



NONPROFIT NEWS

From the Charitable Law Section at the Office of Ohio Attorney General Richard Cordray

CORDRAY CALLS FOR STRONGER PROTECTION OF OHIO'S SENIORS

Attorney General Richard Cordray has issued a call to action for local agencies across the state to partner with senior citizens in developing Triad groups, collaborative programs aimed at reducing the risk of threats to the senior citizen community.

Triad groups generally feature law enforcement, seniors and senior organizations working together jointly on

crime prevention initiatives and efforts to educate the community about scams and resources available in the community that address senior issues.

In Ohio last year, there were increases in the cases of exploitation affecting seniors through scams and abuse. There were 16,370 incidents of abuse, neglect or exploitation reported in 2009, compared to

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CHALLENGES FOR CHARITIES CONTINUE

During 2010, there may be little rest for the weary. Charity leaders throughout the country are planning for 2010 to be as difficult as last year, according to a national survey released by the Nonprofit Finance Fund. More than 1,300 charities were surveyed and 73 percent reported an increase in demand for service in 2008, 71 percent had a similar increase in 2009 and 80 percent are projecting an increase in need during 2010. Yet only 49 percent of the groups expect to be able to fully meet the growth in need.

The majority of groups, 61 percent, have less than three months of cash available and 12 percent have none. Only 18 percent expect to end 2010 above the break-even point. For organizations providing critical

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VOLUNTEERS WARRANT CONGRATULATIONS AND APPRECIATION

Ohio ranks 21st in the nation for its volunteer rate of 29.9 percent. In 2008, Ohioans contributed 271.2 million hours of service. According to the Corporation for National and Community Service, the top efforts receiving volunteer support were fundraising, collecting or distributing food, providing general labor and mentoring youth. In Ohio, those services

were primarily provided through religious, educational and social service agencies.

More than 2.7 million Ohioans provided services last year worth \$6.3 billion, according to the report from the Corporation for National and Community Service. The data also indicate that

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AVOID NONPROFIT THEFT IN SUMMER SPORTS AND YOUTH ACTIVITIES

As summer approaches, so do the busy activities of summer sports and youth activities. It is an unfortunate reality that some nonprofit groups in Ohio will be victimized by theft, often damaging the ongoing viability of these youth services. Summer baseball, softball, camping and other activities can be jeopardized by the greed of thieves if board members are asleep at the wheel.

While it is impossible to guarantee against losses through theft, volunteer board members need to make certain that they

have closely examined policies and procedures to make theft more difficult and more likely to be discovered as early as possible. Cash handling procedures and the policies used in collecting revenue and paying bills need to have adequate checks and balances so that no one single person has undue opportunity with the organizational finances.

Boards can find suggestions for strategies and procedures that may reduce the risk of theft at: www.OhioAttorneyGeneral.gov/AvoidNonprofitTheft

Many volunteers are comforted by having clear policies and procedures in place because they feel overly responsible for the well-being of the group and wouldn't want anything they do to impact the group negatively. Boards should examine procedures to provide volunteers with assurances about the proper way to provide service to the group. Boards have legal responsibilities to provide oversight and should not fear offending volunteers by developing sound policies to protect the group.

BOARDS PAYING ATTENTION TO NEW 990 IRS FORM

This year more than twice as many charity boards paid more attention to the IRS 990 form – which details certain federally tax-exempt organizations must file with the IRS with information about mission, programs, and finances, -- than did last year, according to Grant Thornton's 2009 National Board Governance Survey for Not-for-Profit Organizations. In 2008, only 22 percent of boards reviewed the form and in 2009, that number leaped to 55 percent. Last year was the first year of a new 990 reporting format from the IRS which asks for additional governance information from charities.

In an effort to enhance accountability and to adopt sound procedures for some of the areas now included on the 990, 78 percent of the groups in the survey reported that their boards invested significantly more time preparing, reviewing and filing the IRS form. This increased attention resulted in a number of policy changes for the charities: 39 percent changed their investment policies, 26 percent updated whistleblower policies and 22 percent made changes to their conflict of interest policies. The IRS has also cast a spotlight on executive compensation, and 73 percent of those surveyed said there are formal policies in place to review executive compensation.

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15,050 incidents in 2008. Additionally, crimes against seniors often go unreported, indicating that the problem is even more prevalent than the figures indicate.

With fiscal limitations on law enforcement agencies, it is imperative that senior organizations and law enforcement work together on efforts that strengthen prevention and responses to these matters.

Representatives from the Buckeye State Sheriffs' Association, the Ohio Association of Chiefs of Police, the Ohio Crime Prevention Association and the Ohio Department of Aging have adopted a cooperative agreement to mobilize resources to recognize the needs of older citizens and to share information.

Those interested in more information about developing local Triad programs should call the Attorney General's office at (800) 582-2877 or e-mail Triad@OhioAttorneyGeneral.gov.

VOLUNTEERS WARRANT CONGRATULATIONS AND APPRECIATION, CONTINUED

Columbus is the sixth highest of the 51 largest cities studied in terms of volunteers with 426,000. Columbus volunteers averaged 47 hours of service, which gained a national ranking of fifth in the country. Toledo was the highest ranked mid-sized city with a volunteer rate of 34.8 percent, garnering 20th on the list of 75 cities in the mid-city listing. Additional details on volunteer data can be found at www.volunteeringinamerica.gov.

With growth in need and challenges in raising funds, charities are reporting plans to increase their reliance on volunteers. Charities that rely on significant numbers of volunteers should review their volunteer management programs to ensure that there are clear expectations for the volunteers as well as for the organization. Volunteer training and scheduling can be important programs for many charities. Satisfied volunteers are often strong contributors to charities and can also be developed into good fundraisers to support programs.

Charities also need to do a good job of thanking volunteers and letting them know what a difference their efforts make. Ohio's volunteers deserve the appreciation of all of us for making our communities stronger.

CHALLENGES FOR CHARITIES CONTINUE, CONTINUED

services for those in need, the survey paints a starker picture: 64 percent don't expect to be able to keep up with the need for lifeline services and 26 percent anticipate reducing programs.

But the charities surveyed have been exploring new strategies. More than half have collaborated with other organizations in providing services and 60 percent are engaging more closely with their board. Volunteers have taken on an increased role for 39 percent of the respondents, 43 percent have added or expanded programs and 18 percent have expanded the geographic area served.

QUESTIONS AND COMMENTS

- Thank you to all of you who have shared your thoughts about the Nonprofit News! Please consider submitting a question that might be of interest to others, and it may be featured in an upcoming edition. Send comments or questions to CharitableLaw@OhioAttorneyGeneral.gov.

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