities that the library: becomes everyone's first and best choice for life-long learning; is seen as a necessary and important community asset and is a community destination and gathering place.



High Plains Library District Foundation

Strategic Plan 2019 - 2024

Introduction

The strategic plan of the HPLD Foundation incorporates the ideas of the Foundation Board of Directors, the District, library staff, and external stakeholders concerning the development of the Foundation. Ongoing review and adjustments will ensure that the Foundation's work remains on-task and relevant.

Mission

The mission of the High Plains Library District Foundation is to build a community of library lovers through increased collaboration, philanthropy, volunteer engagement, awareness and advocacy for the libraries of the High Plains Library District.

Funding Priorities

- Downtown Greeley Library and Innovation Center
- Capital growth District-wide
- Programs supporting education and literacy among underserved populations (identified in collaboration with HPLD Outreach)
- Writer in Residence and the literary arts
- High-impact District-wide programs (Signature Author Series, Summer Reading Adventure, Teen Tour, etc)

Strategic Focus Areas

Volunteer Engagement

Strategy

Develop a District-wide volunteer program to serve as the basis of a Friends group

Tactics

Assess current volunteer assets and needs across the District
Research different structures for Foundations and Friends
Design volunteer policy, including position design, application process, etc
Hire Volunteer Coordinator
Begin District-wide implementation of volunteer engagement strategy
Train District staff on how to utilize and work with volunteers
Identify volunteer leadership as potential Friends, start Friends interest meetings
Connect volunteers across the District through appreciation and training events

Awareness

Strategy

Raise awareness of and advocate for the Foundation, the District, and the importance of libraries

Tactics

Develop a presence in communities across the District, focusing on strategic locations
Add annual gala in partnership with Erie library to annual event calendar
Focus on smaller promotional events (festivals, pubs, restaurants, coffee houses, etc)
Rebrand the Foundation to create a distinct but complimentary identity from the District
Implement social media strategy and digital marketing plan
Work with District to create coordinated marketing plan consistent with District branding
Launch *I Love My Library* campaign, highlighting the extensive impact libraries have on our communities

Philanthropy

Strategy

Prepare the Foundation to move towards major and planned giving by developing an annual fund and a broad, enduring base of supporters

Tactics

Create a clear and compelling case for support
Develop donor stewardship plan
Increase donor communication and outcome-oriented reporting through quarterly newsletter
Add quarterly donor newsletter, highlighting stories of impact
Build community trust through accountability by pursuing the GuideStar Platinum Seal of Transparency and the Colorado Nonprofit Excellence in Principles & Practices Recognition
Focus on donor acquisition by growing current events calendar, adding additional annual events outside of Greeley
Develop moves management strategy

Capital Campaigns

Strategy

Support the development of a Downtown Greeley library and Innovation Center to benefit all of

Weld County and Colorado

Tactic

Lead Foundation and District leadership in multi-million dollar capital campaign
Develop a comprehensive case for support and outcome statement for capital campaigns
Assess feasibility of campaign, assessing current donor base and testing case for support
Acquire tax credits for the project, including Enterprise Zone Contribution Project status and Child Care Tax Credit
Engage community partners in support of the campaign
Create capital campaign menu, highlighting projects across the District and areas for involvement

Community Engagement

Strategy

Cultivate relationships with non-profit partners, corporate sponsors, funders, and community stakeholders

Tactics

Develop annual sponsorship opportunities and media kit
Prospect corporate sponsors, focusing on oil and gas, agriculture, and tech industries
Support Weld County non-profits and further philanthropy county-wide through partnership with the Weld Gives Collaborative
Continue partnering with Weld County nonprofits on programs and events

Program Support

Strategy

Continue to expand Foundation programs and Foundation-supported District programs

Tactics

Add publishing component to the Writer in Residence program
Continue to support past residents through consortium, promotion, programming menu, and publishing support
Explore options to engage diverse populations through the residency and share the wide array of stories in our community
Secure funds for multi-lingual nursery rhyme books and storytimes
Identify additional District programs for Foundation support as needed

Internal Leadership

Strategy

Prepare staff and the board to lead the Foundation towards strategic goals

Tactics

Recruit new Foundation board members

Offer board trainings and retreats to position the directors as Foundation ambassadors
Revive the Foundation's staff liaison program
Engage District staff in Foundation programs and events
Develop Foundation presence in the branch libraries
Develop District-wide procedures for grants management and donation tracking
Support staff in smaller solicitations and grants, developing an internal understanding of funding processes and empowering them to fundraise
Consult member libraries on fundraising efforts including grants, campaigns, unique / sizeable gifts, and the use of the Foundation's 501c3 status

ARTICLES OF INCORPORATION

OF

RECEIVED
CUSTODIAN OF RECORDS
PEREZITA RAYMOND
COLORADO SECRETARY OF STATE

WELD LIBRARY DISTRICT FOUNDATION

The undersigned person, acting as the incorporator of a nonprofit corporation in accordance with C.R.S. § 7-122-101, hereby delivers to the Colorado Secretary of State these Articles of Incorporation pursuant to statute, and states the following:

ARTICLE I

NAME

20001208526 C

\$ 50.00

SECRETARY OF STATE

10-25-2000 14:23:35

The corporate name is Weld Library District Foundation.

ARTICLE II

REGISTERED AGENT; REGISTERED OFFICE; PRINCIPAL PLACE OF BUSINESS

- A. Registered Agent: The initial registered agent of the corporation shall be Steve Cottrell.
- B. Registered Office: The initial registered office of the corporation is 2227 23rd Ave., Greeley, CO 80634.
- C. Principal Address: The principal address is the same as the registered office.

ARTICLE III

DURATION

The Corporation shall have perpetual existence, unless dissolved.

ARTICLE IV

PURPOSES; POWERS

- A. Purposes: The Corporation is organized exclusively for charitable, religious, educational, and scientific purposes, including specifically providing aid and support, including financial contributions to the Weld Library District and the public library operated by or affiliated with the Weld Library District.

No part of the net earnings of the Corporation shall inure to the benefit of, or be

distributable to its members, trustees, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in this article. No substantial part of the activities of the corporation shall be the carrying on of propaganda; or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provisions of these articles, the Corporation shall not carry on any other activities not permitted to be carried on: (1) By a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or (2) By a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

Upon dissolution of the Corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, for a public purpose. Any assets not so disposed of shall be disposed of by the district court of the county in which the principal office of the corporation is then located, exclusively for the purposes or to the organization or organizations that the court shall determine, which are organized and operated exclusively for such purposes.

B. Powers: In furtherance of the foregoing purposes, the Corporation shall have and may exercise all the rights, powers and privileges now or hereafter conferred upon nonprofit corporations organized under the laws of the state of Colorado, and to the extent applicable, all such rights, powers and privileges granted to corporations generally.

ARTICLE V

MEMBERS

The Corporation will have no voting members.

ARTICLE VI

NUMBER OF DIRECTORS: INITIAL BOARD OF DIRECTORS

The number of directors of the corporation shall be fixed by the bylaws of the corporation, or if the bylaws fail to fix such number, then by resolution adopted from time to time by the board of directors. The initial Board of Directors shall consist of seven (7) director(s). The following persons shall serve as the corporation's initial directors until the first annual meeting of members or until any successors are duly elected and qualified:

Margery Curtiss
4070 W. 11th St., #21
Greeley, CO 80634

Geraldine B. Mellon
25607 WCR 17½
Milliken, CO 80543

Dianna Pennington
14198 WCR 90
Pierce, CO 80650

Maria Ketterling
835 Collins
Eaton, CO 80615

Rosalie M. Martinez
555 Fulton Ave.
Ft. Lupton, CO 80621

Brian C. Larson
2131 65th Ave.
Greeley, CO 80634

Linda L. Smith
28545 WCR 72
Gill, CO 80624

ARTICLE VII

MISCELLANEOUS PROVISIONS

The following provisions are inserted for the management and conduct of the affairs of the corporation, and the same are in furtherance of and not in limitation or exclusion of the powers conferred by law:

A. Transactions with Interested Persons: No contract or other transaction between the corporation and one or more of its directors, officers, or other agent, or between the corporation and any other corporation, company, partnership, association, or other entity or organization in which one or more of its directors, officers, or other agents are directors, managers, officers, or other agents, or have a financial interest, shall be void or voidable, be enjoined, be set aside, or give rise to an award of damages or other sanctions in a proceeding by a shareholder or by or in the right of the corporation, solely because of the fact such contract or transaction involves a director, officer, or other agent, or an entity in which a director, officer, or other agent has any interest, or solely because the director, officer, or other agent is present at or participates in the meeting of the board of directors, or committee thereof which authorizes, approves or ratifies the contract or transaction, or solely because such director's vote is counted for such purpose, if: (i) the material facts as to the director's officer's, or other agent's relationship or interest and as to the contract or transaction are disclosed or are known to the board of directors or committee, and the board or committee in good faith authorizes, approves, or ratifies the contract or transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum; or (ii) the material facts as to director's, officer's, or other agent's relationship or interest and as to the contract or transaction are disclosed or are known to the members entitled to vote thereon, and the contract or transaction is specifically authorized, approved or ratified in good faith by vote of the members; or (iii) the contract or transaction was fair as to the corporation at the time of authorization. Common or interested directors may be counted in determining the presence of the quorum at a meeting of the board of directors or the committee thereof which authorizes, approves or ratifies the contract or transaction.

B. Indemnification: The corporation shall indemnify, to the maximum extent permitted by law, any person who is or was a director, officer, agent, fiduciary or employee of the corporation, against any claim, liability, or expense arising against or incurred by such person who, as a result of actions or inactions reasonably taken or not taken by such person in such capacity in representing the corporation or at the direction of the corporation, is made a party to a proceeding. The corporation shall have the additional authority to the full extent permitted by law to indemnify all such persons against any claim, liability or expense arising against or incurred by them in all other circumstances. The corporation shall further have the authority to the maximum extent permitted by law to purchase and maintain insurance providing such indemnification.

C. Limitation of Director/Officer Liability: To the fullest extent permitted by law, a director or officer of this corporation shall not be liable to the corporation or its members for monetary damages for breach of fiduciary duty as a director or officer. Neither the amendment nor repeal of this provision, nor the adoption of any other provision inconsistent with this provision, nor any other action by the corporation, board of directors, or otherwise, shall eliminate or reduce the protection afforded by this provision to a director or officer of the corporation with respect to any matter which occurred, or any cause of action, suit, or claim which but for this provision would have accrued or arisen, prior to such amendment, repeal, adoption, or other action.

Dated this 25th day of October, 2000.



Patrick M. Groom, Incorporator
822 7th St., Ste. 760
Greeley, CO 80631

**BYLAWS OF
HIGH PLAINS LIBRARY DISTRICT FOUNDATION
(A NONPROFIT CORPORATION)**

ARTICLE I – NAME

The name of this Corporation is HIGH PLAINS LIBRARY DISTRICT FOUNDATION (hereinafter referred to as "the Corporation").

ARTICLE II – OFFICES

The principal offices of the Corporation shall be maintained at such locations, as the Board of Directors shall, by a majority vote from time to time, direct. The office shall be at 2650 W. 29th Street, Greeley, Colorado, 80631.

ARTICLE III – DIRECTORS

Section 1 General Power

The business and affairs of the Corporation shall be managed by its Board of Directors.

Section 2 Number and Tenure of Board

The Board of Directors shall consist of not less than seven (7) nor more than nine (9) members. Five (5) or more members will comprise a majority of the corporation's Board of Directors. A minimum of two (2) shall be current members of the High Plains Library District (hereinafter referred to "HPLD") Board of Trustees and the remaining Directors shall be appointed from the community at large. All members of the Board of Directors must reside within High Plains Library District Boundaries. The term of the initial Board of Directors may be varied somewhat to achieve the membership goal of that Board, in terms of numbers.

Section 3 Meetings

Regular meetings of the Board of Directors shall be held at such times as determined by the Board and upon call by the Chairman, at least annually. Written notice or email of such meeting shall be sent to the members of the Board of Directors, at least one (1) week prior to the annual meeting.

Section 4 Special Meetings

Special meetings of the Board of Directors may be called by or at the request of the Chairman or a majority of the Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place within the State of Colorado as the place for holding any special meeting of the Board of Directors so called.

Section 5 Notice

Notice of any special meeting shall be given at least three (3) days previously thereto by written notice, emailed or sent by courier to each member. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for any express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 6 Voting Procedures

Fifty-five Percent (55%) of the Board of Directors, two of whom must be officers, shall constitute a quorum for the transaction of business at any scheduled meeting of the Board of Directors.

The Directors may conduct official business face-to-face or via audio or video conferencing. The agenda shall be established by the Chairman of the Board, the Vice-Chairman, the Foundation Director and the Executive Director of the District.

Section 7 Manner of Acting

The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. The Board may also act through consent minutes without a meeting, providing the minutes are signed by a majority of the Directors including the Chairman.

Section 8 Vacancies

Vacancies shall be filled for the remainder of the unexpired term as soon as possible at any regular or special meeting of the Board of Directors.

Section 9 Compensation

Directors shall not receive any stated salary for their services.

Section 10 Powers

The corporation shall be responsible for visioning, planning and organizing fundraising events and opportunities as well as collecting and transferring donations in support of the HPLD. Programming for the HPLD is the sole responsibility of the HPLD. All the corporate powers, except such as are otherwise provided for in these Bylaws and in the laws of the State of Colorado, shall be and are hereby vested in and shall be exercised by the Board of Directors. The Board of Directors may, by general resolution, delegate to the committees of their own number or the administrators of the Corporation such powers as they may see fit.

Section 11 Removal

A Director may be removed only by a majority vote of all foundation members, but only upon a showing of good cause. Good cause shall include: failure to attend three consecutive regular board meetings unexcused or ongoing failure to attend board meetings; criminal, fraudulent or otherwise illegal activity; refusal to sign High Plains Library District Foundation's conflict of interest policy and or whistle blower policy.

ARTICLE IV-OFFICERS

Section 1 Number

The Officers of the Corporation shall be a Chairman, a Vice-Chairman, a Secretary / Treasurer and such other officers as the board deems necessary.

Section 2 Election and Term of Office

Trustees shall serve concurrently with their HPLD Trustee board terms as members of the Foundation board as appointed. Terms of non-trustee board members shall be three (3) years, with no more than two (2) terms concurrently served.

Section 3 Removal

Any officer may be removed by a vote of the Board whenever, in the Board's judgment, the best interests of the District will be served thereby.

Section 4 Vacancies

Vacancies shall be filled for the remainder of the unexpired term as soon as possible at any regular or special meeting of the Board of Directors.

Section 5 Chairman

The Chairman shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. He shall preside at all meetings of the Directors. He may sign, with the Secretary or any other proper officer of the Corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments, that the Board of Directors has authorized to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the directors or by these bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general, shall perform all duties incident to the office of Chairman and such other duties as may be prescribed by the Directors from time to time. The Chairman shall be a current member of the HPLD Board of Trustees.

Section 6 Vice-Chairman

In the absence of the Chairman or in the event of his inability or refusal to act, the vice-Chairman shall perform all the duties of the Chairman. When so acting, the vice-Chairman shall have all the powers of and be subject to all the restrictions upon the Chairman. The vice-Chairman shall perform such other duties as from time to time may be assigned to him by the Chairman or by the directors. The vice-Chairman shall be a current member of the HPLD Board of Trustees.

Section 7 Secretary / Treasurer

The Secretary / Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation from any source whatsoever and oversee the deposit and expenditure of all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VI of these bylaws. The Secretary / Treasurer shall in general perform all the duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the Chairman or the Board of Directors.

Section 8 Pronouns -Singular Plural and Gender Specific

Unless the context requires otherwise, words denoting the singular may be construed as denoting the plural and vice-versa, and words denoting a certain gender may be construed as denoting such other gender as is appropriate.

ARTICLE V - COMMITTEES

Section I Appointments

The Board of Directors from time to time shall appoint whatever committees the Board deems necessary.

Section 2 Corporation Chairman as Ex-Officio Member

The Chairman of the Corporation shall be an ex-officio member of all committees, with voting privileges, and shall be notified of all committee meetings.

Section 3 Reports

The Foundation Director shall be required to submit to the Board of Directors a written financial report and update as to general activities, at least annually.

ARTICLE VI-CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1 Contracts

The Board of Directors shall authorize any officer(s), or agent(s), to enter into any contract or execute and deliver any instruments in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2 Loans

No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors, at a meeting of the Board of Directors at which a majority of the Board of Directors is present. Such authority may be general or confined to specific instances.

Section 3 Checks Drafts etc.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer(s), or agent(s) of the Corporation and in such manner as shall from time to time be determined by resolution of the directors.

Section 4 Deposits

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VII- FISCAL YEAR

The fiscal year of the Corporation shall commence on January 1st of each year and end on December 31st of the same year.

ARTICLE VIII-WAIVER OF NOTICES

Whenever any notice whatsoever is required to be given under the provisions of these bylaws, or under the provisions of the Articles of Incorporation, or under the provision of the law under which this Corporation is organized, waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE IX-AMENDMENTS

These bylaws may be altered, amended or repealed and new bylaws may be adopted by a majority of the Board of Directors at any meeting of the Board of Directors at which a majority of the Board of Directors is present, one of whom must be an officer.

ARTICLE X – INDEMNIFICATION

In consideration for the services provided to the **HIGH PLAINS LIBRARY DISTRICT FOUNDATION** by its officers, directors and staff, the **HIGH PLAINS LIBRARY DISTRICT FOUNDATION** undertakes to defend all claims and indemnify its officers, directors and staff from any and all liability, loss or damage, the officers, directors and staff may suffer as a result of claims, demands, costs or judgments against them arising out of and in the scope of their duties and activities as officers, directors and staff members of the **HIGH PLAINS LIBRARY DISTRICT FOUNDATION**.

ARTICLE XI- CONTRIBUTIONS AND DEPOSITORIES

Section 1 Contributions

Any contribution, bequest or gift made to the **HIGH PLAINS LIBRARY DISTRICT FOUNDATION** or its Board of Directors shall be accepted or collected and deposited only in such manner as shall be designated by the Board of Directors.

Section 2 Depositories

The Board of Directors shall use the depositories used by the HPLD Board of Directors as long as such depositories are located within the County of Weld, State of Colorado, are authorized to transact business by the State of Colorado and are federally insured. All checks exceeding the amount of \$5000 and orders for the payment of money from said depositories shall bear the signature of at least two (2) authorized individuals. These two (2) individuals shall be the Chairman and the Secretary or other directors as approved and authorized by the Board of Directors. In addition, the Board of Directors may, in its discretion, designate an ex-officio Board member to be an authorized signatory on the Corporation's checking account.

ARTICLE XII - PARLIAMENTARY AUTHORITY

The Standard Code of Parliamentary Procedure, by Sturgis, newly revised, shall be the parliamentary authority for all matters or procedures not specifically covered by the Articles of Incorporation, these bylaws, or by special rules of procedure adopted by the Board of Directors.

Attested by:

HPLD Foundation Chairman

Date

HPLD Foundation Secretary/Treasurer

Date

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (the Agreement) is made and entered into this 18th day of May, 2020 by and between the BOARD OF TRUSTEES OF THE HIGH PLAINS LIBRARY DISTRICT (“the Library”) and the HIGH PLAINS LIBRARY DISTRICT FOUNDATION BOARD OF DIRECTORS (“the Foundation”), a Colorado non-profit corporation exempt from taxation pursuant to Internal Revenue Code Section 501(c)(3), as well as Section 509(a)1 of the Internal Revenue Code as a public charity, both parties of Greeley, Colorado. On 05/18/2020, the Library and Foundation entered into a Memorandum of Understanding to describe the manner in which they would collaborate and provide assistance to one another for the benefit of the Library.

Recitals

A. The Foundation was formed October 25, 2000 to “cultivate information, inspiration and entertainment for our communities by raising funds to sustain and create literacy programs, collection development, technology upgrades and capital improvements for our libraries.”

B. Consistent with its stated mission, the Foundation provides financial support through its operations for the benefit of the Library.

C. The Library has provided and will, subject to adequate funding, continue to provide assistance to the Foundation to facilitate its operation, endowment growth and the fulfillment of its stated mission.

Agreements

NOW, THEREFORE, the Library and the Foundation agree as follows, subject to the continued approval of sufficient funding for these purposes:

I. OPERATIONS

1.0 Office space. The Library will furnish office space sufficient to operate the Foundation. The Foundation will comply with Library policies in its usage of such space.

2.0 Computer usage; office equipment; Foundation website section. The Library will furnish the Foundation a computer, basic IT services, telephones and reasonable usage of office equipment, such as copiers and fax. The Library will also maintain the Foundation website section, with the understanding that the Foundation will be responsible for submitting changes and updates to the Library’s website team in a timely fashion.

3.0 Assistance in financial reporting and maintenance of fundraising records. The Library will assist in the Foundation’s cash management, accounting and financial reporting. The Library will provide software to manage Foundation fundraising records and will assist with data processing of those records. Both entities will be responsible for the proper procedural tracking,

accuracy, reconciliation of records in accordance with accounting and nonprofit fiduciary best practices.

4.0 Marketing and volunteer activities. The Library Public Information staff will assist the Foundation with marketing support, as needed. The Foundation will in-turn align all marketing with the strategic purposes of the Library marketing plans and functions.

5.0 Personnel. The Library will hire a Director on behalf of the Foundation. The Library will make such hire, after careful consideration of the recommendations of the Foundation's Executive Committee, and in accordance with the policies and procedures of the Human Resources department of High Plains Library District. The parties acknowledge that the Foundation's Director will be a district employee subject to the policies of the district's Human Resources Department, including those pertaining to compensation. The Executive Director of the High Plains Library District will supervise the Director, who shall direct the operations of the Foundation in consultation with the Foundation's board of directors.

6.0 Charges to Foundation. In recognition of the support provided to the Library by the Foundation, the Library will not charge the Foundation rent for the office space it provides pursuant to section 1.0 or for the services described in sections 2.0 through 5.0 of this Agreement. The Foundation will be responsible for operating expenses relating to fundraising activities, including the costs of postage, large copy jobs, and consumable office supplies used in those activities.

II. FOUNDATION RESPONSIBILITIES

7.0 Foundation Board of Directors. In compliance with its bylaws, the Foundation will recruit sufficient Board members to conduct its activities and to fulfill the organization's mission.

8.0 Compliance with legal and regulatory requirements. The Foundation will engage in an annual financial review and prepare necessary government reports at its own expense, including Form 990. The Board will comply with the Foundation's articles of organization/incorporation, bylaws, and applicable federal and state laws and regulations. The Director will inform the Executive Director of compliances on a regular basis.

III. FUNDRAISING AND GRANTMAKING

9.0 Restricted, unrestricted and endowment gifts made to the Foundation; gifts made to the Library. All restricted and unrestricted gifts made by donors to the Foundation and all gifts made to the Foundation's endowment by donors will follow the guidelines outlined in the Board of Directors policy on Gift Acceptance. Upon acceptance these gifts will be retained and managed by the Foundation. The following provisions shall apply to gifts made to the Library:

9.0.1 Statutory obligations with respect to gifts made to the Library that will receive potential tax benefit. Pursuant to (CRS S 15-1-1103-1109; CRS S 6-16-11(1)(i)), the

Board of Directors of the Foundation has exclusive control over the assets of the Foundation and contributing assets. Donated funds must;

- (a) be clearly categorized as unrestricted, temporarily restricted or permanently restricted in the organization's financial statements and communications in accordance with the donor or grantor wishes/stipulations.
- (b) follow applicable federal, state, and local laws particularly disclosure requirements for donors (CRS S 6-16-105, 105.3)

9.0.2 Restricted gifts made to the Library. In those instances in which a donor has made a gift or donation to the Library subject to restrictions or specified conditions, the Library shall follow the Gift Acceptance Policy of the Foundation, a copy of which is publicly available at www.mylibrary.us/Foundation.

9.0.3 Unrestricted gifts made to the Library. In those instances in which a donor has made an unrestricted gift to the Library, meaning a gift on which the donor has imposed no conditions or restrictions as to use, the provisions of this subsection 9.0.3 shall apply. The Board of Trustees of the Library has determined that it will best serve the interests of the Library for unrestricted gifts to be held, invested and reinvested by the Foundation, subject to appropriate safeguards and agreements. The Library agrees to notify the Foundation, through its Director, or, in the absence of a Director, the Foundation's President, when it has received and accepted an unrestricted gift. The Foundation and the District will refer to and follow Policies and Procedures for Gift Acceptance.

10.0 Restricted gifts. All gifts restricted for a specific library service may be initially authorized by the Library Executive Director, subject to Library Board of Trustees approval when required under Library and Foundation policies, specifically the Gift Acceptance Policy, and then accepted by the Foundation.

11.0 Management of funds for benefit of Library. The Foundation Board of Directors and Director will manage the proceeds of the Foundation according to bylaws, gift acceptance policy, spending and investment policies, ensuring that all funds not needed for operating expenses and budgeted appropriations are used to further the mission of the Foundation. The parties agree that the Foundation will continue to contract with the contracted investment services provider for investment and reporting services relating to all such funds.

12.0 Annual disbursement to the Library. The Foundation has raised, and shall continue to raise, funds for the long-term financial sustainability of the District. The Foundation Board will, on an annual basis, approve a disbursement of a mutually agreed upon amount to the Library for collection development, technology upgrades, capital improvements and/or literacy programs.

13.0 Programming. HPLD will be responsible for all programming and management of the District and may provide additional volunteer and staff support in furtherance of Foundation fundraising activities.

IV. MISCELLANEOUS PROVISIONS

14.0 Annual review and amendment of Agreement. The Library and Foundation agree that this Agreement will be reviewed on annual basis. This Agreement may be amended by a writing signed by the parties.

15.0 Termination of Agreement. This Agreement may be terminated by either party on thirty days prior written notice, in which event the parties will negotiate a new Memorandum of Understanding consistent with the missions of the Library and the Foundation.

16.0 Governing law. This Agreement shall be governed by Colorado law.

In witness whereof, the parties have hereunto set their hands:

BOARD OF TRUSTEES OF THE
HIGH PLAINS LIBRARY DISTRICT

By: _____
Name, Chair

BOARD OF DIRECTORS OF THE
HIGH PLAINS LIBRARY DISTRICT
FOUNDATION

By: _____
Name, Chair



High Plains Library District Foundation Whistleblowers Policy

The Foundation requires its directors and employees to observe high standards of ethics in the conduct of their duties and responsibilities. The Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns internally so that the Foundation can address and correct inappropriate conduct.

Responsibility to Report

It is the responsibility of all directors, employees, and volunteers to report any concerns about violations of the Foundation's conflict of interest policy or suspected violations of law or regulations.

Report Procedure

Any director, employee, or volunteer with concerns are encouraged to submit their concerns in writing directly to the Foundation Director. All complaints about unethical or illegal conduct will be investigated and resolved through an impartial third-party. The Foundation Director will advise the Foundation Board of all complaints and their resolution and will report on compliance activity.

No Retaliation

It is against the values of the Foundation to retaliate against any director, employee, or volunteer who in good faith reports an ethics violation or suspected violation of law. Anyone who retaliates against someone who has reported a violation in good faith is subject to discipline.

Confidentiality

Suspected violations may be submitted on a confidential basis by the complainant. Reports of suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Acting in Good Faith

Anyone filing a written complaint concerning a suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicated a violation. Any allegations that prove not to be substantiated and have been made maliciously or knowingly to be false will be viewed as a disciplinary offense.

Signature

Date

**Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities
PO Box 2508
Cincinnati, OH 45201**

COPY

Date: NOV 25 2016

**HIGH PLAINS LIBRARY DISTRICT FOUNDATION
2650 W. 29th STREET
GREELEY, CO 80631**

**Employer ID number:
84-1600136
Person to contact / ID number:
Jerry Fierro
ID# 10000203061
Contact telephone number:
1-877-829-5500
Form 990/990-EZ/990-N required:
Yes**

Dear Applicant:

In your letter dated August 15, 2016, you requested reclassification of foundation status as a public charity.

Our records indicate you are tax exempt under IRC Section 501(c)(3). You're currently classified as a public charity described in IRC Sections 509(a)(3).

Based on the information you provided, we determined you meet the requirements for classification as a public charity described in IRC Section 170(b)(1)(A)(vi) and updated our records.

Because your tax-exempt status wasn't under consideration, you continue to be classified as an organization exempt from federal income tax under IRC Section 501(c)(3).

This letter could help resolve questions on your foundation status. Keep it for your records.

Sincerely,


**Jeffery I. Cooper
Director, Exempt Organizations
Rulings and Agreements**



Foundation Board of Directors Roles and Responsibilities

Purpose of Position

The Board of Directors is legally and ethically responsible for all activities of the High Plains Library District Foundation (herein referred to as the Foundation). The members of the Board are responsible for the following areas: policy administration, finance, fundraising, and public and community relations.

Policy Administration

- Ensures that legal requirements for conducting business are met
- Adopts, amends, and operates within the bylaws of the Foundation
- Formulates policies to fulfill the mission of the Foundation
- Generates internal policies which govern the Foundation
- Develops strategic plans for the future direction and development of the Foundation
- Acts in the best interest of the organization and excuses oneself from discussions and votes where there is a conflict of interest

Finance

- Approves and monitors finances of the Foundation
- Ensures that sufficient funds are available for the Foundation to meet its objectives
- Authorizes and approves annual budget, audit, and 990 for the Foundation
- Manages and maintains properties or investments for the Foundation

Fundraising

- Ensures that sufficient funds are available for the Foundation to fulfill its mission and meet its objectives by:
 - Making a personally significant gift to the Foundation annually
 - Offering support personally and through community contacts
 - Identifying and nurturing individual donors
 - Identifying and nurturing business contributors
 - Nurturing the endowment program, preserving investments with long-term focus
 - Measuring outcomes and evaluating success

Public and Community Relations

- Understands and communicates the mission and purpose of the Foundation to the community
- Serves as an advocate to enhance the image of the High Plains Library District and the Foundation in the community
- Participates in public relations activities within the libraries and the community

Minimum Job Requirements

- Demonstrated interest in goals of the Foundation: *The Foundation's mission is to cultivate information, inspiration, and entertainment for our communities by raising funds to sustain and create literacy programs, collection development, technology upgrades, and capital improvements for our libraries*
- Specific experience and/or knowledge in at least one of the following areas: finance, fundraising, event planning, law, public relations, management/administration, non-profit organizations, or libraries
- Willingness to provide annual support (volunteer, in-kind, or financial) to the Foundation
- Availability to attend quarterly board meetings as well as training and strategic planning sessions
- Willingness to represent the High Plains Library District and the Foundation in the community

Signature

Date



High Plains Library District Foundation

Board Recruitment & Selection

Recruitment

The Foundation Board of Directors process for selection will match its current needs by utilizing the Colorado Nonprofit Association Board Matrix Worksheet. Resumes of potential board members will be reviewed regularly or as needed by the executive committee. Potential candidates will be interviewed by a current board member with an approved list of questions.

The board member selection process will follow the criteria defined by current needs assessment. A candidate will be encouraged to attend a board meeting as a guest. The board may vote electronically or at the next regularly scheduled board meeting on acceptance of a candidate. Voting will not commence at a board meeting where the candidate is in attendance.

The Foundation Director will support the efforts of the board to seek defined needs. Support shall come from posting openings, speaking publicly about openings and soliciting board needs through non-profit and other affiliations in the community. New board members will receive onboarding and follow up guidance to assist their board service.

Potential Candidate sample interview questions:

- How passionate are you about our cause – the HPLD and its Foundation?
- How much time can you devote to a board position with the Foundation?
- What motivates you as a volunteer?
- What expectations do you have from the management and organizations on whose boards you've served?
- What are your personal aspirations that could be helped with your service to the Foundation board?
- What professional or personal constraints on your time might you anticipate?
- Are you willing to make a priority financial commitment to the Foundation?
- How do you feel about performance evaluations of board individuals and the board?
- As you think about the three primary board roles—ambassador, advocate, and asker—in which role(s) do you think you will want to be most active?

- Tips and discussion about recruiting board members are available from Carter McNamara's Guidelines for Recruiting New Board Members. The Board Building Cycle: Nine Steps to Finding, Recruiting and Engaging Nonprofit Board Members
- (BoardSource)Recruiting a Stronger Board (BoardSource e-toolkit). How Can I Find Board Members for My Nonprofit? (Grant Space)- See more at: [http://www.councilofnonprofits.org/resources/resources-topic/boards-governance/board-development#s\(hash.qgKH4hyQ.dpuF\)](http://www.councilofnonprofits.org/resources/resources-topic/boards-governance/board-development#s(hash.qgKH4hyQ.dpuF))
- "Field Guide to Developing, Operating and Restoring Your Nonprofit Board" www.authenticityconsulting.com
- The Secrets of Successful Boards: The Best from the Nonprofit Pros, *Edited by Carol Weisman*
- Recruiting a Stronger Board: A BoardSource Toolkit (PDF) boardsource.com/publications
- Board Building Recruiting and Developing Effective Board Members for Not-for-Profit Organizations <http://culture.alberta.ca/bdp/workbooks/BoardBuild.pdf>

Foundation Board Chair Job Description

The following description was adapted from materials from BoardSource.

1. Is a member of the Board
2. Serves as the Chief Volunteer of the Foundation 501(c)3
3. Is a partner with the District Executive Director and Foundation Director in achieving the organization's mission
4. Provides leadership to the Board of Directors, who sets policy and to whom the Executive Director and Foundation Director is accountable.
5. Chairs meetings of the Board after developing the agenda with the Chief Executive.
6. Encourages Board's role in strategic planning
7. Appoints the chairpersons of committees, in consultation with other Board members.
8. Serves *ex officio* as a member of committees and attends their meetings when invited.
9. Discusses issues confronting the organization with the Executive Director and Foundation Director.
10. Helps guide and mediate Board actions with respect to organizational priorities and governance concerns.
11. Reviews with the Executive Director and Foundation Director any issues of concern to the Board.
12. Monitors financial planning and financial reports.
13. Plays a leading role in fundraising activities.
14. Formally evaluates the performance of the Foundation Director and informally evaluates the effectiveness of the Board members.
15. Evaluates annually the performance of the organization in achieving its mission.
16. Performs other responsibilities assigned by the Board.

Vice Chair Job Description

The following description was adapted from materials from BoardSource.

This position typically acts as successor to the Chair position. In addition to the responsibilities outlined in the Member job description, this position:

1. Is a member of the Board
2. Performs Chair responsibilities when the Chair cannot be available (see Chair Job Description)
3. Reports to the Board's Chair
4. Works closely with the Chair and other staff
5. Participates closely with the Chair to develop and implement officer transition plans.
6. Performs other responsibilities as assigned by the Board.

Board Member Job Description

The following description was adapted from materials from BoardSource.

1. Regularly attends board meetings and important related meetings.
2. Makes serious commitment to participate actively in committee work.
3. Volunteers for and willingly accepts assignments and completes them thoroughly and on time.
4. Stays informed about committee matters, prepares themselves well for meetings, and reviews and comments on minutes and reports.
5. Gets to know other board members and builds a collegial working relationship that contributes to consensus.
6. Is an active participant in annual evaluation and planning efforts.
7. Participates in fund raising for the organization.

Board Secretary Job Description

The following description was adapted from materials from the National Center for Nonprofit Boards.

1. Is a member of the Board
2. Maintains records of the board and ensures effective management of organization's records
3. Manages minutes of board meetings
4. Ensures minutes are distributed to members shortly after each meeting
5. Is sufficiently familiar with legal documents (articles, by-laws, IRS letters, etc.) to note applicability during meetings

Board Treasurer Job Description

The following description was adapted from materials from the National Center for Nonprofit Boards.

1. Is a member of the Board
2. Manages finances of the organization.
3. Administrates fiscal matters of the organization.
4. Provides annual budget to the board for members' approval.
5. Ensures development and board review of financial policies and procedures

HPLD Foundation Committees

Finance Committee

- review financial records quarterly, review and recommend financial policies to the board, oversees budget preparation and financial planning, help the full board understand the organization's financial affairs
- usually the treasurer and at least one other Director

Nomination / Selection Committee

- help develop Board roles and responsibilities, review Board Member job description, recruit new members who will be able to help achieve the organization's goals, nominate individuals to be elected as members of the board

Bylaws and Policy Committee

- review bylaws and recommend revisions/updates as needed, review existing Foundation policies, propose amendments or new policies as needed
- usually the Chair and at least one other Director

Friends Committee

- supports Foundation staff in the development and implementation of a Friends group
- aids in Friends outreach and member event planning
- serves as an advocate and champion for the new Friends program in the community

(Optional) Strategic Plan Task Force

- Develops, reviews, evaluates, and makes recommendations to the board regarding the Foundation's future direction, goals, objectives, and priorities, prepares suggestions for the Foundation Board strategic plan



Conflict of Interest Policy

Policy:

This conflict of interest policy is designed to ensure that voting members of the High Plains Library District Foundation Board of Directors identify situations that present possible conflicts of interest and provide appropriate procedures if a possible conflict of interest arise. It is also intended to ensure that decisions are not influenced by any private profit or other personal benefit to the individuals affiliated with the High Plains Library District Foundation.

Procedures:

Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person should disclose the existence of the interest and be given the opportunity to disclose all material facts to the Executive Director, directors, officers, key employees or members of committees with governing board delegated powers considering the proposed transaction or arrangement.

Determining Whether a Conflict of Interest Exists

After disclosure of the interest and all material facts, and after any discussion with the interested person, he or she shall leave the meeting while the determination of a conflict of interest is discussed and voted upon. The remaining directors, officers, key employees or committee members shall decide if a conflict of interest exists.

Procedures for Addressing the Conflict of Interest

An interested person may make a presentation at the board meeting. After the presentation, he or she shall leave the meeting during the discussion and vote process. Any High Plains Library District Foundation business transaction, which involves a potential conflict of interest with a voting member of the board shall have terms that are at least as fair and reasonable to the High Plains Library District Foundation as those that would otherwise be available to the High Plains Library District Foundation if it were dealing with an unrelated party.

Violations of the Conflict of Interest Policy

- a. If the governing board, executive staff or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it should inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it should take appropriate disciplinary and corrective action.

Compliance:

A written record on any report of possible conflict and of any adjustments made to avoid possible conflicts of interest shall be kept by the District key staff or where applicable, the board chair.

The minutes of the governing board and all committees with board delegated powers should contain: The names of all persons found to have an interest in connection to the matter, any action taken, a list of names of all who were involved in the action.

This conflict of interest policy statement shall be made available to each voting member of the governing board. Such people will be asked to read the statement of definitions associated with

this conflict of interest policy** as well as to sign the following Statement of Understanding concerning reporting of potential conflicts of interest.

Statement of Understanding:

I have read and understand the High Plains Library District Foundation policy on conflict of interest and agree to abide by its terms.

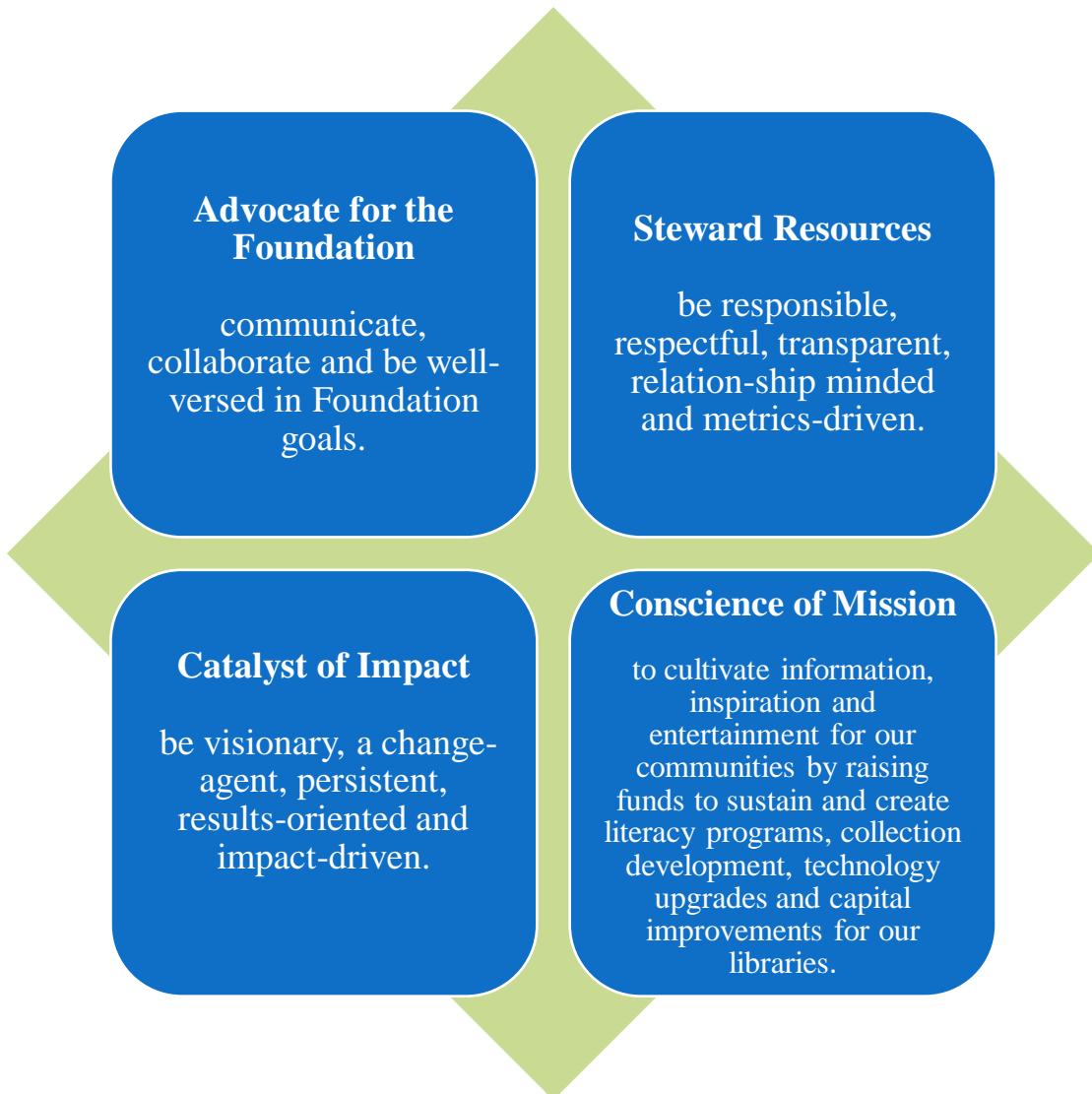
Potential Conflict of Interest Disclosure:

Signature: _____ **Date:** _____

**Conflict of Interest Policy Definitions



4 Highly Effective Behaviors of a Foundation Board Member





Colorado
NONPROFIT
Association

Principles & Practices

3rd Edition

for Nonprofit Excellence in Colorado

Developed
by Colorado
nonprofits
for Colorado
nonprofits

Principles & Practices for Nonprofit Excellence in Colorado generously sponsored by





Dear Colorado nonprofit employees, board members, volunteers, and interested citizens:

Colorado nonprofit organizations create substantial economic and social impact in our great state. They provide essential services and opportunities for citizens throughout all Colorado communities. We simply could not maintain the quality of life we have become accustomed to without their many contributions.

The nonprofit sector is continually challenged to be more transparent, efficient, and effective. *Principles & Practices for Nonprofit Excellence in Colorado* is a support mechanism to enable nonprofits to address issues of capacity and accountability as they strive to build the foundation for true mission achievement.

On behalf of the entities responsible for regulating charities and nonprofits in Colorado, we appreciate the guidance provided in this publication and our strong partnership with Colorado Nonprofit Association. These principles and practices will serve as a valuable tool for nonprofits of all sizes as they work to strengthen and demonstrate transparency and accountability. Such standards can only enhance the public's trust in the Colorado nonprofit community.

We recognize that representatives from all our communities invest time and resources to support our nonprofits. We commend your service to these organizations and your commitment to enrich the lives of thousands of people across Colorado.

We believe that since the release of this guide in 2007, *Principles & Practices for Nonprofit Excellence in Colorado* has proven to be a valuable resource to the nonprofit sector, and are confident that the updated version will continue that tradition.

Sincerely,

A handwritten signature in blue ink that reads "Cynthia J. Coffman".

Cynthia Coffman
Attorney General

A handwritten signature in blue ink that reads "Wayne D. Williams".

Wayne Williams
Secretary of State



Principles & Practices

3rd Edition

for Nonprofit Excellence in Colorado

Table of Contents

Introduction		2
Advocacy		3
Information & Technology		9
Governance		13
Communications		23
Human Resources		28
Evaluation		33
Financial Management		36
Fund Development		41
Planning		45
Strategic Alliances		48
Glossary		52
Contributors		54
Sponsors		55
Membership		56

Introduction

Purposes

Principles & Practices for Nonprofit Excellence in Colorado (P&P) has three intended purposes:

- The first is to provide individual charitable organizations striving for excellence with a Colorado-specific tool for evaluating regulatory compliance, enhancing strategic planning, and refining operational evaluation.
- The second is to support the growth and quality of the nonprofit sector.
- The third is to increase public understanding of the role and impact the charitable nonprofit sector in Colorado.

Note that this guidebook is not meant to be construed as legal advice, and is not a substitute for individualized consultation with an attorney. While legal requirements for nonprofits other than 501(c)(3) organizations are not included in this guidebook, this guide remains a strong tool to help those organizations increase good governance, accountability, and transparency.

Definitions

A “Principle” is a broad statement that defines a suggested ethical or managerial direction for a nonprofit organization.

A “Practice” is a suggested method to achieve the principles.

In this guide the terms “charitable organization,” “nonprofit organization,” and “nonprofit” are used interchangeably to refer to nonprofit organizations that are tax-exempt under § 501(c)(3) of the Internal Revenue Code.

Legal Accountability

All Colorado nonprofits must be aware of and in compliance with all legal requirements pertaining to nonprofit management, reporting, and governance. Visit the following websites for summaries of applicable laws, links to helpful resources, and downloadable forms:

- **Colorado Secretary of State**
sos.state.co.us
- **Colorado Attorney General**
ago.state.co.us
- **Colorado Department of Labor**
coworkforce.com
- **Colorado Department of Revenue**
colorado.gov/revenue
- **Internal Revenue Service**
irs.gov/charities

In addition, Colorado nonprofits should take advantage of an invaluable resource called ***A Guide for Colorado Nonprofit Organizations*** (2007, Continuing Legal Education in Colorado, Inc.). More than 20 of Colorado’s top corporate attorneys, many of whom specialize in representing Colorado nonprofit organizations, wrote this publication, which is updated regularly.

Additional Resources

P&P recognizes that good organizational practices are primarily implemented through education and self-regulation. This guide is intended as an educational resource to help charitable 501(c)(3) organizations to promote good governance, transparency, and accountability.

Colorado Nonprofit Association will continue to provide trainings, complementary materials, and additional resources to help nonprofits implement best practices via our online learning portal: **Opus**. To learn more about this resource visit Learning.ColoradoNonprofits.org.



Advocacy

Principles

Advocacy is the active support of an idea or a cause. In order to operate effectively and advance its mission, a nonprofit should advocate on behalf of the people it serves, its organization, and the common interests of the nonprofit sector.

A nonprofit's level of involvement in advocacy, public policy, and civic engagement will vary based on the organization's mission, capacity, and strategic direction.

When possible, nonprofits should facilitate broad community participation in advocacy, public policy, and civic engagement. Civic engagement means activities by individuals and groups to address issues of public interest. Civic engagement may

include volunteering, working with community members to solve a problem, or working with government institutions.¹

Although definitions of lobbying vary among levels of government, they generally apply to directly advocating for or against the passage of specific legislation before a legislative body or ballot measures before the voters, or encouraging members of the public to engage in such advocacy.² These laws and rules also define limits on lobbying expenditures and activities, disclosure and reporting requirements, and exceptions that apply to nonprofits or their staff when they lobby.

¹Adapted from quote of Michael Delli Carpini on the American Psychological Association's website. apa.org/education/undergrad/civic-engagement.aspx

²26 CFR § 1.501(c)(3)-1(c)(3)(ii).



Practices

Advocacy

Planning and Activities

1. Understanding of Policy Climate

A nonprofit should continuously maintain an understanding of the current events and issues and their impact on policy.

2. Public Policy and Advocacy Plans

If engaged in public policy and/or advocacy activities, nonprofits should adopt a written policy that clarifies the scope of the work, as well as the time and resources to be allocated to those activities, including clear guidelines to ensure compliance with federal limits on lobbying activity and the prohibition on political campaign activity.

3. Proactive Approach

A nonprofit should proactively develop specific strategies to address key issues facing the organization, its constituency, and the charitable sector, and should include its stakeholders in those efforts.

4. Capacity Building

A nonprofit should include training and resources on advocacy, public policy, and civic engagement as part of its organizational capacity building and professional development activities.

5. Communications

A nonprofit should ensure that all information maintained and provided is timely and accurate and that the social and political context of the information is clear. Information provided by the organization to the general public, the media, and policymakers may become a matter of public record. This includes information posted on the nonprofit's website and social media pages. In all its communications, a nonprofit must not support or oppose candidates

for public office and must comply with applicable federal, state, and local lobbying limits and reporting requirements.

6. Relationship Building

A nonprofit should build relationships with elected officials, community leaders, and other nonprofits in order to strengthen its ability to effect community change and impact public policy. However, these relationships should be carefully scrutinized to ensure there is no express or implied endorsement of a candidate for public office or attempt to influence legislation outside the permissible limit.

Civic Engagement and Education

7. Education

A nonprofit should provide board, staff, stakeholders, and the public with nonpartisan resources and training on issues important to it or its constituencies.

8. Inform Stakeholders

A nonprofit should ensure that individuals who act as advocates and ambassadors for their organizations are knowledgeable about the programs and activities of the organization and prepared to speak on its behalf when appropriate.

9. Stakeholders as Advocates

A nonprofit should encourage board members, staff, volunteers, and constituents to act as advocates and ambassadors for the organization.

10. Promote Civic Engagement

A nonprofit should encourage citizen participation in local, state, and federal policy-making efforts related to its mission.

11. Public Forums

A nonprofit whose constituencies are affected by government actions should conduct public forums for nonpartisan discussion or provide venues for constituents to express concern about the effects of various public policy actions.

12. Nonpartisan Voter Engagement Activities

While a nonprofit must not engage in partisan election-related activities, a nonprofit may engage in nonpartisan activities to educate voters and encourage voter turnout. These activities include:

- Producing voter guides that include and compare all candidates;
- Educating voters on voting and the elections process;
- Conducting nonpartisan get-out-the-vote activities and voter-registration drives;
- Hosting nonpartisan candidate forums; and
- Publishing reports on voting records of incumbent members of a legislative body.³

Prohibitions on Political Campaign Activity

13. Prohibition on Endorsing Candidates or Elected Officials

A nonprofit must not make a contribution or expenditure for the benefit of an individual candidate for public office, a political committee that supports or opposes a candidate, or a political party. A nonprofit must not support or oppose a candidate for public office in its communications and should avoid activities that could be perceived as endorsements of candidates or political parties.⁴

14. Prohibition on Use of Organizational Resources for Supporting or Opposing Candidates

A board or staff member of a nonprofit must not engage in activities that support or oppose candidates for public office, political committees, or political parties during hours when the individual is working, volunteering, or otherwise representing the nonprofit. This includes refraining from use of the nonprofit's resources including computers, phones, equipment, and supplies to support or oppose a candidate.⁵

15. Distinction between Personal Opinions and Organizational Positions

A nonprofit should ensure that board, staff, and volunteers distinguish between personal opinion and organizational positions, especially when posting information on websites or on social media pages, or in print. A nonprofit may be held accountable for statements made by a board or staff member.

³ IRS Revenue Ruling 2007-25 I.R.B. 142.

⁴ 26 USC § 501(c)(3).

⁵ IRS Revenue Ruling 2007-25 I.R.B. 142.

Public Policy and Lobbying

16. Participating in Formation of Public Policy

A nonprofit may participate in formation and amendment of public policy consistent with the organization's mission. An organization may take appropriate public positions on relevant issues, develop coalitions and communicate with other organizations, and inform the public about these issues.

17. Compliance with Ethics Rules

A nonprofit must comply with federal, state, and local ethics rules in working with government employees and public officials. With respect to government employees and officials, this includes rules on providing gifts, travel, honoraria, discounted or complimentary attendance of events, and employment of former elected officials.⁶ ⁷

18. Reporting of Lobbying Activities

A nonprofit or employee that engages in lobbying activities subject to applicable federal, state, and local laws and regulations must file accurate and timely reports of lobbying activities on behalf of the organization. Under federal law, a nonprofit must report activities to directly influence legislators on specific legislation, and to encourage members of the public to engage in lobbying, to the IRS.⁸ Under state law, a nonprofit employee who is paid by the organization to lobby must file reports with the Colorado Secretary of State on communications to, or communications

soliciting others to, influence legislation or public rule makings.⁹

19. Federal Tax Law Limitations on Lobbying

A nonprofit must know and understand federal tax law limits on permissible lobbying activities. Activities to influence legislation or carry on propaganda must not be more than an insubstantial part of organizational activities.¹⁰ Unless an organization makes the 501(h) election, the IRS determines if a nonprofit's lobbying activities are substantial based on facts-and-circumstances tests applied to the organization's annual information return.

20. Federal Tax 501(h) Election

A nonprofit should consider making a 501(h) election to have its permissible lobbying activity measured based on an expenditure test consisting of an organization's overall exempt purpose expenditures.¹¹ Having made a 501(h) election, a nonprofit must report on both direct and grassroots lobbying activities. In addition, grassroots lobbying expenditures must not exceed 25 percent of total lobbying expenditures.¹²

A nonprofit that has made a 501(h) election must also be aware of exceptions to lobbying including:

- "Self-defense" communications on legislation affecting an organization's existence, powers, duties, tax-exempt status, or deductibility of contributions;¹³

⁶ Colorado Constitution Article XXIX.

⁷ House of Representatives Rule XXIIII; Standing Rules of the Senate, 34–43.

⁸ 26 CFR § 1.6033-2 (a)(2)(ii)(k).

⁹ Colorado Revised Statutes § 24-6-303.

¹⁰ 26 USC § 501(c)(3).

¹¹ 26 USC § 501(h).

¹² 56 CFR § 49II-1 (c), 2(b).

¹³ 56 CFR § 49II-2(c)(4).

Advocacy

- Technical advice to a legislative body or committee at the invitation of that body or committee;¹⁴
- Nonpartisan analysis, study, or research with a viewpoint on legislation provided there is no direct call to action, facts are provided fully and fairly, and results are widely disseminated;¹⁵
- Examination and discussion of broad, social, economic, or similar problems provided the merits of legislation are not discussed and there is no call to action;¹⁶ and
- Membership communications that reflect a view on legislation of direct interest to the organization and its members, provided the communication is directed only at members and does not encourage direct or grassroots lobbying.^{17 18}

21. Prohibition on the Use of Federal Funds for Lobbying

Federally funded nonprofits that engage in lobbying activities must organize their legislative activity so that no federal funds are used for this purpose.¹⁹

¹⁴ 56 CFR § 49II-2(c)(3).

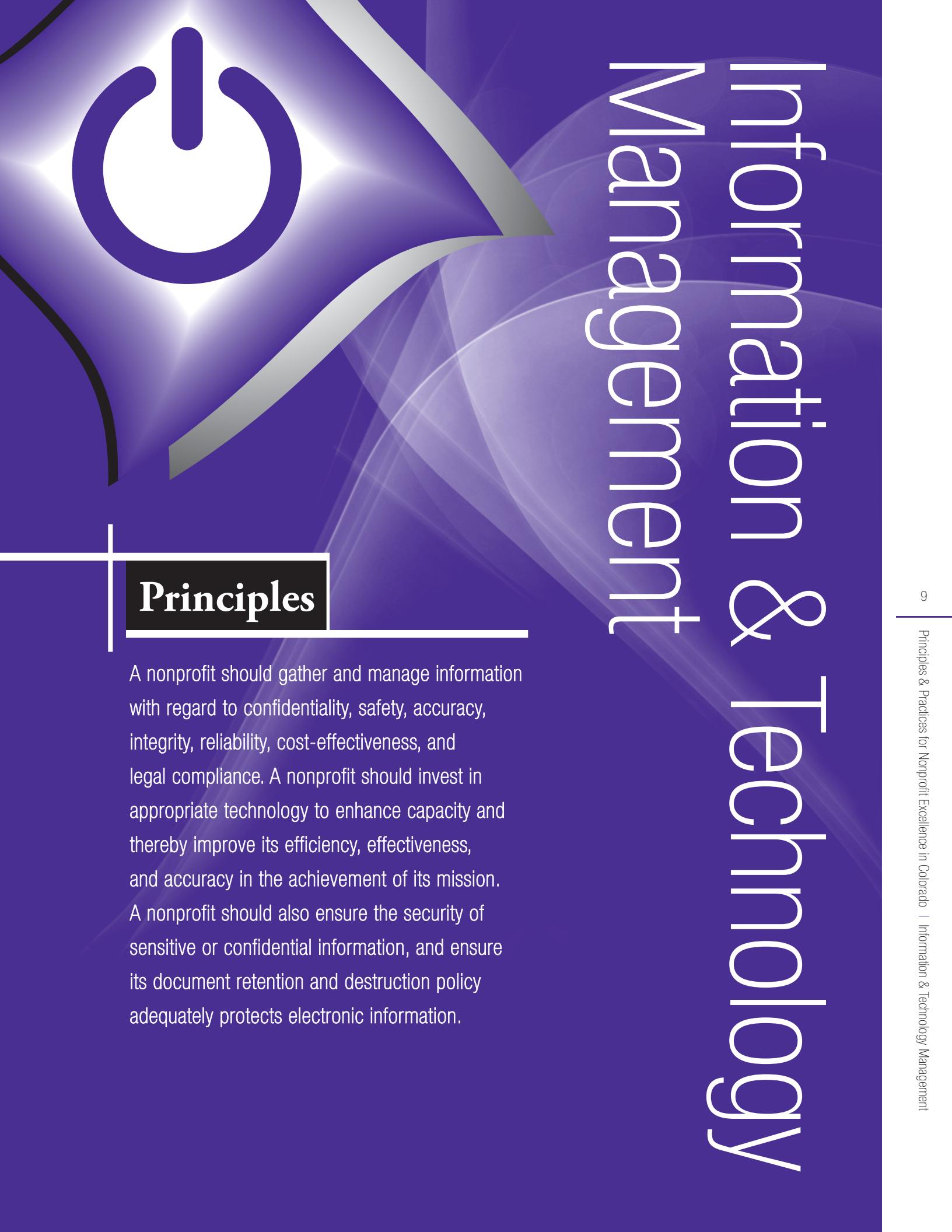
¹⁵ 56 CFR § 49II-2(c)(1).

¹⁶ 56 CFR § 49II-2(c)(2).

¹⁷ 56 CFR § 49II-5(b).

¹⁸ For organizations that have not made a 501(h) election, case law has established exceptions similar to those for technical advice and nonpartisan analysis. See IRS Revenue Rulings 64-195, 1964-2 C.B. 138 and 70-449, 1970-2 C.B. III.

¹⁹ 2 CFR § 200.450



Information & Technology Management

Principles

A nonprofit should gather and manage information with regard to confidentiality, safety, accuracy, integrity, reliability, cost-effectiveness, and legal compliance. A nonprofit should invest in appropriate technology to enhance capacity and thereby improve its efficiency, effectiveness, and accuracy in the achievement of its mission. A nonprofit should also ensure the security of sensitive or confidential information, and ensure its document retention and destruction policy adequately protects electronic information.



Information Management and Policies

1. Information Systems

A nonprofit should have reliable information systems in place that provide timely, accurate, and relevant information to facilitate workflow and track the organization's data.

2. Information and Technology Use Policy

A nonprofit should have an Acceptable Use Policy (AUP) that addresses the use of the organization's information and technology tools such as computers, mobile devices, phones, email, and internet access. This should define appropriate personal use of organizational technology, a statement on privacy expectations, and consequences for violation of these policies.

A nonprofit should have a policy for the use of personal technology devices that are used to access or store business information or may use organizational resources such as network/internet bandwidth. This is oftentimes referred to as a BYOD (Bring Your Own Device) policy. If these devices are allowed, then the policy should address any security requirements for the use of these devices. The policy should also include if and how the organization will provide support for these devices. This would include smartphones, tablets, and laptops.

3. Data Security Policy

A nonprofit should have a policy that helps to ensure the security and confidentiality of its data as well as the protection of technology assets. This policy should include:

- **Passwords** – Requirements for length and strength of passwords that allow access to data and organizational resources.

- **Malware protection** – Address how the organization will prevent computing devices from being infected by viruses, worms, and other malicious software.
- **Updating of software** – Addresses how the organization will keep its business software up-to-date to protect against malware and intrusion. This should include operating systems, business software such as Microsoft Office, Adobe software as well as web software such as web browsers, Java, Adobe Flash, and Apple software.
- **Network perimeter protection** – Addresses requirements for the organization to protect its private network from the public internet as well as the security of wireless connections.
- **Security of cloud-based services/information** – Addresses security requirements for data and services that are not stored at an organization's offices.
- **Data access authorization and authentication** – Addresses process for determining who has access to what information, and then how that access is controlled.

4. Remote Access to Information

A nonprofit should implement specific policies addressing information system security if employees or volunteers have remote access to secure or confidential information. A nonprofit should ensure that secure or confidential information is not taken from the organization in any manner unless expressly authorized.

Information & Technology Management

5. Cloud Services

A nonprofit should have a policy about the use of cloud services, particularly when the organization is storing some or all of its data in the cloud. This should include policy statements about:

- Any restrictions on data or services that should not be put into the cloud;
- Use of personal cloud services such as DropBox, iCloud, Google Drive/Docs, etc. for storing or transferring organizational information;
- Use of “business-class” services or versions of services;
- Evaluation of cloud service providers including: data ownership, backups and data retention, getting data out of the system; and
- Security requirements of cloud service: encryption requirements of data in transit and at rest, access controls, and authentication requirements.

6. Document Destruction

A nonprofit should have a written, mandatory document retention and destruction policy or schedule with guidelines for handling all types of documents including electronic files and voicemail. The policy should also include backup procedures, archival procedures, and guidelines for regular checkups of the reliability of the system. Documents involved in litigation or a government investigation must be retained (18 USC § 1519— a.k.a. Sarbanes-Oxley; 990).

7. Data Protection and Business Continuity

A nonprofit should have a data backup, disaster recovery, and business continuity plan

in place. This will protect organizational data from corruption, deletion, or destruction. In addition, it will call for how the organization will continue operations in the face of some sort of disaster.

These plans should include:

- A system of regular backups of all organizational data including emails, documents, databases, and media;
- A copy of all backups to be stored off-site for disaster recovery purposes;
- Requirements for Recovery Time Objectives (how long it takes to recover data) and Recovery Point Objectives (at what point in time can data be recovered from) to be established and backup systems set up to accomplish these goals;
- Inclusion of technologies that allow for the quick recovery of data and IT systems; and
- Use of redundant or cloud-hosted systems that may mitigate the risk of power, internet failures, or building disaster.

8. Social Media

Any nonprofit considering engaging in social media should adopt a social media policy. This policy includes:

- The purpose and organizational goals for the use of social media;
- Clear rules around the use of social media;
- The person/position that oversees all social media efforts; and
- Procedures for using measurement tools to analyze the effectiveness of social media campaigns.

Information & Technology Management

9. Responsibility for IT

An organization should designate an employee to oversee the planning, implementation, and ongoing use of information technology, ideally at the management level. Expertise to make technological decisions, which could include oversight of the maintenance of the organization's systems, delivery of technical support, and coordination with outside assistance. This position should have a backup if possible.

10. Technology Training and Support

A plan should be in place to provide technology training to all staff and volunteers according to job-related duties to ensure the most effective use of available technology tools. This plan should also include security training and safe usage of the organization's technology resources.

An organization should also budget for and acquire technical support and expertise at a level commensurate with the complexity of its systems. This ensures systems that are implemented well, are available for use, and work as intended at all times.

11. Technology Plan

A nonprofit should have a written technology plan that is integrated into its short- and long-term strategic and operational plans. The plan should include periodic assessments of technology and provide information regarding expected technology acquisitions, upgrades, and maintenance costs. Staff and board members should be familiar with this plan.

12. Investment in Technology

A nonprofit should invest in technology tools that help it to become more efficient and more effective at accomplishing its core mission. Resources should also be set aside for ongoing maintenance and eventual replacement of equipment. Organizations should strive to maximize current resources.

13. Selection and Adoption of New Technology

A nonprofit should have in place a process for how decisions are made about selecting new technology and how it gets adopted. This should include:

- Ongoing identification of technology that may enhance the organization's operations and/or mission;
- Identification of technology expertise that can be leveraged;
- Processes for gathering input from stakeholders including staff, board, community members, and beneficiaries of services;
- The ability of new technology to reduce costs, deliver new services or deliver services more efficiently as well as considerations of ROI (Return on Investment) and TCO (Total Cost of Ownership); and
- Identification of the organization on the technology adoption curve.

Governance

Principles

Nonprofit corporations are created under state law (the “Colorado Revised Nonprofit Corporation Act”) (C.R.S. § 7-121-101 to 137), and for the most part, it is state law that determines how they are governed. In addition to what is required by state law, a nonprofit’s articles of incorporation, bylaws, and board policies may provide more specific policies and procedures to govern the organization’s activities.

Members of the governing body, typically the board of directors or board of trustees, need to be aware of the legal fiduciary duties related to their work: the duty of care, the duty of loyalty, and the duty of obedience. Colorado law requires



directors to discharge their duties to the nonprofit in good faith; with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and in a manner they reasonably believe to be in the best interests of the nonprofit (C.R.S § 7-128-401). Fiduciary duties are intended to ensure a high degree of care and complete loyalty to the nonprofit in order to protect charitable assets that are held for the benefit of the general public rather than particular individuals.



Directors meet the duty of care by, among other things:

- **Exercising their responsibilities in good faith and with diligence, attention, care, and skill;**
- **Carrying out the purposes, mission, and strategy of the charitable nonprofit;**
- **Complying with the organization's governing documents (articles of incorporation and bylaws);**
- **Devoting the necessary amount of time and attention to the affairs of the nonprofit so they will be able to make reasonable and informed decisions.** This means that directors have the duty or obligation to be informed, ask questions, participate in deliberations, and exercise judgment;
- **Requesting expert advice if a decision requires information and judgment that is outside the board's experience and expertise;**
- **Not simply "rubber stamping" management requests, but instead developing the habit of requesting information needed to make a good decision.**

Meeting the duty of care includes both decision-making and oversight responsibilities, and is fulfilled by such activities as attending board meetings regularly, entering discussions, reading minutes, understanding the organization's programs, maintaining a careful oversight of finances, and questioning unclear or troubling activity (C.R.S. § 7-128-401).

Directors meet the duty of loyalty by placing the interests of the organization before their own interests or those of related parties and avoiding the use of organizational opportunities for personal gain (C.R.S. § 7-128-401). Under CRNCA, a related party includes a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, or an estate or trust in which the director or a related party has a beneficial interest. In addition, a related party includes any entities for which a related party serves as an officer or director, or in which a related party has a financial interest.

Directors meet the duty of obedience by complying with federal, state, and local law, adhering to the organization's governing documents, and guarding the organization's mission. This does not only refer to the letter of the law, but the spirit of the law. Nonprofit organizations are held to a higher public standard and boards should comply accordingly. Boards should stay informed on updates to the law and compliance practices within the organization.



Role

1. Board

Unless otherwise provided in the articles of incorporation, a Colorado nonprofit corporation must have a board (C.R.S. § 7-128-101). The three primary roles of the board include establishing mission and direction, ensuring the necessary resources of funds and leadership to implement the mission, and providing legal and fiduciary oversight.

A nonprofit's board or other governing body, officers, and key employees are responsible for defining and upholding the organization's mission, vision, and values, and for providing overall strategic direction to the organization. Governing a nonprofit requires the board of directors to manage its officers and ensure that the organization operates in furtherance of its charitable and tax-exempt purposes. But, overseeing the organization does not include day-to-day management of the organization's employees. Each nonprofit board should:

- Ensure that the organization has adequate resources to carry out its mission;
- Advance the ethical and legal integrity of the organization and ensure accountability and good governance practices;
- Ensure that activities and expenses align with mission focus;
- Proactively set and implement policies;
- Select and provide oversight, direction and support for the chief executive in order to further the goals of the organization; and

- Evaluate its own effectiveness as a governing body and as representatives of the community in upholding the public interest served by the organization.

2. Corporate (Board) Officers

Unless otherwise provided in the bylaws, a Colorado nonprofit corporation must have a president (or chairperson), a secretary, and a treasurer, each of whom must be eighteen years of age or older (C.R.S. § 7-128-301; 990). While not required under federal tax law, the IRS generally expects to see, at a minimum, these three officers.



3. Board Member Job Descriptions and Responsibilities

Board members should be provided with a clear job description and understand their roles and responsibilities to the organization and to the public. Board members are responsible for fully understanding and carrying out their responsibilities:

- Policy development and approval;
- Financial oversight;
- Strategic planning;
- Ensuring adequate financial resources; and
- Hiring, supervising, and conducting an annual assessment of the chief executive officer or equivalent.

Responsibilities: Oversight and Evaluations

4. Compliance with Federal, State, and Local Laws



A nonprofit must be knowledgeable and comply with all applicable federal laws and regulations, as well as applicable laws and regulations of the states and the local jurisdictions in which it is based or operates (for example, laws and regulations governing corporate activities [state], income tax laws [federal and state], charitable solicitations [state], and employment [federal]). In many states, the Attorney General has also retained certain powers governing oversight of charitable assets, donor intent, and self-dealing. Nonprofits conducting business and charitable solicitations in multiple states must comply with the regulations and guidelines of each state. If the organization conducts programs outside the United States, it must also abide by applicable international laws, regulations, and conventions.

5. Approval of Fiscal and Governance Policies

The board should review and approve new or revised fiscal and governance policies including a conflict of interest policy, whistleblower policy, document retention and destruction policy, personal giving and gift acceptance policies, and an executive compensation policy (990). The Form 990, a publicly available document, requires organizations to disclose whether they have most of these policies in place. The board should also seek to ensure that proper accounting systems and internal controls

are in place to detect and prevent fraud and embezzlement including, as appropriate, background checks for employees and volunteers and insurance coverages. It is recommended that the board and key staff develop a matrix or list to clearly delineate the spending and decision-making authority of staff throughout the organization and also the types and amounts of decisions that require board approval. This information should be shared with the board, staff, and the nonprofit's banking entities.

6. Review of Financial Information

The board should annually review and approve the organization's budget to ensure that expenditures are in alignment with the organization's mission. Depending on the size of the nonprofit, the board or the appointed finance committee should review financial reports quarterly, at a minimum, and monthly if possible. If an audit is conducted, the board should review and approve the audit. All board members should have the opportunity to review and approve the Form 990 prior to submission (990), and should be aware of any state and local filings.

7. Involvement in Strategic Planning

The board should actively lead and engage in periodic review and revision of a strategic plan for the organization. The plan should include goals and objectives in key areas to move the achievement of mission forward. Staff should participate in the planning process. The board should hold themselves and the organization accountable to the strategic priorities, goals, and objectives.

8. Review of Board Composition and Governance

Periodically, the board should review its size, composition, and operational structure to ensure it is best able to support the organization's mission, direction, and strategic goals. The board should take a

Governance

systematic look at how well it is discharging its own duties by regularly assessing its own performance and using the findings to improve its operations and governance practices.

9. Review of Organization

The board should annually review the organization's mission statement, articles of incorporation, bylaws, and corporate policies, and amend them as needed to reflect organizational growth and development.

10. Chief Executive Performance Review and Compensation

Annually, the board should conduct a performance review of the chief executive, including his/her compensation. The chief executive's performance should be assessed in light of organizational accomplishments, and the total compensation package should reflect industry standards and his/her performance.

Both Colorado law and federal income tax laws prohibit the payment of more than reasonable compensation (C.R.S. § 7-133-102; IRC §§ 501(c)(3) and 4958). To reduce its exposure to penalties relating to unreasonable compensation, the board of directors should follow the process outlined under § 53.4958-6 of the Treasury Regulations in order to create a rebuttable presumption that the compensation is reasonable by:

- **Independent approval:** An independent governing body (or a committee acting on behalf of the governing body) approves the compensation arrangement. Usually this is a board of directors or a compensation committee of the board of directors.

- **Comparables:** The board or committee obtains and relies upon appropriate comparability data prior to approving the arrangement. The governing body should take into account other organizations' size, location, focus area, and other factors when selecting compensation data for comparison.
- **Documentation:** The board or committee adequately documents the basis for its determination concurrently with making that determination.

11. Succession Planning

The board should engage in short-term and long-term succession planning for the chief executive, board members, and key staff to ensure strong leadership and accountability for the organization during planned and unplanned times of transition.

12. Monitoring Distribution of Assets

The board should carefully review any distributions of the organization's assets, especially if the nonprofit is dissolving. Distributions by nonprofits are generally forbidden, with only a few exceptions, such as paying reasonable compensation to members, directors, or officers for services rendered or transferring assets to another eligible and appropriate nonprofit.

Responsibilities: Fundraising and Development

13. Fundraising Expectations of Board Members

To demonstrate their commitment to the organization, board members should volunteer their time, assist in ensuring external sources of funds, and give financially to the organization. One-hundred percent of board members should make a meaningful financial gift (based on means) annually. Time, fundraising, and personal giving expectations should be clearly communicated in writing to all prospective board members during recruitment. Current board members should be regularly reminded to what they have committed to and reassess if the commitments remain adequate and/or relevant.

14. Board Members as Fundraisers

Board members are uniquely positioned to fundraise on behalf of their organizations. In order to do this effectively, organizations should provide board members with appropriate training and support materials.

15. Board Members as Ambassadors and Liaisons

Board members should receive the training and education necessary to empower them to serve as an ambassador for the organization and its cause. Board members should act as liaisons with the community by confidently articulating the organization's mission, accomplishments and goals, and soliciting feedback and concerns that relate to the organization's mission. In this role, board members can effectively identify trends and current needs in the community.

Responsibilities: Independence

16. Independence of Board Members

A substantial majority (typically, at least two-thirds) of the board members of a public charity should be independent. Independence means neither they themselves, nor anyone related to them (such as a spouse, sibling, parent, or child), nor anyone they reside with, should:

- Be compensated by the organization as an employee or independent contractor;
- Have their compensation determined by individuals who are compensated by the organization; or
- Receive, directly or indirectly, material financial benefits from the organization, except as a member of the constituency served by the organization (990).

The board should review the independence of its members at least annually.

17. Conflict of Interest Policy

Each board should have a conflict of interest policy that includes a disclosure form, which is signed by all board members annually, and procedures for managing conflicts of interest and handling situations in which public and private interests intersect. The policy should obligate each board member to disclose all material facts and relationships and refrain from voting on any matter when there is a conflict of interest. A nonprofit should regularly and consistently monitor and enforce compliance with its conflict of interest policy (990). The IRS inquires about this policy on both the Form 1023

(application for recognition of 501(c)(3) status) and on the Form 990 (annual information return).

18. Compensation of Board Members

Board members should receive no monetary compensation for their board duties other than reimbursement for reasonable board-related expenses.

If compensation is paid, it must be reasonable in amount (C.R.S. § 7-133-102(b), 26 CFR § 53.4958-4(b)(1)(ii); 990). Board member compensation may void applicability of federal and state statutes providing immunity for board members' personal liability (42 U.S.C. §14503; C.R.S. § 13-21-115.7).

Procedures

19. Board Orientation

Board members should be provided with an orientation including a board manual with the history of the organization, governing and planning documents, policies, an overview of board responsibilities, financial reports, fund development strategies, legal obligations, registration filings, and impending challenges.

20. Ongoing Board Training

The board should establish a continuous, effective, and systematic process for educating board members to ensure each member is equipped with the information needed to carry out oversight functions, act on all legal and ethical responsibilities, and be knowledgeable of the community served by the organization.

21. Board Nomination

The board should establish a process for recruiting, evaluating, and selecting new board members that will ensure adequate infusion of new ideas and diverse community perspectives, while preserving institutional memory (e.g., term limits and staggered terms).

22. Frequency of and Attendance at Board Meetings

Board meetings should be held at least quarterly. Attendance requirements and expectations should be clearly spelled out in the organization's governing documents. Board members should prepare for board meetings by reading the minutes from the previous meeting, the agenda, and any additional information provided including committee reports.

23. Documentation of Board Meetings

A Colorado nonprofit corporation must keep minutes of all board of directors' meetings, along with a record of any actions taken by the board without a meeting, as permanent records of the corporation (C.R.S. § 7-136-101; 990). Minutes of board meetings and records of actions taken without a meeting should be recorded contemporaneously and should include the date, time, attendees, motions, votes, and the name of the presiding officer. The minutes should be signed by the elected secretary.

24. Voting Procedures

To satisfy the statutory default of a quorum, a majority of the directors must be present. A quorum must be present in order to vote on a motion. A nonprofit may authorize an alternate quorum in its bylaws as long as the authorized quorum consists of no fewer than one-third of the number of directors (C.R.S. § 7-128-205).

25. Action without Meeting/ Electronic Voting

A nonprofit board may take action without a meeting through electronic voting or otherwise written voting as long as certain statutory criteria are met.

Unless otherwise provided in the bylaws, any action required or permitted by law to be taken at a board of directors' meeting may be taken without a meeting if a notice that meets certain criteria is transmitted in writing to each member of the board. The number of votes required to take action must equal or exceed the minimum number of votes that would be necessary to take such action at a meeting at which all of the directors then in office were present and voted. If the nonprofit receives a written demand by a director that such action not be taken without a meeting, the nonprofit must hold a meeting to vote on the action (C.R.S. § 7-128-202).

26. Committees

The board of directors may designate and appoint one or more committees as needed to effectively govern the organization and carry out the board's responsibilities. Each committee should have a chairperson, and a charter or description of its authority and purpose.

Composition

27. Board Composition, Diversity, and Inclusiveness

A nonprofit should strive toward board representation that reflects the diversity of the community and the organization's constituency. In addition, board members should commit to cultural competency, diversity, and inclusiveness as fundamental in advancing the organization's mission.

28. Board Size

Colorado law allows nonprofit corporations to have as few as one director, and the number of directors must be stated in, or fixed in accordance with, the organization's bylaws (C.R.S. § 7-128-103; 990). However, to allow for sufficient deliberation and diversity of perspectives, nonprofit boards should consist of no fewer than three to five individuals, depending on factors such as the size of the organization and life stage.

29. Board Terms

Unless otherwise provided in the bylaws, directors of Colorado nonprofit corporations serve for one-year terms and without term limits (C.R.S. § 7-128-105). However, to ensure broad public participation, vitality, and diversity, boards of directors should establish a clear policy in the bylaws of the corporation on the length of terms, the rotation of directors (e.g., staggered terms), the number of consecutive terms a board member may serve, and the removal of board members. Board terms are strongly recommended for all boards of directors with a limited number of consecutive terms. This policy should be stated in the bylaws and properly enforced by the board of directors.

30. Board Member Removal

Clear policies should be established to provide for the removal of board members who prevent the board from doing its work (e.g., nonattendance or inactivity). A board member who is not able to fulfill his/her individual responsibilities, does not abide by the rules set by the board for itself, or displays illegal and unethical behavior does not belong in the boardroom. Dismissing a board member before his/her official term is up should involve the participation of the full board.

31. Board Member Experience and Expertise

Board members should be strategically recruited to include members with the diverse skills, backgrounds, expertise, and experience

necessary to carry out their governance role, capitalize on opportunities, and address challenges facing the organization. The board should include at least one individual with financial expertise (does not need to be a CPA), and all board members should receive financial literacy training.

32. Staff Serving on Boards

Staff members should generally not serve as voting members of the board in order to preserve independent oversight of the organization. If staff does serve, they should be ex-officio members without official voting status, no more than one employee of the organization (typically the chief executive) should do so, and that person should not serve as the chair, vice chair, secretary, or treasurer.



Master of Nonprofit Management

Classes start soon!

regis.edu/nonprofit

800.717.5561

LOOK OUTWARD.
INQUIRE WITHIN.

REGIS UNIVERSITY

MNM classes are available on-campus and online, along with a 10% discount to all Colorado Nonprofit Association member organizations.



Communications

Principles

Excellent internal and external communications will advance a nonprofit's mission, inspire its stakeholders, and increase its impact. Every nonprofit should aspire to engage stakeholders with impactful communications. Effective communications also help to ensure public trust in the organization. Internal communication is essential to motivate, inform, and counsel employees and volunteers and to set the stage for excellent external communication. External communications are necessary to attract and retain stakeholders; raise public awareness; and increase understanding, commitment, and funding for the organization.



General

1. Organizational Communications

All nonprofit communications should adhere to the highest ethical and professional standards, as well as any applicable industry-specific standards, and should exhibit transparency, fairness, and honesty. These standards should be clearly stated in writing and made part of the orientation of all employees and volunteers, including board members.

2. Written Communications Plan

A nonprofit should have a clearly defined, written communications plan that supports the organization's strategic plan. It should be strategically integrated and central to all organizational planning, and should demonstrate accountability to constituents and the public. The written communications plan should:

- Include goals, target audiences, key messages, strategies, tools, intended outcomes, and the means to evaluate results;
- Ensure that an organization is making the appropriate information available to the public and communicating in a clear and timely manner with those who request information;
- Be shared and regularly reviewed with staff, board, and key volunteers of the organization; and
- Be updated regularly to ensure the plan stays current with the organization's priorities, communication trends such as social media, and technological capabilities.

3. Online Presence

Best practices for online communications change quickly; a nonprofit should continuously maintain an understanding of those technologies and trends in online communication that affect the organization and its stakeholders. It should develop a strategy for evaluating new opportunities and trends with respect to its specific communications goals, available resources, and target audiences.

A nonprofit should adopt and maintain a social media policy governing the organization's own social media channels as well as expectations (if any) for staff, board members, and volunteers regarding their personal use of social media.

4. Communication Procedures

Nonprofits should establish clear policies pertaining to communication practices and procedures such as outreach efforts, frequency of communications, graphic standards, rules around print and electronic communications, approval for institutional facts and messaging, and expected response for internal or external concerns. These policies should be included in the written communications plan.

5. Privacy and Consent

Nonprofits should establish and implement clear policies regarding confidentiality of certain communications, images, and personal information. Sensitive, private, or confidential information should not be shared without express consent.

Communications

6. Crisis Communications Plan

A nonprofit should have a written plan for communicating with the public and the media at a time of crisis or emergency. This plan should include a procedure to communicate internally as well. A crisis communications plan may be incorporated into a disaster management plan or written communications plan.

7. Copyright and Trademarks

A nonprofit should copyright or trademark organizational materials as appropriate.

8. Branding

A nonprofit should consider establishing and promoting a clear brand. An organization's brand is its reputation and personality, and is supported by its logo, graphic standards, messaging, tone, and actions. Understanding of and familiarity with the brand by all employees, board members, and volunteers is the cornerstone of effective communications, and provides strategic benefits to the organization as a whole. All communications should be consistent with the brand.

9. Graphic Standards

A nonprofit should consider implementing a set of graphic standards that provide the rules for using the organization's fonts, primary colors, accent colors, logos, and other details in accordance with the organization's brand and communications plan.

10. Evaluation

A nonprofit should take steps to evaluate its communications strategies and tactics. Each strategy should be designed with a measurable outcome, and the dollars and time expended should be weighed with the success of each strategy.

External Communications

11. Marketing and Public Relations Efforts

External communications should be guided by a clear, mission-driven plan, and should employ consistent use of the organization's graphic standards. Marketing and public relations efforts should be timely and accurate. Examples of important portals may include newsletters, websites, social media outlets, annual reports, advertising, public service announcements, promotional brochures and flyers, news releases, press conferences, and feature stories.

12. Email Marketing

A nonprofit should adhere to antispam laws and guidelines such as the CAN-SPAM Act in all email communications. All email communications should include the organization's name and mailing address, clear and valid information in the "From" and subject lines, and a means for recipients to remove themselves from the mailing list. Further, email communications should be sent only to recipients who have given either express or implied permission to be added to email lists.

13. Public Statements and Positions

A nonprofit should have a written procedure that stipulates who has the authority to make public statements on behalf of the organization, and the procedures for developing the statements. Board members, staff, and volunteers should be trained on the organization's statements, positions, policies, and procedures. The statements and positions should represent the full range of views of the organization's constituencies.

Communications

14. Ambassadors

A nonprofit should encourage all staff, board members, and volunteers to act as ambassadors for the organization by providing the tools, information, and messaging everyone needs to be successful advocates. Organizational ambassadors working together with a consistent message enables a nonprofit to reach more people effectively.

15. Distinction between Personal and Organizational Positions

A nonprofit should ensure that board and staff distinguish between personal opinion and organizational positions. This is especially important when publishing information online or in print. A nonprofit may be held accountable for statements made by a board or staff member (990).

16. Public Accessibility and Interactions

In order to demonstrate transparency and accountability, communications should be clear, easily accessed, and kept up-to-date. Opportunities should be created for key audiences identified in the communications plan (practice #2) to provide feedback and ask questions of the organization. The methods for providing feedback should be easily located by outside audiences on the nonprofit's website or public materials. Constituents should be provided with appropriate, ongoing opportunities to interact with the board and management regarding the organization's activities.

17. Stakeholder Grievance Policy

A nonprofit should have a written grievance policy in order to promptly and respectfully respond to grievances or complaints from stakeholders.

18. Public Access to Information

A nonprofit should make information about its operations, including its governance, finances, programs, and activities, widely available to the community and on the organization's website (990). Full disclosure of executive compensation, including compensation received from related entities of the organization, must be disclosed on the organization's annual information return. At a minimum, a nonprofit (unless specifically exempted) must make certain data available to the public including:

- Annual Information Return (usually an IRS Form 990, 990-EZ, 990-N, or 990-PF) for the most recent three years (IRC § 6104);
- Annual Tax Return (usually an IRS Form 990-T) for the most recent three years if the organization has unrelated business income (IRC § 6104); and
- IRS Form 1023, Application for Recognition of Tax-Exempt Status, including any papers submitted in support of the Application and any letter or other document issued by the IRS with respect to the Application (IRC § 6104; 990).

Communications

19. Annual Reports

A nonprofit should produce an annual report (in print and/or in electronic format) that contains information on its activities, accomplishments, performance, and vision for the future. The annual report should include:

- An explanation of the organization's mission, activities, and impact;
- An explanation of the organization's outreach efforts and ways in which constituents may access the program(s);
- Overall financial information, including income and expense statement, balance sheet, and functional expense allocation;
- A list of board members, staff, and, when appropriate, contributors; and
- An evaluation detailing the extent of accomplishment of stated goals and other notable accomplishments.



With Internet at home,
their opportunities can grow
as fast as they do.

 COMCAST

Comcast is bringing the power of the Internet to more students and families across Colorado. Affordable home Internet, low-cost computer, and free digital literacy trainings are now available to low-income families in our communities.

InternetEssentials.com
1-855-8-INTERNET
(1-855-846-8376)

**INTERNET
ESSENTIALS**
from Comcast

Human Resources



Principles

The ability of an organization to make effective use of the energy, time, and talents of its employees and volunteers is essential to accomplishing the organization's mission. Nonprofits should place a high priority on exercising fair and equitable practices that attract and retain qualified volunteers and employees. Like for-profits, nonprofits have an obligation to adhere to all applicable employment laws and to provide a safe and productive work environment. Each nonprofit should establish specific policies and practices that promote cooperation and open communication among employees, volunteers, and other stakeholders so that they can effectively work together to advance the organization's mission.



General

1. Federal, State, and Local Laws

A nonprofit must comply with all federal, state, and local employment laws when hiring and employing personnel.

2. Work Environment

A nonprofit should continually work to provide a safe and healthy work environment. Nonprofits must purchase workers' compensation insurance (C.R.S. § 8-44-101).

3. Guidelines and Procedures

A nonprofit should adopt a set of guidelines and procedures for managing employees and volunteers. This should include a broad and encompassing equal opportunity employment policy, anti-harassment guidelines, and nondiscrimination guidelines.

4. Employee Records Retention

A nonprofit should include both employee and volunteer records retention guidelines and procedures in its records retention policy that are consistent with applicable laws and industry best practices.

5. Conflict of Interest Policy

A nonprofit should establish a clear conflict of interest policy that requires disclosure of relationships, nepotism, and interested-party transactions. The policy should include a disclosure form, which is signed annually by staff and volunteers with decision-making authority, and procedures for managing conflicts of interest and handling situations in which public and private interests intersect (990).

6. Whistleblower Policy

A nonprofit should implement a whistleblower policy with specific procedures for reporting violations of organizational policy or applicable laws and must ensure that those making such reports are protected from repercussions (18 USC § 1107 – a.k.a. Sarbanes-Oxley; 990).

7. Staff Compensation

A nonprofit should endeavor to provide compensation in accordance with industry standards and market data in order to obtain qualified employees needed to fulfill the mission of the organization. Compensation should be based on performance and equitable given skills, experience level, and job status. Both Colorado law and federal income tax laws prohibit the payment of more than reasonable compensation (C.R.S. § 7-133-102; IRC § 501(c)(3) and 4958; 990).

8. Periodic Review of Compensation Structure

A nonprofit should establish and periodically review its overall compensation structure using industry-based surveys of comparable salaries and benefits, market data, and internal review. The organization should also establish and periodically review guidelines on employee benefits including medical insurance, retirement plans, sick leave, maternity/paternity leave, vacation, paid time off, and other benefits as appropriate.

9. Chief Executive Performance Review and Compensation

Annually, the board should conduct a performance review of the chief executive including his/her compensation. The chief executive's performance should be assessed in light of organizational accomplishments, and the total compensation package should reflect industry standards and his/her performance.

Both Colorado law and federal income tax laws prohibit the payment of more than reasonable compensation (C.R.S. § 7-133-102; IRC §§ 501(c)(3) and 4958; 990). To reduce its exposure to penalties relating to unreasonable compensation, the board of directors should consider the process outlined under § 53.4958-6 of the Treasury Regulations in order to position itself to create a rebuttable presumption that the compensation is reasonable by following each of these three steps:

- **Independent approval:** An independent governing body (or a committee acting on behalf of the governing body) approves the compensation arrangement. Usually this is a board of directors or a compensation committee of the board of directors.
- **Comparables:** The board or committee obtains and relies upon appropriate comparability data prior to approving the arrangement.
- **Documentation:** The board or committee adequately documents the basis for its determination concurrently with making that determination.

10. Volunteer Engagement Plan

A nonprofit that intends to engage volunteers should implement a volunteer engagement plan that fits the needs of the organization. The plan should identify adequate resources and organizational needs; establish effective recruitment, training, support, accountability, and recognition strategies; specify standards for inclusivity and background checks; and determine appropriate evaluation practices. An adequate budget should be provided for the volunteer program including work space, supplies, training, recognition, and other line items to support the volunteer director and volunteers. Additional components of volunteer engagement plans can include:

- **Onboarding:** A process and system for responding to potential volunteers should be in place, which includes an individual or group interview and referral to the appropriate area within the organization.
- **Orientation and training:** An orientation for new volunteers should include information about the organization and how and where the volunteer fits in. Depending on the position the volunteer is filling, job-specific training should be provided as needed.
- **Supervision and support:** Once a volunteer has been placed in a position, a supervisor should be identified who will provide regular support, feedback, mentoring, evaluation and appreciation.

Human Resources

- **Retention strategies:** Evaluation and feedback should be provided periodically, as well as recognition. An annual recognition plan, including both informal and formal recognition, is an effective tool to ensure that all volunteers feel appreciated and valued. Communication of information relevant to their work and awareness of organizational activities is also important.

Employee and Volunteer Engagement

11. Qualifications of Employees and Volunteers

A nonprofit should utilize skilled and diverse employees and volunteers who are suitable for the positions they occupy and are committed to the goals, values, and objectives of the organization. To better serve their constituents, organizations should endeavor to continually teach employees and volunteers new skills to improve work skills and industry knowledge.

12. Diversity and Inclusiveness

A nonprofit should strive to employ personnel and volunteers who reflect the diversity of the community and the organization's constituency. In addition, a nonprofit should value cultural competency, diversity, and inclusiveness as essential to improving the organization.

13. Employee Status/Contractor Status

A nonprofit must be aware of and in compliance with the rules regarding exempt versus non-exempt employment status, as well as when an individual may be categorized as an independent contractor (IRS Publication 1779; Fair Labor Standards Act).

14. Background Checks

A nonprofit should consider conducting background checks on employees, volunteers, independent contractors, and paid solicitors. This must be enforced in some nonprofits with positions that involve children or vulnerable adults, performing financial duties, or serving in other sensitive areas. A nonprofit must follow certain practices when using a third party to conduct a background check (Fair Credit Reporting Act).

Training, Development, and Retention

15. Employee Retention

As in all other industries, it is beneficial for nonprofits to maintain a stable, well-informed workforce. Retention of staff is often dependent on numerous factors, including work environment, compensation, training, and opportunity for advancement. Nonprofit management teams should assess their ability to meet or exceed employee expectations on an annual basis. An organization should also be able to answer the question "why do we engage volunteers" as a result of careful planning for volunteer involvement.

Human Resources

16. Job Descriptions and Resources

A nonprofit should provide volunteer and paid personnel with clear, current job descriptions and the resources they need to conduct quality work.

17. Performance Evaluations

Nonprofit personnel should receive performance evaluations on at least an annual basis. A record of the evaluation, along with employee signature and comment, should be kept in the employee's personnel records, and should be used to help determine compensation.

18. Training and Development for Staff

A nonprofit should support and encourage professional development and education of its personnel. The organization should actively provide personnel with opportunities for growth, advancement, and new challenges.

19. Benefit Programs

To the extent of its ability, a nonprofit should provide personnel with benefits including health, dental, and life insurance, as well as the opportunity to financially contribute to retirement plans (990).

20. Feedback from Staff and Volunteers

A nonprofit should continually solicit and use input from paid and volunteer personnel regarding the organization's activities and results.

21. Succession Planning

The board should engage in succession planning for the chief executive, board members, and key staff, to ensure strong leadership and accountability for the organization during planned – and unplanned – times of transition.



Evaluation

Principles

An essential responsibility of every nonprofit is to assess the impact of its actions and to learn from its previous work to better serve the community in the future. Evaluation demonstrates a nonprofit's fulfillment of its mission through a systematic, verifiable approach to measuring effectiveness and identifying areas for improvement.

Evaluation also supports efficiency and process improvement allowing an organization to best utilize its resources in areas with the greatest return. Evaluation results, and the associated organizational learning, are important for establishing accountability with stakeholders and for encouraging continued investment of resources by funders and supporters.



Program Evaluation for Organizational Development

1. Types of Evaluation

When nonprofits undertake evaluation, it is important to acknowledge that assessment and evaluation can operate at multiple levels. For example, evaluation of the organization itself may comprise multiple programs and services and be focused more broadly on metrics such as reach, operating budgets, and alignment with mission. When considering evaluation of programs, there are several types of evaluation, each with unique purposes. Two common types of evaluation that nonprofits may seek to implement are formative evaluation and summative evaluation.

2. Evaluation for Quality Assurance

High-performing nonprofits regularly measure their performance both in terms of effectiveness, such as outcomes and results of services, and efficiency, such as service delivery systems. Evaluation is ongoing, consistent, and integrated into the work of the organization.

3. Evaluation Outcomes

Strong systems of evaluation and anticipated outcomes are realistic, specific, measurable, and appropriate to the size and scope of the organization's activities. Measurements may include both qualitative and quantitative data.

4. Evaluation Capacity

Nonprofits can expect to invest considerable planning, staff time, and monetary resources into evaluation. The capacity of staff to implement evaluation is key to success and sustainability. Elements of evaluation capacity include:

- Buy-in and training of leadership and key staff regarding the value of evaluation, the importance of proper evaluation and analysis, and the application of evaluation results to inform program processes;
- Building a culture of continuous improvement through use of data;
- Established evaluation procedures for collection, safe storage, analysis and reporting of data; and
- In-house or contracted expertise to appropriately analyze and report on the resulting data.

5. Stakeholders

Stakeholders, including board members, staff, and constituents (i.e., populations served by one's organization), are ideally engaged in informing every stage of evaluation including development, implementation, interpretation of findings, and adaptation of programs and process as appropriate.

6. Ethical and Cultural Considerations

High ethical standards and cultural competency are critical components in evaluation design and execution. These components ensure that evaluations are designed and implemented to protect participant rights and confidentiality, and are equally accessible to and yield equally valid data from diverse populations served.

7. Communicating Results

Nonprofits regularly communicate results to internal (e.g., staff) and external (e.g., funders) stakeholders and use these results in the planning process to inform and improve the overall impact of the organization.

8. Program Change

Because evaluation drives program modifications, as well as supports continued use of effective program elements, the questions that organizations seek to answer with evaluation will shift over time, and correspondingly, so may the methods and measures used to address them. Thus, the contents and purposes of an organization's evaluation can be expected to constantly evolve, as the program continually changes in response to emerging learning.



Financial Management

Principles

Nonprofits have an obligation to act as responsible stewards of their financial resources. Nonprofits must comply with all legal financial requirements and should adhere to sound accounting principles that produce reliable financial information, ensure fiscal responsibility, and build public trust. Nonprofits should use their financial resources to accomplish their missions in an effective and efficient manner, and should establish clear policies and practices to regularly monitor how funds are used. Adherence to best practices, especially for those nonprofits that do not receive an annual audit or financial review, is critical to maintaining compliance and public trust.



Accountability

1. Financial Reports

A nonprofit should produce consistent and accurate financial reports, including a balance sheet and a statement of activities, at least quarterly. The balance sheet should compare the prior fiscal year-end, and the income and expense reports should also compare the budget for the same period to the actual income and expenses, along with explanations for significant variances.

2. Board Review of Financial Statements

All board members should receive appropriate training on how to read and understand nonprofit financial statements. Board members should be actively engaged in reviewing financial statements and providing fiscal oversight.

3. Internal Controls

A nonprofit should devise and implement internal control procedures, such as dual controls and segregation of duties, in order to ensure accurate information and to help prevent fraud.

4. Compliance

A nonprofit must comply with all federal, state, and local financial reporting and tax laws. This includes withholding and payment of federal, state, and local taxes and payroll taxes.

5. Review of IRS Information Returns

A nonprofit's chief executive officer, chief financial officer (or equivalent), board, and audit committee should thoroughly review and approve the IRS Form 990 and 990T (if applicable) to ensure that the organization's filings are accurate, complete, and filed on time with the IRS (990).

6. Audits

A nonprofit should have a qualified independent certified public accountant audit or review the financial statements annually or in a manner appropriate to the organization's size and scale of operations. In the process of the audit, the auditor should be given the opportunity to meet in executive session with the organization's board separately from management and staff. The independent financial audit or review should be reviewed and approved by the board of directors.

7. Audit Committee

The board should designate an audit committee, which should include board members. Subject to board approval, the audit committee should hire the external auditor. The audit committee should oversee and evaluate the audit process, meet with the auditor to review the audit's content, and present the audit to the full board for its review and approval. It is permissible to have a combined finance and audit committee. If possible, an audit committee should be independent of the finance committee because the auditors are effectively assessing the performance of the finance committee (990).

8. Auditor Rotation

The audit committee should annually evaluate the quality of the audit firm and periodically put the audit out to bid. If maintaining the same firm, a nonprofit should consider requesting, if possible, a new audit partner every three to five years in order to ensure a fresh, objective perspective.

9. Open Communication

A nonprofit must openly communicate the annual reporting information contained on its Form 990 to constituents and others who request such information (IRC § 6104; 990). In addition, nonprofits should share,

Financial Management

at least annually, an overview of data regarding sources of revenue, functional expenditures, and related outcomes. This is often presented within an annual report.

10. Protection of Assets

A nonprofit has a responsibility to ensure that its assets are used solely for the benefit of the organization, and not for personal or other gains. A nonprofit should establish a policy regarding the personal use of assets, both tangible and intangible such as computers, phones, copy machines, donor database, mailing lists, etc. Capitalized assets should be tracked and inventoried regularly.

11. Whistleblower Policy

A nonprofit should have a system in place that allows individuals to report financial and other misconduct, and must ensure that there is no consequence for doing so – commonly referred to as a “whistleblower policy” (18 USC § 1107 – a.k.a. Sarbanes-Oxley; 990).

12. Management of Funds

A nonprofit must manage and invest funds prudently and in compliance with conditions attached to funding (C.R.S. § 151.1103–1109; 990). A nonprofit should adopt and periodically review a sound investment policy.

13. Expense Reimbursement

A nonprofit should establish and implement policies that provide clear guidance on its rules for paying or reimbursing expenses incurred by anyone conducting business on behalf of the organization. The policy should specify the types of expenses that can be reimbursed, the approval and review process of expense reports, and the documentation required to substantiate expenses. Such policies should require that travel and other expenditures on behalf of the organization be undertaken in a cost-effective manner.

Expense reimbursement for the chief executive officer (or equivalent) should be approved by an officer of the board of directors.

14. Related Persons Expense Reimbursement

A nonprofit should neither pay for nor reimburse travel expenditures (other than minor and incidental expenses such as refreshments served at an organization meeting) for spouses, dependents, or others who are accompanying individuals conducting business for the organization unless there is a business purpose for their attendance and participation.

15. Loans to Board Members and Key Personnel

A nonprofit must not make any loans to board members or officers (C.R.S. § 7128.501). It should also expressly prohibit loans to key personnel or any other staff or volunteers (990).

16. Personal Use of Nonprofit Funds

A nonprofit must not allow personal use of its funds or business credit cards because any such transaction may constitute private inurement or an excess benefit transaction under the intermediate sanctions rules (IRC § 501(c)(3) and 4958; C.R.S. § 7133.101; 990).

17. Credit Card Use

A nonprofit should establish and implement a policy that provides clear guidance on the appropriate use of business credit cards, including the timely remittance of supporting documentation. The policy should also provide consequences for unsubstantiated expenses and personal use of credit cards. The policy should specify oversight procedures including board oversight of the chief executive officer's credit card expenditures (990).

Financial Management

18. Annual Budget

The board of directors should review and approve an annual budget for the organization. While the board should determine the appropriate budget needed to achieve its mission, the board should also consider external industry benchmarks for expenditures on programs, administration, and fundraising, and also consider the long-range strategic plan and sustainability of the organization. The budget should include adequate funds for appropriate staff salaries and resources to achieve mission.

19. Revenues

A nonprofit should work toward diversifying its funding sources as much as possible in an effort to strengthen the organization's sustainability and public support ratio, and to lessen the impact of a potential loss of a significant amount of its funding from any one source. Funding sources could include grants and contributions, earned income, investment income, and unrelated business income. The nonprofit should monitor the impact of unrestricted, temporarily restricted, and permanently restricted revenue, and consider diversification of these revenue classifications.

20. Donor Restrictions

A nonprofit must comply with specific conditions placed upon donations (C.R.S. § 1511I03II09; C.R.S. § 616III(I)(i)). Donated funds must be clearly categorized as unrestricted, temporarily restricted, or permanently restricted in the organization's financial statements and communications in accordance with the donor or grantor wishes, stipulations, or intent (990).

21. Transparency and Accountability

A nonprofit is responsible for monitoring and providing sufficient documentation, to both public and private donors, to support restricted expenditures that should be accomplished through the financial accounting system. Cost center accounting is a method to meet this objective.

22. Public Support Test

To be considered a public charity, an organization must generally receive financial support from a sufficiently broad base of donors to meet the public support test or the facts and circumstances test. A public charity that normally receives more than one-third of its total support from public support sources is generally considered a public charity. If the organization fails the public support test, it may still qualify under the facts and circumstances test (IRC § 170(b)(1)(A)(VI) and 509(a)(1)).

23. Expenses

Expense allocation should represent the mission and activities of the nonprofit. An organization should spend an appropriate percentage of its annual budget on programs in pursuance of its mission. A nonprofit should consult industry and subsector standards to determine an appropriate range for administration and fundraising ratios. An organization should also provide sufficient resources for effective administration of the organization and, if the organization solicits contributions, for appropriate fundraising activities. There is a wide range of acceptable expense allocations within the nonprofit sector. Each organization should consider relevant industry subsector data to determine the reasonableness of its expense allocations.

Financial Management

24. Reserves

A nonprofit should plan, establish, and maintain a financial reserve at a level determined by the organization's management and board to adequately support its operations. A recommended target for reserves is three to six months of operating expenses. Organizations with capital property should also consider an appropriate capital reserve policy. Both operating reserves and capital reserves should support the nonprofit's strategic plan.

25. Cash Flow

In order to facilitate smooth fiscal operations, a nonprofit should project, monitor, and make adjustments to cash flow as needed to ensure appropriate cash flow. Cash flow can be impacted by the sources and timing

of revenue, such as restricted funding and reimbursable grants. A nonprofit may consider alternative cash flow enhancements such as an operating line-of-credit.

26. Management's Discussion and Analysis (MD&A)

A nonprofit may consider publishing MD&A in conjunction with its audited or reviewed financial statements. This document can serve as an opportunity to explain variances in financial performance and frame the expectations for the reader of the financial statements. It can be a meaningful tool to provide additional insight about how the nonprofit's mission and accomplishments are reflected in its financial statements.

THE THREE KEY AREAS EVERY NONPROFIT SHOULD REVIEW TO MAINTAIN AND GROW SUCCESSFULLY ARE:

1. **Strategic:** Are you headed in the right direction?
2. **Operational:** Are you doing tasks the right way with the right technology?
3. **Organizational:** Do you have the right people in the right positions with the right motivation?

Our professionals can help with all of these areas to keep your organization moving in the right direction.





Fund Development

Principles

Nonprofits provide opportunities for individuals and institutions to voluntarily contribute to causes of their choosing and play an important societal role in serving as the vehicle by which philanthropy occurs. Nonprofits act as the intermediary between donors and beneficiaries, and have an ethical obligation to ensure proper handling of funds to carry out their missions. Nonprofit fundraising should be conducted according to the highest ethical standards with regard to solicitation, acceptance, recording, reporting, and use of funds. Nonprofits should adopt clear policies for fundraising activities to ensure responsible use of funds and open, transparent communication with contributors and other constituents.



General

1. Federal, State, and Local Laws

Nonprofits must comply with all federal, state, and local laws concerning fundraising practices.

2. Charitable Solicitations Registration

Unless excepted by law, a nonprofit that solicits contributions from the public or engages in cause marketing must file a registration statement with the Colorado Secretary of State and annually renew its registration with updated financial information and any material changes. These requirements must be met before an organization may solicit any donations (C.R.S. § 6-16-104 (1-6)).

3. Professional Fundraiser Registration

Any professional fundraiser (a person external to the organization, and not employed as staff) who consults or solicits contributions on behalf of a nonprofit must be registered with the office of the Colorado Secretary of State prior to engaging in any such activities (C.R.S. § 6-16-104.3, 104.6). Nonprofits that contract with professional fundraisers must ensure such fundraisers are registered accordingly (C.R.S. § 6-16-104.3 (2, 9), 104.6 (2, 9), 104.9B). In addition, nonprofits that engage paid solicitors must actively monitor the receipts and disbursements of those agencies or individuals (C.R.S. § 6-16-104.6 (8-9)).

4. Training of Professional Fundraisers

A nonprofit should provide appropriate training and supervision of the people soliciting funds on its behalf to ensure that they understand their responsibilities, and applicable federal, state, and local laws, particularly disclosure requirements for

donors (C.R.S. § 6-16-105, 105.3), and ensure that they do not employ techniques that are coercive, intimidating, or intended to harass potential donors.

5. Additional Registration Requirements

A nonprofit should be aware of and comply with requirements for gaming, auctioneering, bingo, and raffles. Organizations must contact the Colorado Secretary of State's Office and the Internal Revenue Service for further information or to seek approval for these activities well in advance (CCR § 1505-2(3.0); C.R.S. § 6-16-110; 990).

6. Fundraising that Supports Mission

A nonprofit should pursue and accept funding that is unrestricted or restricted to a use that is in alignment with the organization's strategic direction and mission while honoring original donor intent and not jeopardizing their tax-exempt status.

7. Fundraising Communications

Fundraising communications should include clear, accurate, and honest information about the organization, its activities, and the intended use of funds. Solicitation materials and other communications with donors and the public should clearly identify the nonprofit.

8. Fundraising Revenues

A nonprofit should work toward diversifying its funding sources as much as possible in an effort to strengthen the organization's sustainability and public support ratio, and to lessen the impact of a potential loss of a significant amount of its funding from any one source. Diversification may include a variety of types of grants, sponsorships, individual donations, and bequests in addition to other organizational revenue streams.

Fund Development

9. Public Trust

A nonprofit should conduct its fundraising activities in a manner that upholds the public's trust in stewardship of contributed funds.

10. Donor Restrictions

A nonprofit must comply with specific conditions placed upon donations (C.R.S. § 15-1-1103-1109; C.R.S. § 6-16-111(I)(i)). Donated funds must be clearly categorized as unrestricted, temporarily restricted, or permanently restricted in the organization's financial statements and communications in accordance with the donor or grantor wishes, stipulations, or intent (990).

11. Acknowledgment to Donors

To enable a donor to receive a charitable deduction, a nonprofit must provide timely written acknowledgement to the donor to substantiate contributions (IRC § 170(f) (17)). Note that special requirements are applicable for non-cash donations when the fair market value is more than \$500 dependent on the type of donation. Acknowledgment of all charitable gifts to the organization is a best practice of donor stewardship. A nonprofit must provide a receipt for contributions in cash (including those paid by check or credit card) or property (in-kind or non-cash) when the fair market value is at least \$250 (IRC § 170(f)(8); 990). A nonprofit must send a written acknowledgement to donors who make a contribution in excess of \$75 in which there is a donor benefit (i.e., a ticket to a fundraising event when the ticket price exceeds the benefit to the donor) IRC § 6115(a); 990. In order to accurately reflect the value of a non-cash contribution, a qualified appraisal must be used to substantiate a donation of property when the fair market value of contributed property is more than \$5,000 (26 CFR §1.170A-17(a), (b); 990).

12. Donor Confidentiality

While a nonprofit should strive to provide public recognition of donors when appropriate, donor confidentiality should be maintained when requested. A nonprofit should not share, trade, or sell contact information for any donor without prior permission from the donor. Personal information about potential donors collected in prospect research should also remain confidential.

13. Donor Stewardship and Grant Relationships

A nonprofit should regularly communicate with donors and grantors regarding its activities and expenditure of funds in periodic or final reports, as agreed upon at the time of donation. Response to questions or requests for additional information should be provided in a timely fashion.

14. Application of Funds Raised

A nonprofit should apply a significant percentage of each dollar raised to programs and services in accordance with practices of comparable organizations and commitments made to contributors and the public.

15. AFP Code of Ethics

A nonprofit board and nonprofit chief executives should be familiar with and implement the Association of Fundraising Professionals' (AFP) Code of Ethical Principles and Standards of Professional Practice, and ensure that all fundraising professionals and others representing the nonprofit in fundraising activities adhere to this code.

Fund Development

16. Compensation of Fundraising Professionals

Consistent with AFP guidelines, a nonprofit should ensure that compensation for fundraising personnel and contractors is not based on a percentage of funds raised or other commission-based formulas.

17. Persons Raising Funds

A nonprofit should be familiar with the legal distinctions between staff, consultants, volunteers, and contract employees, and should ensure that its staff has the knowledge and ability to adequately manage and supervise all fundraising activities. This is especially important if the organization uses outside contractors for fundraising.

18. Board's Role in Fundraising

A nonprofit's board assumes overall responsibility for raising sufficient funds to meet the organization's budgeted objectives. One-hundred percent of board members should give annually to the organization to the best of their ability or in accordance with a written board giving policy, and ensuring that all fundraising is implemented according to law and ethical practice.

19. Gift Policy and Acceptance

A nonprofit should have policies in place that govern the receipt, active management, and reporting of gifts (cash or non-cash), and grants. A nonprofit should adopt clear policies regarding the acceptance of gifts (cash or non-cash) to the organization (990). There should be an additional policy regarding acceptance of personal gifts from any constituent to staff members, board members, and volunteers.

20. Declining Gifts

A nonprofit should decline gifts (cash or non-cash) that would bring about adverse conditions for the organization or its constituents and gifts given for purposes outside the scope of its mission. Nonprofits should implement clear policies, based on the organization's exempt purpose, to determine whether accepting a gift would compromise the ethics, financial circumstances, program focus, or other interests of the organization.



Offering financial products and solutions customized for the not-for-profit community.

We're proud to help you make a difference.

Colorado Business Bank
CoBiz Private Bank
CoBiz Insurance
CoBiz Wealth
Green Manning & Bunch
cobizfinancial.com



Planning

Principles

Organizational planning defines the overall direction, activities, and strategies that will be used to fulfill a nonprofit's mission. Nonprofits should engage in sound planning to define a clear vision for the future and specific strategies for reaching established goals. Nonprofit planning should be proactive rather than reactive.

It should incorporate evaluation results and periodic analyses of community needs. The process should be intentional and ongoing in order to best position a nonprofit to achieve its goals.



Impact

1. Mission Statement

A nonprofit should have a clearly defined, written mission statement that accurately describes the core purpose of the organization.

2. Vision Statement

A vision statement is a clear, motivating message about a desired future state that projects a world enhanced by the accomplishment of the mission.

3. Values Statement

A values statement (or statements) reflects those core beliefs or principles that drive the work of the organization. It should describe the manner in which the nonprofit will conduct its work by highlighting those attributes that are most important.

4. Review of Mission, Vision, and Values

Originally defined by its incorporators, a nonprofit's mission, vision, and values should be reviewed by the board periodically to consider societal and community changes. This review should determine whether these statements are still relevant, and/or whether they should be adapted to address evolving needs of its constituents and the public.

Strategic Planning Process

5. Soliciting Input/Feedback from Community

In planning and evaluating its activities, a nonprofit should be responsive to community needs. It should solicit input and feedback from a variety of sources, such as board, staff and volunteers, community members, funders and donors, government officials, and other stakeholders. This input should be inclusive of a broad range of views

and perspectives and should play an integral role in the organization's decision-making process.

6. Environmental Assessment/Scan

A nonprofit should have a thorough and up-to-date understanding of the community in which it operates including the needs of its constituents, changing demographics, changes in the funding and political/regulatory environments, services provided by government, emerging technology, and applicable trends. To promote overall success within the sector, a nonprofit should look to other nonprofits to share and gather information on lessons learned, best practices, effective resource allocation, and prevention of the duplication of services.

Strategic Plan Document

7. Strategic Plan

A nonprofit should create a mission-driven written strategic plan every three to five years. The strategic plan should:

- Reflect the results of an environmental assessment that includes information on strengths and challenges facing the organization, as well as opportunities for, and perceived threats to, mission achievement;
- Include clearly defined, reasonably achievable, measurable goals and objectives that are set by the organization to achieve its current organizational priorities;
- Provide an overarching direction for the organization created and fulfilled by staff and board members that is reflective of the organization's stated mission; and

Planning

- Be flexible to adapt to unforeseen changes and take advantage of unanticipated opportunities.

Implementation

8. Operational Plan

A nonprofit should annually create a written operational plan, which aligns with the strategic plan and specifies how its activities will be implemented on an annual basis.

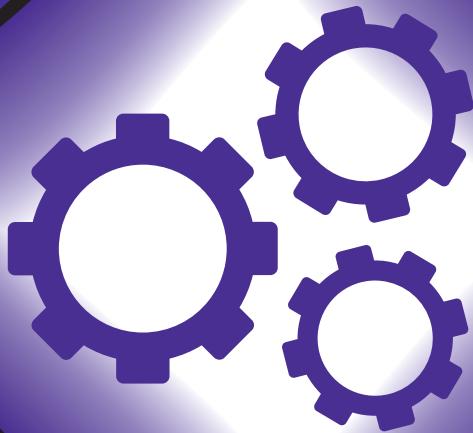
The operational plan should:

- Clearly define specific program, financial, personnel, and evaluation activities; delineate timelines; and assign specific responsibility for implementation;
- Clearly identify goals and performance measurements;
- Be tied to an annual approved budget;
- Provide a framework for regular progress reports; and
- Be reviewed and updated regularly by staff and board members.

Strategic Alliances

Principles

Nonprofits should initiate and promote cooperation and coordination with like organizations whenever feasible to maximize positive impact in the communities they serve. Informal and formal alliances can help strengthen individual nonprofit capacity and the capacity of the sector as a whole. An effective alliance can help those involved to achieve the goals of the organization, improve effectiveness and organizational efficiency, maximize the impact of charitable resources, strengthen community connections with constituents and others, and improve services.



Decisions regarding alliances should be consistent with the strategic goals of an organization.

Alliances should support the advancement of the nonprofit's mission by fostering relationships with similar organizations; state, regional, and national associations; governmental entities; and businesses.

Strategic alliances can take many forms, and are known by many terms. An alliance may be an informal arrangement for sharing information and resources, strengthening policy initiatives, or increasing operational efficiency. Alternatively, an alliance may be a formal arrangement such as a joint venture, partnership, consolidation, or merger with nonprofit or for-profit entities. Nonprofits should be open to consolidating and/or merging their organizations when it is in the best interest of the constituents, community, or service area to avoid unproductive duplication of services and to maximize available resources and impact.



Strategic Partnerships and Collaboration

1. Planning

The board should establish a policy related to strategic partnerships, collaborations and strategic alliances, clearly delineating guidelines for engagement, limitations of partnership, and levels of authority in establishing informal or formal alliances.

2. Flexibility

There may be different guidelines and rules pertaining to these partnerships with nonprofits, businesses, and government and also for those that include organizations/agencies from different regions or states.

Continuum of Collaboration

3. Community Assessment

On a regular basis, a nonprofit should conduct external community assessments to identify organizations and entities providing similar services, serving a similar audience, or addressing a common issue.

4. Connection and Communication

The nonprofit should assess its relationships with other organizations and identify potential opportunities to collaborate.

5. Consideration and Evaluation

A nonprofit should carefully consider how entering into strategic alliances will affect all parties involved and identify the key staff, board, and other stakeholders that should be included in evaluation and decision making. Decisions regarding strategic alliances should be consistent with the strategic goals, values, and bylaws of an organization. Evaluation factors should include mission alignment, program effectiveness, maximizing resources, financial impact, and advocacy.

6. Defining the Relationship

The type of relationship should be determined by the purpose, goals, and structure of the strategic alliance.

7. Reaching a Formal Agreement

A nonprofit should engage appropriate subject matter experts when reaching an agreement with governance, legal, or financial considerations.

Development Strategies

8. Community Relationships

When appropriate, a nonprofit should support the advancement of its mission by looking across sectors, industries, and geographies when seeking to form new alliances.

9. Information and Resource Sharing

To promote overall accountability within the sector, a nonprofit should openly communicate with other nonprofits to gather and share information on lessons learned and best practices.

10. Consistency with Policies

A nonprofit entering into a partnership or strategic alliance should ensure that agreements are consistent with its policies, especially around constituent and donor confidentiality.

11. Consolidations or Mergers

Nonprofits should be open to considering consolidating and/or merging their organizations when it is in the best interest of the constituents, community, or service area to avoid unproductive duplication of services and to maximize available resources and impact.

Strategic Alliances

12. Consideration of a Joint Venture

A 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 tax exempt status.

13. Cross Sector Relationships

A nonprofit should work to establish communication channels, mutual understanding, and natural alliances across the government, nonprofit, and private sectors to take advantage of the total resources of the community.

Better communities. Better health.



We believe good health belongs to all of Colorado. When people are surrounded by healthy food, safe neighborhoods, fresh water, and clean air, good health is highly possible. We recognize that healthy communities and a healthy environment are critical to the wellness of every person. We're here to make lives better, which is why we support nonprofit partners throughout the state.

Glossary

Advocacy | public support for or recommendation of a particular cause or policy.

Assessment | the systematic collection, review, and use of information about programs for the purpose of improving learning and development within a population segment.

Asset | property owned by an organization, regarded as having value and available to meet debts, commitments, or legacies.

Board of directors | governing body of a nonprofit organization. The responsibilities of the board include discussing and voting on the highest priority issues, setting organizational policies, and hiring and evaluating key staff.

Budget | an estimate of income and expenditure for a set period of time.

Civic engagement | individual and collective actions designed to identify and address issues of public concern. Civic engagement can take many forms, from individual voluntarism to organizational involvement to electoral participation. It can include efforts to directly address an issue, work with others in a community to solve a problem, or interact with the institutions of representative democracy.

Conflict of interest | any situation in which an individual or corporation (either private or governmental) is in a position to exploit a professional or official capacity in some way for their personal or corporate benefit.

Conflict of interest policy | a conflict of interest policy should (a) require those with a conflict (or who think they may have a conflict) to disclose the conflict/potential conflict, and (b) prohibit interested board members from voting on any matter in which there is a conflict.

Diversity | the state of having people who are different races or who have different cultures in a group or organization.

Donor | a person who donates something, especially money to a fund or charity.

Employee | a person employed for wages or salary.

Evaluation | a structured process of assessing the success of a project in meeting its goals and reflecting on the lessons learned.

Expense | the cost required for something; the money spent on something.

Formative evaluation | generally any evaluation that takes place before or during a project's implementation with the aim of improving the project's design and performance.

Inclusiveness | covering or including everything; open to everyone; not limited to certain people; including the stated limits and everything in between.

Income | money received, especially on a regular basis, for work or through investments.

Independent contractor | a natural person, business, or corporation that provides goods or services to another entity under terms specified in a contract or within a verbal agreement.

Internal control | a process for assuring achievement of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.

Lobbying | seeking to influence (a politician or public official) on an issue.

Onboarding | the mechanism through which new employees acquire the necessary knowledge, skills, and behaviors to become effective organizational members and insiders.

Orientation | the process of giving people training and information about a new job, situation, etc.

Public policy | a system of laws, regulatory measures, courses of action, and funding priorities concerning a given topic shared by a governmental entity or its representative.

Qualitative data | a categorical measurement expressed not in terms of numbers, but rather by means of a natural language description. In statistics, it is often used interchangeably with "categorical" data.

Quantitative data | information about quantities; that is, information that can be measured and written down with numbers.

Return on investment (ROI) | measures the gain or loss generated by program participation or a financial investment relative to the amount of money invested. ROI is usually expressed as a percentage and is typically used for personal financial decisions, to compare a company's profitability, or to compare the efficacy of different investments.

Social media | websites and applications that enable users to create and share content or to participate in social networking.

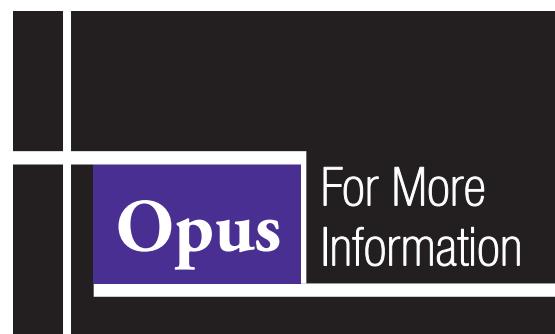
Stakeholder | a person, group, or organization that has interest or concern in an organization.

Succession planning | a process for identifying and developing internal people with the potential to fill key business leadership positions in the company. Succession planning increases the availability of experienced and capable employees who are prepared to assume these roles as they become available.

Summative evaluation | a method of judging the worth of a program at the end of the program activities. The focus is on the outcome.

Volunteer | a person who freely offers to take part in an enterprise or undertake a task.

Whistleblower Policy | an organizational policy that encourages a worker to report suspected wrongdoing at work.



Check Out Our Online Learning Portal

Looking for more information about how to enact these principles and practices within your organization? Check out Colorado Nonprofit Association's online learning portal **Opus**. Based on *Principles & Practices for Nonprofit Excellence in Colorado*, **Opus**, an online, on-demand learning system designed specifically for our nonprofit members, provides instructional lessons, answers to nonprofit FAQs, helpful organizational templates, resource articles, and more.



Contributors

John Aden | Open Media Foundation, Media Education Coordinator

Eileen Anderson | Colorado Nonprofit Association, Director of Development and Marketing

Andrea Aragon | United Way of Pueblo County, President/CEO

Rebecca Arno | The Denver Foundation, Vice President of Communications

Deborah D. Brackney, M.A. SPHR | Mountain State Employers Council, Executive Vice President

Caryn Capriccioso, MNM | interSector Partners, L3C, Co-founder/Principal

Rebekah Cardonsky | Colorado Nonprofit Association, Development and Program Coordinator

Adriana Carmona | Better Business Bureau Serving Denver/Boulder, Nonprofit Program Director

Chris Cash | Colorado Department of State Charities Program Manager

Linda Chaisson | Colorado Nonprofit Association, Accountant and Office Manager

Denise Clark | Denise Clark, Inc., President

Emily Davis, MNM, CGT | Emily Davis Consulting, President

Jean Denious, Ph.D. | OMNI Institute, Director of Research and Evaluation

Nick Donaldson | Investment Advisor Representative

Paul A. Dunne, CFRE | Need Him Global, Chief Development Officer

Renny Fagan | Colorado Nonprofit Association, President and CEO

Kelly Felice, MSM | Metropolitan State University of Denver, Associate Professor, Nonprofit Studies

Rebecca Gorrell, MNM | Colorado Participation Project, Executive Director

Mary Anne Harvey | Disability Law Colorado

David E. Henninger | Bayaud Enterprises, Inc., Executive Director

Mark L. Holdt | Mountain Sage Consulting, Principal Owner

Londell D. Jackson, M.Ed. | Colorado Nonprofit Association, Director of Education and Programs

Mike Jackson | Community First Foundation, Director of Nonprofit Relations

Kristy Judd | Metro Volunteers, Executive Director

Sharon Prueitt Keiser, MPA | Denver Early Childhood Council, Director of Finance and Operations

Steve Kessler | Denver DataMan

Doris Kester | Southern Colorado Community Foundation, Executive Director

Jeral Kirwan, Ph.D. | Ashford University, Assistant Professor and Faculty Research Fellow

Sharon Knight | Warren Village, President and CEO

Karen Leaffer, Esq. | Leaffer Law Group, Partner

Greg Lestikow | Colorado Department of State, Nonprofits Program Manager

Andy Lubansky | Teaming for Technology Colorado, Program Director

Lisa Meacham, CPA | EKS&H LLP, Partner

Kevin L. Mullin, CFRE | Inner City Health Center, Executive Director of Development

Jeannie Nims | Colorado Nonprofit Association, CFO

Jackie Norris | Community Volunteer

Alexis Owen | First Western Trust, Director of Philanthropic Services and Marketing

Sara Raab | Colorado Nonprofit Association, Manager of Special Projects

Gerry Rasel | Colorado Nonprofit Association, Director of Membership Services

Pat Read | Pat Read Consulting, Principal

Illene Roggensack | Third Sector Innovations, President

Marcia Sandoval | CoBiz Financial, Communications Specialist

Peter H. Schwartz | Davis Graham & Stubbs LLP, Partner

Becky Farr Seidel, Esq. | Leaffer Law Group, Senior Associate

Christina M. Supplies | United Nations Development Programme, MEM

Michaelle Smith, MPA | Hilltop Community Services, Vice President

Erin Spletzer | Colorado Nonprofit Association, Graphic Designer and Communications Coordinator

Tim Sullivan | Solve IT, Nonprofit Practice Manager

Kristen M. Sundin | Colorado State Bank and Trust, Senior Vice President

Mark Turner | Colorado Nonprofit Association, Director of Public Policy

Eileen Wasserbach | Southern Ute Community Action Programs, Inc., Executive Director

Cindy Willard, MNM | Cindy J Willard Consulting, Philanthropic Advisor

Luanne Williams, CFRE | Rocky Mountain Children's Health Foundation, Executive Director

Sponsors



CoBiz Financial | CoBiz Financial is a financial services company serving the complete needs of nonprofits in Colorado. We offer comprehensive, cohesive products designed to protect the resources, people and funds of our nonprofit clients. Our expertise provides continuing educational opportunities and opens the door to collaborative connections throughout the business community. CoBiz provides commercial and private banking through Colorado Business Bank and CoBiz Private Client Advisors; investment planning and management through CoBiz Wealth; and property and casualty insurance brokerage and employee benefits from CoBiz Insurance. cobizfinancial.com



Comcast | Comcast Spotlight, a customer focused media organization, provides marketing and advertising solutions to organizations/businesses of any size. As the advertising sales division of Comcast Cable, our consultants throughout Colorado, help with advertising, production, branding, development, promotional, social outreach, event awareness and overall marketing strategies. Advertise on more than 54 networks with cable and satellite TV, Xfinity online and other digital Comcast partners. Connect your message to what's important in people's lives. For marketing solutions to reach audiences geographically and demographically, across the state or in a particular ZIP code, we can help you grow. [ComcastSpotlight.com](http://comcastspotlight.com)



EKS&H | EKS&H is a Colorado-based public accounting firm providing audit, tax, and consulting services to clients locally, nationally, and internationally. Our commitment to excellence has resulted in sustained growth since we began more than 35 years ago. We have the largest number of CPAs of any firm in the Rocky Mountain region, with more than 500 employees, including 58 partners, in three offices. We are ranked as the 43rd largest U.S. firm in 2015 by *Accounting Today* and have been named a Best Place to Work by *Denver Business Journal*, Great Places to Work Institute, and *Fortune Magazine*. Contact Ann Hinkins, Lisa Meacham, Ryan Sells, Kelly Kozeliski, Craig Choun, or Dori Eggett at (303) 740-9400. eksh.com



Kaiser Permanente | Kaiser Permanente Colorado is the state's largest nonprofit health plan, proudly working to improve the lives and health of Coloradans for more than 45 years. Kaiser Permanente Colorado provides comprehensive health care services to 630,000 members through 29 medical offices and a network of affiliated hospitals and physicians. National Committee for Quality Assurance (NCQA) recognized Kaiser Permanente as the top-ranked commercial health plan in Colorado and the sixth ranked Medicare plan in the nation for 2014–15. Million Hearts™ also recognized Kaiser Permanente as a 2012 Hypertension Champion. In 2014, Kaiser Permanente proudly directed \$100 million to community benefit programs to improve the health of all Coloradans. kp.org/share.



Regis University | Poverty. Climate change. Human conflict. You name it. Taking on big problems requires bold thinkers and big programs. At Regis University, our Jesuit Catholic tradition encourages students to reflect on what's important to them and to take action to transform their careers – and the world. Regis University's Master of Nonprofit Management is a degree and an instrument of change. In this program, the next generation of nonprofit leaders is learning how to innovate and promote advancement of the nonprofit sector, exploring issues of social justice, and developing the skills to create positive change in the world. regis.edu/nonprofit

Colorado Nonprofit Association is the only organization that influences state and federal public policy on behalf of all Colorado nonprofits. Additionally, the Colorado Generosity Project has sought to increase charitable giving in Colorado through conducting and disseminating research about giving trends in Colorado. No other statewide nonprofit conducts similar research. Membership dues allow us to continue serving and strengthening all of Colorado's nonprofits.

Membership Benefits

Colorado Nonprofit Association members have access to numerous benefits – including discounts offered through our Group Purchasing Program. Nonprofit members also enjoy the many benefits noted below.

Members Save

Educational Services	Opus	Online, on-demand learning system designed specifically for Colorado nonprofits.	Members only
	Professional Development Trainings	Colorado Nonprofit Association offers more than 50 educational trainings across the state and via webinar.	40%
	Fall Conference & Exhibition	Premier educational event for Colorado's nonprofit sector with more than 800 in attendance.	40%
	Leadership Gatherings	Annual event discussing topics of critical importance to the nonprofit sector.	15%
Events	Colorado Nonprofit Week Awards Luncheon	Annual event celebrating the vital contributions nonprofits make to our communities.	30%
	C(3) Forum	Full-day event facilitating dialogue and strengthening relationships between Front Range nonprofits and funders.	15%
Career Center	Nonprofit Job Board	Colorado's premier website for posting paid positions with nonprofit organizations or government agencies.	100%
	Internship Board	Location for posting nonprofit or government open internship positions.	100%
Essential Services	Nonprofit Salary & Benefits Survey	Determine reasonable and competitive compensation packages for employees; review and design a benefits program that will attract qualified candidates.	50%
	Nonprofit Colorado	Colorado Nonprofit Association's bimonthly print newsletter filled with articles providing members with the latest tips and tools for nonprofits.	Members only
	Enews	Biweekly electronic news bulletin filled with the most current news and information.	Members only
	Nonprofit Help Desk	Helps provide the resources and direction needed to answer nonprofit management questions.	Members only

Visit ColoradoNonprofits.org for more information.



**Colorado
NONPROFIT
Association**

Serving nonprofits. Strengthening communities.

789 Sherman St | Ste 240 | Denver CO 80203-3530
(303) 832-5710 | (800) 333-6554
info@ColoradoNonprofits.org

ColoradoNonprofits.org

Partner of



**COLORADO
COLLABORATIVE
for nonprofits**
Where People and Ideas Connect

ColoradoCollaborative.org



What Makes a GOOD BOARD MEMBER?

While all effective board members understand and meet their basic responsibilities, truly exceptional board members do more. They go beyond the basics and pay attention to *how* they approach board service. These six characteristics build on straightforward board duties and focus on key traits of exceptional board members.



BOARD CHAIRS: CREATE A PARTNERSHIP WITH THE EXECUTIVE DIRECTOR OR CEO.

The partnership between a nonprofit's board chair and CEO is one of the most important elements of a strong board and a successful organization. However, developing this relationship takes work and commitment from both individuals.

The role of chief executive can be lonely, so having a trusted colleague in the board chair is invaluable. A good board chair ensures lines of communication are open and serves as a much-needed sounding board for the CEO.



Don't Do: Board chairs shouldn't shy away from, or overreact to, bad news. A strong board chair–CEO relationship is built on trust. The CEO should be just as comfortable sharing bad news as good.



FOCUS ON LISTENING, NOT JUST PARTICIPATING.

To encourage robust discussion during board meetings, board members must be prepared to listen as well as engage. Exceptional board members are careful not to dominate discussions and ensure that everyone, including quieter board members, have a chance to share their opinions. Additionally, it is important to understand the reasoning behind individuals' comments, even when board members do not agree. After listening carefully to others' views, the board can work together to build consensus.



Don't Do: Avoid creating a homogenous board in which consensus is based solely on similar experiences and opinions. Diversity enhances decision making, so incorporating a number of different perspectives in discussions helps the board arrive at the best result.



UNDERSTAND THE BALANCE BETWEEN GIVING THE CEO AMPLE ROOM TO MANAGE THE ORGANIZATION AND ENSURING THAT ETHICAL STANDARDS ARE MET.

Board members are overseers, not implementers. The chief executive is in charge of managing the day-to-day activities of the organization, and the board should be careful not to micromanage. Instead, board members are responsible for bringing complex, big-picture questions and opportunities to the organization.

However, the board must also ensure adherence to legal standards and ethical norms. Adopting a “hands-off” management approach does not mean that board members can turn a blind eye to ethical improprieties. All board members should be familiar with the organization’s bylaws and understand how best to respond to any ethical issues that might arise.



Don’t Do:

When introducing issues or programs for the board to consider, board members should be careful not to push their personal agendas. The needs of the organization should always come before personal connections and pet projects.



ASK “NAÏVE” QUESTIONS THAT OTHERS WANT TO ASK BUT MAY SHY AWAY FROM.

One of the most important roles of nonprofit board members is to ask questions. The board should constantly assess current and proposed projects to ensure they serve the organization’s mission and are setting the organization up for success.

In addition to bigger picture questions, exceptional board members are not afraid to ask what may seem to some as simple, more straightforward questions as well. Oftentimes, a more nuanced organizational business practice can take time to understand, or a new board member might not be familiar with the organization’s history. Good board members are not afraid to ask naïve questions because they trust their own instincts and want to improve their knowledge of the organization.



Don’t Do: While asking questions is beneficial, board members must be prepared for rigorous discourse by reading all the materials provided to them during new board member orientation and in advance of a board meeting. Posing a question that has been answered in the materials provided may show a lack of attention or interest.



SERVE AS AMBASSADORS FOR THEIR ORGANIZATIONS AND UNDERSTAND THE RESPONSIBILITY THAT COMES WITH THAT ROLE.

As ambassadors, board members represent the board outside the boardroom. This can range from talking with colleagues and friends about the good work the organization does to attending meetings with legislators. Board members serve as a link between the organization and its members, stakeholders, constituents, and clients and are responsible for educating influencers and the community about the importance of the organization's work. For more information on board members' roles as advocates, visit [the Stand for Your Mission campaign](#).



Don't Do: While it is important to discuss the organization's work outside of the boardroom, board members must be careful not to gossip about confidential matters. No matter how informal the situation might seem, internal matters of the organization should remain just that — internal.



REMAIN ENERGETIC IN LEARNING ABOUT AND HELPING THE ORGANIZATION.

Above all else, good board members enjoy their role. They are passionate about the work of the organization and interested in learning more about its mission and the community served. Board meetings should not be seen as a chore; instead, they can help board members connect with their peers and maintain enthusiasm for their important responsibilities.



Don't Do: Be wary of board members who have lost their excitement for board service. Occasionally, fatigued or irritable board members are a sign of problems with the staff or board processes, but a lack of enthusiasm might also mean it is time for certain members to roll off the board.

Adapted from a featured speech at the 2007 BoardSource Leadership Forum by Susan V. Berresford, then president and CEO, Ford Foundation.



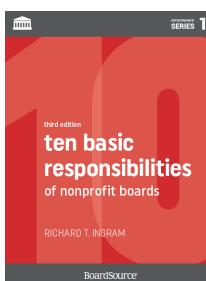
HELPFUL RESOURCES



[Board Fundamentals](#)



[Culture of Inquiry](#)



[Ten Basic Responsibilities of Nonprofit Boards](#)



[The Board Chair Handbook](#)



Investment Policy

Preamble

As a registered 501(c)3 charitable organization, the High Plains Library District Foundation (The Foundation) is committed to a diversified funding base, including charitable contributions that will further its mission. The Foundation, in investing or accepting temporarily and permanently restricted gifts, will maintain and utilize procedures to ensure best practices recognized by the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as well as Colorado Revised Statute (CRS) 15-1-1103, (e)(4) relative to investment. The following investment objectives and guidelines are to be judged and understood as an agreement between donor and steward for the sake of carrying out the Foundations mission and purposes.

Policy: The Foundation's policy is to diversify funds to best achieve its purpose as stated in this policy. The primary objective of the Foundation and its Board is to seek a moderate investment approach that values principal preservation but will accept a small degree of risk and volatility to seek a desired degree of appreciation. The Board acknowledges that unfavorable capital markets may persist over periods of unpredictable duration and therefore, maintain a long-term investment horizon.

The distribution of funds shall be governed by a distinct set of guidelines determined by the Foundation Board, details of which are available in the High Plains Library District Foundation Spending Policy. This policy is reviewed annually or in response to urgent fiscal circumstances.

Legal Authority: UPMIFA - Uniform Prudent Management of Institutional Funds Act:(revised) 2006
<http://uniformlaws.org/ActSummary.aspx?title=Prudent%20Management%20of%20Institutional%20Funds%20Act>

Colorado Revised Statute: 15-1-1103,(e)(4)
<https://law.resource.org/pub/us/code/co/colorado.xml.older/code11.15.html>

Purpose: To invest and retain restricted monies as a permanent investment fund and to invest and distribute non-restricted monies for the intended purposes of the donor and/or the Foundation purpose. To produce reasonable cash flow to meet the current spending needs of the Foundation. To maintain the income producing power of the current assets and any and all future contributions, and consider the effect of inflation. To maximize return within prudent levels of risk. To anticipate additional contributions and donations for future needs and growth and to control cost of administering and managing the investments.

Scope/Guidelines:

Investment constraints are as follows:

Asset Type	Lower Limit	Target	Upper Limit
Equities	10%	60%	80%
Fixed Income	10%	40%	90%
Short Term/Money Market	0%	2%	100%
Cash	0%	2%	100%

Maximum diversification with each asset class, low management fees, ease of rebalancing, and past performance history will be considered in the selection of the specific investment vehicles to represent each asset class.

Rebalancing:

When necessary and/or available, cash inflows/outflows will be deployed in a manner consistent with the asset allocation targets and constraints and the annual budgeted cash flow needs. If there is insufficient cash, the Investment Committee of the Board will take appropriate actions for rebalancing. The Investment Committee will review the allocation of the assets quarterly and rebalance when necessary.

Liquidity:

Income will be available for distribution as projected by the annual budget. If additional funds are needed for any reason deemed appropriate by the Board of Directors, the Board will invoke variance power and inform the Investment Committee of the request to liquidate assets. The Investment Committee will recommend liquidation strategies, relative to asset allocation goals, to meet such requests in a timely manner.

Asset Mix:

To accomplish the Foundation's objectives, the Investment Team is authorized to construct portfolios of mutual funds, exchange traded funds (ETF), individual equity securities (common stock, and convertible securities), fixed-income securities, and short-term (cash) investments. As a guide to accomplishing these objectives, the Investment Team shall remain within the ranges provided in the Asset Allocation guidelines discussed above. The actual investment targets shall be set within those limits by the Investment Team.

Management:

Delegation of Authority:

The Board delegates supervisory authority over its financial affairs to its Finance Committee. The Finance Committee shall consist of a mix of individuals: a minimum of two (2) members of the Board along with any combination of the following: Executive Director, Finance Manager, Foundation Director of the High Plains Library District. The Finance Committee is responsible for regularly reporting investments to the Board consistent with the reporting requirements of this Policy. In carrying out its responsibilities, the Finance Committee and its advisors will act in accordance with this Policy and all applicable laws and regulations. The Board may grant exceptions to this Policy when it seems appropriate in individual situations.

Consistent with other charitable foundations and the Colorado Uniform Prudent Investor Act, the Board may, in its discretion, determine that assets of the Foundation should be professionally managed. If and when this occurs, the investment manager must be provided with a copy of this

policy and provide the Foundation with reports detailing performance as required by this policy. The Investment Committee will review results and communicate them to the Foundation Board on a regular basis. A Professional Management Firm may invest in publicly traded securities subject to the restrictions noted in this policy. A contracted professional Management Firm is to assist the Foundation Board with its investment program. Said Management Firm will be expected to make recommendations regarding the selection of vehicles, periodic progress reporting, prudent actions when market conditions change and improved opportunities arise. This advice may include rebalancing allocations, liquefying assets, and/or changing the asset allocation mixes.

Distribution of Funds:

The distribution of funds shall be governed by the Foundations Spending Policy, a distinct set of guidelines determined by the Foundation Board, and available in writing. This policy will be reviewed annually and/or in response to urgent fiscal circumstances.

Policy Review and/or Modification

This Investment Policy and Guidelines shall be reviewed for possible modification by the Investment Team as conditions warrant but not less than annually. All modifications to this Policy are subject to the approval of the Board.

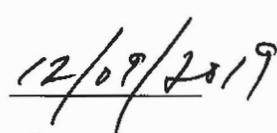
Acceptance and Authorization

This Investment Policy is adopted on November 4, 2019 by the Board of Directors of the High Plains Library District Foundation.

Signature:



High Plains Library District Foundation, Board of Director, Chair



Date

Attest:



High Plains Library District Foundation, Secretary/Treasurer



Date



Spending Policy

Preamble

As a registered 501(c)3 charitable organization, the High Plains Library District Foundation (The Foundation) is committed to best practices in donor funds management including but not limited to upholding the standards of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) including the standard of factors the board must consider in making a decision to spend or to accumulate funds:

- the duration and preservation of the endowment fund;
- the purposes of the institution and the endowment fund;
- general economic conditions;
- the possible effect of inflation or deflation;
- the expected total return from income and capital appreciation;
- other resources of the institution; and
- the investment policy of the institution.

Policy: With the intent of promoting financial equity for generations to come, the foundation's board of directors will adhere to the following calculations:

8.5% Expected rate of return on investments
-2.5% Inflation/growth rate
-1.0% Fees/administrative costs

5.0% Spending Distribution Rate

Legal Authority: Uniform Prudent Management of Institutional Funds Act:(revised) 2006
<http://uniformlaws.org/ActSummary.aspx?title=Prudent%20Management%20of%20Institutional%20Funds%20Act>

Purpose: UPMIFA requires persons making spending decisions (High Plains Library District Foundation Board of Directors) for endowed fund to focus first on the purposes of the fund and subsequently to the purposes of the organization. When the Foundation directors consider the purposes and duration of the fund, they will give priority to the donor's general intent that the fund be maintained permanently, making distributions at a reasonable spending rate, given investment performance and general economic conditions.



HPLD Foundation Fund Distribution Process

In line with its vision to create a community of library lovers and support the libraries of the High Plains Library District, the HPLD Foundation will distribute funds annually to HPLD. The exact amount of funds to be distributed will be determined by the Foundation's Finance Committee based on annual revenue.

Projects funded by the Foundation must be aligned with the Foundation's funding priorities. As outlined in the Foundation's 2019 – 2024 Strategic Plan, current funding priorities are:

- Downtown Greeley Library and Innovation Center
- Capital growth District-wide
- Program supporting education and literacy among underserved populations
- Writer in Residence and the literary arts
- High-impact District-wide programs (Signature Author Series, Summer Reading Adventure, Teen Tour, etc)

Annual distributions of funds will adhere to the following process:

- Foundation staff will work with librarians and HPLD staff across the District (at both Branches and Member Libraries) to identify projects in need of funding that align with the Foundation's priorities.
- Foundation staff will solicit applications for funding from the Foundation through the Foundation Partnership Form (attached) and will support staff in submitting.
- Requests will be gathered annually in the third quarter and will be presented to the Foundation's Finance Committee for review at their Q3 meeting. The Foundation Finance Committee will prepare a recommendation for the Foundation Board regarding the amount to be distributed and the projects selected to receive funding.
- The Foundation Finance Committee will propose the amount of funds to be distributed (based on annual revenue) and the projects to be funded to the Foundation Board at the fourth quarter meeting. The Foundation Board will vote to approve fund distributions.
- Projects funded by the Foundation will be asked to provide a report back to the board on the use of funds at the third quarter meeting of the following year.

International Statement of Ethical Principles in Fundraising

(Revised April 2017)

PREFACE

Fundraisers work in many varied fields, countries and circumstances, but they share several fundamental values and practices: they work to make the difference, help others and save what is valuable, in fact to make the world a better place. It is for these reasons that fundraisers strive to identify and employ best practices.

It is the purpose of this Statement of Ethical Principles to foster the growth of a worldwide fundraising community dedicated to accountability, transparency and effectiveness. In this Statement we want to set forth what unites us in the way we practise our profession. Recognising that in many countries there already exist codes of conduct and standards of practice, the intent of this statement is to unify the global fundraising community behind a single universal declaration of fundamental principles. Organizations and individuals who endorse this Statement are not necessarily abandoning existing codes or standards, but are announcing their interest in a global understanding of these fundamental principles.

Applied in different cultural settings, this Statement can provide guidance for initiating best practices in newly developing markets. It also provides a clear alternative to local customs which may not represent best practices. Adherence to this Statement should also advance the common purpose of assuring public trust in the non-profit sector while discouraging personal gain at the expense of donors and stakeholders.

A form of words has been incorporated within the statement in paragraph 5 where use of the words “***will***” and “***must***” indicate what is a mandatory requirement and “***should***” what is regarded as best practice by all organizations endorsing the statement. The statement recognises that fundraisers operate subject to many different jurisdictions and that they must observe the law of the jurisdiction in which they work. However, it is expected that fundraisers adhering to the principles of the statement should adhere to the most rigorous interpretation of the law (and of the Code of Ethics of their own Membership Association) applicable to an activity, whichever jurisdiction that activity derives from.

FIVE UNIVERSAL PRINCIPLES

Five important principles for acting as a fundraiser:

Honesty: Fundraisers shall at all times act honestly and truthfully so that the public trust is protected and donors and beneficiaries are not misled.

Respect: Fundraisers shall at all times act with respect for the dignity of their profession and their organisation and with respect for the dignity of donors and beneficiaries.

Integrity: Fundraisers will act openly and with regard to their responsibility for public trust. They shall disclose all actual or potential conflicts of interest and avoid any appearance of personal or professional misconduct.

Empathy: Fundraisers will work in a way that promotes their purpose and encourage others to use the same professional standards and engagement. They shall value individual privacy, freedom of choice, and diversity in all forms.

Transparency: Fundraisers stimulate clear reports about the work they do, the way donations are managed and disbursed, and costs and expenses, in an accurate and comprehensible manner.

STANDARDS OF PRACTICE

These standards are presented with the recognition that fundraisers operate subject to many different jurisdictions and that they must observe the law of the jurisdiction in which they work. However, it is expected that fundraisers adhering to these standards of practice will, first and foremost, adhere to the most rigorous interpretation of the law, and of the Code of Ethics of their own membership association, applicable to an activity, whichever jurisdiction that activity derives from.

1. Fundraisers responsibility regarding donations.

- Donations should be accepted if voluntary, in line with the goals and mission of the organisation and will bring not more than reasonable costs related to the value of the donation.
- Funds will be disbursed in accordance with the donor's wishes, if expressed.
- Funds will not be raised for the personal financial gain of the fundraiser or the fundraising organisation the fundraiser works for.
- Funds will be collected carefully and with respect of donor's free choice, without the use of pressure, harassment, intimidation or coercion.

2. Relationship with stakeholders.

- Fundraisers are strictly answerable to all stakeholders including donors, beneficiaries, and employers.
- Fundraisers will respect donor rights by providing timely information about how contributions are used, respecting donor privacy, and honouring donor wishes.
- Fundraisers will respect beneficiary rights and preserve their dignity and self-respect. They will not use fundraising materials or techniques that undermine this dignity.
- Fundraisers work with suppliers or intermediary agents at the same standards as within their own organisation. They make reasonable efforts to assure that suppliers do not gain unreasonable profit while working with their own organisation.

3. Responsibility for **communications**, marketing and public information.

- Fundraisers will only use information that is accurate, truthful and not misleading, and information that respects the dignity and self-respect of beneficiaries.
- Fundraisers will not express or suggest in public information that fundraising lacks administration and fundraising costs, thus giving the incorrect impression that fundraising activity is without costs. Fundraisers will object to their organization expressing or suggesting that fundraising activity is without costs.
- Fundraisers will provide truthful information about use of funds, without exaggeration or underestimation.
- They respect data protection rules and laws at all times.
- Fundraisers accept that all donor and prospect information developed by or on behalf of an organisation shall not be transferred or utilised except on behalf of that organisation without consent.
- Donor wishes to be removed from request lists will be followed promptly and without obstacles for the donor.

4. Management **reporting**, finance and fundraising costs.

- Fundraisers assure that all fundraising transactions, accounting and reporting for which they are responsible are transparent and unambiguous. They are able to account anytime for their professional work.
- They will encourage their organisation to report within the national and international standards of accounting methods.
- They will submit accurate annual reports to all stakeholders within a reasonable time or encourage their organisation to do so.
- Fundraisers will be open and clear to all stakeholders about fundraising costs, fees and expenses and the way these are allocated.
- They will make any compensation arrangement transparent to an employer, donor, and beneficiary upon request.

5. **Payments** and compensation.

- Fundraisers provide their services either as a volunteer, or on a salaried basis or for pre-determined fees. Fundraisers should not accept commissions or compensation based upon a percentage of the funds raised.
- Fundraisers will not accept any gratuity when making decisions on behalf of the organisation.
- Fundraisers will not seek or accept any personal payments, in cash or in kind, from a supplier of goods or services in recompense for business placed with that supplier.
- Criteria that will qualify a fundraiser for performance-based remuneration must be agreed upon beforehand and should not be based on a percentage of the funds raised.

6. Compliance with **applicable** laws.

- Fundraisers will object if the organisation they work for does not comply with applicable local, state, provincial and national or international civil and criminal laws.
- Fundraisers will not engage in activities that conflict with national and international legal obligations to their organisation or to others. Moreover, they will avoid even the appearance of any criminal offence or professional misconduct.



HIGH PLAINS LIBRARY DISTRICT FOUNDATION

**PHILANTHROPIC FEASIBILITY STUDY
FOR A POSSIBLE
\$1 MILLION ENDOWMENT CAMPAIGN**

THE KELLOGG ORGANIZATION, INC.
NATIONAL AND INTERNATIONAL FUNDRAISING COUNSEL
COAST-TO-COAST
HEADQUARTERS – DENVER, CO
AUGUST 26, 2016



The Kellogg Organization, Inc.
National and International
Full Service Fundraising
Counsel Since 1981
www.kelloggorganization.com



HIGH PLAINS LIBRARY DISTRICT FOUNDATION

MISSION

Cultivate information, inspiration and entertainment for our communities by raising funds to sustain and create literacy programs, collect development, technology upgrades and capital improvements for our libraries.

HIGH PLAINS LIBRARY DISTRICT

VISION

To build a solid reputation, increase overall participation and unite residents by being so connected to our communities that the library:

- Becomes everyone's first and best choice for life-long learning.
- Is seen as a necessary and important community asset.
- Is a community destination and gathering place.



The Kellogg Organization, Inc.
National and International
Full Service Fundraising
Counsel Since 1981
www.kelloggorganization.com

PREPARED FOR

**HIGH PLAINS LIBRARY DISTRICT FOUNDATION
BOARD OF DIRECTORS**

Lucile Arnusch

Chair

Karen Rademacher

Vice-Chairman

Jacqueline Maslowe

Secretary/Treasurer

Kay Broderius

Brian C. Larson

Stan Sameshima

Joseph Slobojan

Rochelle Mitchell-Miller

Foundation Director

**HIGH PLAINS LIBRARY DISTRICT
BOARD OF TRUSTEES**

Lucile Arnusch

Claud Hanes

Brian Larson

Jacqueline Maslowe

Ray Peterson

Karen Rademacher

Stan Sameshima

Janine Reed

Executive Director



The Kellogg Organization, Inc.
National and International
Full Service Fundraising
Counsel Since 1981
www.kelloggorganization.com

NOTE

Readers of this Philanthropic Feasibility Study for High Plains Library District Foundation should understand that it is neither a statistical analysis nor a marketing document—it is an empirical assessment and a quantitative and qualitative evaluation. Its unique approach brings a different dynamic by measuring judgmental samples and contrasting subjective points-of-view.

In particular, the objective was to measure and research the probability of success for an endowment campaign to grow the current \$300,000 endowment to a minimum of \$1,000,000 by 2018—possibly \$1.5-\$2 million.

This objective was accomplished through analysis, observations, and recommendations derived from select confidential interviews with representative current and potential individual donors; and members of the Foundation's Board of Directors. The potential for financial and personal involvement required for the proposed campaign was measured and evaluated.

The Kellogg Organization, Inc. is a fundraising counseling organization. Therefore, this document addresses the overall governance, organizational, operational, and management structure necessary to successfully plan and implement an endowment campaign of cash pledges, planned gifts, and bequests for High Plains Library District Foundation.



The Kellogg Organization, Inc.
National and International
Full Service Fundraising
Counsel Since 1981
www.kelloggorganization.com

ACKNOWLEDGEMENTS

It is with appreciation that we extend our thanks and gratitude to Janine Reid, High Plains Library District Executive Director; Rochelle Mitchell-Miller, High Plains Library District Foundation Director; Kelli Johnson, High Plains Library District Public Information, and Alex Rockwood VISTA Intern, who, in so many ways, assisted in the preparation of this Study. They diligently and efficiently strategized with us to set interview appointments, provided us with necessary background information, research materials, and participated in briefing and progress sessions, as requested.

We are particularly grateful to the members of the High Plains Library District Foundation Board of Directors and other respondents who gave willingly of their time during the confidential interview stage of our work. We were consistently greeted with hospitality, candor, genuine interest, and creative thought.

The Kellogg Organization, Inc. is pleased to have been selected to conduct and prepare this Philanthropic Feasibility Study for High Plains Library District Foundation.

Respectfully submitted,

Peter M. Kellogg, *Chairman and CEO*

Marne Davis Kellogg, *Executive Vice President*

Mary K. Schaefer, *Senior Executive Consultant*

Mary Jensen, *TKO Operations*

The Kellogg Organization, Inc.

August 26, 2016



The Kellogg Organization, Inc.
National and International
Full Service Fundraising
Counsel Since 1981
www.kelloggorganization.com

TABLE OF CONTENTS

Mission and Vision	
Board of Directors	
Note and Acknowledgement	4
I. Executive Summary	7
II. Cornerstones	
- Image and Reputation	14
- Case for Support	16
- Donor Potential	18
- Leadership	23
III. Action Steps and Recommendations	27
IV. Summary Overview	29

Appendix *Separate PDFs*

- Summary of Interviewees
- Pre-Appointment Interview Letter
- Fact Sheet
- Interview Questionnaire
- PowerPoint Presentation



The Kellogg Organization, Inc.
 National and International
 Full Service Fundraising
 Counsel Since 1981
www.kelloggorganization.com



As part of the District's vision to serve as an incubator for the arts and further our mission of "connecting communities to inspiration for life", the High Plains Library District Foundation (HPLDF) is proud to introduce the inaugural Writer in Residence program.

EXECUTIVE SUMMARY

THE STUDY FRAMEWORK

On March 21, 2016, the High Plains Library District Foundation retained The Kellogg Organization, Inc. to test the feasibility for a possible endowment campaign to increase the corpus of the endowment's current \$300,000 to a minimum of \$1 million by 2018—possibly to \$1.5-\$2 million.

The Foundation's Strategic Plan incorporates the ideas of the Foundation Board and library staff related to the development of the High Plains Library District Foundation. Priorities and options for endowment funding include:

- Technology Education
- 1,000 Books Before Kindergarten
- Nursery Rhyme Book Distribution
- Capital Projects
- Creative/DIY Spaces



The Kellogg Organization, Inc.
National and International
Full Service Fundraising
Counsel Since 1981
www.kelloggorganization.com

- Writer-in-Residence
- 21st Century Professional Skills

The Philanthropic Feasibility Study was conducted by The Kellogg Organization, Inc. from April through July, 2016. The Study's observations, conclusions, and recommendations are the result of analysis and evaluation of the 32 respondents to-date who participated in individual, confidential research interviews in person or by phone with Peter M. Kellogg, Chairman and CEO, and Mary K. Schaefer, Senior Executive Consultant, in response to the pre-interview appointment letter and fact sheet that was sent by the Foundation to the interviewees. The Kellogg Organization team also participated in informational, strategic, and coordination meetings, conference calls, and emails with Foundation Director, Rochelle Mitchell-Miller and District Executive Director, Janine Reid.

The Kellogg Organization Study sought to answer the following questions:

- *Are the High Plains Library District Foundation Board members and volunteers prepared and ready to initiate a significant funding effort?* NO.
NEED MORE INFORMATION.
READY TO GET READY.
- *Is qualified volunteer leadership available and willing to lead the campaign?* PARTIALLY.
MORE EXPERIENCED
VOLUNTEER FUNDRAISERS
NEEDED.
- *Is the \$1 million in private philanthropy from individuals, foundations, and corporations achievable?* MAYBE.
WITH PLANNED GIVING AND
CASH PLEDGES INCLUDED.
- *In what timeframe?* THREE YEARS
FOLLOWING PRE-CAMPAIGN
PREPARATION.
- *Are the right range and number of five- and six-figure potential donors available from a capacity as well as readiness standpoint?* CAPACITY—YES
READINESS—NO
- *Is the marketing case for support understood and supported by the District's philanthropic community—individual and corporate?* MIXED.
#1 TASK—RAISE AWARENESS,
VISIBILITY, AND
UNDERSTANDING

Based on our research and professional judgment, we believe that High Plains Library District Foundation can only raise \$1 million through an endowment campaign after extensive pre-campaign planning, and then over the next three years, utilizing planned giving vehicles, bequests, and 3-5 year cash pledges.



During the individual interview process, respondents were queried in four specific areas regarding their confidential opinions as to the Foundation's potential to launch a \$1 million endowment campaign.

Responses were sought in the following areas:

- Image and Reputation
- Case for Support
- Donor Potential
- Volunteer Leadership

What follows is an Executive Summary of the Study interviewees' responses to questions particularly relating to the Foundation. In some instances, questions, responses, and perceptions necessarily overlapped with the Library District Board, but participants were asked to direct their opinions primarily to the Foundation opportunities. More detail is contained in the four individual Cornerstone sections following in this Study.

IMAGE AND REPUTATION

An organization's image and reputation are critical to its ability to attract qualified campaign volunteer leadership and potential prospects/donors who, before investing their philanthropic dollars, must be motivated by that organization's vision, mission, and leadership. High Plains Library District Foundation's number one challenge is visibility:

- "The Foundation's existence is virtually unknown by many."
- "The Foundation is the best kept secret in Greeley."

Secondly, the lawsuit with the County Commissioners was so prominent in the minds of the majority of the interviewees that we found that their answers were skewed either as an excuse or a legitimate concern not to give because of this particular outstanding issue.

Although Greeley and Weld County have undertaken fundraising campaigns in the past, the Library Foundation is without a philanthropic tradition. The Study was done at a time when the oil industry, a major factor in Weld County's economic health, was starting to show small signs of recovery from a devastating drop in prices.

High Plains Library District is considered to be a prosperous and significant cultural and educational asset to Weld County and beyond; however, public awareness of the Foundation's existence, and current programs, needs to be achieved by increasing its visibility.

Board Leadership—The size of the HPLDF Board is small (6) and its existence is relatively unknown. The Board members' representation of the various communities in Weld County was seen as providing important linkages. Many thought that dual roles of serving on the Library and Foundation Boards were not productive and created a confused perception because of the overlapping nature of those roles. Areas for Board



development and expansion should include more corporate representation and clarification of what members' fundraising roles, responsibilities, and accountabilities would be during a possible campaign.

The High Plains Library District Foundation Board was not organized as a fundraising Board; however, as a nonprofit Board planning for a potential campaign, the Directors must define how they will be involved personally as well as collectively in the work of "giving and getting." They must ultimately approve the campaign goal as well as own and lead the campaign. Their decisions will send a strong message to the County's philanthropic community about the Board's passion, commitment, creativity, and resolve to ensure that the endowment campaign succeeds.

Library District Executive Director—Janine Reid is highly respected and unanimously credited for her vision, tenacity, authenticity, intelligence, expertise, and dedication in successfully leading and growing the High Plains Library District to an exceptional success.

Foundation Director—Rochelle Mitchel-Miller is seen as a bright, effective, and an expert development officer in moving the Foundation Board process forward by establishing excellent by-laws, standards, accountability, training and inspiration. One interviewee said, "Rochelle's professionalism is a breath of fresh air."

Rochelle is experienced and knows how to manage, plan, structure, and implement a campaign. What needs to be strengthened is an expanded and connected community of experienced campaign volunteer leadership to help identify, recruit, develop, cultivate, solicit and steward major donors.

Endowment—Respondents' comments regarding the necessity of undertaking an endowment campaign were indicative of why a strengthened and motivating Case for Support is critical. In a very general sense most interviewees thought increasing the Library's endowment was "probably a good idea." Pre-campaign work is important, and misperceptions must be addressed concerning the excess funds that are perceived to exist but have not been utilized by the District or Foundation.

These observations are important from both development and fundraising perspectives—potential donors want to invest in a cause that will truly make a difference and meet a true educational need in Weld County. Endowment donors, in particular, who might be asked to include HPLDF in their estate plans, want to know exactly how the organization will use their philanthropic support in a meaningful and impactful way. Again, the funds spent on the lawsuit have created a perception of unfortunate political wrangling between County Commissioners and the Library District. This situation is seen as detrimental to the District's success as well as an unnecessary utilization of its financial resources. Therefore, a strategy and timeline must be created that will give potential philanthropic donors answers to these concerns and confidence to invest in a larger endowment.

Fundraising and Marketing Effectiveness—A majority, 46%, of the Study respondents did not feel the Foundation had been effective in marketing the need, and utilization for more funds. The comments were not criticism but encouragement that the community-at-large needs to know more about this fiscal planning step and the intention and vision for expanding the Foundation's principal.



Fifty percent (50%) of respondents felt the Foundation has not had enough time to maximize its effectiveness in the fundraising arena; that Rochelle was off to an excellent start, and that her experience and connections within the community were solid assets for future fundraising success.

The HPLD Foundation is “ready to get ready” for a campaign. When the Director began, the donor database had 120 contacts. It has grown but must continue to be expanded while resources are ramped up—a campaign requires broad community support, corporate representation in volunteer leadership, and a connected campaign volunteer champion. This takes time and more potential major donor relationships need to be cultivated.

CASE FOR SUPPORT

The Case for Support is the written document which articulates in a clear, compelling, and urgent manner why donors should contribute to the High Plains Library District Foundation endowment. It serves as the basic marketing tool for fundraising volunteers and staff to speak with a united voice about the campaign’s purposes, goals, and objectives. Because Study respondents had questions and concerns about the necessity of an endowment for HPLDF, the Case becomes a critically important message to answer these questions with clarity and create confidence. The message must be honed and repeated often in presentations, proposals, press releases, website content, social media, and other campaign support materials,

This Study tested community reaction to creating an endowment and the potential projects it might fund—short- and long-term. The majority of the interviewees chose Technology Education as their number one priority. Many potential investors wanted to know how the endowment would work, who would benefit, and how the return on their philanthropic investment would be measured. It is imperative that these questions be answered in the Case.

Interviewee Case Questions:

- **Skill Development:** Is this the Library’s role or should it take place at alternative education schools? (Technology Education)
- **Endowment:** Is endowment the best way to support these programs? Do we bring in 50 kids for resumé writing rather than trying to create a whole program that might not succeed? Is \$50,000 a year from a \$1 million endowment the right financial model? Have other models been explored?
- **Programs:** Does the community know what is offered for free at the Library? If not, then is marketing on the right track? How are the benefits of these free programs monitored and evaluated?
- **Decisions:** How does staff know these are the right programs to support?
- **Donor Recognition:** What opportunities will there be for individuals, foundations, and corporations to be recognized with gift naming opportunities for their contributions?



DONOR POTENTIAL

An important goal of this Philanthropic Feasibility Study was to ascertain whether HPLDF has enough current or prospective supporters with adequate interest in an endowment, as well as the financial capacity and readiness to make leadership gifts (\$100,000 and above). Board members, Trustees, current and past individual donors, and potential new prospects were interviewed.

Regarding the criteria of degree of interest in the project—Most respondents felt an endowment was generally a good idea but were unsure/unclear if it was the best way to fund the brochure list of suggested funding opportunities.

Regarding financial capacity—Much more prospect research remains to be done. High capacity prospects were minimally represented in the interview pool.

Regarding readiness—Fifty percent (50%) of respondents said they would *consider* a cash or pledge gift to the campaign. For the most part though, these respondents represented three- and four-figure gifts, not the prospective major, legacy, or transformational gift donors necessary for a campaign of this magnitude to succeed.

Typically, the Board of Directors must make the first campaign gifts, personally and corporately, and as generously as their individual and business circumstances allow. This will be a challenge with the Foundation Board which is seen as a wonderful and dedicated group but not as representative of significant wealth or with access to necessary major individual gift prospects.

To properly position a potential campaign, we recommend a planned giving effort where a specific percentage of a gift goes directly to Library programs similar to those tested in this Study. This takes time and relationships; the tempo will be slow to start but will build as visibility is raised and success is achieved around longer term planned giving and bequests.

The Study examined the current fundraising environment in Greeley and Weld County and how the economic outlook for potential donors and competing campaigns might affect the timing or outcome of an HPLDF endowment campaign. Generally, respondents were cautiously optimistic in their view of the local economy, citing the end of the Great Recession and that—in spite of the downturn in the oil industry—jobs, housing, and other economic impact criteria were in a positive position. The three greatest potential hurdles for gifts: 1. the lawsuit; 2. the upcoming mil levy on December 6, and 3. the perception that the Library doesn't need more money. Competition for contributions always exists. The HPLDF campaign needs to be creative and strategic in its approach and planned giving, bequests, and cash pledges over 3-5 years are the vehicles.

LEADERSHIP POTENTIAL

The engagement of enthusiastic, committed, generous volunteer leaders is essential to ensuring a successful campaign by High Plains Library District Foundation—they will be the linchpin to the campaign's success.



The Kellogg Organization, Inc.
National and International
Full Service Fundraising
Counsel Since 1981
www.kelloggorganization.com

While the Foundation has a small core of leaders on its Board, it must reach out and significantly expand its visible and community-connected volunteer force and recruit a band of Library champions.

Study interviewees were asked about their willingness to volunteer and in what ways. Forty-one percent (41%) offered to help in a volunteer role capacity, 13% in leadership roles. This group has limited campaign experience, including providing access, making introductions, hosting and attending cultivation events, and serving on solicitation and stewardship teams. The challenge is to expand this group into a community-wide and leveraged team to implement this campaign.

The Kellogg Organization recommends two initial leadership groups spearhead the campaign:

Endowment Ad Hoc Task Force—With the charge of determining the best programs to be funded by the Foundation, this relatively small group will revisit and determine endowment-applied priorities and establish a realistic campaign goal. The Endowment Task Force should include one Board representative and 4-5 non-Board members, including two major retail/corporate representatives, who can bring visibility, access, and fundraising experience to the table.

Board of Directors—The Board's role will be to approve the campaign goal, participate 100 percent as donors, monitor the progress of the campaign, and assist the other volunteer groups.

CONCLUSION

The High Plains Library District's libraries are at the heart of Weld County's cultural, intellectual and civic life. Residents take full advantage of the variety of exceptional materials and programs in all formats with ease of access to various technologies.

High Plains Library District Foundation is on the right track to raise funds responsibly—research, build visibility, continue to build major donor relationships, and ask for participation and representation. This is a long-term process—careful planning and decisions are required. The Kellogg Organization recommends that HPLDF is ready to get ready.



CORNERSTONE #1

IMAGE AND REPUTATION

The Image and Reputation section highlights how a representative group of High Plains Library District Foundation (HPLDF) Board members, prospective donors, and community leaders perceive the organization's capability and capacity to conduct an endowment campaign. This section represents a confidential sampling of the collective and varying perceptions of those interviewed. HPLDF leadership should consider carefully these subjective opinions, using this information to evaluate the potential for success of a campaign based on individual, foundation, and corporate contributions. Before implementing any campaign, the leadership also should determine the best strategies and tactics to address, proactively, opinions contained herein that may be inaccurate, incomplete or misinformed.

BOARD OF DIRECTORS

STRENGTHS

- “Ron and Joe could be terrific fundraisers.”
- “Lucile Arnusch is a high level leader. She weathers tough situations and is equitable.”
- “Brian Larson is involved throughout the community, very pro-Greeley, with strong management skills.”

CHALLENGES

- “The Board is not a fundraising Board.”
- “Some Foundation Board members are not comfortable serving on both the District and Foundation Boards.”
- “I don’t know one person on the Board list.”
- “We have to connect with more people who can fundraise and have that prior experience.”

ADMINISTRATIVE LEADERSHIP

STRENGTHS

- “Janine is the best leader we could possibly have in this tough situation (lawsuit).”
- “These last couple of years, Janine has been a stellar leader—we wouldn’t be where we are without her.”
- “Janine is a national leader in the field of library management, terrific.”
- “Rochelle is out in the community building relationships. She has great ideas and understands governance and policies.”
- “Rochelle has a different and very creative way of looking at fundraising, this will help us.”

CHALLENGES

- “Janine struggles at times when everyone doesn’t want to collaborate, compromise, go forward in the best interests of all concerned and the Library District.”
- “Rochelle came into a situation where there weren’t any donors or records.”



MARKETING EFFECTIVENESS

A majority of the respondents felt the Foundation was not effective in marketing its existence, programs, and mission.

- “I don’t think Northern Colorado even knows there is a Foundation, let alone why we have one.”
- “The public relations are a nightmare because of the lawsuit—it is so harmful!”
- “I get a newsletter online but it isn’t interesting enough to get me to read it.”

FUNDRAISING EFFECTIVENESS

As with Marketing, very few respondents knew the Foundation’s plans or that it was responsible for fundraising. Most recognized that the Foundation was new and that Rochelle was just getting the funding started. Many questioned why endowment fundraising was necessary with its strong balance sheet.

- “The Foundation is growing, the gift level is rising.”
- “Fundraising has improved but we’re not there yet.”
- “Greeley is a highly educated community, but I don’t think we have reached out to the County enough.”
- “The Outlander fundraiser is an excellent special event.”

OVERALL IMAGE AND REPUTATION

“It is impossible to rate the reputation of something you don’t know exists.”

Fifty Percent (50%) of the interviewees did not know High Plains Library District had a Foundation so when we report that 15 percent think the HPLD Foundation is Excellent, that is in fact 5 people of the total 32 individuals interviewed. Twenty-five percent (25%) of those who were familiar with the Foundation think the reputation is Good and 50 percent were not comfortable giving an opinion. Although respondents were not specifically asked to evaluate the Library District, almost everyone praised it and wanted us to know they thought it was between Good and Excellent.

- “The Foundation is the best kept secret in Weld County.”

ORGANIZATION STRENGTHS

- “The staff is passionate and knowledgeable.”
- “The value of the Library and what programs it offers to educate the community are exceptional.”

ORGANIZATION CHALLENGES

- “Visibility is the Foundation’s number one challenge. If private sector fundraising is to be successful, the community must know more about the Foundation, its purpose and objective, as well as fundraising needs and goals.”
- “Fundraising must become sustainable. Without consistency and continuity, budget planning becomes difficult.”
- “The Foundation has not demonstrated a clear, urgent, and compelling need for endowment.”
- “The Foundation must be clear why my taxes (the current mil rate) don’t cover future planning costs.”



CORNERSTONE #2

CASE FOR SUPPORT

Presenting a clear, compelling, and urgent marketing case for support is mandatory to the success of High Plains Library District Foundation's proposed \$1 million endowment campaign. As the basic marketing tool for communication with potential individual, corporate, and foundation philanthropic donors, the case for support explains why this campaign is important to the future of the High Plains Library District, its programs and mission. Many respondents questioned why basic needs to support an endowment campaign have not yet been clearly articulated and why private sector philanthropy is needed.

The case informs, inspires, and touches current and prospective contributors about the need to provide philanthropic support to High Plains Library District Foundation beyond tax dollars. It must answer the following questions:

Why are endowment gifts necessary?

Who will benefit from these gifts and programs?

What is the Board's expectation for an endowment?

What happens if the campaign goals are not met?

The case should be substantiated by the following points:

NEED—Explain the *need* for the philanthropic endeavor.

USE—Outline how the funds will be *utilized and directed*.

TIMING—Explain how long the endowment campaign will take.

GOAL—Highlight if there a single goal or if this is a staged/phased effort.

CASE FOR SUPPORT—BASICS AND CHECKLIST

The case for support serves several purposes, the primary of which is to provide "one voice" for volunteers and staff to effectively represent the need for philanthropic support of High Plains Library District Foundation. It plays an essential role in the solicitation of pacesetting individual, corporate and foundation leadership gifts.

Written in a factual and anecdotal style, the case is the campaign's standard reference piece, telling the HPLDF story and communicating the endowment campaign's critical goals, highlighting and building upon research and planning, and clearly outlining the potential for future community impact and benefit. The case must be urgent and compelling and resonate with every potential donor prospect.

The campaign marketing case for support:

- Presents data to justify the need.
- Convinces all prospective donors that their contributions will further an outstanding cause as well as generate a feeling of personal accomplishment on behalf of HPLDF.



The Kellogg Organization, Inc.
National and International
Full Service Fundraising
Counsel Since 1981
www.kelloggorganization.com

- Leads volunteers toward advocacy for increased visibility for the Foundation's vision, mission, services and programs.
- Creates enthusiasm, dedication, and determination in the volunteer campaign leadership.
- Answers all pertinent questions, formulates basic policy, and emphasizes the importance of creating an endowment.
- Helps everyone agree on the endowment's scope, relevancy and leadership.
- Communicates urgency and emotional appeal.
- Supports the volunteer leadership's fundraising goals.
- Aids in the enlistment of a team of volunteers who have sufficient influence to carry the campaign to success.
- Outlines potential naming and gift recognition opportunities for donors.

The case must be urgent and compelling and resonate with every potential donor prospect.

The urgency and importance of the endowment campaign for HPLDF must be powerfully portrayed.

Weld County is a diverse yet highly educated and competitive philanthropic environment. Requests for funds will be in competition with many other philanthropic priorities.

INTERVIEWEE COMMENTS

Campaign Awareness: Thirty-five (35%) were aware of a potential campaign before our interview.

Necessity of Campaign: Nine percent (9%) fully supported the campaign; 18 percent Might be a Good Idea; 46 percent Maybe; 18 percent No Opinion.

Elements of the Campaign:

Technology Education

1,000 Books before Kindergarten

Capital Projects

Writer-in-Residence

21st Century Professional Skill Development

Priority for Giving: Thirty-eight percent (38%) Technology Education. 13 percent Capital projects, specifically a downtown renovation; 18 percent 1,000 Books Before Kindergarten; 18 percent did not name a priority or didn't think a program was the right way to use funds.

Attainability of Goal: For a \$1 million goal: 59 percent "Yes"; 18 percent "Maybe". For a \$2 million goal, 41 percent "No"; 29 percent "Maybe;" 30 percent Yes.

Timing of the Campaign: Almost all respondents declined to speculate on the length of the campaign, citing unfamiliarity with endowment fundraising. Again, the settlement of the lawsuit was noted as a barrier to moving forward that must be resolved.



CORNERSTONE #3

DONOR POTENTIAL

Thirty-two percent (32%) of the participants in this Study have contributed to a capital campaign. Almost none have contributed to an endowment campaign. Twenty percent (20%) have made contributions using three- or five-year pledges. Several interviewees were interested in learning more about a planned gift as a vehicle for supporting the Library endowment, but emphasized their planned gifts would be small. An impressive 50 percent said they would consider cash gifts to the HPLDF endowment campaign, again emphasizing they meant small three-to-low-four-figure gifts.

Many respondents addressed the topic of the difficulty of raising money as the oil industry is currently depressed in Greeley—Greeley is stable but the oil and gas industry has made a significant historical and positive difference in philanthropic funding throughout Weld County.

BOARD OF DIRECTORS

The High Plains Library District Foundation Board is the governing body of the organization which will approve or disapprove moving forward with an endowment campaign and must take ownership and responsibility for its success. The Board will determine what the campaign goal will be, and what role each Board member is willing to play in achieving that goal. Traditional campaign best practice suggests that Board members:

1. Give first
2. Involve every member with 100 percent participation; and
3. Include lead gifts that total as much as 20 percent of the campaign goal.

It is imperative that each Board member participate early and generously. Each must lead the way with his or her own gift, at stretch levels, raising the sights for all prospects and donors.

LEAD AND MAJOR PROSPECTS

Campaigns today rise and fall on leadership gifts, the large gifts which motivate others to contribute at stretch levels and combined form 70-90 percent of the campaign goal. At this time, the Library Foundation does not have potential contributors of this magnitude on its roster—a major gifts/planned giving program will have to be built from the bottom up with Rochelle's leadership.

CORPORATIONS—Many Study respondents commented that corporate participation is essential to assuring the campaign's success. Libraries are a known employee recruiting factor for corporations—the perception is they need to participate in volunteer leadership, funding, and possibly naming. Historically, corporations favor funding program initiatives rather than endowment. The rare exceptions are scholarship funding.



The Kellogg Organization, Inc.
National and International
Full Service Fundraising
Counsel Since 1981
www.kelloggorganization.com

COMPETITIVE CAMPAIGNS

The greatest competition cited for this campaign locally was not other nonprofit campaigns but the proposed Greeley-Evans District \$6 million mil levy ballot issue in November. A mil levy increase has not taken place in years; this one is perceived as a competing community investment.

At this time, the major campaigns in Greeley and the district that were perceived as potential competition:

- Aims
- Citadel Academy
- Colorado State University
- Jefferson Alternative High School
- Kersey Library Capital Campaign
- Campaign for Library Moments
- Lincoln Park Capital Campaign
- NPR
- Northern Colorado Medical Foundation
- Poudre Learning Center – Endowment
- Rocky Mountain PBS
- United Way
- University of Northern Colorado Foundation
- Wildlife Center
- The Women's Fund

ECONOMIC OUTLOOK

Study participants were asked to comment on the current economic outlook and any effect it might have on the success of a campaign by HPLDF. Generally, respondents were cautiously optimistic about the current fundraising environment with a few reservations. Selected observations include:

- “It’s not a bad time to raise money. The recession is over.”
- “I am guardedly optimistic about the economy in Greeley, despite the decline in the oil and gas industry—we still have land and water.”
- “Because it’s an election year, people may feel a little negative; the candidates make us think everything is bad.”
- “We are still feeling the effects of the 2013 flood in this area; it sapped the philanthropic dollars.”



CONFIDENTIAL

POTENTIAL CORPORATE PROSPECTS—#8

DCP Midstream

Envirotech

Haliburton

Hensel Phelps

JBS

Leprino

Noble Energy

Vestas

These lists have not been proofed for spelling and are not intended to be considered complete, but rather serve as examples of potential donor prospects.



The Kellogg Organization, Inc.
National and International
Full Service Fundraising
Counsel Since 1981
www.kelloggorganization.com

CONFIDENTIAL

POTENTIAL FOUNDATION PROSPECTS—#26

Colorado foundations that support libraries, but not endowment.

The Armstrong Foundation
Baron Family Foundation
Paul & Mary Cancellarini Charitable Trust
The Certe Foundation, Inc.
Change Happens Foundation
Helen N. Clark Charitable Trust
The Dunn Foundation
El Pomar Foundation
Gates Family Foundation
Don L. Griswold Charitable Foundation Trust
Ladd and Katherine Hancher Library Foundation Inc
Harper Brush Works Foundation
Huddleston Butler Memorial Foundation
The Janus Foundation
Joslin-Needham Family Foundation
Kelton Family Foundation
Kinder Morgan Foundation
Kitzmiller-Bales Trust
The Vernon K. Krieble Foundation, Inc.
Kroh Charitable Trust
The Nicholson Foundation
The Richard L. Petritz Foundation
Kenneth and Ethel Powell Trust
The Harold W. & Mary Louise Shaw Foundation
William I. Smith Family Foundation
Southwestern Foundation for Education and Historical Preservation—Does support endowment.
Susan Stevens Foundation
David and Eula Wintermann Foundation

These lists have not been proofed for spelling and are not intended to be considered complete, but rather serve as examples of potential donor prospects.



The Kellogg Organization, Inc.
National and International
Full Service Fundraising
Counsel Since 1981
www.kelloggorganization.com

CORNERSTONE #4**LEADERSHIP**

The success of an endowment campaign for High Plains Library District Foundation will begin and end with the active participation of qualified and committed volunteer leadership—the linchpin to any successful campaign. Funding of HPLDF's endowment priorities is a premier opportunity to attract and engage highly positioned Greeley and Weld County leaders in ensuring the sustainability of the Library's programs and projects.

Paramount to the realization of the High Plains Library District Foundation's vision is the engagement of enthusiastic, committed, generous, accessible volunteer leaders, supported by Janine Rei, the Library District's respected Executive Director.

An important goal of this Study was the identification of volunteer leaders willing to join the Foundation Board in raising funds to expand the current endowment to the tested \$1 million. A list of volunteers or suggested volunteers is included at the end of this section. Some, though few, of this group have past campaign experience, including evaluating prospects, making introductions, hosting and attending cultivation events, and serving on solicitation and stewardship teams. The challenge ahead is to expand this group to include well-respected, connected, and experienced fundraisers in Greeley and throughout Northern Colorado.

LEADERSHIP STRUCTURE

Cultivation of potential volunteer leaders should start now to raise the visibility and knowledge of the Foundation and its vision for an endowment. The formation and recruiting of a specific campaign leadership team can be started in an organizational sense now but placed on hold until the conclusion of the lawsuit.

Three Campaign volunteer leadership groups are suggested:

- Endowment Task Force
- Board of Directors
- Honorary Advisory Committee

ENDOWMENT TASK FORCE—A successful approach for many Boards is to create a very focused, limited-term, small team of volunteers whose sole responsibility is to plan and implement a campaign. Made up of Foundation Board and non-Board members, this Task Force works first to explore and define the purposes of the endowment. Then, with staff and consultants, the Campaign Master Plan and case for support can be developed. The Endowment task Force actively works at prospect identification and cultivation and assures the Board's 100 percent campaign participation. For those willing to participate on solicitation calls, the Task Force works in teams to solicit leadership gifts. Stewardship of donors also is also a key Task Force key role, particularly in a campaign in which initial investors may have to wait a long time to see the results of their gifts.



The Kellogg Organization, Inc.
National and International
Full Service Fundraising
Counsel Since 1981
www.kelloggorganization.com

As stated previously, a major finding of this Study was the Foundation's low visibility in the County. Therefore, the Endowment Task Force needs to advocate factual information about the Foundation as well as the need for an increased endowment. Public awareness and support, whether through print and social media, and organization supported by a highly visible marketing effort will help to measure success.

BOARD OF DIRECTORS—While the HPLDF Board was not initially organized as a fundraising group, it must address the need for fundraising as part of its duty to execute the organization's mission. A key challenge for the HPLDF Board today is building its fundraising capacity. Various models exist for fulfilling this basic role of a nonprofit Board, varying from delegating fundraising to a Board committee, to organizing a separate fundraising group. The HPLD Foundation's role is to support the HPLD; consequently, fundraising should be considered a primary role for the Board. It must address how it will raise funds in the future, develop policies outlining fundraising expectations for the Board going forward, and proactively recruit more citizens of wealth, access, and influence who can help achieve its financial goals.

HONORARY ADVISORY COMMITTEE—This Committee offers a volunteer involvement opportunity for those who support the Library and an endowment but do not have time to serve on the Task Force. Honorary Advisors lend their names, prestige, and leverage to the campaign.



The Kellogg Organization, Inc.
National and International
Full Service Fundraising
Counsel Since 1981
www.kelloggorganization.com

ENDOWMENT TASK FORCE

DESCRIPTION OF DUTIES AND RESPONSIBILITIES

Committee Name:	Endowment Task Force
Purpose of Committee:	Oversee the planning and implementation of a \$1 million Campaign for the High Plains Library District Foundation
Number of Members:	8-10
Duties and Responsibilities:	<p>Make a cash and/or planned gift to the campaign</p> <p>Oversee the:</p> <ul style="list-style-type: none"> ▪ Define endowment need; correct vehicle ▪ Determine the best financial model and what it supports ▪ Implementation of a Campaign Master Plan ▪ Review of the Case for Support and Campaign Materials ▪ Identification of Prospects ▪ Cultivation and Solicitation of Leadership and Major Gifts
Criteria for Membership	<p>Willingness and capacity to contribute to the campaign</p> <p>Knowledge of current and prospective donors</p> <p>Willingness to meet with prospects as a team member</p>
Meetings	Monthly
Time Commitment	6-8 hours per month

ENDOWMENT TASK FORCE CANDIDATES—#22

Mike Bond	Elaine Foe	Sarah McQuiddy
Pam Brinker	Kay Fortner	Ty Notestein
Kay Boderius	Patty Gates	Becky Safrek
Marcia Davis	Carolyn Gattis	Joe Slobojan
Bonnie Dean	Gale and Karen Geibler	Chalis Springfield
Corney Dietz	Rene Jaccaud	Nancy Teksten
Scott Earlich	Brian Larson*	Wayne and Karen Trainor
		Stow Witwer

These lists have not been proofed for spelling and are not intended to be considered complete, but rather serve as examples of potential leadership candidates.



The Kellogg Organization, Inc.
National and International
Full Service Fundraising
Counsel Since 1981
www.kelloggorganization.com

HONORARY ADVISORY COMMITTEE

DESCRIPTION OF DUTIES AND RESPONSIBILITIES

Committee Name:	Honorary Advisors, HPLDF Endowment Campaign
Purpose of Committee:	Create public awareness and enthusiasm for the Endowment Campaign
Number of Members	15-20
Duties and Responsibilities	<p>Make a cash, in-kind, and/or planned gift to the Campaign</p> <ul style="list-style-type: none"> • Become familiar with the Foundation and its future plans ▪ Be an advocate for the Foundation ▪ Participate in Campaign activities and events
Criteria for Membership	<p>Commitment to High Plains Library District and its Foundation</p> <p>Enthusiasm for the concept of an endowment</p> <p>Willingness to publicly associate with the Foundation</p>
Meetings	Orientation and as needed
Time Commitment	Limited

HONORARY ADVISOR CANDIDATES—#14

Dick Bond	Margie Martinez
Lea Faulkner	Charlie Monfort
John Gates	Pete and Jean Morrell
Art Gutterson	Tom and Kathy Norton
George and Betty Hall	Mary O'Neal
Todd Hinton	Ronda Solice
Bryce Jacobson	Bob Tointon

These lists have not been proofed for spelling and are not intended to be considered complete, but rather serve as examples of potential leadership candidates.



The Kellogg Organization, Inc.
National and International
Full Service Fundraising
Counsel Since 1981
www.kelloggorganization.com

STRATEGIC ACTION STEPS
AND
RECOMMENDATIONS

ORGANIZATION AND PREPARATION FOR A
\$1 MILLION ENDOWMENT CAMPAIGN FOR
HIGH PLAINS LIBRARY DISTRICT FOUNDATION



STAGE I—2016-2017

PRE-CAMPAIGN ORGANIZATION AND PREPARATION

RECOMMENDATION #1: Establish Endowment Task Force

- Establish a small influential, volunteer leadership group to determine if endowment is the optimum program for the Foundation campaign.
- Determine specifically what elements an endowment revenue stream will support.
- Determine policies of endowment funds.
 - Gift acceptance policies
 - Investment policies
 - Determine custodian
 - Determine investment advisors
 - Develop distribution policy
- Create and price naming opportunities.



The Kellogg Organization, Inc.
National and International
Full Service Fundraising
Counsel Since 1981
www.kelloggorganization.com

RECOMMENDATION #2: Campaign Master Plan.

- Detail campaign structure and organization.
- Establish donor cultivation and solicitation strategies.
- Activate SmartSheet (weekly, monthly, quarterly) campaign timeline as well as moves Management system.

RECOMMENDATION #3: Accelerate Foundation marketing and public relations plan—Increase advocacy and public awareness.

- Develop a distinct HPLDF branding.
- Develop platforms to recognize and promote the Foundation's uniqueness apart from the Library District.
- Utilize Foundation events to promote awareness and comprehensive information about the Foundation's Mission and Vision, as distinct from the Library's Board of Trustees.

RECOMMENDATION #4: Recruit and expand Foundation Board membership.

- Clarify the role of Foundation Board members—advisory, advocacy, and fundraising.
- Address Foundation Board size, composition and representation.
- Address needed Foundation guidelines, policies, and planned giving vehicles and promotion.

RECOMMENDATION #5: Recruit High Plains Library District Foundation Honorary Advisors

- Utilize name recognition, influence of respected members.
- Members lend their names in support of the Foundation.

RECOMMENDATION #6: Implement a Planned Gift Program

- Market and host an informational session at every branch.



The Kellogg Organization, Inc.
National and International
Full Service Fundraising
Counsel Since 1981
www.kelloggorganization.com

SUMMARY OVERVIEW

THEME: TBD

NEED: \$1,000,000

GOAL: \$1,000,000 - \$1,500,000

USE: ENDOWMENT
CASH—60%
EXPECTANCIES—40%

TIMING: TBD

I. PRELIMINARY ALLOCATION BREAKDOWN			
		GOALS	%
ENDOWMENT		\$ 1,000,000	100%
Cash	60%	\$ 600,000	
Expectancies	40%	<u>400,000</u>	
Total	100%	\$1,000,000	100%

II. RECOMMENDED TIMELINE—TBD				
PHASES	START	COMPLETION	TOTAL	
STAGE I Campaign Organization and Preparation <ul style="list-style-type: none">▪ Endowment Ad Hoc Task Force established▪ Lawsuit settled▪ Finalize Endowment purpose, need, and use▪ Campaign Master Plan Executed▪ Marketing Case for Support▪ Endowment Campaign Volunteer Leadership Steering Committee identified and recruited▪ Library Foundation Board approves Campaign Goal and Operating Budget	Sep. 2016	-	Dec. 2016	4 mos.
Implementation—Lead Gifts <ul style="list-style-type: none">▪ Leadership gift prospects identification and cultivation▪ Types of planned gifts marketed to District▪ Foundation Board of Directors, Library Board of Trustees, and Endowment Task Force solicited▪ Corporate cultivation and recruitment▪ Lead gift solicitation initiated.	Jan. 2017	-	Dec. 2017	12 mos.



The Kellogg Organization, Inc.
National and International
Full Service Fundraising
Counsel Since 1981
www.kelloggorganization.com

STAGE II <ul style="list-style-type: none">▪ Public Announcement and kickoff▪ Major gift and community prospect cultivation and solicitation	Jan. 2018	-	Ongoing	
--	-----------	---	---------	--

III. STAGE GOAL BREAKDOWN – \$1 MILLION

STAGE	GOAL	%	TIMING	# MOS.
Stage I	\$ 665,000	67%	Sep. 2016—Dec. 2017	16 mos.
Stage II	\$ 335,000	33%	Jan 2018—Ongoing	
Total	\$1,000,000	100%	Sep. 2016—Ongoing	

IV. VOLUNTEER LEADERSHIP STRUCTURE

Endowment Ad Hoc Task Force
Board of Directors
Endowment Campaign Steering Committee
Honorary Advisors

V. PAYMENT METHOD

Gifts may be paid in pledges, cash, appreciated securities and real estate. Pledges for cash gifts may be made in three to five year pledge payments.

VI. TYPES OF GIFTS

Cash, appreciated stock and real estate, planned gifts and bequests are sought. On a case-by-case basis additional forms of funding such as appreciated property, tangible personal property, annuities, trusts, and life insurance, will be considered.

VII. GIFT RECOGNITION AND NAMING OPPORTUNITIES

Policy for Gift Recognition and Naming Opportunities will be developed and made available to donors.



The Kellogg Organization, Inc.
National and International
Full Service Fundraising
Counsel Since 1981
www.kelloggorganization.com



Gift Acceptance Policy

Preamble

As a registered 501(c)3 charitable organization, the High Plains Library District Foundation (The Foundation) is committed to a diversified funding base, including charitable contributions that will further its mission. The Foundation, in soliciting or accepting gifts, will maintain and utilize procedures to ensure best practices relative to acceptance and stewardship of gifts, donor communications and acknowledgement.

Policy: The Foundations policy is to accept unrestricted gifts and gifts restricted for specific programs or services, in the form of cash, stocks, deferred or appreciated property on behalf of the High Plains Library District and its Foundation.

Legal Authority: Tax limitations by local entities, foundations, and individuals often dictate contribution of such goods to a 501(c)3 organization, and therefore most gifts to the District and Foundation will be directed to the 501(c)3 entity.

Purpose: Support the work of the District in its endeavors to sustain and create literacy programs, collection development, technology upgrades and capital improvements for our libraries.

Scope: Contributions may be received for all programs and services of the Foundation and District as well as to support its endowment and general fund to enhance long-term financial sustainability.

Definition: Gift – any contribution of cash, equipment, stocks, property, or in-kind services shall be considered a gift.

Acceptance: The Executive Director and Foundation Director have authority to accept all standard cash, equipment and in-kind services on behalf of the Foundation. Unusual opportunities for donation, stock, property or planned gifts will be considered by the Foundation Board of Directors, Finance Committee and/or District Finance Director to ensure the gift is in the best interest of the organization. The Foundation's policy is that gifts of stock will be sold as soon as feasibly possible. The Foundation Board of Directors, Finance Committee, District Executive Director, Foundation Director and/or District Finance Director has the right to accept or refuse any gift on behalf of the Foundation.

Donor Acknowledgement: All gifts, grants and sponsorships shall be acknowledged in a timely manner of receipt by the Foundation. There will be clear indication as to whether the donation was designated or undesignated. Acknowledgement letters to donors for cash gifts over \$250.00 shall include the amount of the gift, the designated purpose for which the contribution was made, use of any earned income as a result of the gift, fair market values received in relation to the gift and a statement as to the tax deductibility, if any. If appropriate, the acknowledgement will reference any special recognition that may apply to the gift.



Donor Confidentiality Policy

Policy:

The High Plains Library District Foundation maintains a list of names, addresses, giving history, and other pertinent data for those individuals and organizations that have supported us financially. We will not sell this information to any individual or organization outside of the High Plains Library District.

Unless otherwise requested by the donor in writing, the names of all individual donors will be listed in the High Plains Library District Foundation's annual report and/or other appropriate publication. Donor's contributions will be listed according to a category of giving and not by a specific amount.

The High Plains Library District Foundation shall respect the privacy of all donors and will not publicly recognize in any form donors who wish to remain anonymous. The donor must notify the Foundation in writing that he/she wishes to remain anonymous.



Designated Donations Procedure

Designated use funds will be maintained and administered by High Plains Library District Foundation according to the policies and procedures of the organization (Gift Acceptance Policy, Spending Policy, etc.). Donors wishing to place restrictions on or assign designated uses to gifts may do so under certain conditions, namely:

- The restriction must be one considered compatible with the overall missions of HPLD & the HPLD Foundation
- The restriction shall not impede the ability of HPLD to acquire gifts from other sources.
- The restriction shall not place undue burden upon HPLD resources.
- The restriction shall not subject HPLD to adverse publicity.

Designated funds must be processed through the Foundation for proper recording, tracking, acknowledgement and auditing purposes. At any time the Foundation may ask for documentation and/or information to support all expenses related to the designated gift. This information and documentation will be used for auditing purposes.