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# COMMISSION RELATIONSHIP WITH NEBRASKA VOLUNTEER FOUNDATION



## ServeNebraska and the Nebraska Volunteer Foundation

The ServeNebraska Commission has a companion 501 c3 organization legally known as the Nebraska Volunteer Foundation Fund. Over several years from the 90's to the 2006-2010 timeframe, it has evolved from a separate free-standing entity to its current home as an affiliated fund of the Nebraska Community Foundation (NCF) - website link: <http://www.necommfound.org/>. The Nebraska Volunteer Foundation's affiliated fund link on the NCF website: <http://www.necommfound.org/affiliated-funds/find/details/1932/>.

### History

The Nebraska Volunteer Foundation (NVF) was incorporated with the Secretary of State and separately chartered as a 501 c 3 nonprofit corporation with the IRS in 1996 with an elected board of directors. Because of a lack of involvement and interest, it languished for awhile yet still had legal IRS forms to be completed. So in order to retain a foundation entity but not have to worry about the legal reporting requirements, the founding members (all commissioners at the time) changed how it operated and moved the NVF to an affiliated fund of the Nebraska Community Foundation (NCF). In an agreement between the NVF and the NCF, funds are held in two separate fund accounts and are accounted for through NCF filing of all necessary federal and state tax accountability reports, quarterly financial reports to the Foundation and an annual independent CPA Financial Audit as required by law.

### Legal Authorization for the NVF/Commission and NVF/NCF Relationship

The following two Memoranda of Agreement (MOA) are the legal documents that provide the authorization for the partnerships and the exchange of funds between the two.

#### 1. MOA between Nebr Volunteer Foundation and the ServeNebraska Commission

Under an MOA between the NVF and the NCF, the NVF and the commission (ServeNebraska) acting for NVF can apply for funding, grants, etc under the NCF 501c3. This MOA serves as our legal authority to move those funds from state accounting to the Foundation fund held at the Nebraska Community Foundation, when necessary.

#### 2. MOA between Nebr Volunteer Foundation and the Nebraska Community Foundation

Under an MOA between the NVF and the Commission, the purpose and existence of the Foundation is spelled out – the NVF exists to support the Commission and its programs and to expand volunteerism and community service in Nebraska.

### Purpose of the Nebraska Volunteer Foundation

The NVF was created to ensure independent status with the following purpose:

- 1) To promote, support and advance community service and volunteer efforts among Nebraskans of all ages, incomes, abilities and ethnic origins,
- 2) To solicit, develop and increase financial resources by receiving gifts, grants, donations, conveyances, deeds, bequests and devises of money and property, and

- 3) To use its resources to support the objectives, projects and programs of the Nebraska Volunteer Service Commission.

The Foundation agreed in a Memorandum of Agreement with ServeNebraska to provide funds to support operations, projects and programs managed by the Commission. ServeNebraska staff provides support to the NVF. The commission executive director is a member of the Fund Advisory Committee (FAC).

### **Fees**

The Nebraska Community Foundation serves as the fiscal agent for the NVF Affiliated Fund. The NVF pays a small fee for NCF to deposit funds and write checks on the NVF accounts. In addition, NCF files all paperwork with the IRS and the NVF gets quarterly financial status reports. Any private funds that are paid for conference/training registrations, donations and grants are deposited in one of the two NVF accounts.

The events that have most activity for NVF funds are conferences that ServeNebraska holds or partners with another agency on. The Commission's fee-for-service training sessions also bring in a small amount. Registration fees for conferences and trainings are deposited in the NVF and payments for the expenses are processed from the NVF (using NCF procedures). The Treasurer of the NVF Adv Com signs official paperwork requesting a check from NCF that uses NVF funds to pay for a project or NVF cost. The NVF Fund Advisory Committee manages and controls the funds in the NVF

### **NVF Fund Advisory Committee**

The Fund Advisory Committee (FAC) of the NVF Fund is comprised of non-commissioners and commissioners. The FAC had been inactive until early 2010. At that time, 2 commissioners, 2 non-commissioners and the ServeNebraska Executive Director began re-energizing the FAC to be more active. The current five-member NVF Fund Advisory Committee has developed operational rules (entitled Articles of Operation which are similar to Bylaws) by customizing a template provided by the Nebraska Community Foundation.

While the current membership is at five members, the FAC has worked on solidifying their identity, implementing operating processes and developing a fundraising plan to be in a position to recruit additional members. The Articles of Operation lists specific categories that should be considered for new FAC members. The Fund Advisory Committee manages the activities of the NVF and meets in-person at least four times per year with additional phone conference meetings held between those meetings.

### **NVF Receives Tax-Exempt Gifts, Grants and Donations**

ServeNebraska, through its relationship with the NVF, can apply for grants using the Nebraska Community Foundation's 501 c3 status. The only requirement is that NCF reviews and approves the grant and then submit it. Any other non-public funds donated or gifted to ServeNebraska is deposited in the NVF affiliated fund account. The money for the Nebraska Volunteer Foundation Fund at the Nebraska Community Foundation never goes to or through the state.

When a donation comes to the NVF, it is sent directly to the Nebraska Community Foundation (NCF). When funds are needed to pay an invoice for a program or project specific to the mission and purpose of the NVF, a request is sent to Nebraska Community Foundation for the amount from the NVF Fund to pay and a check is cut to pay the invoice. The NVF Fund Advisory Committee designees approve payments for ServeNebraska projects.

### **NCF Technical Assistance and Training Support to Affiliated Funds**

The Nebraska Community Foundation is a neutral organization with no competing mission to that of the NVF or ServeNebraska. A significant advantage is that the Nebraska Volunteer Foundation's FAC has access to the Nebraska Community Foundation's professional development resources, development expertise and any document templates needed that can help develop and strengthen the NVF and fundraising – tools, techniques, education, webinars, training, stories of other funds' experience, forms and

guidance. The FAC has access to technical assistance on fundraising from NCF staff and a wealth of training sessions available to members of the NVF Fund Advisory Committee.

**NVF Fundraising Planning**

Consultants from NCF have provided technical assistance and training to help the Advisory Committee and commissioners in all phases of developing and implementing fundraising plans. The NVF’s fundraising plans will be based on helping the Commission sustain its operations, secure the match required to draw down all federal funds awarded to the Commission and accomplish items in the ServeNebraska Commission’s Strategic Plan. Fundraising for ServeNebraska has been focused on meeting the match requirement for the federal Administrative Grant funds to enable the Commission to draw down all of its allocated federal funds. The Commission Board works closely with the NVF Fund Advisory Committee to develop and carry out the fundraising plan. ServeNebraska Commissioners also invest in the Commission by making personal donations to the Nebraska Volunteer Foundation. Event sponsors and donations will continue to be sought to assist the NVF in building endowment funding.

**2012 Fundraising Plan**

New “Why I Volunteer” PSAs have been produced and are being aired in 2012 through a six-month contract with the Nebraska Broadcasters Association (NBA) that provides in-kind minimum guarantees of a 4 to 1 return on the investment. ServeNebraska requires private funds are needed to have another contract in 2013. The in-kind resources from this contract will ensure that the Commission has enough match to secure all of its federal funds in 2013. The unknown is whether Congress will appropriate \$200,000 to small state commissions or the required \$250,000 small state minimum required by statute (**minimum of \$60,000+ needed to match \$200,000; maximum of \$110,000+ needed to match \$250,000**). This is a recurring fundraising need that will occur annually. The airtime value of the contract with NBA to air the PSAs will be the key to having enough match funding to secure all federal funds each year. New PSAs can be developed in the future – it is projected that PSAs should run no more than two years in a row.

Depending on the amount of funds raised by the NVF and the commissioners, ServeNebraska can contract with the NBA for any number of months to secure the guarantee - the lower the number of months, the lower the return on investment. NBA advises that the actual guarantee is much more than the minimum guarantee in the majority of contracts. For example, the first month of the 2012 six-contract returned \$37,880 for the \$7,000 paid (a 5.4 to 1 return on investment).

The following is the rate chart for the NBA that specifies the guarantee that can be received for an amount invested:

<u>CONTRACT TERM</u>	<u>RADIO/TV COST</u>	<u>RADIO COST ONLY</u>				
12 Months	\$6,500/mo (\$78,000)	\$5,416.66/mo (\$65,000)				
6 Months	\$7,000/mo (\$42,000)	\$5,800/mo (\$34,800)				
3 Months	\$7,800/mo (\$23,400)	\$6,500/mo (\$19,500)				
		Paid for	Guarantee	Paid for	Guarantee	
		TV	Return for TV	Radio	Return for Radio	
Ratio Guarantee:	Return on Investment					
	7-12 months	4:1	\$45,000 (7 mo)	\$180,000	\$37,919 (7 mo)	\$151,676
	6 months	3:1	\$42,000 (6 mo)	\$126,000	\$34,800 (6 mo)	\$104,400
	4-6 months	2.5:1	\$28,000 (4 mo)	\$70,000	\$23,200 (4 mo)	\$58,000
	1-3 months	1.5:1	\$23,400 (3 mo)	\$35,100	\$19,500 (3 mo)	\$29,250

**Role of Commissioners in Fundraising**

Individuals who serve on the ServeNebraska Commission have a strong interest and passion to support and further the mission and goals of the ServeNebraska. To that end, they actively participate in fundraising and resource acquisition for the Commission, whether through securing cash donations from others, facilitating partnerships with other state agencies and community organizations, finding in-kind resources

that help the commission operations, and/or personal investments in the Foundation to support ServeNebraska programs, activities and operations.

Commissioners partner with the Nebraska Volunteer Foundation Advisory Committee to implement its fundraising campaigns by recommending fundraising projects and goals, identifying and contacting donors, providing mentoring and encouragement to each other and sharing the positive message of services that ServeNebraska facilitates in communities across Nebraska. Commission members identify introducers and messengers who will help conduct donor visitations and help with tasks that ensure fundraising campaigns are successful. Commissioners will identify potential candidates to serve on the NVF Advisory Committee.

One of the primary goals of the 2011-15 ServeNebraska Strategic Plan developed by the Commissioners is to secure sustainable financial resources and broaden the sources for those funds. The intent of this goal is that the Commission will have sufficient income and sustainable resources from public and private sources to match federal administrative grant funds and have the capacity to provide the required program support needed to provide leadership and sustain quality AmeriCorps and volunteerism programming in the state. The objectives in the Strategic Plan that lay the groundwork for this goal include:

- Objective 1: Support successful growth of the Nebraska Volunteer Foundation to secure private funding.
- Objective 2: Develop and promote new Nebraska Day of Service to financially benefit Commission.
- Objective 3: Build public partnerships that financially benefit Commission.
- Objective 4: Secure new grants to financially benefit the Commission.

### **Role of Commission Staff (State Employees) in Fundraising**

Through an MOA between the ServeNebraska Commission and the Nebraska Department of Health and Human Services (DHHS), the commission receives a wide range of in-kind support services that help to support the commission. ServeNebraska pays a fee annually to participate in the DHHS Cost Allocation Plan (CAP). For \$10,000 in state general funds, the Commission pays to be part of the DHHS CAP and receives about \$100,000-\$110,000 of in-kind match support in return.

One of those support services is DHHS Personnel/Human Resources and DHHS Accounting/Payroll so Commission employees are DHHS and state employees. DHHS employees in Nebraska are allowed to do limited fundraising under the DHHS Donations and Solicitations Policy. While ServeNebraska is a separate state agency and technically not part of DHHS, the MOA with them for many host agency support services closely connects the two agencies. As the commission's "host agency", commission employees are required to follow DHHS policies. The DHHS Donations and Solicitations Policy only allows state employees to do small fundraising such as bake sales. One provision of the DHHS Donations and Solicitations Policy is that a match requirement for a grant does not classify as solicitation.

The ServeNebraska Executive Director and Fiscal Officer positions provide meeting support to the Advisory Committee of the Nebraska Volunteer Foundation. Fundraising is not included in any state job descriptions, though all staff is expected to assist with developing educational and promotion documents that support the Commission and Foundation fundraising efforts. Staff is also expected to develop relationships that lead to partnerships with other state agencies or organizations that could bring non-federal matching resources through contracts to the commission in return for help in managing initiatives or projects related to the commission mission.

The fundraising professionals at the Nebraska Community Foundation have advised that donors do not respond well to staff soliciting for donations – it is seen as self-serving and doesn't reflect well on the Foundation. Instead of using staff in a direct fundraising "ask" role with donors, they are used in more behind the scenes support to the FAC and in general relationship building about the role and purpose of the Commission and its programs.