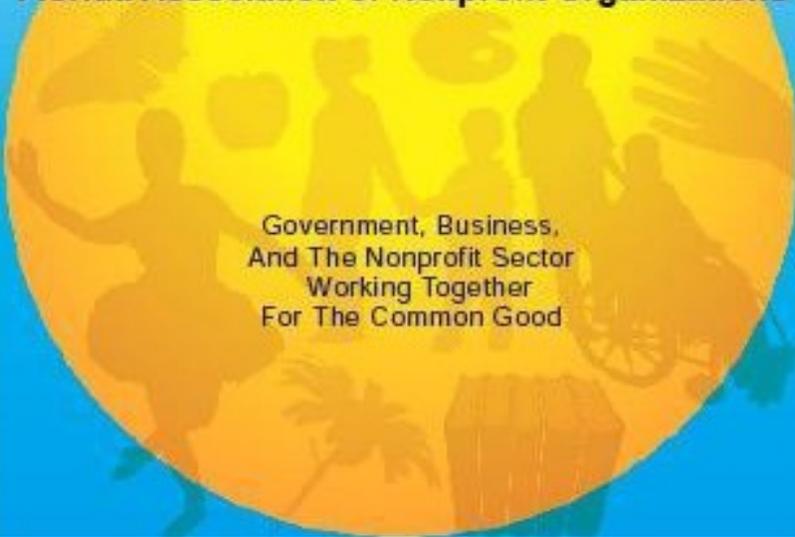




FLORIDA ASSOCIATION OF NONPROFITS



Government, Business,
And The Nonprofit Sector
Working Together
For The Common Good

Nonprofit Principles and Practices

*Principles
and
Practices
for Florida
Nonprofit
Excellence*



FLORIDA
ASSOCIATION OF
NONPROFITS

The Heart of the Florida Nonprofit Community

Principles and Practices for Florida Nonprofit Excellence

Background:

In 1995, with the assistance of several universities from across the country, the Florida Association of Nonprofit Organizations (FANO) became the first state association of nonprofits to develop a certificate in nonprofit management program. The Certificate was FANO's effort to establish a set of management practices to build the accountability and excellence in the Nonprofit Sector in Florida. Other states have not reached this level of training however they have established the underpinnings of such a program. The original model is from Minnesota and it includes standards for strong public accountability. (Other models based on the Minnesota model are Michigan and South Carolina)

About Principles and Practices:

The Principles and Practices for Nonprofit Excellence are based on the fundamental values of quality, responsibility and accountability and includes ten characteristic accountability principles that distinguish the nonprofit sector from government and the business sector. It also includes 133 management practices, specific guidelines for individual organizations to evaluate and improve their operations, governance, human resources, advocacy, financial management, and fundraising. When compared to our certificate in nonprofit management, it is very similar.

FANO (now Florida Association of Nonprofits / Florida Nonprofits) adopted a similar Principles and Practices Policy:

By adopting a Principles and Practices Policy Florida Nonprofits: 1) Helped to provide individual organizations striving for excellence with a tool for strategic planning and operational evaluation relative to the rest of the nonprofit sector; 2) Helped support the growth and quality of the sector; and 3) Helped to increase public understanding of the role and contributions of the nonprofit sector. In general, The Principles and Practices for Nonprofit Excellence are designed to support the effective functioning of our sector by recommending specific best practices.

The Process:

FANO organized a committee representing the diversity of the nonprofit sector, and did extensive input gathering from statewide nonprofits in person and by Internet surveys. After FANO board approval, the Principles and Practices for Nonprofit Excellence were adopted. The critical role of nonprofits in democratic societies underscores the importance of knowing how to form, govern and manage these organizations. The growth and progress of the nonprofit sector depends on developing and improving this body of knowledge. Since its founding by Florida's nonprofits, the Florida Association of Nonprofits has provided research, education and technical assistance to strengthen nonprofit management and governance. The Principles and Practices will form an ongoing framework for Florida Nonprofits' trainings, publications and other educational materials.

*Principles
and
Practices
for Florida
Nonprofit
Excellence*



FLORIDA
ASSOCIATION OF
NONPROFITS

The Heart of the Florida Nonprofit Community

Facts:

- Nonprofit organizations are essential to the vitality of communities. They enrich quality of life, epitomize the highest societal values and strengthen democracy. Volunteers, board members and employees become involved with a nonprofit because of the organization's public benefit mission.
- Floridians join together throughout the state to form associations and organizations of every type.
- Every nonprofit organization needs a strong foundation of compliance and a broad organizational awareness of laws and regulations related to fundraising, licensing, financial accountability, human resources, lobbying, political advocacy, and taxation.
- The Principles and Practices for Nonprofit Excellence are of particular interest to 501(c)(3) organizations.
- The information and concepts apply broadly to all types of nonprofit organizations. Because of the sector's diversity by size, region and activity area, each organization will be encouraged to determine whether or not an individual practice is appropriate for its current situation.
- Paul Light of New York University and the Brookings Institution describes "the need for nonprofits to work at excelling at their most important attributes — that is, to become more "nonprofit-like" as opposed to being more business-like or bureaucratic."
- The continued success of Florida's nonprofit organizations requires broad public support and confidence. This document publicly testifies to the nonprofit sector's commitment to excellence — always for the benefit of society.

Thank you to the Minnesota Council of Nonprofits for generously supporting FANO, Florida Association of Nonprofit Organizations, in the development of Florida's Principles and Practices Policy.

About the Minnesota Council of Nonprofits (MCN). In 1994, the Minnesota Council of Nonprofits (MCN) became the first state association of nonprofits to develop a set of accountability principles and management practices. This revised edition completely updates those original standards while remaining true to MCN's long-standing goal of open access to their comprehensive policies for strong public accountability. This revised edition of the Principles and Practices for Nonprofit Excellence was developed by a committee representing the diversity of the nonprofit sector, with extensive input gathered from statewide community meetings. In revising the original version, the committee specifically sought to lay out essential characteristics that are distinct expectations of public engagement and responsiveness, not simply disclosure. The new Role in Society principle puts in the forefront practices that address what Paul Light of New York University and the Brookings Institution described as the need for nonprofits to work at excelling at their most important attributes — that is, to become more "nonprofit-like" as opposed to being more business-like or bureaucratic.



The Origins of the Principles and Practices:

The Minnesota Council of Nonprofits began its document on nonprofit accountability at its 1993 Annual Conference. They continued to develop it through community meetings, workshops and discussions throughout the state. Under the leadership of Dr. James P. Shannon, MCN joined with two organizations — the Charities Review Council of Minnesota and MAP for Nonprofits — to convene discussions on nonprofit standards and to develop principles of sound nonprofit management and accountability. The first draft of the Principles and Practices for Nonprofit Excellence was circulated to nonprofit and philanthropic leaders throughout Minnesota and the United States in October 1994 before approval by MCN’s Board of Directors. The Minnesota Council has continued to update and revise the Principles and Practices for Nonprofit Excellence.

James V. Toscano and Marcia Nottingham chaired the original Committee on Nonprofit Standards, whose members included Judy Alnes, Angela Bies, Eve Borenstein, David Brown, Jennifer Gillespie, Betsy Jaros, Anne Long, Jon Pratt, Lois Schmidt, Laura Waterman Wittstock, Michael Wirth-Davis, and Reid Zimmerman.

In 2004, James V. Toscano also led the charge to revise the Principles and Practices and was assisted by Stephanie Tribby-Walbridge with input from nonprofit leaders, including Marcia Avner, Kate Barr, Shelly Dreyling, Christine Durand, Stephanie Haddad, Audrey Kintzi, Anne Long, Craig Luedemann, Nan Madden, Ellen McVeigh, Leslie Nitabach, Jon Pratt, Sondra Reis, Sheila Smith, Melissa Stone, Bao Vang, and Reid Zimmerman. Copyediting of the revised version was provided by professional editor Steve Gansen.

Thousands of copies of the draft of the revised version of the Principles and Practices for Nonprofit Excellence were delivered to MCN members and the public via the Web and mail, and discussed in feedback sessions held in Minneapolis, St. Paul, Duluth, Mankato, Grand Rapids, and St. Cloud. The comments and suggestions gathered from MCN members and the public informed the final draft of the revised version, which was approved by the MCN Board of Directors on March 15, 2005.



Principles and Practices for Florida Nonprofit Excellence

Role in Society	7
Governance	8
Planning	10
Transparency and Accountability	11
Fundraising	13
Financial Management	15
Human Resources	17
Civic Engagement and Public Policy	18
Strategic Alliances	19
Evaluation	20
Certificate in Nonprofit Management	21
Certificate in Nonprofit Management Registration Form	27

Note to Readers:

Please be aware that certain words have particular meanings in this document:

“Must” is used to describe practices required by state or federal law.

“Should” is used to describe highly recommended practices.

“Constituents” describes people with a stake in the success of the organization, and may include members, neighbors, clients, volunteers, and contributors.

Copyright (c) 2015 by the Florida Association of Nonprofit Organizations. All rights reserved. No part of this publication may be reproduced or transmitted in any form or by means electronic or mechanical without the written consent of the Florida Association of Nonprofit Organizations.



Overview of Principles for Florida Nonprofit Excellence

Role in Society: Nonprofit organizations provide unique opportunities for individuals to combine their energy, talents and values for community improvement and enrichment. Nonprofits are obligated to understand their role as entities that engage and inspire individuals and communities for public benefit, and to conduct their activities with transparency, integrity and accountability.

Governance: A nonprofit's board of directors is responsible for defining the organization's mission and for providing overall leadership and strategic direction to the organization and should:

- 1) actively set policy and ensure the organization has adequate resources to carry out its mission;
- 2) provide direct oversight and direction for the executive director and be responsible for evaluating his/her performance; and
- 3) evaluate its own effectiveness as a governing body, as a group of volunteers and as representatives of the community in upholding the public interest served by the organization.

Planning: Organizational planning sets the overall direction, activities and strategies a nonprofit employs to fulfill its mission. Nonprofits have a duty to engage in sound planning, define a clear vision for the future and specify strategies, goals and objectives for plan implementation. Planning should incorporate input from constituents and should be intentional and ongoing to successfully position the organization to achieve its goals.

Transparency and Accountability: Nonprofits have an ethical obligation to their constituents and the public to conduct their activities with accountability and transparency. Nonprofits should regularly and openly convey information to the public about their mission, activities, accomplishments, and decision-making processes. Information from a nonprofit organization should be easily accessible to the public and should create external visibility, public understanding and trust in the organization.

Fundraising: Nonprofit organizations provide opportunities for individuals and institutions to voluntarily contribute to causes of their choosing. 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.

Financial Management: Nonprofits have an obligation to act as responsible stewards in managing 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.



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

Civic Engagement and Public Policy: Nonprofit organizations play a central role in the democratic process by providing a means for individuals to deliberate on public policies and decisions that affect them. To the extent possible, nonprofit organizations should engage constituents in public policy and advocacy activities as a means of fulfilling their missions and promoting community interests. Open communication and consultation between policy makers and constituents of nonprofit organizations contribute to well-informed policies and the effective implementation of them.

Strategic Alliances: The effectiveness of nonprofit organizations depends on successful relationships with other community institutions. Regardless of form — partnership, collaboration, cooperation or coordination — these relationships, or strategic alliances, can serve a variety of purposes, including resource sharing, policy influence and improved operational efficiency. They strengthen both the capacity of individual organizations and the sector as a whole. Nonprofits should be open to strategic alliances and, when appropriate, should partner with other organizations to strengthen their capability to achieve desired results. Nonprofits should initiate and promote cooperation and coordination between a variety of entities to avoid unnecessary duplication of services and to maximize the resources available to the communities they serve.

Evaluation: Nonprofit organizations have proven to be highly effective at a wide variety of tasks that benefit society. An essential responsibility of every nonprofit organization is to assess the impact of its actions and to act upon this information. The public has a stake in nonprofit performance and is entitled to information regarding organizational results. Nonprofits should regularly measure their performance against a clear set of goals and objectives. They should share this information with their constituents and the public and use it to continually improve the quality of their processes, programs and activities.



Role in Society

Nonprofit organizations provide unique opportunities for individuals to combine their energy, talents and values for community improvement and enrichment. Nonprofits are obligated to understand their role as entities that engage and inspire individuals and communities for public benefit, and to conduct their activities with transparency, integrity and accountability.

Role Recognition:

- 1) Nonprofits should recognize that their role in society differs from that of government and business. Nonprofits have a special ability to organize the energy and ideas of a community to achieve together what individuals cannot achieve alone. By tapping into the values, interests and relationships of individuals, nonprofits can mobilize their supporters and the larger community to realize their vision. Unlike government entities, nonprofits can focus on very local, specific or new matters and need not wait for community-wide consensus to begin their work. Nonprofit organizations emerge from expressed community needs and are not restricted to the marketplace priorities and constraints that define success for the for-profit sector.
- 2) Nonprofits should provide opportunities for individuals to engage in activities and conversations that widen their circle of connections beyond family and friends to other community members.
- 3) Nonprofits should encourage the development of emerging leaders and provide opportunities for individuals and the community as a whole to sharpen and strengthen leadership skills.
- 4) Nonprofits should work to build trust between communities and to bridge the differences among diverse constituencies.

Public Accountability:

- 1) Nonprofits must publicly account for their finances, governance, disclosure practices, and programs.
- 2) Nonprofits should be inclusive in their activities — remaining open to new participants and ideas as well as external input — and conduct them in ways that are transparent, flexible and responsive to change.
- 3) Nonprofits should identify their constituents — the people who benefit from, are affected by, are keys to the success of, and/or share the values implicit in their work.
- 4) Nonprofits should conduct their activities with procedural fairness in decision making for constituents and the community.
- 5) Nonprofits should provide opportunities for people from the community to hold other public or private institutions accountable.



Governance

A nonprofit's board of directors is responsible for defining the organization's mission and for providing overall leadership and strategic direction to the organization. Each nonprofit board should:

- 1) actively set policy and ensure that the organization has adequate resources to carry out its mission;**
- 2) provide direct oversight and direction for the executive director and be responsible for evaluating his/her performance; and**
- 3) evaluate its own effectiveness as a governing body, as a group of volunteers, and as representatives of the community in upholding the public interest served by the organization.**

Board Composition:

- 1) Nonprofit boards should be comprised of individual volunteers who are committed to representing the best interests of the organization and its mission.
- 2) To ensure broad public participation, vitality and diversity, board members should serve for no more than nine consecutive years.
- 3) To allow for sufficient deliberation and diversity of perspectives, nonprofit boards should consist of no fewer than seven individuals.
- 4) Nonprofit boards must have a chair and a treasurer, and should have a vice-chair and secretary. No one should occupy more than one officer position in the same organization at the same time.
- 5) If staff membership on the board is deemed necessary, inclusion should be limited to the executive director, who should not serve as the chair, vice-chair, secretary, or treasurer.

Board Characteristics and Qualifications:

- 1) Nonprofits should strive towards board representation that reflects the organization's constituents.
- 2) Board members should be committed to the mission and dedicated to the success of the nonprofit.
- 3) Board members should actively develop an understanding of the mission, ongoing activities, finances, and operating environment of the organization.
- 4) Board members should value diversity and understand the role of participation and inclusion in the future success of the organization's work.
- 5) To demonstrate their personal stake in the organization, board members are expected to volunteer time, raise external funds and make financial contributions to the nonprofit.

Board Responsibilities: Continued on page 9



Board Responsibilities:

- 1) Board members should be provided with a clear job description, orientation to the work of the organization and ongoing training, and should fully understand their roles and responsibilities to the organization and to the public.
- 2) Board members should understand the content and significance of the organization's financial statements and audit.
- 3) Boards should hold quarterly meetings (at a minimum) and expect regular attendance of members.
- 4) Board members are responsible for keeping suitably informed so they can actively participate in decision making.
- 5) Boards should organize committees as needed to effectively structure their roles and responsibilities.
- 6) Nonprofit board members are responsible to make decisions in the interest of the organization and no other party, including themselves. Each board should have a conflict-of-interest policy that includes a disclosure form, which is signed by board members annually, and procedures for managing conflicts of interest and handling situations in which public and private interests intersect.
- 7) Nonprofit board members are responsible for upholding the organization's mission and using its resources wisely and in accordance with the law.
- 8) Board members are responsible for fully understanding their legal and fiduciary obligations and carrying out their responsibilities in the following areas:
 1. Planning
 2. Policy approval
 3. Annual review of the CEO's performance
 4. Setting of compensation structure
 5. Fundraising
 6. Financial management
- 9) The board of directors, led by the board chair, should annually evaluate itself through a survey to the board members and a subsequent discussion of the results with an eye toward improving governance practices.
- 10) Board members should receive no monetary compensation for their board duties other than reimbursement for board-related expenses.



Planning

Organizational planning sets the overall direction, activities and strategies a nonprofit employs to fulfill its mission. Nonprofits have a duty to engage in sound planning, define a clear vision for the future and specify strategies, goals and objectives for plan implementation. Planning should incorporate input from constituents and should be intentional and ongoing to successfully position the organization to achieve its goals.

Mission:

- 1) A nonprofit should have a written mission statement which is sufficiently specific to effectively guide the overall aims and activities of the organization.
- 2) The mission statement should be linked to the organizational values and vision for the future.
- 3) As part of ongoing planning, and with input provided by the organization's constituents, the mission statement should be evaluated regularly by the board with regard to its relationship to the organization's current activities.

Community Input:

- 1) In planning for their activities, nonprofit organizations should be responsive to community needs and should solicit input from a variety of sources such as board, staff and community members and other constituents.
- 2) Nonprofits should consult with their counterparts to determine the need for services and the best use of community resources.

Strategic Plan:

- 1) The board of directors should establish a rigorous process of setting clearly defined goals and objectives to accomplish the organization's mission. This plan should be reviewed annually and a new plan should be developed and adopted at least every five years.
- 2) Goals and objectives should be reasonably attainable given staffing, resources, constituents, and the number of people being served.
- 3) A nonprofit organization should periodically conduct an environmental scan that includes an evaluation of strengths, weaknesses, opportunities, and threats as part of strategic planning.

Operational Plan:

- 1) A nonprofit organization should annually create a written operational plan which specifies implementation of its activities.
- 2) The operational plan should include goals and objectives that are set by the organization in order to positively benefit individuals and society.
- 3) The operational plan should define specific program, financial, personnel, and evaluation activities; delineate timelines; and assign specific responsibility for implementation.
- 4) The operational plan should be a useful management tool for evaluating activities and outcomes and should be tied to an approved budget.



Accountability and Transparency

Nonprofits have an ethical obligation to their constituents and the public to conduct their activities with accountability and transparency. Nonprofits should regularly and openly convey information to the public about their mission, activities, accomplishments, and decision-making processes. Information from a nonprofit organization should be easily accessible to the public and should create external visibility, public understanding and trust in the organization.

Accountability:

- 1) A nonprofit must comply with all legally required reporting procedures.
- 2) A nonprofit has an obligation to responsibly use its resources toward its mission and to benefit the community. The organization's board should approve its financial audits, while the executive director and principal financial manager should attest to the audits.
- 3) A nonprofit has a responsibility to establish and regularly determine clear performance measurements and to share those results with the public.
- 4) Each nonprofit has a responsibility to adhere to the established industry standards that apply to its particular activity area.

Accessibility:

- 1) Boards of directors should provide information to the public that describes their decisions and decision-making processes. They should make meeting agendas and descriptions of significant decisions available to those who request them.
- 2) A nonprofit should provide its constituents with ongoing opportunities to interact with the board and management regarding its activities.

Public Information:

- 1) A nonprofit should produce an annual report (printed or Web-based) that contains information on its activities and performance. The annual report should include:
 - An explanation of the organization's mission, activities and results;
 - An explanation of how individuals can access its programs and services;
 - Overall financial information, including income and expense statement, balance sheet and functional expense allocation; and a list of board members, management staff and contributors.
- 2) Each nonprofit must make certain data available to the public, including: IRS Form 990 for the previous three years, including clear statements of program service accomplishments in Part III; and IRS Form 1023, Application for Recognition of Exemption.
- 3) A nonprofit should provide multiple means for contacting the organization to request information or provide input.

Solicitation of Community Input: continued on next page

Fairness and Equity Practices: continued on next page



Accountability and Transparency (continued from previous page)

Solicitation of Community Input:

- 1) Nonprofit organizations are encouraged to hold public meetings to gather and distribute information about their approaches, goals and effectiveness in carrying out their missions.
- 2) Nonprofits should openly gather and exchange information on lessons learned and best practices with other nonprofits to promote overall effectiveness and accountability within the sector.
- 3) Nonprofits should actively work with other organizations to avoid duplication of services.

Fairness and Equity Practices:

- 1) Information regarding fees and services should be made readily available to the public. When charging for services, nonprofits have an obligation to price equitably and to take into account the consequences of denial of services due to an individual's inability to pay.
- 2) Nonprofit employees should have a mechanism for reporting misconduct which protects the individual making the report from any punitive repercussions.
- 3) Nonprofits should ensure nondiscriminatory service to their constituents.
- 4) Nonprofits should ensure confidentiality to their constituents.

*Giving is not just about
making a donation.
It is about making a difference.*

Kathy Calvin,

**CEO & President of the
United Nations Foundation**



Fundraising

Nonprofit organizations provide opportunities for individuals and institutions to voluntarily contribute to causes of their choosing. 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.

Accountability to Donors:

- 1) Nonprofits must comply with all federal, state and local laws concerning fundraising practices, including registration and annual reporting with the Florida Department of Agriculture and Consumer Affairs.
- 2) Nonprofit organizations are responsible for conducting their fundraising activities in a manner that upholds the public's trust in stewardship of contributed funds.
- 3) Fundraising communications should include clear, accurate and honest information about the organization, its activities and the intended use of funds.
- 4) Nonprofits must use funds consistent with donor intent and comply with specific conditions placed upon donations.
- 5) Nonprofits must send a written acknowledgement to all donors who make a "quid pro quo" donation (that is, a payment made partly as a contribution and partly for goods and/or services) in excess of \$75 and should also send a written acknowledgement to all donors who made contributions of \$250 or more in cash or property in the previous calendar year.
- 6) Nonprofits should strive for a balance between publicly recognizing charitable contributions and maintaining donor confidentiality when requested. Nonprofits must not share, trade or sell contact information for any donor without prior permission from the donor.
- 7) Nonprofits should regularly communicate with contributors regarding their activities and should make such information available through public and private media (including websites, emails, newsletters, press releases to major and community media outlets, and free or paid advertising).

Policies: continued on next page



Fundraising: continued from previous page

Policies:

- 1) A nonprofit's board of directors has overall responsibility for raising sufficient funds to meet budgeted objectives.
- 2) Nonprofits should adopt clear policies regarding the acceptance of personal gifts from any constituent to staff members, board members and volunteers.
- 3) A nonprofit has an obligation to decline funds or in-kind donations that would bring about adverse conditions for the organization or its constituents and gifts given for purposes outside the scope of its mission.
- 4) Nonprofits should apply a high percentage of each dollar raised to programs and services in accordance with practices of comparable organizations, state statutes and representations made to contributors and the public.
- 5) Compensation for fundraising personnel and contractors should not be based on a percentage of funds raised or other commission-based formulas.
- 6) A nonprofit should closely monitor any individual or organization that solicits funds on its behalf to ensure adherence to donor intent as well as accountable fundraising practices.
- 7) If using contracted or professional fundraisers, nonprofits should ensure such fundraisers are registered with the Florida Department of Agriculture and Consumer Affairs.



Financial Management

Nonprofits have an obligation to act as responsible stewards in managing 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.

Functions:

- 1) Individuals responsible for an organization's financial reporting should prepare and analyze consistent, timely and accurate financial reports on at least a quarterly basis.
- 2) A nonprofit should ensure separation of financial duties to serve as a checks-and-balances system to prevent theft, fraud or inaccurate reporting to the greatest extent possible. This system should be appropriate to the size of the organization's financial and human resources.
- 3) Nonprofit organizations should adopt written financial procedures to monitor major expenses (payroll, travel, investments, expense accounts, contracts, consultants, leases).
- 4) Nonprofits should periodically assess their risks and purchase appropriate levels of insurance to prudently manage their liabilities.
- 5) A nonprofit's board of directors or its designees should set compensation for the organization's executive director and stay informed of compensation of other key personnel.
- 6) A nonprofit's board should strictly prohibit financial loans to board members, the executive director and other key personnel.
- 7) Board members should clearly understand how to read and interpret financial statements.

Compliance:

- 1) Nonprofit organizations must comply with all financial regulations, such as withholding and payment of federal, state and Social Security taxes, and the management and use of restricted funds.
- 2) Nonprofit organizations should complete the annual IRS Form 990 in a timely, accurate manner and include specific information about the relevant year's activities and outcomes. The organization's board should be provided with a copy of the completed IRS Form 990 in a convenient, timely manner. If a nonprofit's total revenues for the previous fiscal year exceed \$350,000, it must ensure that its financial statements are audited, certified and prepared in accordance with sound accounting practices.
- 3) The board should designate an audit committee to hire the auditor, oversee 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.
- 4) Nonprofit organizations should have systems in place to protect individuals who report financial misconduct from any negative repercussions for doing so.

Openness and Fidelity: continued on next page



Financial Management (continued from previous page)

Openness and Fidelity:

- 1) A nonprofit organization must openly communicate the annual reporting information contained in its IRS Form 990 to constituents and others who request such information.
- 2) Nonprofit organizations should work diligently to avoid recurring deficits and to secure appropriate levels of funding to carry out their missions and activities.
- 3) Nonprofits have a legal obligation to expend funds responsibly in compliance with conditions attached to funding.
- 4) A nonprofit organization has a responsibility to ensure that its assets are used solely for the benefit of the organization and not for personal or other gains. It should have a clear conflict-of-interest policy that is annually signed by board members and actively enforced by the officers of the board.



Human Resources

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

Employment Policies:

- 1) Nonprofits must comply with all federal, state and local employment laws when hiring and employing personnel, including withholding and payment of payroll taxes.
- 2) Nonprofits should employ skilled individuals who are suitable for the positions they occupy and are committed to the goals, values and objectives of the organization.
- 3) Nonprofits should strive toward employing individuals who reflect the diversity of their constituency.
- 4) Nonprofits should continually work to provide a safe and healthy work environment.
- 5) Nonprofit organizations should adopt a set of specific policies and procedures for managing employees and volunteers.
- 6) Nonprofits should establish a clear conflict-of-interest policy for employees that includes disclosure of relationships, nepotism and interested party transactions.
- 7) Nonprofits should adopt specific grievance procedures for personnel with protections for reports of violations of organizational policy or applicable laws. #
- 8) Nonprofits should have mechanisms, including succession plans, to handle transitions in leadership and other key positions. #
- 9) Nonprofits should conduct background checks on employees and volunteers, particularly if their positions involve working with children or vulnerable adults, performing financial duties or serving in other sensitive areas.

Training, Development and Retention:

- 1) Nonprofit organizations should provide personnel with clear, current job descriptions and the resources they need to produce quality work.
- 2) Nonprofits should support the education and development of and opportunities for growth and advancement of personnel.
- 3) Nonprofit boards have an obligation to balance internal equity with market-based and livable compensation for all employees.
- 4) To the extent of their ability, nonprofits should provide personnel with adequate benefits and the opportunity to financially contribute to retirement plans.
- 5) Nonprofit organizations should be open to input from personnel regarding the organization's activities and results on a continual basis.
- 6) Nonprofit personnel should receive performance evaluations on at least an annual basis.



Civic Engagement and Public Policy

Nonprofit organizations play a central role in the democratic process by providing a means for individuals to deliberate on public policies and decisions that affect them. To the extent possible, nonprofit organizations should engage constituents in public policy and advocacy activities as a means to fulfilling their missions and promoting community interests. Open communication and consultation between policy makers and constituents of nonprofit organizations contribute to well-informed policies and the effective implementation of them.

Promoting Participation:

- 1) When possible, nonprofits should assist their constituencies in developing skills and learning about opportunities for public and civic engagement.
- 2) Nonprofits should promote nonpartisan efforts to encourage voting and other participation in federal, state and local policy making.
- 3) Organizations whose constituencies are affected by government actions have an obligation to provide public forums for discussion and information about the effects of all the various policy choices.

Advocacy and Public Policy:

- 1) Nonprofit organizations should take appropriate public positions on relevant issues while working and communicating with other organizations to inform the public about these issues.
- 2) Nonprofits should maintain a sound understanding of the current public policy environment in their activity area and the resulting impacts on the communities they serve.
- 3) If engaged in public policy and 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.

Lobbying:

- 1) Nonprofits that engage in lobbying activities subject to state and federal reporting requirements must file accurate and timely reports on their lobbying activities and comply with all laws governing politics and elections.
- 2) Federally funded nonprofits that engage in lobbying activities must organize their legislative work so that no federal funds are used for this purpose.
- 3) Nonprofits should join together around policy issues to strengthen their impact on public policy.



Strategic Alliances

The effectiveness of nonprofit organizations depends on successful relationships with other community institutions. Regardless of form — partnership, collaboration, cooperation or coordination — these relationships, or strategic alliances, can serve a variety of purposes, including resource sharing, policy influence and improved operational efficiency. They strengthen both the capacity of individual organizations and the sector as a whole. Nonprofits should be open to strategic alliances and, when appropriate, should partner with other organizations to strengthen their capability to achieve desired results. Nonprofits should initiate and promote cooperation and coordination between a variety of entities to avoid unnecessary duplication of services and to maximize the resources available to the communities they serve.

Strategy:

- 1) Nonprofits should be open to new strategic alliances to achieve organizational goals and strengthen connections with constituents and others in the communities they serve.
- 2) Decisions regarding strategic alliances should be consistent with the strategic goals of the participating organizations.

Coordination:

- 1) Nonprofits should stay aware of and coordinate with other organizations providing similar or complementary services in their communities.
- 2) The work of nonprofits can exist in both cooperative and competitive environments. Having a variety of nonprofit organizations is positive and healthy for a community as it provides for a continuum of approaches, leadership opportunities, individual choices, and customization at the local level.
- 3) Nonprofits should work to establish communication channels, mutual understanding and natural alliances among government, nonprofit and for-profit sectors to take advantage of the total resources of the community.
- 4) When possible and appropriate, larger nonprofits should assist smaller nonprofits in the community through alliances and sharing of resources and expertise.



Evaluation

Nonprofit organizations have proven to be highly effective at a wide variety of tasks that benefit society. An essential responsibility of every nonprofit organization is to assess the impact of its actions and to act upon this information. The public has a stake in nonprofit performance and is entitled to information regarding organizational results. Nonprofits should regularly measure their performance against a clear set of goals and objectives. They should share this information with their constituents and the public, and use it to continually improve the quality of their processes, programs and activities.

Responsiveness:

- 1) Nonprofits should commit to effective and efficient delivery of services and should always strive to improve processes, programs and results.
- 2) Nonprofits should have a regular system for investigating ways to improve their services, programs and internal processes in order to best serve their constituents.
- 3) Nonprofit programs should take into account and respond to the experience, needs and satisfaction of the constituents they serve.
- 4) Nonprofits should conduct program evaluations in ways that are culturally sensitive and appropriate for the community served.

Measurement:

- 1) An organization's measurement systems should be practical and useful to improve ongoing processes, activities and results.
- 2) An organization's measurement systems should be used to evaluate organizational effectiveness and inform its operational plan.
- 3) Performance measures should be realistic and appropriate to the size and scope of the organization and its constituents.
- 4) Measurement should include information on satisfaction, activities, results, and community input.
- 5) Performance measures should be specific and based on evidence gathered before, during and after program development and implementation.
- 6) Measurements may include both qualitative and quantitative data.
- 7) Measurements should include data on efficiency and effectiveness.
- 8) Nonprofit organizations should contract with other organizations or consultants to serve as external evaluators when appropriate and feasible.

End Uses:

- 1) Evaluation information collected from individuals must be kept confidential unless they give consent for its release.
- 2) Nonprofit evaluation should be ongoing and should include input from a wide variety of constituents, service recipients and volunteers.
- 3) Nonprofits should be open to hearing from and having comprehensive discussions with members of the public who may question the organization's effectiveness.
- 4) Nonprofits should use evaluation results to improve programs and activities, and incorporate the results into future planning.
- 5) Nonprofits should communicate evaluation results to a broad range of constituents.



Advice for Users

The Principles and Practices for Florida Nonprofit Excellence are meant to educate nonprofit board members, managers, volunteers, and staff about the fundamental roles and responsibilities of nonprofit organizations. If broadly adopted, Florida Association of Nonprofits believes they will strengthen both individual nonprofits and the sector as a whole. They are not intended for use by funders or by government to evaluate organizations, nor are they intended as a substitute for the wisdom of directors or trustees of individual organizations.

The Florida Association of Nonprofits is very sensitive to the large amount of sometimes contradictory advice directed at nonprofits. We expect that the Principles and Practices will be useful to virtually every nonprofit organization as they form a set of reference tools that can be adapted to meet particular needs and circumstances.

The creativity and diversity of the nonprofit sector and the significant variations in local conditions means that some of the practices may not easily fit every organization and will necessarily vary in application. In adapting and adopting the Principles and Practices, each organization will face dozens of specific choices about how to accomplish its mission and structure its work, requiring extensive modification of the basic nonprofit structure by board members and managers. Nevertheless, the nature of nonprofit activity requires that organizations fully commit to public accountability and devote the time and attention necessary to be transparent and responsive to the community.

The Florida Association of Nonprofits welcomes your feedback. Please let us know how you applied the Principles and Practices for Florida Nonprofit Excellence in your organization. Email the Florida Association of Nonprofits at info@fano.org.

*Principles
and
Practices
for Florida
Nonprofit
Excellence*



FLORIDA
ASSOCIATION OF
NONPROFITS

The Heart of the Florida Nonprofit Community

Florida Association of Nonprofits How Does Florida Nonprofits Educate?

Educating



HEARTS
HELPING EDUCATING ADVOCATING
RESEARCHING TRAINING SAVING

*FANO pioneered the
Certificate in Nonprofit Management
in 1995 and has continued its educational
legacy with academic partners and an
expanded curriculum, scholarships
and corporative partnerships.*

Sunshine Certificate in Nonprofit Management

*Offered in cooperation with our partners at
Nova Southeastern University (NSU)
Fischler School of Education
and Broward College (BC),
FANO was the first organization in the state
to offer the certificate.
Now with a 22-year history,
the program is more popular than ever*



- Motivating, stimulating and hands-on courses that build on what you already know
- Provides professional growth for executives, board members, staff, volunteers, or others interested in the nonprofit sector
- Eleven classes conducted by experts in each field
- Time to practice skills in between sessions
- Hand-outs and additional materials to expand your knowledge base
- 99th percentile program recommendation from CNM graduates



Principles
and
Practices
for Florida
Nonprofit
Excellence



FLORIDA
ASSOCIATION OF
NONPROFITS

The Heart of the Florida Nonprofit Community

Florida Association of Nonprofits Education Continued – CNM Curriculum

Educating



HEARTS
HELPING EDUCATING ADVOCATING
RESEARCHING TRAINING SAVING

Sunshine Certificate in Nonprofit Management



EXECUTIVE DIRECTOR TRAINING - HATS

What "hats" will you wear today?

Finally! You have reached the top of the ladder and are now Executive Director of a nonprofit organization. What "Executive Director" hats will you be expected to wear ... and under what circumstances? This class will examine your role in a position for which few are properly trained or prepared. Sharing experiences with others in this class and discovering remedies to common challenges are valuable tools to strengthen your own unique leadership abilities.

- Expand your skill set with new management techniques
- Build awareness of professional expectations
- Analyze your strengths through a self-assessment
- Network and build a professional safety-net group

LEADERSHIP:

Governance/Board Policy & Volunteerism

Are your leaders leading?

This class provides a strong foundation for the governance and management of nonprofits. The task of sorting out the roles and functions of Board members, paid staff and volunteers is essential, but often confusing. By understanding legal and fiduciary responsibilities of board members you will establish a stable foundation that will better achieve success. In this class you will:

- Identify the roles of board members
- Designate the functions of directors and staff
- Empower your board with techniques for efficient governing
- Create a strategic budget that prioritizes your resources

DISCOVERING TRENDS Through Civic Engagement

Are you prepared for changing landscapes?

There are many threats to the health of the nonprofit sector today that will affect your organization's future, from health and tax reform policies to providing more services with less funding. This class addresses critical issues including statistics, perception and other myths about nonprofits which you can use to strategically plan future leadership, operations, advocacy, public relations, and grassroots lobbying. By examining the wide range of expert opinions on the changing social and political landscape you will more clearly position your agency to face the uncertain future. Plato is credited with first advising "Necessity is the mother of invention." Apply his advice to your fundraising challenges and:

- Develop the techniques to monitor lawmakers and communicate your priorities
- Tackle the challenges of doing business under new and more restrictive laws
- Design a plan to position your nonprofit to prosper through adversity
- Learn to protect your bottom line
- Use the "Big Picture" to frame facts to your advantage

*After the Certificate we worked diligently using the knowledge we received from FANO. Now we have a permanent home and an active board. Thank you
Margaret Clinton
Homestead, Florida*

Principles
and
Practices
for Florida
Nonprofit
Excellence



FLORIDA
ASSOCIATION OF
NONPROFITS

The Heart of the Florida Nonprofit Community

Florida Association of Nonprofits Education Continued – CNM Curriculum



Educating

Sunshine Certificate in Nonprofit Management



SPONSORSHIP: Campaigning to Potential, Part I:

FUNDRAISING - Is your short-term fundraising producing results?

This class provides a clear understanding of the political realities of raising money, and gives you the tools to look strategically at the “bread game,” separate myths from reality, analyze fundraising options, and develop a viable fundraising plan.

You will:

- Explore giving trends for the next three to five years (controllable/uncontrollable funds)
- Understand the funding pie (positives/negatives)
- Incorporate fundraising principles and practices into your organization’s program
- Develop the outline of an overall fundraising strategy and plan
- Find new ways to “ask” for money
- Use marketing partnerships, not philanthropy, to raise BIG corporate dollars

*The Certificate helped
me get my dream job
at a Children’s
Theater
Mary Ann Neder,
Ocala, Florida*

SUSTAINABILITY: Campaigning to Potential, Part II

BIG GIFTS - Is your long-term fundraising producing results?

This eye-opening class gives you a clear understanding of the process of soliciting the “big gift” from individuals, corporations and foundations, and completing your development strategies for a viable fundraising plan. You will learn to:

- Develop a plan to **triple** your annual fundraising in five years
- Use innovative methods to generate private dollars
- Discover effective solicitation strategies
- Build a solid donor base
- Use a systematic approach for successful capital campaigns

*If you are a nonprofit in
Florida then you should have
a certificate in nonprofit
management. It is one of the
most proactive things you
can do.*

*John Van Sickle
Palm Beach County*

*Principles
and
Practices
for Florida
Nonprofit
Excellence*



FLORIDA
ASSOCIATION OF
NONPROFITS

The Heart of the Florida Nonprofit Community

Florida Association of Nonprofits Education Continued – CNM Curriculum



Educating

Sunshine Certificate in Nonprofit Management



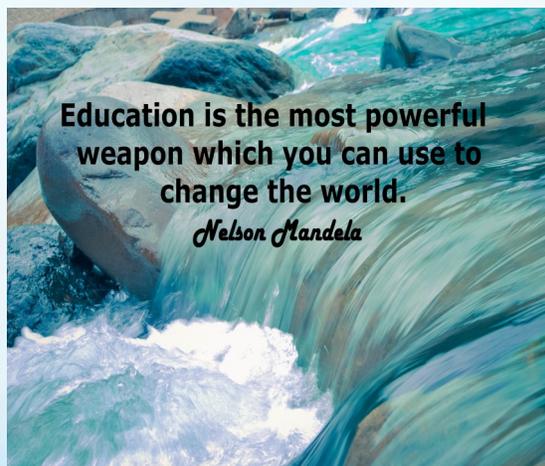
EVENTS: Marketing & Special Events

Does your target market invest in you?

In the ever-growing field of nonprofits it is harder than ever to get a fair share of attention; and more important than ever to use all the talent you have. This class features many best practices that will promote your agency so it stands out from the crowd. These practical and creative ideas, plus all of your other resources and volunteers can form the basis for a cost-effective and successful marketing plan through a comprehensive marketing blueprint, effective communications and compelling special events. You will:

- Create a comprehensive marketing blueprint, including communications
- Adapt the Five P's of marketing to your agency needs
- Design a compelling special event that minimizes pitfalls
- Adapt traditional and social media techniques and protocols
- Develop evaluation tools to gauge customer satisfaction for long-term results

The lessons learned are the best things for our organization. We are reaping the benefits already.
Dale Robinson
Heather Wilbur
Children's Trust Starter Grants



Education is the most powerful weapon which you can use to change the world.

Nelson Mandela

POWER VISION AND STRATEGIC THINKING: Planning & Implementation

How powerful is your nonprofit?

This class reinforces the idea that "great accomplishments are always accompanied by great vision." The blueprint for this method provides innovative ideas to turn organizational strength and vision into a strategic plan. Each step in your plan must be reviewed and the resources to make it work must be identified to ensure long-term success for your agency. You will:

- Develop strategies to turn your vision into reality
- Find sources to strengthen your nonprofit mission
- Discover how a long-term plan can help maintain a solid foundation
- Access the strengths & minimize the weaknesses of your organization

Principles
and
Practices
for Florida
Nonprofit
Excellence



FLORIDA
ASSOCIATION OF
NONPROFITS

The Heart of the Florida Nonprofit Community

Florida Association of Nonprofits Education Continued – CNM Curriculum



Educating

Sunshine Certificate in Nonprofit Management



REVENUE: Grantwriting Wars

Will you be victorious in the “grantwriting wars”?

This class introduces you to innovative, effective and tried-and-true fundraising strategies aimed at helping your agency reach its goals during even the toughest economic times. Finding appropriate funders and writing a compelling proposal are valuable tools and technologies that enable you to maximize your potential. When agencies follow the practices of successful grantwriters, they soon learn why some nonprofits are victorious, while others are left in the dust. You will:

- Write a proposal that stands above the rest
- Find funding sources
- Use today’s resources to create innovative programs
- Monitor your grant program
- Communicate effectively with funders

The CNM Certificate Program / Classes offered by FANO provide the necessary knowledge and skills for leaders of NPO and I say this is a 'must' for an Executive Director of such an organization. Really eye-opening and definitely prepares the participant with the 'tools to do the job' and to lead an organization effectively and proactively.

*Doug Young, President
Audubon Society of Broward Co.*

I have been running our organization just fine for years. I went to the certificate class as a favor to a friend. I did not know how much I would learn. My organization has doubled in budget since I graduated from the CNM. Thanks FANO.

*Thema Campbell,
Girl Power, Miami, FL*

ACCOUNTING FOR TIME & MONEY: Managing Financial Resources

Need Help Navigating the Maze of Rules & Laws?

This class will demystify the sometimes complicated regulations that all nonprofits must follow in their financial reports and accounting procedures (FASB 116-117, and SOP 94-3). Vital terminology you must know to keep your agency in the black and also out of trouble includes: Sarbanes Oxley rules, restricted/unrestricted funds, Intermediate Sanctions, quid pro quo, fund accounting, and more. Also vital is keeping up with the rules for financial statements and their application to the entire organization. You will:

- Develop a budget with in-kind and proposed project columns
- Understand the new 990 and its implications
- Develop a financial policy
- Understand the IRS’s Unrelated Business Income Tax



Florida Association of Nonprofits Education Continued – CNM Curriculum



Educating

Sunshine Certificate in Nonprofit Management



HUMAN RESOURCES/VOLUNTEERS: Strategies for Staffing **Are you using “people power”?**

To accomplish your organization’s mission, you must make effective use of the energy, time and talents of your employees and volunteers. This involves attracting, training and retaining qualified staffers, both paid and unpaid. It is of vital importance to provide a safe and productive work environment, review Board-approved employment policies and follow applicable employment law. Discover how to:

- Apply hiring and firing practices within the law
- Assess risk so you can develop policies to avoid or mitigate potential problems
- Increase your knowledge of workplace ethics, accountability, diversity, harassment, immigration, and work-permit issues
- Use the Internet more creatively to attract and retain staff
- Create an outline for developing an employee handbook

INFORMATION REVOLUTION: Managing Technology **Are you ahead of or behind the curve?**

This class helps identify and define the intellectual property you may not know your nonprofit has. With this information, you can develop methods to maximize its institutional knowledge. Stay up to date as existing technologies become obsolete and new ones are developed. Control your resources by finding new opportunities and weighing their benefits. Working smart will make you more proficient and efficient ... even savvy! By using software, apps, freeware, and social networks — which are often free or discounted for nonprofits — you can leverage your financial resources. Update your management skills to:

- Optimize internal and external communications
- Access fundraising applications and development tools
- Research for prospects and increase the value of your database
- Develop metrics and projections
- Use the Internet efficiently and process/manage new information
- Apply Internet skills to enhance your professional career
- Discover new philosophies concerning website ethics

*The Conference and the Certification
were eye-opening experiences!*

Thank you FANO!

Lynnae Elkind

Palm Beach, Class of 2003

*The Certification has helped me lead
our congregation to a new level.*

Ernie Chu, Ph.D.

Wilton Manors, Class of 2006

*FANO’s certificate helped me attain
my dream job at a nonprofit theater.*

Mary Ann Neder

Ocala, FL , Class of 1998

*If you are a nonprofit in
Florida you should have the
FANO Certificate in
Nonprofit Management, period.*

John Van Sickle, MBA

West Palm Beach, Class of 1997

Principles
and
Practices
for Florida
Nonprofit
Excellence



FLORIDA ASSOCIATION OF NONPROFITS

The Heart of the Florida Nonprofit Community

Sunshine Certificate in Nonprofit Management

Certification Registration Application

Registration: You may begin the series at any time.



Please print the registration and return with payment to:

Florida Nonprofits
512 NE Third Avenue
Fort Lauderdale, FL 33301
or
email to
info.fano.org

Classes are held in the Smart Room at our Fort Lauderdale location unless otherwise noted. Please note registration is required for all certification participants.

Interested in classes closer to home or scheduled at your convenience? Contact us for customization options designed to fit your busy schedule

Participant Name/Title: _____

Organization Name: _____

Address, City, State, Zip: _____

Day Phone: _____ Cell Phone: _____

E-Mail Address: _____

Indicate sessions you will be attending

- Executive Director Training - HATS
- Sponsorship - Campaigning Part 1: Fundraising
- Sustainability - Campaigning Part 2: Big Gifts
- Certificate in Nonprofit Management Intensive (4 days)**
- Discovering Trends Through Civic Engagement
- Events - Marketing and Special Events
- Revenue - Grantwriting Wars
- Accounting for Time & Money
- Planning - Power Vision and Strategic Thinking
- Information Revolution - Managing Technology
- Leadership - Governance/Board Policy and Volunteerism
- Human Resources and Volunteers
- Executive Director Training - HATS
- Sponsorship - Campaigning Part 1: Fundraising
- Sustainability - Campaigning Part 2: Big Gifts
- Discovering Trends Through Civic Engagement
- Events - Marketing and Special Events
- Revenue - Grantwriting Wars and Evaluation
- Accounting for Time and Money
- Planning - Power Vision and Strategic Thinking
- Information Revolution - Managing Technology
- Leadership - Governance/Board Policy and Volunteerism
- Human Resources/Volunteers
- Individualized Consulting on all class topics**

Saturday Class Schedule

- Aug 18, 2018
- Aug 18, 2018
- Aug 18, 2018
- Sept, 29-Oct 2, 2018
- Oct 20, 2018
- Oct 20, 2018
- Nov 17, 2018
- Nov 17, 2018
- Jan 19, 2019
- Jan 19, 2019
- Feb 16, 2019
- Feb 16, 2019
- March 23, 2019
- March 23, 2019
- March 23, 2019
- April 20, 2019
- April 20, 2019
- May 18, 2019
- May 18, 2019
- June 22, 2019
- June 22, 2019
- July 20, 2019
- July 20, 2019

_____ date requested



Registration Fee

ENTIRE SERIES	\$ 1,900.00
	REGISTRATION FEE
ENTIRE SERIES	\$ 1,495.00
	REGISTRATION MEMS
Additional person/s	\$ 950.00
	FROM SAME MEM ORG
Per Class	\$ 199.00
	REGISTRATION FEE
Per Class	\$ 150.00
	REGISTRATION MEMS
Consultation (2 hrs	\$ 250.00
	MEMBERS ONLY

Form of Payment:

 Check Money Order Credit Card
Credit Cards are processed online
www.fano.org or
call us at 305.557.1764 for assistance

Because Florida Association of Nonprofits is a nonprofit 501 (c)(3) all registrations are final. No refunds will be issued.

The Florida Association of Nonprofits
512 NE Third Avenue, Fort Lauderdale, Florida, 33301
305. 557. 1764 www.fano.org