

Handout 1



The Things You Gotta' Do to Start a Nonprofit Organization

The Checklist Project of The Nonprofit Coordinating Committee of New York (NPCC)

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Introduction

Many people who think about starting a nonprofit are unaware that they will be starting a small business with all the needs that a successful business entails.

While the primary purpose to be accomplished by a nonprofit is its mission -- whether it is feeding the disabled or putting on theater performances -- anyone who forms a nonprofit will soon realize that they are also running a business and in order to achieve their mission they must run their business well.

These needs range from the concrete -- setting up financial systems, payroll and opening a bank account; hiring staff and preparing a personnel manual; buying the right kinds of insurance -- to the conceptual -- organizational structure, mission statements, long-range planning, evaluation, etc. (some of which you will find addressed in the [Information Databank](#) section of our web site).

For years NPCC has been getting calls from people planning to start nonprofits asking what needs to be done. Often there is much that they do not know about or have even considered. Some believe that most of what is entailed is legal -- forming a corporation, obtaining a tax exemption and the like. There is, however, much more than just the legal aspects, and in fact a good deal of the legal requirements are fairly simple when compared some of the other things that need to be done.

In an effort to provide answers to those seeking help, NPCC has created this web page. While this information was designed primarily for those wishing to start a new organization, it may also be useful to existing groups who want to make sure that all the bases are being covered.

The Checklist provides a list of all the things that need to be done to set up the "office" part of a nonprofit. We have used a checklist form on the belief that a long discursive text explaining the technical matters that need to be addressed would not hold the interest of many. In addition, if there are only a few areas that one is seeking help on, finding the sought material in a long text can be difficult.

If funding can be secured, NPCC's plan is to add a second part to this web page which would provide a brief explanation of each item listed in the checklist, as well as reference to texts, forms, websites and other material that will be useful in implementing the particular items of the list.

This web page should also serve as a reality check. When it is realized that for even the smallest nonprofit there are a number of systems for recording information that need to be set up and reports that have to be filed with the government; that there are myriad aspects to payroll (taxes, withholding, forms reports, etc.); that health insurance and workers compensation will have to be secured for the staff; that the details of the Family Medical Leave Act and the Consolidated Omnibus Budget Reconciliation Act (COBRA) need to be mastered; and much more, second thoughts about the desirability of going forward may emerge.

For those individuals who don't like to read or are in a rush to see what must be done, we suggest that you skip to the beginning of the check list. You may want to come back to the following paragraphs later.

To complete this introduction, we offer a very brief overview of some of the essentials in starting a nonprofit office. Obviously a bank account needs to be established and choosing the right kind of account requires some research. Financial systems needs to be instituted with someone designated to serve the function of the organization's financial officer. Setting up a financial system includes establishing a chart of accounts, a general ledger and a bookkeeping system to account for cash receipts and disbursements.

Part of this would include selecting the appropriate financial software which in turn assumes you have developed an adequate computer system.

Next you might focus on your staff needs. This will entail developing job descriptions; getting an Employer Registration Number and a Labor Department Number from the New York Department of Labor; establishing a payroll system and complying with the federal, state and city withholding requirements, with the quarterly payment requirements and with the various payroll reporting requirements. In addition, you will need to initiate a mandatory system for maintaining records for each employee which would include her name and social security number, her W-4 and I-9 forms, and much else. Furthermore, you will have to arrange for workers compensation, unemployment insurance and short-term disability insurance.

Finally, today virtually every office should be able to take advantage of information technology. This means installing a voice mail system, and the necessary computer and modem hardware to enable you execute electronic transfers of taxes, deposits, fund transfers, payroll, etc.; maintain and coordinate data bases; engage in e-mail communications; and have access to the World Wide Web via the Internet.

There is, of course, much else to setting up an office that you will find on the checklist. The three succeeding paragraphs are merely illustrative and are meant to give the reader some flavor of what is involved.

While it is our belief that the checklist is fairly complete, it is possible that there are some issues that were forgotten. We would appreciate being informed about these omissions. Drop us a line at the address above or send us an [email](#).

A final note on *The Checklist*. While the following items do not have to be done successively (and you may in fact find that some of these items are already done) there are some things that are dependant on others being accomplished.

The Checklist

1. Reserve a name with New York's Secretary of State, Division of Corporations. Go to www.dos.state.ny.us/corp/nfpcorp.html#aron.
2. Select individuals to serve on its board of directors.

3. Designate officers to serve on the board.
4. Develop a mission statement.
5. Develop a nonprofit operating plan, which is like a business plan for nonprofit organizations, and includes a description of the organization's location, staffing, activities, funding, fundraising plan and budget.
6. Establish board committees (e.g., executive committee; finance committee; fundraising committee; volunteer committee; etc.).
7. Create by-laws.
8. Retain a bookkeeper to create accounting records and financial reports.
9. Retain an accountant for annual audit and mandatory government filings.

— Organizations with gross revenues greater than \$250,000 must undergo a financial audit by an independent CPA. Those with revenues between \$100,000 and \$250,000 must file a CPA's review report. Those with revenues below \$100,000 are not required to retain a CPA, but must submit a financial report certified by its board with its CHAR 500 to the NYS AG's office.
10. Incorporate or form a trust to protect its founders and principals from personal liability: www.dos.state.ny.us or www.dos.state.ny.us/corp/corpwww.html.
11. Hold its first corporate meeting and elect corporate directors and officers and adopt corporate by-laws.
12. Apply to IRS for an employer identification number (E.I.N.): www.irs.gov/businesses/small/article/0,,id=98350,00.html
13. Establish a bank account and establish check signing procedures -- see 14 below.
14. Designate which officer(s) have the power to sign checks.
15. Apply for IRS 501(c)(3) tax exempt status (IRS Form 1023) and receive IRS Determination Letter or advanced ruling letter: www.irs.gov. All organizations that have gross receipts of \$5,000 or more must receive an IRS Determination Letter.

— Organizations with gross receipts greater than \$25,000 (on a three year average) must file IRS Form 990 annually. Those with gross annual revenues of less than \$100,000 may file Form 990 EZ. Beginning in 2007, those with receipts of less than \$25,000 will be required to complete an online filing with the IRS. Organizations having \$1,000 or more in income from activities unrelated to their tax exempt purpose (UBIT) must file Form 990 T. IRS forms and instructions are at www.irs.gov.

16. File for state and local tax exemptions: from New York State corporate tax (Form CT-247); New York State and local sales tax (Form ST-119.2); and the New York City General Corporation Tax: www.tax.state.ny.us. A variety of other exemptions are also available, if applicable, including exemptions from state and local property tax and from certain New York City water and sewer charges. If the organization owns real estate, it should apply for property tax exemption by filing the Exemption From Real Estate Taxation for Property for Property Owned by Nonprofit Organizations form available at www.nyc.gov/html/dof.

17. Register with the Charities Bureau of the Attorney General's Office (Form CHAR 410): www.oag.state.ny.us/charities/charities.html.

— Annually, thereafter, the organization must file Form CHAR 500 with the AG's office. Publication CHAR 023 provides a summary of registration and filing requirements. Forms and instructions for the Charities Bureau of the New York State Attorney General are at www.oag.state.ny.us/charities/forms/charindex.html.

18. Obtain an Employer Registration Number (ERN) from New York State for reporting unemployment insurance, withholding and wage data Download Form NYS-100 from www.tax.state.ny.us.

19. Establish financial management, auditing and internal control systems.

20. Set up a chart of accounts to record financial transactions.

21. Establish a general ledger and bookkeeping system (either manual or computerized) to account for cash receipts and cash disbursements, assets and liabilities.

22. Compose job descriptions for staffing needs.

23. Hire staff and sets compensation levels.

24. Prepare a personnel manual.
25. Establish a payroll system (manual or automated), including: (a) Withholding requirements (federal, state & city); (b) Requirements for payment of funds withheld (federal, state & city); (c) Reporting requirements for funds withheld (federal, state & city).
26. Determine whether individuals performing services for it are employees or independent contractors.
27. Establish a system for preparing and filing Form W-2s for employees and 1099s on behalf of independent contractors.
 - W-2s and 1099s: Employers or their payroll service must provide W-2s for each employee, and 1099s for independent contractors paid \$600 or more in a calendar year. IRS Form 1096 correlates to 1099 information, and Form W-3, Transmittal of Wage and Tax Statements, covers W-2 data. IRS forms are at www.irs.gov.
 - If you have payroll, you must remit Federal and FICA (employer and employee) withholding payments, and NYS/NYC withholdings. The filing frequency is based on the size of your payroll. A reputable payroll service provider can provide this service and will assume the liability for failure to pay withholdings.
28. Establish a mandatory system for maintaining records for each employee which include (1) names and social security numbers, (2) W-4 and I-9 forms, and (3) for each payroll period the: (a) beginning and ending dates, (b) the days (weeks, etc.) each employee worked and the earnings for each day (week, etc.) and (c) all payments made to the employee, including bonuses and vacations.
 - I-9's: Employees must complete and submit Form I-9, Employment Eligibility Verification, within 3 days of employment to their employers. I-9s are not filed with the U.S. government. Employers are required to retain I-9s for up to 3 years. Go to US Citizenship & Immigration: www.uscis.gov.
29. Establish a system to meet mandatory insurance requirements: (1) Workers' Compensation, (2) Unemployment insurance, (3) Short-term Disability, (4) Auto Liability (if applicable), and (5) [Others].
 - New York State law requires employers to provide short term disability and workers' compensation coverage to employees. Many organizations obtain these coverages through the New York State Insurance Fund, although there are alternatives. The State Insurance Fund is at www.nysif.com.

— Unemployment Insurance payments are based on gross payroll and are remitted quarterly to the NYS Unemployment Insurance Division. Nonprofits are exempt from Federal Unemployment Tax. The NYS Unemployment Insurance division is at www.labor.state.ny.us/ui/ui_index.shtml.

30. Procure necessary insurance coverage: general liability, property, professional responsibility (if applicable), sexual abuse (if applicable) and non-owned auto liability (if applicable).
31. Determine whether Directors & Officers (D&O) liability insurance is needed. See *Directors and Officers Liability Insurance: Do all nonprofit organizations need Directors and Officers Liability Insurance?* at www.npccny.org/info/oi2.htm for guidance.
32. Establish a system for providing receipts for donations to comply with IRS substantiation requirements. Download IRS Publication 1771, *Charitable Contributions Substantiation and Disclosure Requirements*, at www.irs.gov/pub/irs-pdf/p1771.pdf.
33. If the organization is getting donations and giving something in return, the organization should create a “quid pro quo” disclosure statement informing donors that the amount of the contribution that is tax deductible is limited to the difference between the amount of the contribution and the value of goods or services received in exchange (which should be estimated in a document given to the donor).
34. Procure health benefits for employees.
35. Establish a retirement plan for employees.
36. Rent or purchase office space.
37. Leases a postage meter and apply for a nonprofit permit number in order to mail at the reduced nonprofit bulk rate.
38. Lease or buy computer equipment that is capable of email and accessing the internet.
39. Lease or buy office equipment: copy machine, fax machine, desks, chairs, file cabinets, conference room tables and chairs, coffee maker, etc.

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Additional Resources:

Forming a Not-for-Profit Corporation in New York State:
www.dos.state.ny.us/corp/nfpguide.htm

The IRS has information, guidance, and forms at
www.irs.gov/charities/charitable/article/0,,id=122670,00.html.

Idealist Tips on Starting a Nonprofit: www.idealists.org/tools/starting-org.html.

From Vision to Reality: A Guide to Launching a Successful Nonprofit Organization (\$30) from Community Resource Exchange at www.crenyc.org.

12 Tutorials from the Foundation Center:
<http://fdncenter.org/getstarted/tutorials/establish>.

Getting Organized: A manual published by Lawyers Alliance for New York for attorneys representing organizations (\$90): www.lany.org. Lawyers Alliance also has guidance at www.lany.org/pdfs/GO_Chap7_Insert.pdf.

Right From the Start: Guidelines for Board Members from the Charities Bureau of the Office of New York State Attorney General:
www.oag.state.ny.us/charities/charities.html.

Handout 2

SOME SKILLS A NONPROFIT MUST POSSESS IN ORDER TO BE CONSIDERED VIABLE TO DELIVER OPWDD SERVICES.

1. Individuals wishing to operate an OPWDD funded non-profit agency should be able to demonstrate that they have the education/training and/or experience to deliver OPWDD services.
2. A prospective agency should be able to form a Board whose members have the commitment, skills and expertise to oversee an agency's fiscal and program operations.
3. A prospective agency should have a clear idea of the services it wants to provide and must identify a need for those services in the community.
4. A new agency should demonstrate that it has the financial capacity (including a cash reserve) and business skills to begin providing services and to sustain operations once underway.
5. A new agency must acquire and develop basic business skills. Agencies should understand:
 - What to expect as a new service provider; providers must understand how difficult it can be to start a new agency and that a new agency, at first, may struggle financially.
 - Basic bookkeeping.
 - Basic business operating procedures.
 - How to become a technologically modern organization; some providers do not have computers/ or do not know how to use them for tracking services or billing.
 - How to read fiscal reports and financial statements.
 - How to budget & budget forecast.
 - The executive director's oversight & monitoring role.
 - How to develop a successful organization.
 - Regulatory, contract & Medicaid requirements.
 - How regulations and other program requirements tie into funding.
 - That they are a business.
 - How to determine how many dollars to allocate to administration and how many to service delivery.
 - How to keep track of expenses and revenues.

6. A new agency should have a solid infrastructure to support service delivery.
7. A new agency should develop internal auditing and monitoring procedures for each service provided.
8. A new agency should develop good record keeping practices right from the beginning and ensure that documentation is collected, retained and monitored.
9. A new agency must have a hands-on understanding of the following:
 - What it takes to remain solvent.
 - How to identify warning signs of impending fiscal or programmatic trouble.
 - How and when to file a 941, 990, consolidated fiscal report (CFR).
 - What one is attesting to when one signs off on a CFR prepared by a CPA firm.
 - How to market the agency in the community.
 - How to provide necessary training to new staff.
 - How to provide supervisory training to staff.
 - How to document Medicaid services.
 - How to correctly bill Medicaid.
 - How to handle public relations.
 - How to fund raise.
 - How to write and apply for grants.
 - How to do long term planning.

Handout 3 – Why a New Agency?

Look before you leap: questions prospective nonprofits should answer sooner than later... Why, Who, What, When, Where and How–

Why?

- **Why** a new organization... why are you forming a new organization in this location, at this time? Why are existing agencies not sufficient? Nonprofits exist to address an aspect of human service need the organizers see as overlooked by the vast human service systems out there. Why do you believe another OPWDD organization is needed, what is your unique mission?

Who?

- Who will serve on the Board of Directors?
- Who will be the Executive Director?
- (Both Board and Staff will have Fiduciary responsibility for the agency: do you know what this means?)
- Who will make a Balanced Board?
- Who will have the fiscal, business and program expertise?

What?

- Incorporation
- What is a nonprofit and what can it do legally; what are its obligations and responsibilities and what can go wrong?
- What's the risk? (Liability of organization, of Board, of staff, of being able to enter into contracts, and the temptations of government monies).

Where?

- Geography of the catchment area, how large do you want or think you can become, where will you operate, where will staff report, where will you store records (and you must keep OPWDD records for a long, long time)?

How?

- What is the technology of your organization going to be?
- How will you be getting your work done?
- Funding depends on service delivery, correct billing, and effective administrative systems: how will the agency survive while funding is starting up if something unexpected occurs?

Handout 4 – Getting Funding

- OPWDD provides funding to approximately 700 nonprofit agencies and OPWDD and its nonprofit partners provide services to approximately 125,000 people across the state.
- OPWDD believes in giving individuals the opportunity to choose the services they want and need. OPWDD encourages agencies to think outside the box and to provide creative service options to individuals with developmental disabilities. OPWDD also encourages agencies to provide services to individuals who are in need of services but who are unaware of the services for which they are eligible.
- There are different avenues a new provider may take to become an OPWDD provider. OPWDD recommends that a new provider seriously consider partnering with an established agency. It is very difficult to start a new agency particularly in the current economic environment and by working together, agencies can reduce administrative and oversight costs. A new agency can talk with the local Developmental Disabilities Service Office (DDSO) about the possibility of partnering with an established agency.
- The amount of funding for new services is determined based on where there is **demonstrated** need for OPWDD services, according to the **prioritization** of needs decided by New York State (Governor, Legislature, Judiciary, OPWDD with advice from its partners in the delivery of services) and through input from the community, parents, and individual input under OPWDD executive oversight.
- Nonprofit providers and those seeking to become providers must:
 - demonstrate that they can **effectively and efficiently** deliver services in priority areas and meet the needs identified by NYS.
 - follow OPWDD procedures for applying to become an agency and for providing services.
 - understand that the addition of new nonprofit providers of OPWDD services (or expansion) is **subject to available funding**.
- There is a competition for available funds in the guise of Requests for Proposals. Each Developmental Disabilities Services Office (DDSO) is given an annual allocation to fund services. Based on a prioritization of service needs, the DDSOs request that agencies submit proposals explaining why they should receive some of the available funding. Proposals are reviewed and funding decisions made based on specific criteria which are included in the Request for Proposals but, in general, agencies must demonstrate that they have the program and fiscal expertise to provide the service.
- Continued funding is dependent on a proven track record of providing quality services and acceptable billing and fiscal practices.
- New agencies compete against established agencies.
- New agencies should identify their uniqueness as they compete.

- Program and Fiscal Responsibilities of OPWDD Nonprofit Agencies include:
 - Abiding by rules, and many, many regulations
 - Abiding by Administrative Memoranda (detailed directions on programs)
 - Abiding by Individualized Service Plans (multi-part plan for the individualization and coordination of all services)
 - Abiding by Habilitations Plans (multi-part plan for the individualization of services)
 - Preparing and keeping daily and monthly Reports of Services Delivered
 - Maintaining Files
 - Developing and following procedures for agency finances and practices
 - Completing and understanding a Consolidated Fiscal Report (Fiscal Report that must be submitted annually to OPWDD)
 - Having good internal controls
 - Doing criminal background check (CBC) verifications
 - Ensuring there is documentation to support billings and that billings are done promptly to ensure revenue flow.
 - Being knowledgeable about other materials about the delivery and reimbursement for services
 - Keeping careful track of revenues and expenses

- OPWDD service delivery and billing (especially Medicaid) is subject to review by many entities
 - NYS Medicaid Inspector General (NYS MIG)
 - NYS Attorney General (AG)
 - Commission on Quality Care (CQC)
 - Federal Office of Inspector General
 - Federal Health and Human Services/ Center for Medicare and Medicaid Services
 - Some NYS Counties

Handout 5 - Required Policies and Procedures All Programs/Services

The following is a list of regulatory references which require agencies to develop policies/procedures. This list is NOT all inclusive of agency documentation requirements. It is intended to provide an overview of policies and procedures which must be developed and maintained in an agency manual.

The policies and procedures referenced on this page must be developed by all agencies regardless of the programs/services they offer. Please see page 2 and 3 for additional policies and procedures required for specific programs/services.

14 NYCRR Part 624 - Reportable Incidents

Background and intent - sections 624.2(f); 624.2(i)

Reportable incidents, serious reportable incidents and abuse, defined - section 624.4(b)(5)

Reporting, recording and investigation - sections 624.5(a)(1)(ii); 624.5(a)(4); 624.5(d)(4)(ii)

Notifications - section 624.6(f)

Standing committee to review and monitor reportable incidents, serious reportable incidents and allegations of abuse to persons receiving services - sections 624.7(c)(1); 624.7(c)(11)

Glossary - sections 624.20(ac); 624.20(ah)

14 NYCRR Part 633 - Protection of Individuals

Intent - section 633.2(b)

Rights and responsibilities of persons receiving services - section 633.4(a)(8)

Applicant backgrounds -sections 633.5(a); 633.5(b)(1-10)

Supervisory requirements - sections 633.6(a)(1)(i-iv); 633.6(a)(2)

Conduct of employees, volunteers, family care providers and persons - sections 633.7(a)(1); 633.7(a)(2)(iv)

Training of employees, volunteers, family care providers and persons receiving services with regard to their safety and the prevention of abuse to those persons - section 633.8(a)(2)

Follow-up activities subsequent to a reported allegation of abuse to persons receiving services - section 633.9(a)(4)(iii)

Care and treatment - sections 633.10(a)(5); 633.10(a)(6)

Objection to services process - sections 633.12(a)(1); 633.12(a)(12)

Medication (including vitamins) - sections 633.17(a)(5); 633.17(a)(15)(ii); 633.17(a)(20)(i)

Procedures governing DNR orders - section 633.18(a)(4)(ix)

Confidentiality and protective measures regarding HIV infection and AIDS for a person admitted for service or any party proposed for admission - sections 633.19(a)(5)(i-iv); 633.19(a)(6)(i-iii); 633.19(b)(1)

Criminal history record checks - sections 633.22(c)(2)(i-iv); 633.22(d)(2)(i); 633.22(f)(1)(i)(a-b)

14 NYCRR Part 635 - General Quality and Control

Intent - section 635-1.2(c)

Procedures for the control of tuberculosis - section 635-8.2(b)(1)(i-iii)

Glossary - section 635-99.1(az)

14 NYCRR Part 521 – Compliance Program

In addition to those policies and procedures referenced on page one; agencies must also develop policies and procedures based on the following references depending on the service or program they operate.

Required Policies and Procedures Specific Programs/Services

In addition to the required policies and procedures on page 1, agencies must also develop program specific policies and procedures. See program/service for required policies and procedures.

INDIVIDUALIZED RESIDENTIAL ALTERNATIVES (IRAs)

14 NYCRR Part 633 - Protection of Individuals

Personal allowance - sections 633.15(a)(1); 633.15(a)(11)(xi); 633.15(a)(11)(xi)(a-b); 633.15(a)(12)

Medication (including vitamins) -section 633.17(a)(16)(vi)

Health care proxy - section 633.20(a)(20)(i)(a-d)

Glossary - section 633.99(a)

14 NYCRR Part 635 – General Quality and Control and Administrative Requirements

Liability for Services – 635.12

14 NYCRR Part 686 - Operation of Community Residences

Certification of the facility known as individualized residential alternatives - sections 686.16(a)(6)(i-iv); 686.16(b)(1)

ADM #2003-03 - Habilitation Plan Requirements

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COMMUNITY RESIDENCES

14 NYCRR Part 633 - Protection of Individuals

Personal allowance - sections 633.15(a)(1); 633.15(a)(11)(xi)(a-b); 633.15(a)(12)

Medication (including vitamins) - section 633.17(a)(16)(vi)

Health care proxy - sections 633.20(a)(20)(i)(a-d)

Glossary - section 633.99(a)

14 NYCRR Part 635 - General Quality and Control (supervised community residences only)

Life safety code requirements - sections 635-7.2(b)(1)(iii); 635-7.2(b)(1)(v); 635-7.8(b)(1)(iv)

Provision of required supplies and services – 635.9

Liability for Services -635.12

14 NYCRR 671 - HCBS Waiver Community Residential Habilitation Services

Service planning and service delivery - section 671.6(a)(5)

14 NYCRR Part 686 - Operation of Community Residences

Intent - section 686.2(b)

Administration - sections 686.6(a)(1)(ii); 686.6(a)(2)(i-x)

Program for supportive community residences - sections 686.8(a)(4); 686.8(a)(5); 686.8(a)(9); 686.8(a)(12)(i-iv)

Staffing - sections 686.9(b)(1); 686.9(b)(2)

Recordkeeping - sections 686.14(a)(4); 686.14(a)(5); 686.14(b)(2)

ADM #2003-03 - Habilitation Plan Requirements

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<p>DAY HABILITATION 14 NYCRR 633 - Protection of Individuals Medication - sections 633.17(a)(3)(i-iv); 633.17(a)(16)(vi) 14 NYCRR 635 - General Quality and Control Physical plant, environmental and certification requirements for the facility class known as a day habilitation site - section 635-7.5(a)(6) Provision of required supplies and services – 635.9 Liability for Services-635.12</p>
<p>PREVOCATIONAL SERVICES 14 NYCRR Part 85 - Operation of Outpatient Facilities for the Mentally Disabled Background and intent - section 85.1(e) Organization - sections 85.5(a)(3); 85.5(b)(3); 85.5(b)(3)(ii) Program - section 85.6(e) Staffing - section 85.7(e) Case records - section 85.9(a)(3)</p>
<p>SUPPORTED EMPLOYMENT No additional policies or procedures required.</p>
<p>FREE STANDING RESPITE No additional policies or procedures required.</p>
<p>FAMILY SUPPORT SERVICES No additional policies or procedures required.</p>
<p>MEDICAID SERVICE COORDINATION (MSC) No additional policies or procedures required.</p>
<p>FAMILY EDUCATION AND TRAINING No additional policies or procedures required.</p>
<p>AT HOME RESIDENTIAL HABILITATION No additional policies or procedures required.</p>
<p>ENVIRONMENTAL MODIFICATIONS No additional policies and procedures required.</p>
<p>PLAN OF CARE SUPPORTS No additional policies or procedures required.</p>
<p>CONSOLIDATED SUPPORTS AND SERVICES No additional policies or procedures required.</p>

Handout 6

A Draft list of OPWDD required Policies and Procedures (still under development)

Policies and Procedures (for Medicaid Service Coordination, Family Support Services, HCBS Waiver services delivery)

1. Personnel:

- Job descriptions/qualifications of staff.
- Attendance policies
- Criminal background check
- Retirement policy
- Staff/supervision/training requirements
- Conflict of interest
- Firearms, drugs, alcohol
- Compliance with state and federal labor laws
- Applicant background check
- Employee conduct
- Overnight (awake) policies

2. Fiscal Management

- CFR requirements
- Contract reporting
- Resident/personnel allowance

3. Medicaid Documentation

4. Health and safety

- Fire safety
- Emergency procedures and plans
- Research involving people served
- Evacuation
- Medical follow-up/nurse oversight
- Blood borne pathogens
- TB
- Medication administration
- Universal Precautions
- First Aid
- CPR
- SCIP training
- Environmental safety
- Physical plant safety
- Informed consent
- Transportation-
- Driver certification; wheelchair safety

5. Incident management

6. Policies to implement regulations

7. Service Delivery

- ISP development and management
- Habilitation plan development and management
- Service –specific policies: regulations, MSC manual, FSS/ISS Contracts
- Special Children’s requirement
- IIP (Individualization, Inclusion, Independence, and Productivity)

8. Governance

Handout 7 - Board of Directors

- Each New York not-for-profit corporation must be governed by a board of directors consisting of not less than three persons.
- Board of directors are agency stewards who act on behalf of an organization's constituents, including service recipients, funders, members, the government, and taxpayers. The board of directors has the principal responsibility for fulfillment of the organization's mission and the legal accountability for its operations.
- A board of directors is the primary entity for fulfilling the governance role but the governance role is typically shared with staff to one degree or another.
- A good board of directors is composed of individuals whose expertise, experience, and perspectives complement each other. A good board includes individuals with financial, legal & business skills as well as individuals who represent the community and the individuals served. A good board includes individuals who are committed to the goals and mission of the organization and take their governance role seriously.

An active and effective Board of Directors:

- Meets on at least a quarterly basis and documents minutes of all meetings. Minutes should reflect that Board knows what is going on in the agency and is regularly informed about programs, expenses, budgets.
- Hires, supervises, evaluates performance, sets compensation rate, and reviews time and attendance records of Executive Director.
- Establishes or affirms the agency's mission: develops and/or is responsible for the agency's organizational purpose, mandate and identity.
- Provides fiscal oversight of the agency.
- Reviews and accepts annual certified financial statements and management letters from the agency's certified public accountant (CPA).
- Reviews and understands certified financial reports and current audit reports from its CPA firm.

- Reviews and approves the agency's budget prior to the start of the fiscal year.
- Ensures there is a conflict of interest policy for both the Board of Directors and the employees of the agency.
- Ensures that adequate policies and procedures are developed and implemented regarding service delivery and agency operations.
- Ensures that recommendations made by the agency's auditors and funders are implemented.
- Creates procedures for the selection of new board members.
- Provides vision for the future; develops and implements the long-term plan; Sets or approves the general direction and financing of the organization; Ensures that the organizational mission remains responsive to changes in the environment and organizational realities.
- Manages risk.
- Manages transitional phases and critical events: acts as organizational safety net.
- Represents the organization to the community.
- Monitors and evaluates the organization's performance.
- Acts as the ultimate source of accountability under the law for the performance and actions of the organization.

Handout 8

Aspects of Board and Staffing Skills Diversity and Balance

GROUP:

Gender
Age
Ethnicity
Physical Abilities

DEMOGRAPHIC:

Inner City
Suburban
Rural
Other

CONSTITUENCY

Business
Government
Parent/Advocate
Community
Other

SKILLS:

Fundraising
Public Relations
Planning
Financial
Personnel
Legal
Program / Product Expertise
Other:

From Statewide Comprehensive Plan 2010-2014 - Chapter 3: Person First- Person-Centered and Self-Directed Supports

Over the past 40 years, the service delivery system for individuals with developmental disabilities evolved from a medical model with professionals in charge of treatment to a system that puts individuals and family members in control of planning and developing their services and supports. Incremental changes to the locus of control in the system have culminated in service options that are both person-centered and self-directed.

Person-centered means that the individual with developmental disabilities is the starting and ending point for all discussion and planning. Self-direction refers to supports and services chosen, designed and managed by individuals and those who support them; family, friends, advocates and staff, both paid and unpaid. One form of self-direction is known as self - determination and is distinguished from traditional service planning and delivery by three distinct factors: 1) individualized budgeting, 2) portability of the individualized budget and 3) self-management of staff (hiring, training, etc.).

Since 1998 OPWDD has implemented self - directed options, first through the Self-Determination Pilot Project, then Consolidated Supports and Services (CSS) and, most recently, through the Portal initiative. Through these initiatives, OPWDD has learned a great deal about helping individuals to achieve the lives they want and anticipates expanding these opportunities well into the future.

Consolidated Supports and Services

Initially developed as a funding mechanism for self - determination, CSS became a distinct service within OPWDD's HCBS waiver with renewal of the waiver in 2004. Its status as a waiver service has enabled increased numbers of individuals to determine and self-direct their supports and services. The Self-Determination Pilot Project was initially funded for a limited number of individuals. Once established as a HCBS waiver service, CSS quickly became a popular option for individuals seeking greater control over their lives. CSS has expanded to 429 active plans as of the first quarter in 2010.

CSS participants work with a start-up broker and their circle of support to develop a person - centered plan that highlights their strengths, support needs and goals for the future. An individualized budget is developed with each participant based on a Personal Resource Account (PRA), a target value that projects the annual cost of supports the individual needs and wants. Financial Management Services (FMS) are available through an entity that acts as the agency of record to assist with billing and other paperwork. With these supports in place, participants across the state have been able to pursue outcomes related to independent living, education and competitive employment. Many CSS participants express satisfaction with self-directing their own services and are quick to point out that the benefits of greater independence and authority also come with increased responsibility.

The Portal

In 2009, OPWDD began evaluating the accomplishments and challenges associated with self-direction. Although the agency found success with CSS, the next step was to develop a strategy to “balance the portfolio” of services and expand self - directed options to a greater number of individuals. This next phase of development is the new Portal initiative.

The Portal offers a fresh approach to service delivery, with an emphasis on flexibility, timeliness and fiscal integrity. Each of OPWDD’s regional Developmental Disabilities Services Offices (DDSOs) was given an allocation to support approximately 10 individuals in designing and implementing a life plan (see Appendix D for state map of service regions). The Portal borrowed best practices from CSS such as person - centered planning, individualized budgeting, brokerage, portability, and FMS, with a focus on streamlining the planning and service design process. Currently, there are 121 active Portal participants across the state with the average budget at 74% of the PRA target value. Approximately half of the life plans include at least one staff person who was hired by the individual or their advocate.

The Portal improved the “customer” experience in accessing services and supports and also enhanced OPWDD’s strategic direction toward building an infrastructure for individualized and self-directed services by:

- Revising the approach to reimburse housing costs for people living in their own homes.
- Significantly increasing the number of approved FMS agencies.
- Transitioning to hourly billing for individualized budgets, removing the need for labor intensive cash reconciliation on an annual basis.
- Revitalizing the ISP and service agreement instead of maintaining multiple habilitation plans.
- Broadening the scope of individualized planning and budgeting at the DDSOs.
- Simplifying the rate setting methodology that will be used for all individualized budgets, replacing distinct Portal and CSS budgets.
- Creating standard rates and service definitions for FMS and Service Brokerage.
- Improving collaboration between OPWDD and providers.

These steps will assist OPWDD to expand self-directed and individualized services as the agency moves forward.

In the future, OPWDD plans to integrate the fundamental components of CSS with the streamlined business practices of the Portal when developing new services. The current fiscal climate may not just be a challenge, but an opportunity to transform the system into one that is increasingly person-centered and based on individual choice.

Handout 10

Some Pitfalls Drawn from Real Live Audits in Running an OPWDD Nonprofit:

Administration

- Lack of adequate policies and procedures on all program and administrative aspects of organizational operations (program specific; human resources; fiscal; conflict of interest and others)
- Lack of adequate short-term financial resources to meet programmatic needs
- Insufficient funds to pay ongoing costs: including salaries, payroll taxes, and fringe benefits

Staff Oversight

- Lack of performance evaluation for the Executive Director; Board does not review Executive Director time/attendance or credit card disbursements

Governance

- Board doesn't have meeting minutes or minutes do not reflect agency business or do not provide sufficient detail to document policy making activity.
- Board does not understand its role
- Board does not review financial reports
- There is self dealing between Board members and agency
- Board does not oversee Executive Director; Board does not do annual reviews of Executive Director's performance, does not review Executive Director's time/attendance or credit card disbursements
- Board does not have a contract with the Executive Director
- Board fails to address agency problems
- Board is unaware of agency problems
- The Board does not participate in managing the agency
- There is inappropriate use of agency staff
- There is inappropriate use of agency resources/revenues
- Relatives of Board members or agency managers are paid consultants
- There is an Unexplained termination of Executive Director or Chief Financial Officer
- Board failed to meet with the frequency required in the By-Laws;
- Board failed to address frequent member absenteeism.
- Agency business was conducted without a Board quorum;
- Lack of Board Oversight (i.e., no evidence of active Board)

Handout 11

How to Select a Board

1. Use the same process to select all Board of Directors' members to the same Board!!!
2. A good place to start is by tying the priorities in your strategic plan to the discussion of what traits and skills you will need on your board.
3. Boards are only as good as the people who sit on them.
4. Evaluate new members' communications styles, personalities and commitment to serving on the board.
5. Incumbent board members should be actively involved in selecting new board members – this creates an incentive for sitting board members to integrate new members into the group and also avoids exclusionary feelings that can create tension.
6. It is important to look for new directors with strategically relevant experience.
7. New board members' knowledge and skills should complement those of the staff, as well as those of existing board members, to provide a richer consideration and resolution of strategic issues.
8. It is vital that all board members have a strong interest in the goals and objectives of the organization, and that they be enthusiastic about governance and financial leadership.
9. All board members should understand exactly what their role will be. An orientation session for new members is a good way to ensure everyone is on the same page. If members are more interested in program delivery than governance, it is very likely their formal responsibilities will be pushed aside.
10. Recruit board members who are interested in governance as well as committed to the organizational mission.
11. A board that does not spend enough time working through its governance and, especially, its financial stewardship responsibilities is headed for trouble. Those with a serious interest in these issues will become frustrated and possibly leave. A weak board may force the CEO to step in to make sure the core governance responsibilities are met.

Handout 12

Potential Capacity Building Resources for Nonprofit Business Development

The following are a sample of the many organizations and internet sites that offer training and information to nonprofit providers. Many of the internet sites provide links to instructive articles, work sheets, and advice on how to improve the operational and managerial systems of nonprofit businesses. **No organization is endorsed over another.**

Cerebral Palsy of New York State (CP of NYS), <http://www.epofnys.org/> – CP of NYS will be holding its 2008 conference on corporate compliance issues.

In the past the agency has held training sessions on the following:

- Risk Assessment, \$135 for non-members/ \$100 for members, per person
- Audit and Investigation Training; \$135 for non-members/ \$100 for members, per person.

InterAgency Council (IAC), <http://www.iacny.org/crossroads.htm> - The IAC provides training to its members and nonmembers; some fee information is provided; check website for current fees and schedules.

The IAC Workforce development course listing includes the following course:

- Roles and responsibilities of new supervisors/managers: \$50 per person.

The Continuing Education Seminars for Professionals include the following:

- Enhancing Management and Supervision Skills in OPWDD programs: 5 Days; \$450 members/\$350 non-members
- Budgeting for Success: ½ Day; \$70 members/\$55 nonmembers
- Just the Facts Ma'am: Incident Investigation and Management in OPWDD Programs: 2 days, \$225 members/\$185 nonmembers.
- Housekeeping 101: Internal Compliance Auditing Systems: ½ day; \$70 members/\$55 nonmembers.
- Brand Loyalty: Defining Your Presence in the Workplace and the Marketplace to Improve Staff Recruitment and Retention: ½ day; \$70 members/\$55 nonmembers.

Lifespire, <http://www.lifespire.org/courses.htm> - Lifespire in New York City offers various courses. Course costs range from \$40 for SCIP training to \$500 for a three day Introduction to Developmental Disabilities course.

Other courses offered by Lifespire include:

- A 10 day new employee orientation.
- Skills for the seasoned Supervisor (\$175)
- Writing for Valued Outcomes (\$325 for a two day training).
- Beginning Word (\$99 for a five hour training).
- Beginning Outlook (\$99 for a five hour training).
- Beginning PowerPoint (\$120 for a six hour training)
- Beginning Excel (\$99 for a five hour training).
- Coaching Techniques for Mentors (\$120 for a full day).
- Incident Reporting (\$50 for a five hour training).
- Skills for the New Supervisor (\$75 for a full day).

Lifespire also provides consultation services to agencies to help agencies develop their own orientation curricula.

Young Adult Institute (YAI), <http://yai.org/Trainingstore/subpage.cfm> - YAI provides a variety of training through CDs, DVDs, videos and books. YAI sells a series of four DVDs on management issues for \$520.

Alliance for Nonprofit Management, <http://www.allianceonline.org/>
1899 L Street NW 6th Floor, Washington, DC 20036, 202 955 8406

The **Alliance for Nonprofit Management** is a professional association of individuals and organizations devoted to improving the management and governance capacity of nonprofits - to assist nonprofits in fulfilling their mission. The agency offers the following services:

- Find a Consultant/Service Provider: An online directory of Alliance members, featuring the services they provide to nonprofits.
- Event Calendar: A source for workshops, conferences and seminars on a wide variety of nonprofit management topics.
- CareerBank: Job listings in the nonprofit management and capacity-building fields.
- Resource Center: A searchable database of resources for nonprofits, including books, websites, newsletters and other sources.
- Frequently Asked Questions: Information on board development, strategic planning, financial management and other nonprofit capacity-building topics.

American Institute of Certified Public Accountants (AICPA) - www.aicpa.org -

The AICPA's web site has extensive information on accounting standards and procedures. It is a valuable source of a wide variety of information on accounting issues for board members.

Boardnet USA - www.boardnetUSA.org - Boardnet USA is a nonprofit organization whose mission is to strengthen the governing and management capability of nonprofit boards of directors by bringing qualified leadership into service as board members. Boardnet assists boards in defining their board recruitment objectives and then conducting a targeted search for business, professional and community leaders with the desired expertise, diversity of perspective and resources. Its web site is a resource designed to enable potential board members--and nonprofit boards needing leadership--to find each other.

BoardSource, <http://www.boardsource.org/>

1828 L Street NW, Suite 900, Washington, DC 20036, Phone: (202) 452-6262

BoardSource seeks to improve the effectiveness of nonprofits by strengthening their boards of directors. BoardSource provides:

- Resources to nonprofit leaders through workshops, training, and an extensive Web site.
- Governance consultants who work directly with nonprofit leaders to design specialized solutions to meet an organization's needs.
- A comprehensive selection of material on nonprofit governance, including a large selection of books and CDs.
- An annual conference that brings together approximately 900 governance experts, board members, and chief executives and senior staff from around the world.

Center for Non Profit Creation, <http://www.npcreation.com/>

8730 Wilshire Blvd., Suite 400, Beverly Hills, CA 90211 (877) 553-1923

The Center For Non Profit Creation helps its nonprofit clients reach their goals and objectives through ongoing educational support. For various fees, the Center will help an interested party become a tax exempt organization. Services include the following:

- Preparation of an agency's 501c3 application (IRS forms for tax exempt status).
- Handling of the incorporation process.
- Preparation of bylaws.
- Preparation of state registration forms.
- First annual meeting minutes.

Community Resource Exchange, http://www.crenyc.org/./about/about_history.php

42 Broadway, 20th floor, New York, NY 10004, (212) 894-3394

Community Resource Exchange (CRE) is a nonprofit social change consulting firm that assists emerging and well-established institutions in neighborhoods where resources and opportunities are limited. CRE helps 300 organizations fight poverty and champion social justice issues each year. With CRE's help, nonprofit leaders develop the tools they need to build their organizations and improve the neighborhoods in which they live.

CompassPoint - www.compasspoint.org- CompassPoint is an electronic newsletter for members of nonprofit boards of directors. Board Café offers a menu of ideas, information, opinion, news, and resources to help board members in carrying out the responsibilities of their board service.

Governance Matters - www.governancematters.org - Governance Matters is an organization whose purpose is to encourage and promote good governance in the nonprofit sector. Its web site posts information on good governance, links to other sites of interest to not-for-profit boards and information about courses and conferences for nonprofit board members.

Independent Sector (IS) - www.independentsector.org - is a national coalition of nonprofit organizations of all sizes as well as Fortune 500 corporations with commitments to community involvement. IS advocates on behalf of and provides educational services to the nonprofit sector.

New York Council of Nonprofits, Inc. (NYCON), <http://www.nycon.org/>
272 Broadway, Albany, New York 12204 Phone: 518.434.9194
NYCON serves over 1,200 nonprofit members and offers training, technical assistance and group purchasing programs. CCSNYS also advocates for the 65,000 nonprofits in the state. Membership dues range from \$50 to \$450 per year. Organizational management assistance and training courses include the following topic areas:

- Board development
- Budget development
- Personnel policies and employment practices
- Strategic planning
- Team building
- Fund Development

In addition, an on-line 2 hour Webinar in Excel was \$40 for nonmembers.

The Foundation Center, foundationcenter.org/newyork
79 Fifth Ave./16th Street, New York, NY 10003-3076 (212) 620-4230

The Foundation Center's mission is to strengthen the nonprofit sector by advancing knowledge about U.S. philanthropy. The Foundation Center connects nonprofits and the grantmakers supporting them to tools they can use. The Foundation Center offers on site and on-line classes, some of which are free. Classes include:

- Proposal Writing Basics
- Proposal Budgeting Basics
- Introduction to Fundraising Planning
- Grantseeking Basics for Nonprofit Organizations

Free Management Library, (www.managementhelp.org) – The Free Management Library offers a complete integrated online library for nonprofits and for profits. It has a great deal of information on many, many topic areas, including:

- Boards of Directors
- Human Resources Management
- Fundraising
- Business Planning
- Management Skills
- Capacity Building

The library includes a link that connects agencies to internet sites that offer free business training.

Independent Sector, <http://www.independentsector.org/> - The Independent Sector is a forum for charities, foundations, and corporate giving programs committed to advancing the common good in America and around the world. One must register but there is good information on governance, ethics, conflict of interest, etc.

Institute for Nonprofit Leadership, <http://orange.cc.ny.us/nonprofit/>
SUNY Orange - 115 South Street, Middletown, NY 10940, (845) 341-4890

The Institute for Nonprofit Leadership and Management offers training resources and opportunities to all governmental agencies and non profit organizations in the Greater Hudson Valley. The fee for a 3 hour course is \$50. A certificate is awarded upon completion of six courses. Courses include the following:

- Roles and Legal Responsibilities of Nonprofit Boards
- Fund Development
- Effective Leadership for Nonprofit Organizations
- The Board Building Cycle
- Nonprofit Accounting Basics
- Strategic Planning
- Public Relations for Nonprofit Organizations
- Service Excellence: Providing Exceptional Customer Service
- Fundamentals of Grant Writing
- Marketing Events
- Rethinking Volunteer Programs
- Identifying & Assessing Reporting Tools

Lawyers Alliance for New York, <http://www.lawyersalliance.org/>
171 Madison Ave., 6th floor, New York, NY 10016, (212) 219-1800

Lawyers Alliance for New York provides free and/or low cost services to nonprofit organizations that are improving the quality of life in New York City neighborhoods. By connecting lawyers, nonprofits, and communities, Lawyers Alliance for New York helps nonprofits develop affordable housing, stimulate economic development, and operate vital programs for children and young people, the elderly, recent immigrants, and other low-income New Yorkers.

**Legal Aid Society Community Development Project Legal Aid Society
Community Development Project.** [www.legal-](http://www.legal-aid.org/en/civil/civilpractice/communitydevelopmentproject.aspx)

[aid.org/en/civil/civilpractice/communitydevelopmentproject.aspx](http://www.legal-aid.org/en/civil/civilpractice/communitydevelopmentproject.aspx)

The Community Development Project (CDP) provides support for three client groups in New York City: low-income not-for-profit organizations, low-income entrepreneurs, and low-income housing cooperatives.

National Cristina Foundation <http://www.cristina.org/aboutus.html> 500 West Putman Avenue, Greenwich, CT 06830 · 203.863.9100

The National Cristina Foundation provides computer technology and solutions to give people with disabilities, students at risk and economically disadvantaged persons the opportunity, through training, to lead more independent and productive lives

National Executive Service Corps (NESC), <http://www.nesc.org/>

9 West 38th St., 8th floor, New York, NY 10018 (212) 269-1234 ext. 123.

NESC is staffed by volunteer consultants who previously held senior executive and professional positions. NESC provides consulting services for varying fees on board development, financial management, fundraising, human resources, leadership training, operations review & organizational analysis, public relations and communication, etc.

New York City Bar Justice Center - The Public Service Network -

<http://www.nycbar.org> <http://www.nycbar.org/citybarjusticecenter/city-bar-public-service-network> - The Public Service Network, a program offered through the City Bar Justice Center, matches attorneys with legal and non-legal volunteer opportunities in the not-for-profit sector.

New York State Society of CPAs, The (NYSSCPAs) - www.nysscpa.org - NYSSCPA

is a membership association of certified public accountants. It has resources available to answer technical inquiries, offer training in financial and tax areas and provides referrals for audit and tax services.

The Nonprofit Connection, <http://www.nonprofitconnection.org/noncon/mainframe.html>

50 Broadway, Suite 1800, New York, NY 10004 (212) 383-1433

This agency's mission is to build and strengthen the capacity of nonprofit organizations that serve New York City's diverse communities through customized management consultations, training, and access to information and resources. Full-day courses @\$125 per person include:

- Best Practices in Supervision.
- Cultural Competence.
- Planning a Program Budget.

The Nonprofit Coordinating Committee of New York (NPCC)

<http://www.npccny.org/>

1350 Broadway, Suite 1801, New York, New York 10018 phone 212-502-4191
NPCC publishes a monthly newsletter, *New York Nonprofits*, offers workshops and roundtables on management issues, provides cost-saving vendor services, manages a Government Relations Committee that works on sector-wide government and legislative issues, and maintains a website with information on operating a nonprofit. Annual membership dues are based on the agency's current operating budget and range from \$25 to \$1000. Workshops, which are only open to members, include:

- Human Resource Basics
- Roundtable for Chief Operating Officers

Nonprofit Expert.COM, <http://www.nonprofitexpert.com/>

NonprofitExpert.com has information on board development, budget basics, financial management, fundraising ideas, grant writing, marketing, strategic planning, etc.

Nonprofit Works: <http://www.nonprofitworks.com>

117 Van Dam Street, Saratoga Springs, NY 12866 Phone: (518) 581-8841

Nonprofit Works specializes in helping agencies develop the tools to help themselves through consulting, training, and technical support. The agency provides assistance with strategic planning, grant writing and management, and board development and training. The agency also offers classes ranging in price from \$50 to \$125. Sample classes were in Grantseeking Basics, Researching & Approaching Grantmakers, Building Budgets, Board Training, Using Logic Models to Plan Programs and Write Grants, and Evaluation Basics.

Support Center for Nonprofit Management: <http://www.supportctr.org/>

305 7th Ave., 11th floor, New York, NY 10001, (212) 924-6744.

The Support Center for Nonprofit Management provides a range of services designed to increase the effectiveness of nonprofit organizations and their leaders so as to enable them to better serve their communities. Costs are on a sliding scale and range from \$60 to \$160 for ½ day workshops and \$80 to \$200 for full day workshops. The agency offers consulting services on financial management, strategic planning and strategic restructuring, organization development and human resources, etc. The agency also offers a management and supervision certification program.

Workshops include:

- Strategic Planning.
- Program Evaluation.
- Everything You Always Wanted to Know about the Press Release.
- Preparing Your Own IRS Form 990 & NY Renewal Registration Forms.
- Writing Grant Proposals.
- The Non-Financial Manager's Guide to Financial Statements.

United States Small Business Administration - www.sba.gov/

1-800-U-ASK-SBA (1-800-827-5722)

Send e-mails to: answerdesk@sba.gov

The U.S. Small Business Administration (SBA) was created in 1953 as an independent agency of the federal government to aid, counsel, assist and protect the interests of small business concerns, to preserve free competitive enterprise and to maintain and strengthen the overall economy of our nation. The agency offers many free on-line courses. Courses include:

- Small Business Primer: Guide to Starting a Business
- The Beginning: Developing a Successful Business Plan
- How to Start a Business on a Shoestring Budget
- Creating a Strategic Plan
- How to find Start-Up Funding
- Cash Flow
- Accounting 101: The Fundamentals
- Marketing for Small Businesses

University of Buffalo Institute for Nonprofit Agencies

<http://www.socialwork.buffalo.edu/research/INA/>

The UB Institute for Nonprofit Agencies provides training and consulting services to executives, mid-level managers and board members of human service providers in Western New York. The institute provides comprehensive training in strategic program planning, development, financial management and evaluation and links UB faculty and other experienced instructors to agencies for individualized consultation for help with such services as grant writing, facilitated strategic planning, evaluation and service mapping.

Government Agencies

The Office of People with Developmental Disabilities (OPWDD)

<http://www.omr.state.ny.us/>

The OPWDD website provides a great deal of information about the services provided and information providers need to know, including links to required regulations, administrative memorandum, and manuals.

New York State Office of the Attorney General

The New York State Office of the Attorney General's Charities Bureau has some very helpful publications. Below are three that are particularly helpful to those thinking about starting not-for-profit organizations.

Procedures for Forming And Changing Not-For-Profit Corporations

In New York State http://www.charitiesnys.com/pdfs/how_to_incorporate.pdf

Right from the Start: Responsibilities of Directors of Not-for-Profit Corporations

<http://www.charitiesnys.com/pdfs/Right%20From%20the%20Start%20Final.pdf>

Internal Controls and Financial Accountability for Not-for-Profit Boards

<http://www.charitiesnys.com/pdfs/Internal%20Controls%20-%20Final%20-%20Small%20Type.pdf>

New York State Department of State

The New York State Department of State's website has important information to help agencies file their incorporation papers. Below are two important links.

Not-For-Profit Corporations FAQs <http://www.dos.state.ny.us/corps/nfpfaq.asp>

Domestic Not-for-Profit Corporation Filings and Forms

http://www.dos.state.ny.us/corps/dom_nfpfile.html

Federal Trade Commission - www.ftc.gov - Information for donors about charities.

Internal Revenue Service - www.irs.gov - posts all of its forms and instructions and many brochures drafted to assist not-for-profit boards in completing their annual financial filings with the IRS and in carrying out their other responsibilities. If you can't find the information that you want on the IRS web site, call its toll-free number - 1-877-829-5500 - set up especially for those who have questions about tax-exemption and tax-exempt organizations.

New York State Department of State (Secretary of State's Office) -

<http://www.dos.state.ny.us/> - Organizations that want to incorporate must submit a Certificate of Incorporation to the Department of State.

New York State Department of Taxation and Finance - <http://www.tax.state.ny.us/> - Organizations seeking sales tax exemption should contact te Department of Taxation and Finance.

New York State Commission On Public Integrity (NYS Lobbying Registration)

<http://www.nyintegrity.org/faq/lrr.html>

New York City Lobbying Bureau (NYC Lobbying registration) -

<http://www.cityclerk.nyc.gov/>

Watchdog Organizations/Information for Donors

American Institute of Philanthropy - www.charitywatch.org

Better Business Bureau Metro New York - www.newyork.bbb.org

Better Business Bureau Wise Giving Alliance - www.bbb.org

The BBB publishes standards for not-for-profit organizations that are used in its evaluations of charities and which are posted on its web site. The standards address issues such as governance, financial accounting, program efficiency and public disclosure. The web site also contains guidelines for implementation of the standards.

Charity Navigator - www.charitynavigator.org - Charity Navigator rates organizations that solicit the public and provides information to prospective donors.

Economic Research Institute (ERI) - <http://www.eri-nonprofit-salaries.com/> - ERI posts Internal Revenue Service reports of charitable organizations.

GuideStar - www.guidestar.org - GuideStar is a national database of that posts financial reports and other information on over 850,000 tax-exempt U.S. charitable organizations on its web site. It is a source of information about the operations and finances of nonprofit organizations

Handout 13

What is Strategic Planning?

Simply put, strategic planning determines where an organization is going over the next year or more and how it's going to get there. Typically, the process is organization-wide, or focused on a major function such as a division, department or other major function. (The descriptions on this page assume that strategic planning is focused on the organization.)

How to Get a Feel for Strategic Planning -- There's No Perfect Way to Do It

Planning typically includes several major activities or steps in the process. Different people often have different names for these major activities. They might even conduct them in a different order. Strategic planning often includes use of several key terms. Different people might use apply different definitions for these terms, as well.

Don't be concerned about finding the "perfect way" to conduct strategic planning. You'll soon notice that each writer seems to have their own particularly interpretation of the activities in strategic planning. However, as you read the materials linked from the topic [Strategic Planning](#) in this library, you'll begin to notice some information that is common to most writers.

Read the basic description described below on this page. Then review the various materials linked from the library in the topic [Strategic Planning](#). Once you start strategic planning, you'll soon find your own particular approach to carrying out the process.

One Way to Look at Strategic Planning

One interpretation of the major activities in strategic planning activities is that it includes:

1. Strategic Analysis

This activity can include conducting some sort of scan, or review, of the organization's environment (for example, of the political, social, economic and technical environment). Planners carefully consider various driving forces in the environment, for example, increasing competition, changing demographics, etc. Planners also look at the various strengths, weaknesses, opportunities and threats (an acronym for this activity is **SWOT**) regarding the organization.

(Some people take this wide look around after they've identified or updated their mission statement, vision statement, values statement, etc. These statements are briefly described below. Other people conduct the analysis before reviewing the statements.)

(Note that in the past, organizations usually referred to the phrase "**long-range planning**". More recently, planners use the phrase "strategic planning". This new phrase is meant to capture the strategic (comprehensive, thoughtful, well-placed) nature of this type of planning.)

2. Setting Strategic Direction

Planners carefully come to conclusions about what the organization must do as a result of the major issues and opportunities facing the organization. These conclusions include what overall accomplishments (or *strategic goals*) the organization should achieve, and the overall methods (or *strategies*) to achieve the accomplishments. Goals should be designed and worded as much as possible to be specific, measurable, acceptable to those working to achieve the goals, realistic, timely, extending the capabilities of those working to achieve the goals, and rewarding to them, as well. (An acronym for these criteria is "SMARTER".)

At some point in the strategic planning process (sometimes in the activity of setting the strategic direction), planners usually identify or update what might be called the strategic "philosophy". This includes identifying or updating the organization's mission, vision and/or values statements. *Mission statements* are brief written descriptions of the purpose of the organization. Mission statements vary in nature from very brief to quite comprehensive, and including having a specific purpose statement that is part of the overall mission statement. Many people consider the values statement and vision statement to be part of the mission statement. New businesses (for-profit or nonprofit) often work with a state agency to formally register their new business, for example, as a corporation, association, etc. This registration usually includes declaring a mission statement in their charter (or constitution, articles of incorporation, etc.).

It seems that vision and values statements are increasingly used. *Vision statements* are usually a compelling description of how the organization will or should operate at some point in the future and of how customers or clients are benefitting from the organization's products and services. *Values statements* list the overall priorities in how the organization will operate. Some people focus the values statement on moral values. Moral values are values that suggest overall priorities in how people ought to act in the world, for example, integrity, honesty, respect, etc. Other people include operational values which suggest overall priorities for the organization, for example, to expand marketshare, increase efficiency, etc. (Some people would claim that these operational values are really strategic goals. Don't get hung up on wording for now.)

3. Action Planning

Action planning is carefully laying out how the strategic goals will be accomplished. Action planning often includes specifying *objectives*, or specific results, with each strategic goal. Therefore, reaching a strategic goal typically involves accomplishing a set of objectives along the way -- in that sense, an objective is still a goal, but on a smaller scale.

Often, each objective is associated with a *tactic*, which is one of the methods needed to reach an objective. Therefore, implementing a strategy typically involves implementing a set of tactics along the way -- in that sense, a tactic is still a strategy, but on a smaller scale.

Action planning also includes specifying *responsibilities* and *timelines* with each objective, or who needs to do what and by when. It should also include methods to *monitor* and *evaluate* the plan, which includes knowing how the organization will know who has done what and by when.

It's common to develop an *annual plan* (sometimes called the *operational plan* or *management plan*), which includes the strategic goals, strategies, objectives, responsibilities and timelines that should be done in the coming year. Often, organizations will develop plans for each major function, division department, etc., and call these *work plans*.

Usually, ***budgets*** are included in the strategic and annual plan, and with work plans. Budgets specify the money needed for the resources that are necessary to implement the annual plan. Budgets also depict how the money will be spent, for example, for human resources, equipment, materials, etc.

(Note there are several different kinds of budgets. Operating budgets are usually budgets associated with major activities over the coming year. Project budgets are associated with major projects, for example, constructing a building, developing a new program or product line, etc. Cash budgets depict where cash will be spent over some near term, for example, over the next three months (this is very useful as it helps an organization determine if it can afford the bills that must be paid soon. Capital budgets are associated with operating some major asset, for example, a building, automobiles, furniture, computers, etc.

**(See: http://www.managementhelp.org/plan_dec/str_plan/basics.htm)
for much more information.**