

The Path Forward

For New & Growing Non-Profit Organizations



August 2007

New IRS Filing Requirements

As of 2008 all 501c3 tax exempt organizations will be required to file a tax return with the IRS every year no matter how much or how little revenues the organization received. Not to file will jeopardize your tax exempt status. Little nonprofits will be able to e-file an e-postcard.

Free Training From the IRS

You can get free online training from the IRS about what you need to know to keep your organization compliant with the regulations for 501c3 tax exempt organizations online. Go to www.stayexempt.org.

Board Meeting Minutes

Your board meeting minutes are legal documents so you should be careful to record them accurately. Make sure that policies regarding donor relations, the percentage of donations allocated to the general fund, and gift acceptance are voted on and clearly recorded in the minutes. Auditors read the minutes carefully because the financial policies of an organization are set and governed by the board.

Funding Formula for Healthy Organization

A healthy 501c3 organization is funded three ways: 1/3 of the income is given by individual donors; 1/3 is raised in fund-raising events; and 1/3 is funded through grants.

Financial Information for Nonprofits

Check out www.managementhelp.org for information regarding accounting for nonprofit organizations. There are lots of helpful topics on this site.

A CPA With Nonprofit Expertise

Dave Zigo CPA, www.zigocpa.com, is a St. Louis based CPA with decades of experience working with nonprofit organizations. He can help you set up your accounting, perform annual audits, and coordinate with nonprofit organizations outside of the United States.

Build Your Donor Base Through Promotional Literature

Every organization needs good promotional literature that helps bring its mission, program goals, and achievements to the attention of your donors and prospective donors. Written information about your organization should be presented accurately in a way that communicates your personality and motivates the reader to become involved to a greater degree. At least once a year you should update your literature. Make sure that the list of board members is current. Add new pictures. Refer to the most recent achievements and goals. Recognize your volunteers and your donors. Provide incentives for new giving and opportunities for hands-on participation. Most of the following pieces will be available from proactive organizations.

- An introductory brochure that contains general information describing what the organization does, who it serves, where it operates, who is on its board, and how it is funded
- A good interactive web-site with pictures that is updated frequently
- A regular newsletter or e-newsletter
- An acquisition card that board members and volunteers distribute to collect new names for the mailing list
- A one page report that summarizes your past achievements, your current program objectives, and your future funding goals
- An annual report that is several pages long in booklet form. It projects the future, celebrates the past, recognizes significant donors and volunteers, profiles key staff and board members, and presents the financial condition of the organization
- Fund-raising event literature – invitations, informational displays
- A thank you letter template that can be personalized as needed
- Press releases to promote your organization, its programs, and significant fundraising events in the local media when there is news that will be of interest to the community

Each piece of literature should incorporate a familiar visual presentation with your logo, consistent colors and graphics. A good writer will produce copy that is finely tuned to present your heart and your message to each audience. You may find that your organization includes a skilled writer. Otherwise, think about contracting out your writing needs to a freelancer like me, Lesley Barker—*She Writes!* (314-422-5572). This choice is often the most cost-effective and the least stressful. Whether produced in-house or by contractual agreement, your written communications will be the first introduction to your organization that most people receive. Make sure that your literature truly reflects your organization's heart.

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