

# ANNUAL REPORT 2008

## Larned A. Waterman Iowa Nonprofit Resource Center

*Helping strengthen community organizations*



# A Message from Richard Koontz, INRC Director

The year 2008 was the year of Iowa's flood and a year of financial difficulties brought on by the tough economy. In the discussions of these difficulties we sometimes do not hear about Iowa's nonprofit sector. But it is the nonprofit sector that rose to the occasion after the flood, providing disaster response and supporting efforts to rebuild. And, as more people begin to suffer due to tough economic times, they will turn to nonprofits for help in meeting basic needs. This is the message that we must all remember in the nonprofit community—that we are central to keeping our communities going. And it is the message we must all work to keep in legislators' minds, in the thoughts of those making critical decisions and in the hearts of those who can provide funding. Iowa's nonprofits fulfill essential needs—support nonprofits and you support your communities' vital functioning.



In 2008 the Larned A. Waterman Iowa Nonprofit Resource Center (INRC) worked with the nonprofits in Iowa to educate and assist them in their contributions to their communities. We continued our strong on-campus efforts with the nonprofit management class, *Nonprofit Organizational Effectiveness*. Our long partnership with Iowa State University's Nonprofit Management Academy continued as we lectured all over Iowa. For the first time we partnered with the Iowa Commission on Volunteer Service to run a statewide nonprofit conference that drew 400 attendees. The Qwest Foundation was generous in its support of that conference. The INRC conducted a continuing legal education seminar in nonprofit law that included a panel discussion on legal issues arising from the flood. As seniors are a cornerstone of nonprofit activity in Iowa, we made a four-part presentation to the Senior College on nonprofit issues. More people are using the INRC Web site. More than 18,000 Iowans visited our site this year.

Our continued thanks go to the Larned A. Waterman family whose generosity is ongoing in these hard economic times and to the people of Iowa who, through the General Assembly, support our efforts.



Larned A. Waterman Iowa Nonprofit Resource Center  
130 Grand Avenue Court  
Iowa City, IA 52242  
Toll-free telephone: 866-500-8980  
<http://inrc.continuetolearn.uiowa.edu/>

# INRC Courses and Education

## Nonprofit Organizational Effectiveness (NOE)

*Nonprofit Organizational Effectiveness*, a two-semester overview of nonprofit management, was offered both on campus and online, with an enrollment of over 200 students per semester. The course covers a wide variety of nonprofit issues, including boards of directors, tax exemption, accounting and finance, volunteer management, human resources, marketing and accountability. Topics are relevant to students in many disciplines such as library science, museum studies, nursing, law, and business. Students complete the course better prepared for important community roles after graduation. The course is run by Jude West, INRC co-director; Willard Boyd, INRC founder; Richard Koontz, INRC Director; and Andrew Hosmanek, UI Tippie College of Business. Jill Smith and James Sheets manage the online courses.

## Nonprofit and Philanthropic Organizations

Once again the INRC offered the course on nonprofit law, *Nonprofit and Philanthropic Organizations*, through the UI College of Law. Several professors contribute broad expertise and experience to this course. Professor Mark Sidel lectured on philanthropic issues in both private and community foundations. Andrew Sheehy and Susan Hagan from the UI Foundation provided an overview of fundraising for nonprofits. Richard Koontz explored with students the central concept of fiduciary duty, and Professor Boyd shared his extensive experience with boards of directors of nonprofits. Dean Spina of the Bradley and Riley law firm spoke on low-income housing, an issue that became more critical after the floods. Carolyn Jones, dean of the UI College of Law, delivered several lectures drawing upon her great background in tax exemption.



Carolyn Jones, Dean,  
UI College of Law

## Linda McGuire and the Citizen Lawyer Program

Linda McGuire, Associate Dean of Civic Engagement, continued the Citizen Lawyer Program which provides a public service experience for law students. Students who are part of Dean McGuire's program made several trips to Cedar Rapids to clean up flood-damaged buildings. The program also placed Iowa law students in *pro bono* projects such as the Innocence Project and Johnson County Drug Court. Jude West gave the group a three-hour presentation on the role of boards in nonprofit organizations.

## Starting a Charitable Nonprofit Workshops

Richard Koontz gave his popular workshop called *Starting a Charitable Nonprofit*. Participants are taken, line by line, through the four primary legal documents for starting a nonprofit: the articles of incorporation, bylaws, IRS Form SS-4 for an employer ID number, and the IRS Form 1023 application for tax exemption. Workshops are limited to small groups of seven to ten participants to make sure there is time for questions. On January 26, April 5, May 17, June 28, and November 22, Mr. Koontz gave the day-long workshop in Iowa City. On February 8 and 9 he presented it in Jefferson and Grand Junction. The department of Lee County Economic Development hosted the workshop on March 15 in Donnellson, Iowa.

## Nonprofit Continuing Legal Education

In the fall, the INRC offered a one-and-one-half-day Continuing Legal Education (CLE) session, in conjunction with the UI College of Law, on nonprofit legal issues. This included a presentation by Theresa Pattara, Tax Counsel for the U.S. Senate Finance Committee. John McCormally, the attorney heading the new Attorney General Charities Division, spoke on the projects his office is developing. Professor Shelley Kurtz discussed the new Iowa statute, Uniform Prudent Management of Institutional Funds Act (UPMIFA). Dean Spina of the Bradley & Riley law firm led a panel discussion on legal issues arising from the flood.

## INRC and the Iowa State University (ISU) Nonprofit Management Academy

The INRC has a long-standing relationship with ISU's Nonprofit Management Academy. The Nonprofit Management Academy does statewide training sessions for nonprofit staff and boards through ISU extension. INRC personnel often lecture in these training sessions and participated in the following during 2008:

- Willard Boyd, Des Moines, May 6—presentation on Principles and Practices at the Association of Fundraising Professionals
- Jude West, Johnson County, May 15—six-hour session on supervision with UI Professor Paul Retish
- Jude West, Council Bluffs, August 6—six-hour session on Board Governance
- Willard Boyd and Richard Koontz, Quad Cities, September 10—Nonprofit Law Overview
- Jude West, Quad Cities, October 8—six-hour session, Organizational Development Through Change, Teambuilding and Trust
- Richard Koontz, Iowa City, October 16—six-hour session on Risk Management

## Senior College

In October and November, Jude West, Sandy Boyd and Richard Koontz gave a four-part presentation on nonprofit issues to the Senior College in Iowa City. The text for the course was *The Iowa Principles and Practices for Charitable Nonprofit Excellence*. An attendee, in evaluating the presentations, wrote that the workshops gave “excellent background and resources for NPOs.” Another stated that it “provided help for volunteers who serve on community boards, offering suggestions for the type of people serving on boards and what should be expected from them and what kind of training they need.”

## Kellogg Foundation Food and Exercise Study

With funding from the W. K. Kellogg Foundation the INRC took part in a project called *Iowa Healthy Food and Exercise Policy and Advocacy Groups and Coalitions*. In spring 2008, we surveyed government, nonprofit and business organizations engaged in advancing healthy food and exercise in Iowa. Where applicable, we identified working coalitions of organizations. Some of the major questions addressed were: What organizations are doing work in the areas of healthy food and exercise? What organizations are doing advocacy? What issues are evolving?

## Statewide Nonprofit Conference

The Iowa Conference on Volunteer Service and Nonprofit Management was held in Ames at Iowa State University's Scheman Building. The theme was *Together: Building Iowa's Future*. The conference was a joint effort between The University of Iowa's Larned A. Waterman Iowa Nonprofit Resource Center and the Iowa Commission on Volunteer Service. There were 400 attendees. A cornerstone was six hours of training on the *Iowa Principles and Practices for Charitable Nonprofit Excellence*. Conference sessions revolved around five main themes: youth development, volunteer management, capacity building, Principles and Practices, and professional development. In total, there were 48 sessions. Secretary of State Michael Mauro gave remarks on the second day.

### Photos from the Iowa Conference on Volunteer Service and Nonprofit Management



INRC Director Richard Koontz and Secretary of State Michael Mauro.



Staff of Iowa Commission on Volunteer Service



Conference speaker Joseph Clamon and Linda McGuire, UI Citizen Lawyer Program



# Service to the Community

## Email and Telephone Inquiries Answered in 2008

The Iowa Nonprofit Resource Center responded to 216 inquiries from nonprofits via telephone and email. Issues of concern included how to start a nonprofit, ethics policies, questions about fundraising assistance, tax deductibility, restricted gifts, charitable trusts, volunteer risk management, fiscal sponsorship, and the Register of Accountability. Calls and emails came from nonprofits across the state including the towns of Ames, Burlington, Council Bluffs, Davenport, Des Moines, Fairfield, Spencer and Waterloo.

## Web Site Use

In 2008, the INRC Web site had 26,939 visitors from 83 countries. Iowa visitors numbered 18,461, up from 14,474 in 2007. They came from 526 Iowa cities. (See next page for a map and additional data on Web site use.)

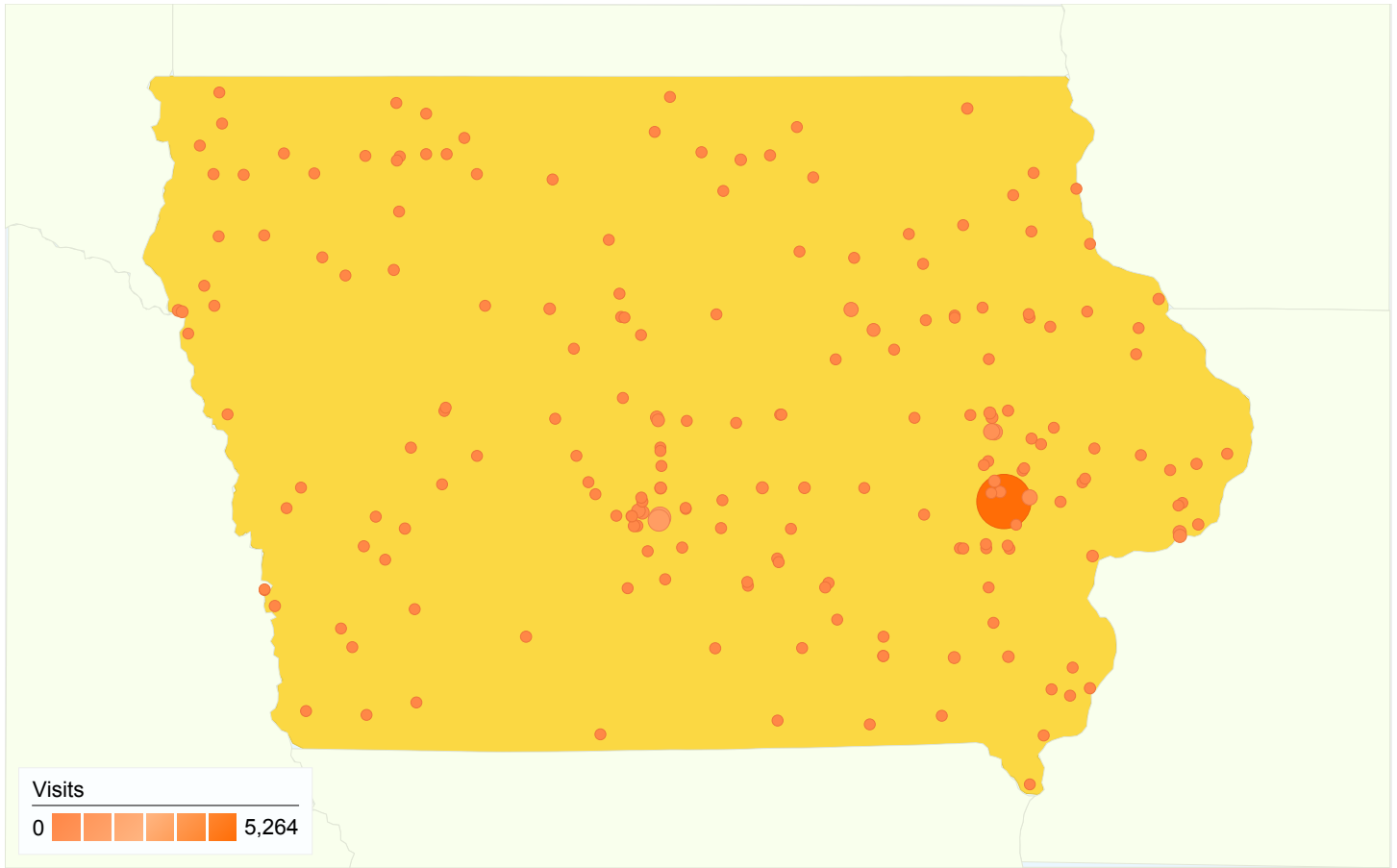
The greatest number of Web site visits from within the state came from these cities:

|                 |       |
|-----------------|-------|
| Oakdale         | 5,264 |
| Hiawatha        | 319   |
| Des Moines      | 3,255 |
| Sioux City      | 242   |
| Cedar Rapids    | 1,556 |
| West Des Moines | 211   |
| Urbandale       | 784   |
| Newton          | 131   |
| Davenport       | 565   |
| Cedar Falls     | 401   |
| Ames            | 539   |
| Iowa City       | 534   |

We would like to acknowledge the great contribution to the Web site of Judy Rowles who passed away in October.

## Register of Accountability

The Register of Accountability lists nonprofits that have adopted and/or have been trained in The Iowa Principles and Practices for Charitable Nonprofit Excellence. There are currently 570 nonprofits included in the Register.



## This state sent 18,461 visits via 526 cities

### Site Usage

| Visits                                     | Pages/Visit                            | Avg. Time on Site                             | % New Visits                               | Bounce Rate                                |               |
|--|--|---|--|--|---------------|
| <b>18,461</b><br>Previous: 14,474 (27.55%) | <b>3.96</b><br>Previous: 4.32 (-8.24%) | <b>00:03:00</b><br>Previous: 00:02:48 (7.14%) | <b>62.06%</b><br>Previous: 64.40% (-3.63%) | <b>50.42%</b><br>Previous: 50.75% (-0.66%) |               |
| City                                       | Visits                                 | Pages/Visit                                   | Avg. Time on Site                          | % New Visits                               | Bounce Rate   |
| <b>Oakdale</b>                             |  |   |  |  |               |
| January 1, 2008 - December 31, 2008        | <b>5,264</b>                           | 3.56  | 00:03:14                                   | 42.14%                                     | 52.11%        |
| January 1, 2007 - December 31, 2007        | <b>1,795</b>                           | 3.61  | 00:02:42                                   | 51.25%                                     | 53.65%        |
| % Change                                   | <b>193.26%</b>                         | <b>-1.37%</b>                                 | <b>19.77%</b>                              | <b>-17.79%</b>                             | <b>-2.87%</b> |
| <b>Des Moines</b>                          |  |   |  |  |               |
| January 1, 2008 - December 31, 2008        | <b>1,959</b>                           | 4.05  | 00:02:39                                   | 68.81%                                     | 48.29%        |
| January 1, 2007 - December 31, 2007        | <b>3,184</b>                           | 4.76  | 00:02:52                                   | 68.28%                                     | 49.97%        |
| % Change                                   | <b>-38.47%</b>                         | <b>-14.91%</b>                                | <b>-7.36%</b>                              | <b>0.78%</b>                               | <b>-3.36%</b> |
| <b>Des Moines</b>                          |  |   |  |  |               |

# INRC Publications 2008

## INRC Quarterly

The Iowa Nonprofit Resource Center produced quarterly newsletters in 2008, each with a particular focus:

- Winter: Risk Management
- Spring: Rural Philanthropy in Iowa
- Summer: Nonprofit News and Events
- Fall: Nonprofit News

Several new series were introduced: book reviews, technical assistance, and a nonprofit highlight piece. We wrote many of the articles ourselves but also had excellent outside contributors such as Susan Voss, Iowa Insurance Commissioner; Mark Reisinger, USDA Rural Development State Director; and Angela Dethlefs-Trettin, Director of the Iowa Council of Foundations. The INRC Quarterly is distributed to 2,401 listserv subscribers representing Iowa nonprofits and other INRC supporters.

In addition to the INRC Quarterly, a monthly *Update* goes to listserv subscribers and highlights legal developments, training sessions and other news in Iowa's nonprofit world.

## Monograph: *Starting an Iowa Charitable Nonprofit Corporation* by Richard Koontz

This year the monograph, *Starting an Iowa Charitable Nonprofit Corporation*, was published by the INRC. The monograph provides a line-by-line walk through the four primary forms necessary to begin a charitable nonprofit corporation in Iowa: the articles of incorporation, the bylaws, the SS-4 and the Form 1023. It is used in conjunction with the INRC's *Starting a Charitable Nonprofit* workshops. The monograph includes appendices concerning charitable purposes for tax exemption and licensing requirements in the state of Iowa.

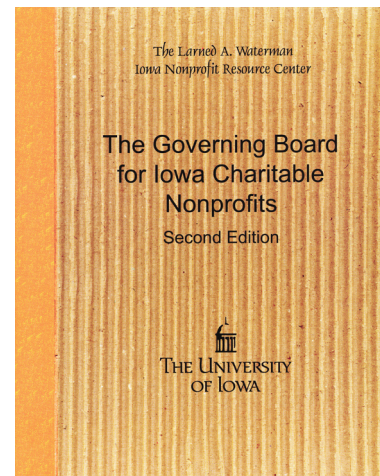




***The Governing Board for Iowa Charitable Nonprofits***, 2nd edition  
by Willard L. Boyd, *et al*

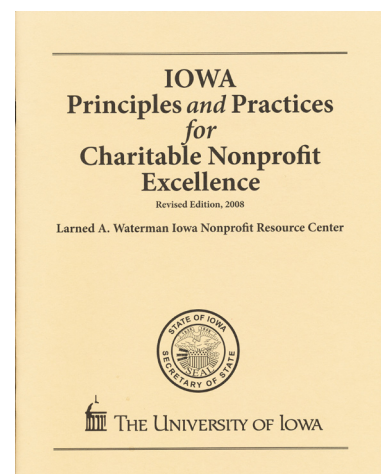
Updated in 2008, this publication examines some of the questions members of a board of governance consistently ask such as: what is the responsibility of a governing board? What does the board do? What is the role of the board chair? What is the role of the executive director and staff with the board? How is the board accountable?

The second edition includes new or expanded material on topics that include: legal compliance and good management practices, board accountability and compliance, adopting a code of ethics and creating an ethical culture of compliance, evaluation of the executive director, legal compliance checklist for Iowa nonprofits. A list of the best Web sites for Iowa nonprofits is also included.



***The Iowa Principles and Practices for Charitable Nonprofit Excellence***, 2nd edition

The second edition of the *Principles and Practices* assists nonprofit organizations in management practices, ethical conduct and public accountability. This edition includes more information specific to Iowa and addresses more directly the concerns of the state's nonprofit groups. The revised *Principles and Practices* are the product of a 2008 effort by the Governor's Nonprofit Task Force which is chaired by Dr. Willard "Sandy" Boyd and includes the Secretary of State's Office and other partners involved in promoting standards for nonprofit organizations in Iowa.



# The INRC Thanks its Wonderful Supporters

Our deep appreciation to Mary Hubbell Waterman and family for the growing endowment fund.

We thank the Qwest Foundation for their continued support of nonprofit training.

Our thanks to Dean Chet Rzonca and the UI Division of Continuing Education for its strong support of and partnership with the INRC.

Many individuals with expertise in various areas lectured for the INRC for no compensation. We extend our sincere thanks to the following:

Floyd Akins, University of Iowa Foundation  
Chris Atchison, Director, University Hygienic Laboratory  
Warren Boe, Professor, Management Sciences,  
Tippie College of Business, University of Iowa  
Kenneth Brown, Management and Organizations,  
Tippie College of Business, University of Iowa  
Lois Buntz, President and CEO, United Way of East Central Iowa  
Mary Ann Burk, President/CEO, Community Foundation  
of Northeast Iowa  
David Collins, Tippie College of Business, University of Iowa  
Marcella David, Associate Provost, University of Iowa  
Jim Ernst, Four Oaks, Cedar Rapids  
Darlene Schmidt, Community Health Free Clinic, Cedar Rapids  
Jack B. Evans, President, The Hall-Perrine Foundation, Cedar Rapids  
Gary Fethke, Management Sciences, Tippie College of Business,  
University of Iowa  
Scott Fisher, Finance, Tippie College of Business, University of Iowa  
Kristie Fortmann-Doser, Executive Director,  
Domestic Violence Intervention Program  
Leslie H. Garner, Jr., President, Cornell College, Mount Vernon  
Kay Hegarty, Director, Tax Services, RSM McGladrey, Inc.,  
Cedar Rapids  
David Hensley, Pappajohn Entrepreneurial Center,  
Tippie College of Business, University of Iowa  
Curt Hunter, Dean, Tippie College of Business, University of Iowa  
Carolyn Jones, Dean, University of Iowa College of Law  
Heather MacDonald, Urban and Regional Planning, University of Iowa  
Casey Mahon, Esq.  
Mark Mathis, ME&V Advertising + Consulting, Cedar Rapids  
Matthew McGarvey, Director, Wellmark Foundation  
Lon Moeller, Associate Dean, Management and Organizations,  
Tippie College of Business, University of Iowa  
Katie Oberbroeckling, Director of Finance, St. Luke's Hospital,  
Cedar Rapids  
Lawrence Prybil, Professor, Department of Health Management  
and Policy, UI College of Public Health  
Paul Retish, Professor, Teaching and Learning, University of Iowa

*list continues next page*

Ann Rhodes, Professor, College of Nursing, University of Iowa  
Troy K. Ross, Executive Administrator, Roy J. Carver Charitable Trust,  
Bettendorf

Jeff Schott, Institute of Public Affairs, University of Iowa College of Law

Andrew Sheehy, University of Iowa Foundation

Mark Sidel, Professor, University of Iowa College of Law

Jill Smith, Larned A. Waterman Iowa Nonprofit Resource Center

John Spitzer, Finance, Tippie College of Business, University of Iowa

Rachel Stewart, Tippie College of Business, University of Iowa

Ethan Stone, University of Iowa College of Law

Dave Triplett, University of Iowa Foundation

Mary Mathew Wilson, University of Iowa Civic Engagement Program

Michael Van Milligen, City Manager, City of Dubuque

Jason Wright, Cedar Rapids Symphony

Staff member efforts were critical to the INRC's success. Thanks to Mary Kay McCune, Judy Rowles, Keary Saul and Brenda Steinmetz. Considerable work is done by UI student workers, and the INRC thanks them for their help: Michelle Booker, Jia Chen, Jerome Coenic-Taylor, Ammon Fillmore, Wei Guo, Matt Hoffman, Yuqin Jin, Elizabeth Kemp, Minji Kim, Thyannya Mack, Jaimie Mancham-Case, Justin Martin, Corwyn Moore, Jennifer Moyer, Shawn Naidu, Jaqeline Orozco, Reuben Ortega, Saurav Pandit, Andrew Potter, Nathan Roberts, Jill Smith, Will Street, Justin Vance, Janee Weaver and Xiaole "Joy" Zhang. Editorial assistance on 2008 Annual Report provided by Diane DeBok.

