

Nonprofit Integrity Act of 2004 — Is your agency complying?



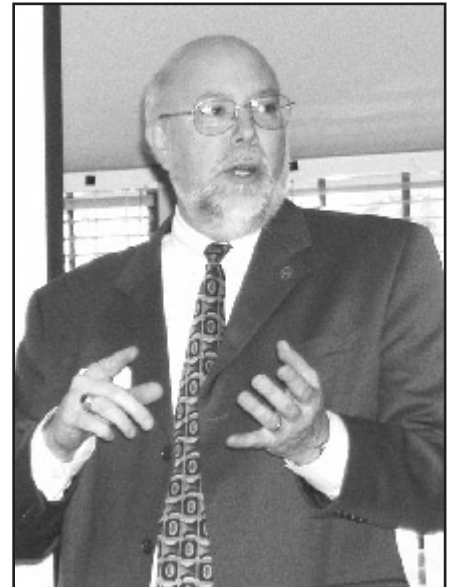
Lynda Moerschbaecher

By Sharon A. Barnes, MNA, CFRE

*The North County Philanthropy Council thanks Lynda S. Moerschbaecher, Attorney at Law, and Stephen C. Hermes, CPA, CVA for their important discussion on The Nonprofit Integrity Act of 2004, which profoundly affects nonprofits, and financial accountability.**

Following are highlights from NCPC's January 2005 luncheon.

In recent years, nonprofit fiscal abuses grab media headlines, appalling those of us who work to serve our clients and causes with high integrity. All are hurt by the actions of a dishonest few. New York and California are two states leading the way toward insuring public trust in charities. The Nonprofit Integrity Act of 2004 became California law at the beginning of 2005. Is your organization in compliance?



Stephen Hermes

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e-Philanthropy — Making the Internet work for you



David B. Gillig

By Laurie Brindle, North County Times

On March 18th, David B. Gillig, Senior Vice President and Executive Director of Children's Hospital Foundation, talked to the North County Philanthropy Council about the importance of nonprofit agencies having a strong presence on the Internet. NCPC thanks him for his informative and timely presentation.

What's the best way to ground a teenage girl today?" asks David B. Gillig, Senior Vice President and Executive Director of Children's Hospital Foundation.

He paused and scanned the audience for

knowing looks from parents.

He then gave the answer, "Take away her Instant Messenger."

To give some perspective he added, "In 1990 it would have been her phone."

Gillig compares the change in adolescent discipline to illustrate how much and how quickly technology has changed and affects our everyday life.

Use of the Internet continues to grow exponentially. Remarkably, the fastest increase of use is in the 65 years and older population. Most households now have computers and use them daily.

Online shopping has mushroomed over the last few years. Online retail sales measured a

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Nonprofit Integrity Act of 2004 *continued from page one*

Almost all nonprofit leaders know the basics of filing a Form 990, and the importance of keeping accurate, timely accounting records. However, recent legislation mandates NPOs file and make more information available to the California State government and the public than ever before.

Speakers Lynda S. Moerschbaecher, Attorney at Law, and Stephen C. Hermes, CPA, CVA, of Mayer, Hoffman McCann, pointed out the broad scope of this legislation, noting that the Integrity Act can apply to any charity soliciting within California, as well as those incorporated in our state.

In broad terms, the requirements of the Integrity Act are in place to help Californians make important personal decisions on charitable giving, according to the Office of the Attorney General's Web site. Sponsored by Attorney General Lockyer, the Nonprofit Integrity Act of 2004 imposes new protections against fraudulent fund-raising practices and requires greater financial accountability by charities and commercial fund-raisers.

Yes, the additional paperwork may increase the workload for many charities. However, the resulting financial transparency stands to benefit all nonprofits, our speakers noted. Hermes and Moerschbaecher described the layout of the act which includes financial accountability, governance and fund-raising rules.

While some charities or trusts are exempt from the Act, it covers charitable corporations, unincorporated associations, trustees, and legal entities holding property for charitable purposes. The Office of the Attorney General, State of California, will maintain a new registry, requiring that variety of

documents and audited statements be filed depending on a charity's gross revenues. Other regulations apply.

For example those organizations with revenues over \$2 million must undergo stringent oversight by an Audit Committee set up by the charity, including reviews of CFO and CEO compensation, and audited financial statements — to name just two. For NPOs grossing under \$2 million other rules apply, and differ.

Commercial fund-raisers and counselors are included in the Act. Most must register with the AG's office, work from written contracts also filed, allow charity termination rights, maintain financial records for at least ten years, and meet other requirements.

Lynda Moerschbaecher and Steve Hermes emphasized the need for all nonprofits to check their organization's compliance with this new Act, which went into effect in the beginning of 2005. You can start by visiting the California Office of the Attorney General's website:

www.ag.ca.gov/charities for general information and downloading forms.

** The information in this article is not intended as a substitute for legal or accounting advice. Please consult appropriate legal and accounting professionals.*

RESOURCES: The Office of the Attorney General, State of California. Retrieved 4/24/05 from <http://ag.ca.gov/charities/>

Note: Ms. Moerschbaecher's Power Point presentation may be viewed at www.ncphilanthropy.org (see programs)

e-Philanthropy *continued from page one*

whopping \$54.9 billion last year.

What does this mean for nonprofits and fund raising? Gillig pointed out that how people shop online is how donors decide where to give their money. Generally speaking, people research products, cars and services online, but actually buy offline. A study by one research firm showed that for every dollar spent online, \$3.30 is generated offline.

So having an informative, well-designed and easy-to-use Web site is more important than ever for businesses and nonprofit agencies.

"People do not have 'philanthropic moments,'" quipped Gillig, referring to the way people use the Internet. People don't just randomly surf the Web. "You are going to go where you want to go. You have a purpose."

However much technology has changed things, Gillig emphasized that the basics of philanthropy have not. "We need to apply the fundamentals of philanthropy and then utilize the Internet."

Organizations need to determine their priorities and match up the Internet with their needs. The Internet is different from other media because it is truly interactive. Direct mail, on the other hand, is partially reactive and not much learning occurs on the recipient's part. The Internet also has a much higher acquisition rate than direct mail.

Nonprofit agencies should learn how to use the new tools available on the Web. Many of these tools may be easily purchased online. You can buy databases, direct response e-mail and prospect research.

And you don't have to manage hardware or have someone in house to get up to speed. You can utilize applications online. E-tapestry is one company that offers such services (etapestry.com).

When agencies e-mail solicitations to potential donors, Gillig recommends that a "link" to a Web site be included, instead of attachments that the donor may or may not be able to open.

Gillig also said to be careful with online auctions. The World Wide Web means just that. If people can bid for items online, Gillig said that you could end up shipping a chair to the Netherlands.

Communicating online has its advantages within your organization, too. Annual reports and newsletters can be posted on your Web site, avoiding hefty printing bills. You can also check if board members are reading the material you send them by seeing who has clicked open your documents.

To summarize: Make sure your Web site is as informative and user-friendly as it can be for those cyber-researchers, take advantage of Internet tools, and remember, the best "asking for the gift" is still one person talking to another, face-to-face.

RESOURCES:

www.kintera.com

www.etapestry.com

www.cooleremail.com

www.guidestar.org

www.raisededge.com

Spring 2005

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 Carol Sigelman
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 Membership Rick Podgorski
 Marketing (*chair*) Sharon Barnes
 Debbi Stanley
 Awards Luncheon Christy Wilson

ADMINISTRATIVE ASSISTANT
 Mary Stanton

The mission of the North County Philanthropy Council is to foster philanthropy by:

- Providing educational and networking opportunities
- Informing members about important trends and community issues
- Honoring outstanding philanthropy volunteers

North County Philanthropy Council

Mailing address:
 11956 Bernardo Plaza Drive #120
 San Diego, CA 92128

Phone and Fax: **858/673-7288**

www.ncphilanthropy.org

From the president

Warmer days, blooming flowers, graduations and ... NCPC membership renewal!

Yes, June is the time to renew your support of the council's many programs and activities for another year. By sending in your dues now, you are ensuring that the local networking and educational opportunities the NCPC provides can continue.

We depend on your support to be able to offer the valuable luncheon programs and the annual volunteer awards luncheon in the fall.

Rick Podgorski, NCPC membership chairman, designed this year's catchy campaign theme and set our goal of 125 new members by December 5th (hence 125 by 12/5). We can do it.

Please read what's in store for the rest of 2005 on the following page. Program Chairwoman Connie Burke has done an outstanding job lining up topnotch speakers for the seminars. We are so appreciative of these busy professionals donating their time to talk to us.

We hope to see all of you at NCPC's Annual Membership Reception on June 16th at Quail Botanical Gardens in Encinitas. And don't forget to bring a new friend who might benefit from membership in NCPC. It's a wonderful occasion to meet new people and socialize with colleagues in the spectacular garden setting. Tours will be available.

Thank you for your support of the North County Philanthropy Council, and the valuable work you do in our community. Feel free to call me anytime with comments or suggestions at 760/740-5479. See you at the reception!



Laurie Brindle

NCPC's Founder and Visionary

BOB KREJCI

By Sharon Barnes, MNA, CFRE

Ever wonder how the North County Philanthropy Council came to be? Well, meet Bob Krejci—the vision and drive behind the NCPC we enjoy and learn from today.

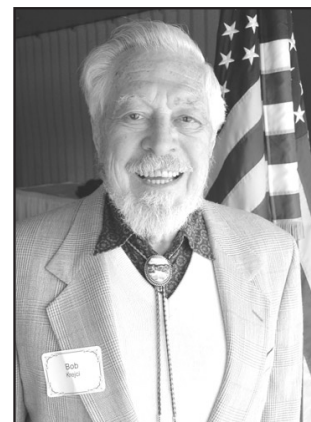
Bob began his fund-raising career in 1940 with the Boy Scouts of America. He adds that in those days, boards were definitely volunteer-driven. No executive directors, no development directors or paid staff. Unfortunately, weak boards responsible for raising funds lacked essential friend-raising and fund-raising skills. They needed help. Bob Krejci responded, both on staff, then as a consultant, until retiring in 1990.

The Philanthropy Council sprang to life in 1986 when Krejci and colleagues Richard Henrickson and Myron Lewis invited one representative from each nonprofit organization to come to the first meeting. Their vision? We "believed in helping people," says Krejci. And that, he emphasizes, encompasses education, sharing information, networking and providing training opportunities to those who assist others.

What does Bob like best about NCPC today? Krejci replies we are "becoming more professional in our work."

For the future, Bob is very specific about NCPC's role: He stresses that he's "never had two (fund-raising) campaigns that were alike." He then adds, "Each nonprofit needs to spend more time on basic planning. I'd like to see a (NCPC) plan developed to help each organization analyze its problems and develop a plan to resolve them."

In his young 90s, Bob Krejci distinguishes himself as NCPC's founder and our oldest member. Krejci hiked the Himalayas at 87, and enjoys world travel. Bob Krejci authored, *How to Succeed in Fund Raising for Your Nonprofit Organization*, and is currently working on his autobiography. He regularly attends NCPC meetings, so if you haven't met Bob Krejci, be sure to introduce yourself, and take advantage of insight and wisdom put into life-long action!



Upcoming NCPC events

FRIDAY, MAY 20, 2005



“Creative Use of Video for Nonprofits”

Luncheon seminar featuring

TOM REESER

& SANDY THURLOW

KOCT - Oceanside Community Television

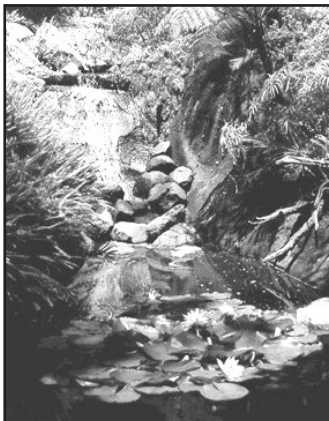
11:30 a.m. to 1:30 p.m.

Lake San Marcos Country Club
1750 San Pablo Drive, Lake San Marcos
Members — \$25 • Non-members \$30

Deadline for reservations is Wednesday, May 18.
Please call 858/673-7288

THURSDAY, JUNE 16, 2005

*Annual Membership Reception
Quail Botanical Gardens, Encinitas
5 to 7 p.m.*



*Complimentary
wine and cheese
reception at the
world-renowned
Quail Botanical
Gardens.*

*Tours will be
conducted by
Executive Director
Julian Duval*

Bring your friends!

FRIDAY, SEPTEMBER 16, 2005

SPECIAL MORNING WORKSHOP AND LUNCHEON PRESENTATION

(attend one or both) featuring:

JANIE ANDERSON, CFRE

Janie Anderson Consulting Services

and

CAROLE A. FISH, M.Ed., CFRE

Fish + Lewis Consulting

10:30 a.m.: “Preparation for asking: Learn how major donors (and you!) feel about money”

Noon: “How did they do that?” Stories of how donor relationships are built

Registration information will be available in July.

WEDNESDAY, NOV. 3, 2005

11 a.m. to 2 p.m.



Annual Volunteer Awards Luncheon

*NCPC member organizations honor
their outstanding volunteers at the
elegant luncheon, which has
become a North County tradition.*

California Center for the Arts, Escondido



THE NORTH COUNTY



www.ncphilanthropy.org

North County Philanthropy Council Members

ORGANIZATIONS

- AGA Foundation for Digestive Health & Nutrition
- The Alford Group
- Alzheimer's Association
- Anza Borrego Foundation
- Arc of San Diego
- Assistance League of Inland North County
- Assistance League of North Coast
- Boys & Girls Club of San Dieguito
- Boys & Girls Clubs of Greater San Diego
- Boys & Girls Club of Vista
- The Burnham Institute
- California Center for The Arts, Escondido
- California State University San Marcos
- Canine Companions for Independence
- Carlsbad Library Foundation
- Casa de Amparo
- Casey Family Programs
- CCHAT Center, San Diego
- Coastal Community Foundation
- Community Resource Center
- Dyslexia Foundation
- Endowment Development Institute
- Escondido Chamber of Commerce
- Escondido Children's Museum
- Escondido Community Child Development Center
- Escondido Humane Society
- Escondido Library Endowment Foundation
- Fight ALD
- Foundation to Advance Music Education
- Fresh Start Surgical Gifts, Inc.
- Gemological Institute of America
- Girl Scouts San Diego Imperial Cty.
- Helen Woodward Animal Center
- The Bruce & Patricia Hendrix Foundation
- Interfaith Community Services
- Jenna Druck Foundation
- Jewish Community Foundation
- Joe & Mary Mottino Family YMCA
- Kids Korps USA
- KOCT-Oceanside Community Television
- La Costa Canyon High School Foundation
- Legacy Endowment
- Magdalena Ecke Family YMCA
- March of Dimes - San Diego Division
- McClintic Corporation
- Meals on Wheels Greater San Diego
- Neighborhood Healthcare
- North County Health Services
- North County Humane Society & SPCA
- North County Serenity House
- North County Times
- Oceanside Museum of Art
- Palomar Pomerado Health Foundation
- Poway Center for the Performing Arts Foundation
- Quail Botanical Gardens
- Rancho Bernardo Community Foundation
- Rancho Santa Fe Community Center
- Rancho Santa Fe Foundation
- Rotary Club of R.B. Foundation
- San Diego Chamber Orchestra
- San Diego Foundation
- San Dieguito Performing Arts Association
- Scripps Memorial Hospital Encinitas
- Sidney Kimmel Cancer Center
- St. Clare's Home, Inc.
- StoryArts, Inc.
- Temple Adat Shalom
- Torrey Pines High School Foundation
- Trauma Intervention Programs of S.D.
- Tri-City Hospital Foundation
- UCSD Extension
- Vista Community Clinic
- Vista Townsite Community Partnership, Inc.

INDIVIDUALS

- Janie Anderson
- Mimi Baca
- Sharon Barnes
- Robert Beard
- Piero Berlonghi
- Judy Bradley
- Chip Brown
- Cathleen J. Cochran
- William Cox
- Aaron Dennis
- Penelope Dokmo
- Don Fellows
- Molly Henry
- Susan Howe
- Cindy Hudson
- Donna Johnson
- Allie Jones
- Robert Krejci
- Sharna Langlais
- Ayesha Lewellen
- William Lewis
- Colleen R. Lukoff
- Chase Magnuson
- Beckie Mann
- Tom McAndrews
- Gina Payne McBride
- Regina Meyer
- Monica Sayers
- Jeanne Schmelzer
- Candace Schuler
- Carol Sigelman
- Beverly SiligmueLLer
- Paul Straley
- Nadene Veitzer, Ph.D.

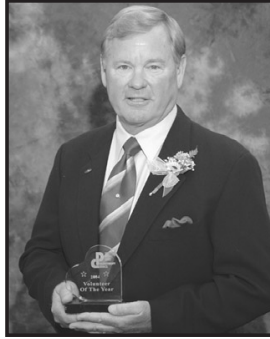
Friendly reminder: June is Membership Renewal Month

2004 NCPC Volunteers of the Year

Last year's awards luncheon was held on Wednesday, November 10 at the California Center for the Arts, Escondido. Mark your calendars for this year's event, scheduled for WEDNESDAY, NOVEMBER 3, 2005 at the CCAE.



*Assistance League of
Inland North County*
Janet Sutherland



*Boys & Girls Clubs of
Greater San Diego*
G. Bruce Dunn



*California Center
for the Arts, Escondido*
Margaret Moir



Cal State San Marcos
**Anita Dunn &
Barbara Patterson**



Casa de Amparo
Joanna Allen



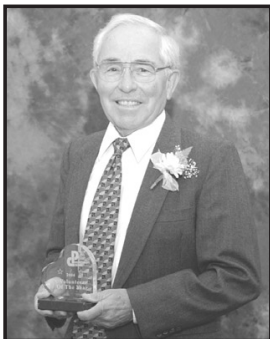
*Community
Resource Center*
Mark O'Connor



The Dyslexia Foundation
Marlene Rissman



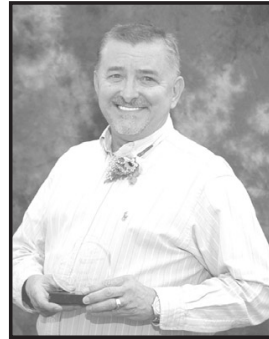
*Escondido
Children's Museum*
Marlene Beard



*Escondido Library
Endowment Foundation*
Elmer C. Cameron



Fresh Start Surgical Gifts
Daneen Cox



*Interfaith
Community Services*
Rick Houx



*The Jenna Druck
Foundation*
Denise Hankins



Kids Korp USA
Marian Benassi



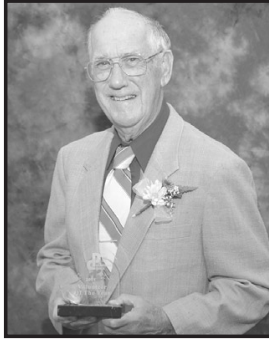
Kids Korps USA
Debbie Torbati



*KOCT Oceanside
Community Television*
Tom Morrow



*Legacy Endowment ...
the community foundation*
Roy Ansell



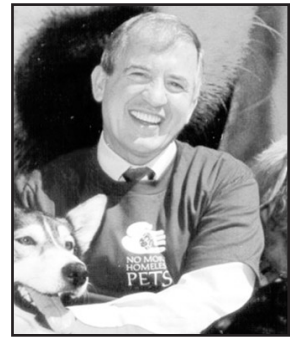
*Meals on Wheels
Greater San Diego*
Ray Keeyes



*Neighborhood
Healthcare*
Barbara Douglas



N. C. Health Services
**Adriana
Andres-Paulson**



*North County
Humane Society*
Michael A. Arms



*Palomar Pomerado
Health Foundation*
Marti Hale



Quail Botanical Gardens
Sue Paprek



*Rancho Bernardo
Community Foundation*
Liza Georges



*Rancho Santa Fe
Community Center*
Lisa Ruh



*Rancho Santa Fe
Foundation*
Bob Goldsmith



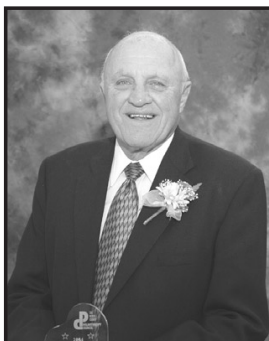
St. Clare's Home
Leshea Nock



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*Torrey Pines High
School Foundation*
Steve & Jean Hamerslag



*Tri-City
Hospital Foundation*
Robert A. Pickrel



Vista Community Clinic
Marcia I. Carucci



*Joe & Mary Mottino
Family YMCA*
Michael Fangman



*Magdalena Ecke
Family YMCA*
Robbie Johnson