

East Phillips Improvement Coalition
Policies and Procedures Handbook

March 1, 2017

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Core Principles of Community Engagement

1. Right to be involved – Public participation is based on the belief that those who are affected by a decision have a right to be involved in the decision-making process.

2. Contribution will be thoughtfully considered - Public participation includes the promise that the public's contribution will be thoughtfully considered.

3. Recognize the needs of all - Public participation promotes sustainable decisions by recognizing and communicating the needs and interests of all participants, including decision-makers.

4. Seek out involvement - Public participation seeks out and facilitates the involvement of those potentially affected by or interested in a decision.

5. Participants design participation - Public participation seeks input from participants in designing how they participate.

6. Adequate information - Public participation provides participants with the information they need to participate in a meaningful way.

7. Known effect of participation - Public participation communicates to participants how their input affected the decision.

Legal Responsibilities of Nonprofit Boards

Under well-established principles of nonprofit corporation law, a board member must meet certain standard of conduct and attention in carrying out his or her responsibilities to the organization. Several states (Minnesota included) have statute adopting some variation of these duties that would be used in court to determine whether a board member acted improperly. These standard are usually described as the duty of care, the duty of loyalty, and the duty of obedience.

Duty of Care

The duty of care describes the level of competence that is expected of a board member, and is commonly expressed as the duty of “care that an ordinarily prudent person would exercise in a like position and under normal circumstances.” This mean that a board member owes the duty to exercise reasonable care when he or she makes a decision as a steward of the organization.

Duty of Loyalty

The duty of loyalty is a standard of faithfulness; a board member must give undivided allegiance when making decisions affecting the organization. This means that a board member can never use information obtained as a member for personal gain, but must act in the best interests of the organization.

Duty of Obedience

The duty of obedience requires board members to be faithful to the organization’s mission. They are not permitted to act in a way that is inconsistent with the central goals of the organization. A basis for this rule lies in the public’s trust that the organization will manage donated funds to fulfill the organization’s mission.

Source: *The Legal Obligations of Nonprofit Boards: A Guidebook for Board Members*. Washington, DC: National Center for Nonprofit Boards, 1992

Ten Basic Responsibilities of Nonprofit Boards

- 1) **Determine the organization's mission and purpose.**
A statement of mission and purposes should articulate the organization's goal, means and primary constituents served. It is the board of director's responsibility to create the mission statement and review it periodically for accuracy and validity. Each individual board member should fully understand and support it.
- 2) **Select the Executive.**
Boards must reach consensus on the chief executive's (or chair's) job description and undertake a careful search process to find the most qualified individual for the position.
- 3) **Support the executive and review his or her performance.**
The boards should ensure the chief executive has the moral and professional support he or she needs to further the goals of the organization. The chief executive, in partnership with the entire board, should decide upon a periodic evaluation of the chief executive's performance.
- 4) **Ensure effective organizational planning.**
As stewards of an organization, boards must actively participate with staff or, in the case of an all-volunteer organization, in an overall planning process and assist in implementing the plan's goals.
- 5) **Ensure adequate resources.**
One of the board's foremost responsibilities is to provide adequate resources for the organization to fulfill its mission. The board should work in partnership with the chief executive (or Chair) and development staff (other board members) to raise funds from the community.
- 6) **Manage resources effectively.**
The board, in order to remain accountable to its donors, the public, and safeguard its tax-exempt status, must assist in developing the annual budget and ensuring that proper financial controls are in place.
- 7) **Determine and monitor the organization's programs and services.**
The board's role in this area is to determine which programs are the most consistent with the organization's mission, and monitor their progress.
- 8) **Enhance the organizations public image.**
An organization's primary link to the community, including constituents, the public, and the media, is the board. Clearly articulating the organization's mission, accomplishments and goals to the public, as well as garnering support from important members of the community, are important elements of a comprehensive public relations strategy.
- 9) **Serve as a court of appeal.**
Except in the direst of circumstances, the board must serve as a court of appeal in personnel matters. Solid personnel policies, grievance procedures, and a clear delegation to the chief executive of hiring and managing employees will reduce the risk of conflict. In the case of an all-volunteer organization, the risks are reduced by having clear contract expectations and board consensus regarding hiring as well as strong background checks.
- 10) **Assess its own performance.**
By evaluating its performance in fulfilling its responsibilities, the board can recognize its achievements and reach consensus on which areas need to be improved. Discussing the results of a self-assessment, possibly at a retreat, can assist in developing a long-range plan.

Individual Board Member Responsibilities

- Attend all board and committee meetings and functions, such as special events.
- Be informed about the organization's mission, services, policies and programs.
- Review agendas and supporting materials prior to board and committee meetings.
- Serve on committees and offer to take on special assignments.
- Make personal financial contributions to the organization.
- Inform others about the organization.
- Suggest possible nominees to the board who can make significant contributions to the work of the board and the organization.
- Keep up-to-date on developments in the organization's field.
- Follow conflict of interest and confidentiality policies.
- Refrain from making special requests of the staff (or board).
- Assist the board in carrying out its fiduciary responsibilities, such as reviewing the organization's annual financial statements.

Personal Characteristics

- Honesty, sensitivity to and tolerance of differing views, friendly and patient approach.
- Ability to listen, analyze and think clearly and creatively.
- Willingness to prepare for and attend necessary meetings, ask questions, open doors in the community.
- Community building skills.
- Desire to develop certain skills if not already possessed.
- Personal integrity.
- Concern for the nonprofit's mission and development.
- A sense of humor.

Source: *Six Keys to Recruiting, Orienting and Involving Nonprofit Board members*. Washington, DC: National Center for Nonprofit Boards, 1995.

Executive Committee and Board Members' Duties

Board Chair Job Description when there is no staff and Directors' Duties

The following descriptions were adapted from materials from BoardSource. Note that materials apply to both for-profit and nonprofit unless otherwise noted. *Adopted by the EPIC Board, March 1, 2017*

1. Is a member of the Board
2. Serves as the Chief Volunteer of the organization (*nonprofit only*)
3. Has responsibility for seeing that the Organization is achieving the organization's mission and implementing the Organization's motions and strategic short and long term plans.
4. Is accountable to the Board of Directors or Members as specified in the bylaws.
5. Provides leadership to the Board of Directors, who sets policy.
6. Chairs or delegates chairing meetings of the Board and develops the agenda with the other Directors.
7. Encourages Board's role in strategic planning
8. Appoints the chairpersons of committees, in consultation with other Board members.
9. Serves *ex officio* as a member of committees and attends their meetings when invited.
10. Discusses issues confronting the organization with the Members of the Executive Committee and Board members.
11. Helps guide and mediate Board actions with respect to organizational priorities and governance concerns.
12. Reviews with the Executive Committee any legal or policy issues of concern to the Board.
13. Monitors financial planning and financial reports.
14. Plays a leading role in fundraising activities (*nonprofit only*)
15. Evaluates the effectiveness of the Board members with the Executive Committee.
16. Evaluates annually the performance of the organization in achieving its mission.
17. Represents Organization to the media or delegates this responsibility.
18. Represents Organization on Governmental or nongovernmental organizations and committees or delegates this responsibility.
19. Ensures that structures and procedures are in place for effective recruitment, training, and evaluation of board members.
20. Ensures that structures and procedures are in place for securing the resources required by the organization. Depending upon the organization, this may require the President to play a leadership role in fundraising campaigns.
21. Is authorized by the Board of Directors to create and supply whatever letters and/or documents are deemed necessary between meetings and without additional board motions, in order to foster the progress of the projects, proposals, work and voice of the EPIC organization as described in official minutes and democratically endorsed projects and programs of the EPIC organization. It is encouraged but not required that assistance be sought from the Secretary. Such letters and documents are to be submitted to the board for review at the next available board meeting.
22. Designated by the Board of Directors and/or bylaws as one of the signing officers for certain documents. In this capacity, the President may be authorized or be required to sign or countersign checks, correspondence, applications, reports, contracts or other documents on behalf of the organization.

[Nathan Garber's checklist for Board Chair](#)

[Nathan Garbr's job description for Board Chair](#)

Vice Chair Job Description

This position is typically a successor to the Chair position. In addition to the responsibilities outlined in the Committee Member job description, this person:

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 Secretary Job Description

The following description was adapted from materials from the National Center for Nonprofit Boards. Note that materials apply to both for-profit and nonprofit unless otherwise noted.

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. Note that materials apply to both for-profit and nonprofit unless otherwise noted.

1. Is a member of the Board
 2. Manages finances of the organization
 3. Administers fiscal matters of the organization
 4. Works with the Chair to develop annual budget and presents to the board for members' approval
 5. Ensures development and board review of financial policies and procedures
-

Board Member Job Description

The following description was adapted from materials from BoardSource. Note that materials apply to both for-profit and nonprofit unless otherwise noted.

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 & reviews, comments on minutes & reports.
 5. Gets to know other committee members and builds a collegial working relationship that contributes to consensus.
 6. Is an active participant in the committee's annual evaluation and planning efforts.
 7. Participates in fund raising for the organization (*nonprofit only*).
-

Board Attendance Policy

Adopted by the EPIC Board on March 5th, 2016

Definition of an excused Absence:

1. **Illness in the immediate family.**
 - a. Scheduled medical appointment or urgent care.
2. **Employment – required attendance**
 - a. Not regularly scheduled.
3. **Attendance at a meeting related to EPIC business**
 - a. Not regularly scheduled.
4. **Lack of childcare.**

How must directors report excused absences?

1. **Call or text** any executive board member who is attending the meeting.
 - a. It must be received and noted by the board BEFORE the meeting begins.
 2. **Email** any executive board member who is attending the meeting.
 - a. Must be received at least 24 hours in advance of a meeting.
- A Board Member Attendance Tracking Sheet has been kept since March, 2015.
 - EPIC Bylaws currently allow three consecutive unexcused absences and four nonconsecutive unexcused absences from monthly membership meetings or regular meetings of the Board of Directors in a year.
 - According to the Bylaws, Board members shall be dropped from the Board of Directors who have exceeded these limits.

Financial Policies & Procedures

- 1) The fiscal year shall be the calendar year.
- 2) All expenditures above \$1,000 *and not already included in the CPP administrative budget with jurisdiction at the time*, shall require a board recommendation, a community review vote at the next community meeting and a final affirmative vote at the following community meeting, *which must take place at least 21 days from the prior reviewing meeting*. (Amended on 4/27/2013)
- 3) The treasurer shall review the check register and bank statement on a monthly basis and sign off on conformity to appropriate practices. The full board will receive quarterly financial statements from the accountant before the board meeting. (Adopted by the EPIC Board on March 5th, 2016)
- 4) No authorize signatory shall approve or execute any disbursement payable to himself or herself.
- 5) Any contractor compensated by EPIC shall provide the corporation with verifiable tax identification information.
- 6) All capital expenditures by the EPIC organization must provide a 4 to 1 per dollar match in favor of EPIC.
- 7) **Procedure for Board Approval of Taxes and Attorney General's Report**
(Adopted by the EPIC Board on March 5th, 2016)
 - Chair and Treasurer receive the Year End financial statements, the 990 tax return and the Attorney General's Report and review, correct if necessary with check back to CPA.
 - Board members are sent digital copy for review at least one week before the next Board meeting, send any questions to the Treasurer and Chair. Treasurer and Chair respond.
 - Board members meet at the next Board Meeting for any additional review and approval.

EPIC Board of Directors Conflict of Interest Policy

The purpose of this policy is to ensure that decisions about EPIC operations and the use or disposition of EPIC assets (including NRP and CPP funds) are made solely in terms of the benefits to EPIC, its mission and the neighborhood, that these decisions are not influenced by private profit or other personal benefit to the decision-making individuals affiliated with EPIC, and to ensure compliance with City ordinances and the policies of EPIC funding sources. In addition to actual conflicts of interest, board members, committee members, and certain consultants are also obliged to avoid actions that could be perceived as a conflict of interest. However, it is understood by EPIC that a perceived conflict of interest is not necessarily an actual conflict of interest, and judgments regarding such will be ultimately determined by clear evidence.

Conflicts of interest may occur when EPIC enters into transactions with either individuals or nonprofit or for profit organizations. The best way to deal with the problem is to make known one's connection with organizations doing business with EPIC, or when one stands to gain personal financial benefit from an EPIC activity. Such relationships and circumstances do not necessarily restrict transactions or activities, so long as the relationship or circumstance is clearly divulged and non-involved individuals make the decisions.

From the EPIC Bylaws:

ARTICLE VIII – CONFLICT OF INTEREST

Conflict of Interest: No person who participates individually or on behalf of a community non-profit or for-profit organization or group, or on behalf of a business in the activities of EPIC, or family member(s) of such person(s) (including domestic partner) who subsequently receives program funds, whether by means of a contract, grant, loan or similar agreement shall personally benefit to a greater degree than other eligible person(s), groups or businesses because of such participation.

Therefore, a conflict of interest exists if any Board member, committee participant, staff, consultant, or member of the organization or family member knows (or has reason to know) that he/she or an organization or family member with which he/she is directly affiliated is (or is likely to become)

1. A participant in a project or development affected by a decision of the Board of Directors or other membership meeting or
2. A party mentioned in any contract, grant, sale, lease, or other financial agreement (other than tenants of rental assistance programs) which provides a financial interest or benefit from the agreement or activity, which is under consideration by the Board of Directors, committee, or the membership

meeting.

When a conflict of interest exists, those with the conflict shall state the nature of the conflict verbally (oral/or written) at any meeting where the item is being discussed. They shall state their conflict at the beginning of the discussion of the relevant issue. Anyone with a conflict may take part in the discussion, but shall be required to abstain from a vote on the issue for which they have a conflict. Those attending the meeting should be made aware of the details of the conflict and it shall be recorded in the minutes.

In addition, the EPIC conflict of interest policy shall be read at any meeting where financial, fiscal, or fiduciary matters are discussed and/or presented for voting prior to such discussion and/or vote.

If a conflict of interest has not been stated, the President or person facilitating the meeting may declare that he/she believes a conflict of interest exists if he/she believes that this is the case. A member attending the meeting may also notify the President or person facilitating the meeting if he/she believes there is a conflict of interest. The President or person facilitating the meeting will need to determine if this is the case. Once stated to be true, this ruling of the President or person facilitating the meeting is subject to being overruled following normal parliamentary procedures. It may also be necessary for the action to be tabled until the next meeting in order to clarify and investigate the potential conflict of interest. If there is a said contract, it will be considered invalid during this time.

Knowingly failing to submit a conflict of interest disclosure may constitute good cause for removal from the Board of Directors, relevant committee, or employment. Employees may be reassigned if they are working on matters involving any conflict of interest.

Board members, committee members, general members of the organization, consultants, and employees with actual or potential conflicts of interest shall not:

1. Attempt to influence an employee, Director, or committee member in any matter related to the action or decision in question; and
2. Take part or vote in the decision but may, with the consent of the President or person facilitating the meeting, participate in the discussion; and
3. Be counted toward a quorum during any portion of any meeting where the action or decision is to be considered.

If a conflict of interest has been determined after a contract has been signed, said contract shall be null and void immediately.

If balloting is deemed necessary in any conflict of interest case, that balloting shall be accomplished by a secret ballot.

Note: Conflict-of-Interest – Perceived or Real

All members of the community are encouraged to participate in EPIC business because it provides information and resources useful to the residents of this area. Oftentimes that information can be useful to the advancement of a person's life and well-being – that knowledge shall not be considered a conflict of interest.

Policy on Grievances

(Adopted by the EPIC Board on December 3rd, 2016)

Legitimate grievances can only be filed against the EPIC Board of Directors as an entity. The EPIC board of Directors will determine whether a grievance is legitimate, and reserves the right to reject a grievance if it fails to meet the criteria outlined below:

1. A grievance cannot be filed about the properly voted on or otherwise democratically determined decisions or outcomes by EPIC members or board of directors. The outcomes, procedures, policies, or bylaws themselves, and actions of the board to carry out the decisions of EPIC consistent with them are not grievable.
2. A grievance may be filed about a failure of the board of directors to follow the process, policy, procedures or bylaws of EPIC.
3. A grievance may be filed about a failure of the board of directors to properly manage the use of funds consistent with the standards, policies, procedures and bylaws of EPIC.
4. A grievance about transparency must refer to documented past actions of EPIC and the board of directors.
5. A grievance may not attempt to impose future direction, priorities, plans, budgets, or the responsibilities, which are properly addressed democratically by EPIC members and board of directors.
6. A grievance may not be filed about an individual board member.

Communications Policies –

Adopted by General Membership on 7/14/05

- 1) EPIC Executives will report on all letters requested and/or sent at its monthly board meetings. *(Adopted by the EPIC Board on March 5th, 2016)*
- 2) EPIC board members shall consult with the executive committee of the board and President (board chair) before making public statements to the media on behalf of the organization. Any person making statements to the media without receiving prior approval by the executive committee and President shall indicate to the media representative that their statements represent a personal opinion and not the opinion of the board.
- 3) If a Board member has misrepresented a Board action, they will be required to send a letter to whoever the presentation was made to, stating their testimony was that of an individual and not representing the Board or the Board opinion. This letter will be notarized and sent by certified mail. A copy of this letter, along with the certification receipt, will be forwarded to the Board for file and retention.
- 4) Should such an action continue to repeat itself, the Executive Committee shall meet with the individual to determine what should follow. Removal from the Board would be an option.
- 5) Persons wishing to distribute materials at EPIC board or general membership meetings shall submit the materials to the chair to be passed out at the discretion of the chair at that meeting.
- 6) Requests for copies of previously distributed documents from board or general membership meetings will be provided for a fee of \$5.00 per page at the discretion of the Secretary.
- 7) Personal attacks, whether written or stated, are prohibited according to Robert's Rules of Order, and will not be tolerated at EPIC meetings. Robert's Rules of Order will be followed regarding this issue.
- 8) The EPIC membership list is confidential and may be used only by the EPIC Board

of Directors and/or staff and only for the purposes of EPIC as stated in these Bylaws.

East Phillips Improvement Coalition

Board of Directors Application Form

EPIC is interested in people with diverse backgrounds, and a variety of skills and experience. Please submit your completed qualifications form attached to this form.

Name: _____

Home Address: _____

Home Phone: _____ Work Phone: _____ Cell: _____

Email: _____

Business/Occupation: _____

Please state why you are interested in serving on the board (use another sheet if necessary):

In addition to meeting the qualifications on the qualifications form, what skills, related experiences, and accomplishments would you contribute to the board?

What skills do you feel you would be **unable** to contribute to the board (e.g. grant writing, parliamentary procedure)?

Describe any relevant experience or accomplishments that would make you an effective board member.

Endorsements (businesses, block groups, other organizations)	Affiliations (memberships, communities)

Please provide the names, phone numbers, and your relationship to two references with whom you have worked with professionally, in the neighborhood, in a community of faith, or other volunteer situations.

1. _____

2. _____

One or more board members have my permission to contact these references.

Sign _____ Date _____

Sign _____ Date _____

You will be asked to sign several documents if elected. These include: Pointers for Participation, Duties and Responsibilities, and Standards of Conduct. **Please read all of these documents before applying.**

Qualifications for EPIC Board of Directors

Initial _____	<p><u>Basic Qualifications</u> Are over 18 and have attended one previous EPIC General Membership Meeting the previous year.</p> <p><u>Geographic Qualifications</u> East Phillips is the neighborhood bounded by 24th St. to the north; Lake St. to the south; Hiawatha Ave to the west; Bloomington Ave to the west</p>
_____	Live in or own property in East Phillips. Residential or property address: _____
_____	Work or represent an organization or business in East Phillips Employer, Organization or Business Name and Address: _____ _____ [An official letter on letterhead signed by an appropriate official naming me as the designated voting representative is on file or will be filed before elections.]
_____	Personal Qualifications- These need not be checked. They are for personal reflection only
_____	Possess emotional maturity.
_____	Exhibit an exemplary life style.
_____	Approach challenges with a positive attitude and creative energy.
_____	Have a mind and heart to learn from others.
_____	Practice integrity and affirm others who do the same.
_____	<p>Demonstrated Competences (Circle at least two):</p> <ul style="list-style-type: none"> • Leadership Skills • Communication Skills • Inclusion Skills • Financial Skills • Grant Writing • Parliamentary Procedure
_____	<u>Professional Qualifications</u>
_____	Willing to learn and understand NRP Responsibilities
_____	Will obey Robert’s Rules of Order
_____	Will pass Bylaws and parliamentary procedures test
_____	Have High School Diploma or GED or foreign equivalent
_____	Willing to sign Board Duties and Responsibilities, Board Contract, Pointers for Participation, and Standards of Conduct

I, _____, attest to having the qualifications listed above.

Printed Name _____ Date _____

Board Contract for East Phillips Improvement Coalition

Printed Name _____

Address _____

Date _____

I do fully swear to uphold the mission statement and bylaws of the East Phillips Improvement Coalition.

I have read, signed and agreed to the Qualifications, Duties and Responsibilities, Standards of Conduct, and Pointers for Participation for being a Board member of the East Phillips Improvement Coalition.

I agree to either carry the motions of the board or respectfully dissent, and to assist in assigning a spokesperson to advocate for each motion.

If dissenting, I am obligated to state the board and/or general membership position in any public forum.

I will treat community members and Board members with respect and vow to take the rule of the majority and protection of the minority seriously.

I support the right of members to have notice of all meetings; to know by previous notice when there is a proposal to rescind or amend something previously adopted; and to be informed of the work of the organization including reports of board action, committee work, and officers.

I will read and discuss with Board peers the content of documents published by NRP and the Minnesota Council of Nonprofits about Board governance, roles and responsibilities as well as MN state law regarding nonprofit boards during the first three months of my term.

I am committed to the growth of the community as measured in numbers of active general members; EPIC's financial stability; the success of programs and projects; and the increase of community good-will.

I consent to taking the grievances of the community seriously and to resolving conflict quickly.

I will affirm other Board members and seek to promote unity.

I will advocate relentlessly for the good of others and will choose to resign if personal interests or life's situations make it unreasonably difficult to fulfill my responsibilities and duties toward this community.

Signed _____

As Witnessed By _____

Duties & Responsibilities

The Board of Directors is the legal governing authority for the East Phillips Improvement Coalition. Board members act as trustees for the community and stakeholders in the organization and are responsible for the overall governance of the organization. A board member is responsible for being informed on organizational matters and for participating in deliberations and decisions related to the organization's programs, finances, policies, personnel and advocacy positions. Specific duties include:

Initials Duties

- _____ Maintain transparency and accountability of the board to the neighborhood.
- _____ If dissenting, you are obligated to state the board and/or general membership position in any public forum.
- _____ Elect board president, vice-president, secretary, and treasurer at first new board meeting.
- _____ Participate bi-annually in Board training.
- _____ Evaluate and approve, amend, or reject recommendations from committees, staff, consultants, or membership.
- _____ Create and/or review organizational structure (such as committees and staff), policies, and bylaws to make changes for more effective operation of the organization.
- _____ Hire, provide guidance, and set the terms of employment for the staff.
- _____ Participate in an annual evaluation of the staff members' performance.
- _____ Assist in developing and maintaining positive relationships among the board, staff and the community that enhance and further EPIC's mission.
- _____ Attend at least 80 % of all regularly scheduled board & membership meetings. (This involves two meetings a month, the board meeting and the general membership meeting) Attend the annual meeting, and special planning retreats.
- _____ Participate actively (e.g. making motions, setting agenda items) on at least one and no more than 2 standing EPIC committees. You are free to attend other committees.
- _____ Attend community functions to celebrate traditions, build community, and enhance communication among neighbors and the businesses that serve us.
- _____ Volunteer time and accept assignments, and complete these tasks thoroughly and on time.
- _____ Prepare for meetings by reading written materials and reviewing minutes of board actions and membership meetings in advance.
- _____ Participate in fundraising activities of the organization.
- _____ Consent to annual performance evaluation.
- _____ In public, either carry the motions of the board or respectfully dissent, and assign a spokesperson to advocate for each motion of EPIC.
- _____ Represent neighborhood regardless of creed, nationality, ethnicity
- _____ Supply necessary resources to perform responsibilities of the board and organization.
- _____ Apply best practices from other neighborhoods that relate to our neighborhood.
- _____ Respond promptly to the needs of the community.
- _____ Clearly delineate general membership business from organizational business.
- _____ Be willing to confront any potential conflict of interests.
- _____ Clearly separate individual opinion from Board opinion.
- _____ Board members cannot claim to represent individuals' opinions aside from their own when acting in the capacity of a board member. Example, no "We think", only "I think" or "The board's opinion states ' board opinion read verbatim".
- _____ Support the right of members to have notice of all meetings and reports of the proceedings.

I, _____ will carry out the duties and responsibilities of the Board listed above.
Printed Name _____ Date _____
As Witnessed by _____

DIRECTORS' STANDARDS OF CONDUCT

- A director shall discharge the duties of the position of Director in good faith, in a manner the director reasonably believes to be in the best interests of the corporation, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.
- A person who so performs these duties is not liable by reason of being or having been a director of the corporation.
 - *Minn. Stat. §317A.251, subd. 1*

FIDUCIARY DUTIES OF DIRECTORS

Inherent in the standard of conduct for directors are the following duties:

- The duty to exercise reasonable care and skill in discharging the duties of a director;
- The duty of loyalty (a director may not prefer the director's own interests or the interests of others over the interests of the nonprofit corporation of which he or she is a director).
- The duty to furnish information to other directors.

RELIANCE

A director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

- (1) One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented;
- (2) Counsel, public accountants, or other persons as to matters that the director reasonably believes are within the person's professional or expert competence; or
- (3) A committee of the board upon which the director does not serve, duly established under section 317A.241, as to matters within its designated authority, if the director reasonably believes the committee to merit confidence.

- *Minn. Stat. §317A.251, subd. 2*

DIRECTORS' LIABILITY FOR UNPAID PAYROLL TAXES

- Under section 6672 of the Internal Revenue Code, any person required to withhold taxes from employee paychecks who willfully fails to do so is liable for a 100% penalty on the amount that should have been withheld.
- Courts have at times been extremely critical of the IRS position as it applies to nonprofit organizations. In response, the IRS has revised its policy, stating in part that: "The penalty shall not be imposed on unpaid volunteer members of any board of trustees or directors of an organization referred to in section 501 of the Internal Revenue Code to the extent such members are solely

serving in an honorary capacity, do not participate in the day-to-day or financial operations of the organization, and/or do not have knowledge of the failure on which such penalty is imposed."

Revised Policy Statement P-5-60, released 2/4/93.

"IMMUNITY" FROM LIABILITY FOR UNPAID DIRECTORS

- In most cases, a person who serves without compensation as a director, officer, trustee, member or agent of a tax-exempt organization is not civilly liable for an act or omission by that person if the act or omission was in good faith, was within the scope of the person's responsibilities as a director, officer, trustee, member, or agent of the organization, and did not constitute willful or reckless misconduct.
- Exceptions to the above:
 - 1) an action or proceeding brought by the attorney general for a breach of a fiduciary duty as a director;
 - 2) a cause of action to the extent it is based on federal law;
 - 3) a cause of action based on the person's express contractual obligation; or
 - 4) an action or proceeding based on a breach of public pension plan fiduciary responsibility
- "Compensation" means any thing of value received for services rendered, except:
 - 1) reimbursement for expenses actually incurred;
 - 2) a per diem in an amount not more than the per diem authorized for state advisory councils and committees; or
 - 3) payment by an organization of insurance premiums on behalf of a person who is or was a director.

- *Minn. Stat. §317A.257]*

INDEMNIFICATION AND INSURANCE

- Certain persons are entitled to broad indemnification by the corporation under certain circumstances unless the articles or bylaws impose conditions on or limit the right to indemnification.
- Present and former directors, officers, committee members, and employees of the corporation are so entitled, but other volunteers are not.
- The indemnification right applies to judgments, penalties, fines, settlements and reasonable expenses including attorneys' fees, in a wide variety of proceedings, including actions by or in the right of the corporation.
- An official is eligible for indemnification only if he or she:
 - 1) has not been indemnified by another source;
 - 2) acted in good faith;
 - 3) received no improper personal benefit and has engaged in no conflicts of interest;
 - 4) in the case of a criminal proceeding, did not have reason to believe the conduct was unlawful;
 - 5) reasonably believed the conduct was in the best interests of the corporation.
- Generally director and officer insurance covers liability incurred by directors and officers within the scope of their duties and liability of the corporation to indemnify directors and officers.

I, _____ will abide by the Standards of Conduct described above.

Criteria for EPIC's Collaborative Funding Agreements

Final Vote on November 3rd, 2012 EPIC Board Meeting

An assessment of an organization's conformity to these Criteria must be made by the EPIC Board in company with the membership. Organizations with which EPIC may choose to partner:

- 1) Must assist EPIC in the implementation of EPIC's Vision Statement contained in the EPIC Bylaws.
- 2) Must include a majority of EPIC residents among those served with EPIC funds.
- 3) Must involve implementation of stated EPIC strategies and chosen priorities determined in a community engagement process that involves representatives of the various ethnic groups in the neighborhood.
- 4) Must be based on EPIC's capacity to do our part and willingness and capacity of the other organization(s) to work in collaboration with EPIC.
- 5) Should be based on perceived neighborhood needs emergent in a community engagement process that involves representatives of the various ethnic groups in the neighborhood.
- 6) Should focus on underserved populations own stated priorities assessed in a community engagement process.
- 7) Must strengthen and enhance both EPIC and the other organization(s), with contributions from each.
- 8) Should involve members of both organizations working together, duties and enhancement of both, fully collaborational.
- 9) May need to be sequential, one after the other, due to EPIC's capacity.
- 10) Must include appropriate background checks where needed.
- 11) All requests for funding over \$1,000 must be recommended by the EPIC Board and ratified for review by the EPIC membership at a regular membership meeting with the appropriate two meeting process and notification as stated in the EPIC Bylaws.

Note: this is not a recipe for a general RFP, which would be inappropriate for an organization such as EPIC. EPIC is a Public Charity 501©(3) and, as such, basically a grant recipient, not a grant maker, intermediary or foundation. We do not re-grant our funding. Choices to work together are based on the stipulations mentioned here and may not always even involve shared funding. This list of requirements is not to be understood as an open competition, but rather is a guided process, given the current needs and priorities of EPIC at a given time and the availability of groups or organizations that are determined by the EPIC Board and membership. Also, EPIC funding from the City will not be spent for the general operations of another organization, but rather for goods and services needed by both organizations for

their shared projects. These collaborations will primarily result from community engagement and research by EPIC and inquiries in search of those potential collaborators that could fill the needs put forth by the community.

EPIC NRP Proposal Evaluation Criteria

4/4/02

The EPIC Board bears ultimate legal liability for the actions of EPIC. Proposals must come to the EPIC board first, before being presented to the membership, to see if they conform to legal requirements and funding guidelines of EPIC, the NRP, other restrictions on dollars EPIC receives and the mission of EPIC as well as the following criteria adopted by the East Phillips Community. They can be passed without comment to the community for a vote, passed with recommendation, or not passed for failing one or more of these criteria.

- 1) 1 to 4 match
- 2) appropriate financial guidelines
- 3) Board oversight
- 4) appropriate time line and completion date
- 5) a complete proposal with budget
- 6) appropriate midway and endpoint evaluation procedure in Place
- 7) responsive to the mission of EPIC

Building Partnerships

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Presented by Robert Thompson

Minneapolis Neighborhood Revitalization Program

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1. Why is this important?

Partnerships are an increasingly important part of neighborhood work. Good partnerships can help neighborhood associations implement their neighborhood action plans; help secure funding; improve visibility and promotion of the organization's work; help recruit more volunteers and broader leadership, and more. Partnerships can take the form of simple cooperative ventures with other neighborhood associations to complex collaborations involving a dozen partners.

At the same time, partnerships can have a strong influence on your organization. Partnerships can put a heavy toll on organization's resources on the one hand, while significantly increasing the organization's impact or access to other resources. Partnerships can become such an important element of an organization's work that it may even change its mission and work to better work within the partnership. Some partnerships may eventually even lead to mergers of organizations.

In Minneapolis, neighborhood associations have collaborated with the local school district and park board to build innovative multi-jurisdictional buildings that served as schools, park shelters and community centers. Neighborhoods have joined together and collaborated with business associations and the City of Minneapolis to implement ambitious streetscape projects. One Minneapolis neighborhood association collaborated with the Minneapolis Police Department, youth groups and a housing agency to tackle a persistent neighborhood-wide problem with cruising, drug dealing, and prostitution. A small group of neighborhoods collaborated on a series of initiatives to combat crime, including development of an innovative "restorative justice" program that now reaches city-wide.

2. Before You Start: Know Your Mission!

Does your organization have a Mission Statement? Do you know what it is? It is not only a key guide for your Board, it communicates to the outside world what your organization is about. The Mission Statement should be the starting point of every action your organization takes.

- Make sure everyone in your organization is clear on the Mission and Purpose of your organization. Knowing your mission statement can help provide and maintain focus for your organization's work and direction, so that you can concentrate energy and resources as effectively as possible.
- Take every opportunity to publicize and promote your mission statement. Place it in newsletters, letterhead, and business cards, pass it out at meetings, print it on poster board and display it in

your office and at meetings.

Building Partnerships

- When evaluating new projects, or reviewing ongoing proposals, the first question should always be: “how does this support our mission and purpose?”
- Regularly review, and, when necessary, revise your mission statement. An organization’s mission statement should not be cast in stone. Many factors, internal and external, may influence the relevance of your mission statement: Times change; the environment changes; your organization changes. It may even be possible that you achieve your mission!

3. Be clear on your expectations.

It is important that you know ahead of time what you want to get out of a partnership, and are clear on what you outcomes you want to achieve and how you want to be involved in the project. Think about what benefits you can get from the partnership. Also, you should have a sense of how you want the community to be involved.

- Know what you bring to the table. Often, the most visible asset you bring to the table neighborhood support for projects, volunteer power, or special knowledge about the neighborhoods needs and intent. Your ability to inform, influence, and mobilize residents, stakeholders and key decision makers can also be an asset.
- Know what your partner brings to the table. You probably are seeking partners because they can bring something to the table that you don’t. Most commonly, this is expertise on an issue, but may also include additional funding, access to other decision-making bodies, special equipment, etc.
- Know what the exchange is. Every partnership is explicitly or implicitly about an exchange, for example, you exchange money for services.
- Understand the benefits and consequences of partnerships. You can gain a lot from an effective partnership. For example, a partnership of neighborhood groups working on a common project can help build the capacity of all of the organizations to a greater degree than if they worked individually. However, when working in a partnership, you may give up some decision-making power or control (for example, hiring a contractor means giving up control on how management of a project is carried out).
- Understand the duration of partnerships. No partnership should be expected to last forever. In some cases the duration of a partnership may be defined in terms of the time necessary to complete the project. However, some partnerships do not have a clear beginning or end. A partnership should not outlive its usefulness for your organization, and you should always be prepared to let go.
- There are different levels and intensities of partnership ranging from simple cooperative efforts to more engaged collaboration ¹. Know in advance how deeply engaged you want to be in any partnership. More involved partnerships will require greater resources and attention of your

4. Document and clarify

- Get it in writing. Follow up any verbal agreements with a letter that states your understanding of the agreement, and ask for a response in writing. This can help avoid any misunderstandings down the road, and provide direction for those who follow in your footsteps.
- Identify the roles of the partners, including any commitments to staff time, funding, or other resources. Make sure that your potential partner has the capacity to fulfill their commitments.
- Be clear on the expected outcomes. Have measurable results and clear timetables whenever possible. Partners may (and often do) have different expectations for outcomes. For example, if you hire a consultant to do door-knocking (a partnership), your expectations may be to have 250 houses reached, 50 new members, 10 new volunteers. The consultant's expected outcomes will be a partial payment up front, a partial payment after 125 doors, and a final payment at the end of the project.
- Who will be responsible for measuring outcomes, and how will they be reported to each of the partners?
- If the partnership is expected to be ongoing, identify how partners will sustain the partnership. For example, when staff or leadership turnover occurs, how will new staff or volunteers learn about the partnership? Will they receive an orientation on the partnership, or will it be part of their job description?
- Make sure any partnership agreements work for your organization. This is particularly important when working with a for-profit entity, or with a nonprofit that is significantly different from your own (significantly larger, for instance). The interests of a small nonprofit organization when working with more sophisticated business ventures or larger nonprofit entities.

¹ See Fieldstone Alliance "Four Keys to Collaboration Success" at http://www.fieldstonealliance.org/client/articles/Article-4_Key_Collab_Success.cfm

5. Regularly evaluate the partnership

Partnerships evolve and change over time. A partnership that starts out strong can fall apart for any number of reasons: when there is turnover of key staff or leadership in one of the partners; when the environment changes; when one or more partners lose funding; etc. On the other hand, highly successful partnership can grow and become more complex. As they grow, Building Partnerships they demand more resources (such as volunteer or staff time, funding, etc.) from partner organizations.

- Evaluation starts before even entering a partnership. Don't be afraid to walk away from a potential partnership if you are uncomfortable with the terms or potential outcomes.
- Internally evaluate the partnership on a regular basis to make sure it continues to meet your organization's needs. The partnership as a whole should also regularly evaluate its work to make sure it is meeting the mutual needs of partners.
- Maintain good communications between partners to make sure goals are being met.

6. Resources!

Resource and URL	Notes
BoardSource http://www.boardsource.org/	An online resource for nonprofit boards, including numerous publications.
Dudley Street Neighborhood Initiative http://www.dsni.org/	Despite being one of the poorest neighborhoods of Boston, the Dudley Street neighborhood experienced an amazing renaissance starting with a resident based planning process.
Fieldstone Alliance http://www.fieldstonealliance.org	Fieldstone's website has online articles covering issues such as managing conflict, community development, finances, collaboration, change, and more (click on "free resources").
Minneapolis Neighborhood Revitalization Program http://www.nrp.org	Check out the new NRP web site, with new resources, including virtual project tours, training manuals, and other resources.

Some reading materials:

Burns, J.M. (1978), *Leadership*, New York: Harper & Row.

Chait, R.P., Ryan, W.P., and Taylor, B.E. (2005). *Governance as Leadership: Reframing the Work of Nonprofit Boards*. BoardSource. Hoboken, NJ: John Wiley and Sons, Inc.

Krile, J.F. (2006), *Community Leadership Handbook: Framing Ideas, Building Relationships, and Mobilizing Resources*, Fieldstone Alliance Publishing Center.

Putnam, R.D. (2000), *Bowling Alone*, New York: Touchstone.

Public Charity vs. Private Foundation



Tonight's title match: In the red corner, numbering 948,954, representing over half of all 501(c)(3) organizations, are *public charities*. And in the blue corner, numbering 108,594, having increased 54% since 1998, are the 501(c)(3)s known as *private foundations*. Both competitors bring a long and varied history into the ring. Though greatly outnumbered by public charities, private foundations bring a lot to the contest. Let's take a closer look at the differences, and similarities, between these title contenders.

Many people have a layman's understanding of the difference between public charities and private foundations: **Public charities are understood to perform charitable work, while private foundations support the work of public charities.** That grassroots definition is, in practice, mostly true. The specifics, however, are slightly more complicated.

Public charities. Public charities represent the largest share of active, 501(c)(3) organizations. Those starting a new organization usually prefer public charity status, not just because it better describes the organization's purpose. Public charities also enjoy some advantages over private foundations: higher donor tax-deductible giving limits, the ability to attract support from other public charities and private foundations, as well as a \$25,000 income threshold to trigger annual Form 990 filing (private foundations file Form 990-PF regardless of income). In fact, an applicant for 501(c)(3) status must prove why it should be considered a public charity, lest they be considered a private foundation by default.

Like the layman's definition, **public charities typically carry out some type of direct, charitable activity.** Examples include churches, private schools, homeless shelters, etc...the list of possibilities is nearly endless. The true definition of a public charity, though, goes well beyond the programs and into the realm of structure and revenue source. As for structure, in order to qualify for (and keep) public charity status, a 501(c)(3) must be organized for exclusively 501(c)(3) purposes. **The IRS requires certain language to be in a public charity's articles of incorporation explicitly restricting its activities to such.** In addition, a public charity must represent the public interest by having a diversified board of directors. More than 50% of the board must be unrelated by blood, marriage or outside business co-ownership and not be compensated as employees of the organization. We are often asked where that is in the "code" and, frankly, it isn't there...at least not verbatim. It is an extrapolation of the IRS's requirement that governance of a public charity be at arms-length and without private benefit (inurement) to insiders. As such, the IRS requires that a quorum of board members be possible who have no personal stake, either directly or potentially through relationship. Finally comes the income, or source of revenue, test. Public charities must be supported by the general public. For that to be true, a significant amount of revenue, at least 33%, must come from relatively small donors (those who give less than 2% of the organization's income), from other public charities or the government. While that is significant, that leaves 67% to potentially come from other, less diverse sources.

Private foundations. While being considered a private foundation could simply be a fall-back position of not qualifying for public charity status via either the organizational or income test (or both), it is most often a choice that is made. There are reasons why someone would choose foundation status over public charity. Chief among those is control. In exchange for somewhat disadvantaged deductibility limits to donors, mandatory Form 990-PF filings, and minimum annual asset distributions (5% each year), private foundations can be controlled by related parties and be funded by a relatively small

group...even one individual or family (think Bill and Melinda Gates Foundation). This is often more than enough trade off for those starting a foundation. One thing that is not different for private foundations is the requirement that it be organized for exclusively charitable purposes