

NONPROFIT NEWS

Information and connections for Minnesota's nonprofit sector

MINNESOTA
COUNCIL OF
NONPROFITS

Spring 2019

Increased Charitable Giving, But From Fewer People: Changing Landscape Poses Concern

MCN members are very interested in funding trends for the nonprofit sector, and a keen interest lately has been the impact of the 2017 federal tax changes on charitable giving. Leading research groups such as GivingUSA and The Lilly Family School of Philanthropy at Indiana University are analyzing data from 2018, and a more comprehensive picture will emerge in the coming months.

Early reports such as the Fundraising Effectiveness Project (FEP) are showing overall giving increased in 2018, counter to predictions of reduction. This is good news at first pass, but deserves a closer look.

Of the three categories of donors in FEP's report, major donors were the only cat-

egory to see growth (2.6%). Both general donors and mid-level saw declines of charitable giving from 2017 to 2018 (-4.4% and -4% respectively). In other words, overall charitable giving increased in 2018 because the wealthiest gave more. These findings echo trends that have grown over the past decade: each year fewer people are making contributions overall, and the wealthiest are accounting for an increasing percentage of charitable giving. For example, in 2017 households earning \$200,000 or more accounted for 52 percent of all charitable giving, up from only 30 percent in the early 2000s (Gilded Giving 2018).

So while the impact of the 2017 federal tax bill has gotten a lot of attention, a more important simultaneous shift is

continued on page 3...

Pulse: Rural Minnesotans Engaged, Optimistic

Contrary to the narrative sweeping across our country, people are truly dedicated to bettering their communities. In fact, a new dataset recently released through the Blandin Foundation shows that 84 percent of rural Minnesotans feel confident about their ability to personally make an impact in their community.

That's exciting news! Minnesotans continue to feel our call to bettering the lives of their neighbors and communities which, is right in the wheelhouse of our state's incredible nonprofit sector. In every community throughout the state, nonprofits are working to support and energize people to address everyday issues facing their neighbors.

Paired with this optimism, confidence in community capabilities to address local issues has improved across the rural landscape. In fact, it has reached an all-time high since 2010. Eighty-two percent of residents agree that those in their community work together effectively to face local challenges, up nine percent from 2016 findings. Younger residents (ages 18 to 24) demonstrated the most optimism with 93 percent agreeing.

This is an area where our sector can reach out to these community members and get them engaged right from a young age. Find ways for volunteerism through boards, committees, or weekly opportunities.

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The mission of the **Minnesota Council of Nonprofits** is to inform, promote, connect, and strengthen individual nonprofits and the nonprofit sector.

NONPROFIT BITS

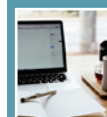
We are aiming to launch BenefitsMN medical plans January 1st, 2020.

We encourage organizations to proceed with currently available health insurance options as we continue to pursue our goal to offer our members plans that are inclusive, accessible, and sustainable.

For more information please visit minnesotanonprofits.org/ahp.



IN THIS ISSUE...



Where We Stand ... page 2



GrantAdvisor Launches Blog..... page 4



MCN's New Website page 5



Less Than a Year Until Census 2020 page 8

Where We Stand

DAFs on the March, Attorney General Oversight and MCN's new Public Policy Director

DAFs Continue to Grow

Donor Advised Funds (DAFs) continue to grow, passing \$110 billion in U.S. charitable assets by the start of 2019 at local community foundations and at national funds (Fidelity, Vanguard, Schwab, etc.). \$1.2 billion in DAF assets are now hosted in Minnesota available for contributions to working charities. Minnesota's fundraisers have a keen interest in getting in front of these funds on behalf of their communities.

In the fall of 2018, MCN convened a Donor Advised Fund Working Group comprised of nonprofit fundraisers, community foundations, national sponsors of DAFs, and wealth advisors. The group held three meetings to discuss ways to promote better public understanding of DAFs, address questions confronting fundraisers and sponsors, and explore options for best practices and regulatory reform for transparency and spending regulation.

MCN's California counterpart, CalNonprofits, helped introduce Assembly Bill 1712 to supplement the DAF disclosure requirements of Schedule D of IRS Form 990. Congress and the Treasury Department are considering additional changes – more to come . . .



Minnesota Attorney General's Oversight of Charities and Foundations

Alongside the Internal Revenue Service, the Minnesota Attorney General's office has jurisdiction to protect charitable assets and require annual reporting by charitable organizations and trusts. Minnesota has 12,500 registered charities (including many from outside the state that solicit contributions here), 2600 charitable trusts, 400 professional fundraisers, and 175 charitable bequest and trust filings each year. These filings generate over \$600,000 in fees, which are used to support the attorneys and data analysts that provide charitable oversight.

The laws governing charitable organizations need to be adjusted from time to time, and that is now an active discussion between nonprofits, foundations and the AGs office, such as a potential increase to the audit threshold (now applied to charities larger than \$750,000). MCN will sponsor briefings on nonprofit regulatory issues over the next few years, and will be inviting the new Attorney General Keith Ellison and Charities Division attorneys as speakers.

Marie Ellis is MCN's new Public Policy Director

Marie Ellis will start as MCN's Public Policy Director on June 3, replacing Rebecca Lucero, who was appointed Minnesota Commissioner of Human Rights by Governor Tim Walz.

"I quite literally grew up around nonprofits, often spending time at my father's office, where he ran a central Minnesota helpline that assisted callers in finding the right nonprofits to attend to their needs," Marie said. "Minnesota nonprofits really showcase the best of our great state, and I am so excited to step into this role to support and advance the work of the sector."

Marie comes to MCN most recently from the St. Paul Chamber of Commerce where she was Director of Public Affairs and General Counsel, and before that served as Public Policy Manager for Catholic Charities of St. Paul and Minneapolis. Marie also brings experience with Immigrant Law Center of Minnesota, staff work at the Minnesota State Senate, and legislative advocacy in DC with the Lutheran Immigration and Refugee Service. Marie is a St. Cloud native with a law degree from University of St. Thomas and a B.A. from Concordia College Moorhead.

When There's More Giving from Fewer People: Problems

continued from page 1...

occurring in the changes in income and wealth distribution in the United States and its impact on charitable giving and nonprofit fundraising.

With a shrinking pool of donors accounting for an increasing share of charitable giving, reports including Gilded Giving 2018 warn nonprofits to watch out for three potential problems:

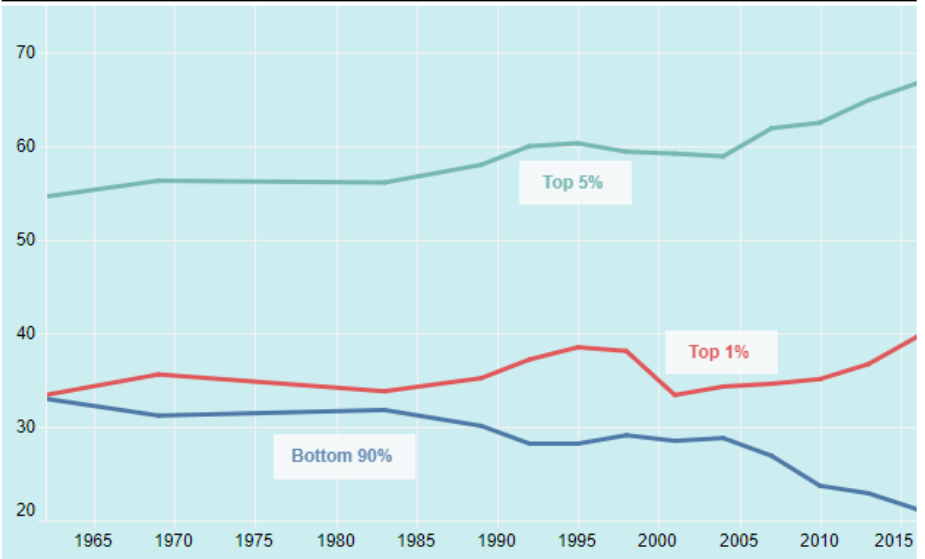
- Pressure to develop or expand a major gifts fundraising program even if it may exceed organizational capacity;
- Vulnerability in relying on a small group of major donors and general unpredictability in funding from individuals, making forecasting and budgeting more difficult;
- Increasing influence of a small pool of major donors, with a potential to distort a nonprofit's mission or over-fund special projects and under-support general operating.

In response, nonprofit boards and managers will need to consider:

- Focusing efforts to engage and retain donors of all giving levels;

The Richest 5% of Americans Own Two-Thirds of the Wealth

Wealth shares, United States, 1962-2016



Source: National Bureau of Economic Research

- Expanding thinking about the community's role in and opportunities to support the nonprofit's work through frameworks such as community wealth building and grassroots fundraising, a space where Minnesota organizations such as Nexus Community Partners and Headwaters Foundation for Justice are leading;
- Engaging in advocacy work to support policies that encourage giving by individuals of all income levels, such as universal charitable deductions, at the state and federal levels; and
- Giving development staff grace and understanding.

Blandin Supported Research Demonstrates Rural Vitality

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Information like this doesn't just show up everyday in rural communities - the Blandin Foundation has been tracking it since 1998. They want to provide this data to current and future community leaders who want to move rural Minnesota forward.

Their survey and the data that comes from it includes input from local leaders and residents of rural communities and truly outlines the emerging trends that will shape Minnesota for years to come.

This data is a gold mine of great opportunities for nonprofits to engage with their communities and showcase the work that is already being done all throughout the state.

Nonprofits in the northeast region have utilized this data to tell their story in grant reports, to local funders, and to bring communities together around common issues and concerns.

As these readings prove, each organization can find unique ways to engage

community members of all ages in order to achieve success.

Be sure to check out all of the data and see how your organization can engage further. The survey can be found online at blandinfoundation.org/learn/research-rural/rural-pulse-2019.



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10/24 - MCN Annual Conference

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GrantAdvisor Shares Insights from Reviews

In late 2018, grantadvisor.org launched a blog to track trends in reviews, grant-seeking, and philanthropy. Highlighting everything from inequity in online grantmaking systems, to using MOVES Management in grantseeking, the GrantAdvisor blog furthers the conversation inspired by grantseeker reviews and foundation responses at GrantAdvisor.org.

Over 1800 reviews and ratings of 600 foundations are now available on the GrantAdvisor site. A clickable map can generate a list of funders by state as well.

Read the latest article: *Why Donor Advised Funds Aren't Really for Grantwriters (But Can Be...)*.

“We’ve all heard about the fastest growing form of charitable giving: Donor Advised Funds (DAFs). If you are a fundraising professional chances are you can’t open your inbox or the latest philanthropy magazine without reading about how DAFs have surpassed \$110 billion in assets in 2017, or how six of the top ten largest charities in the



GrantAdvisor

United States are actually sponsors of DAFs, or tips and tricks for accessing “grants” from the elusive DAF accounts.

If you’re a grantwriter, you probably got really excited to learn that \$19 billion were paid out of DAFs in 2017. You maybe even opened a Dove dark chocolate hoping for an inspirational message promising “a DAF grant is coming your way” in the next year. I have bad (and maybe good) news for you: DAFs aren’t really for grantwriters...but could be.” Read more at blog.grantadvisor.org/dafs-for-grantwriters/.

Heads up Social Entrepreneurs: Wayfair Decision Taxes Interstate Nonprofit Sales

State governments no longer have to limit sales tax collections to sellers physically located in their state – ruled the U.S. Supreme Court in its South Dakota v. Wayfair decision (2018). Many charitable organizations are exempt from paying sales tax when they make purchases in Minnesota (which will continue). Nonprofits selling things to people in other states (books, DVDs, art objects, food, etc.), may now be obligated to collect and forward taxes – it’s complicated – amount depends on the state, the item, and the total amount sold.

Developing News from MCN

New Website and Job Board

The Minnesota Council of Nonprofits (MCN) launched a newly redesigned website and Nonprofit Job Board on May 7, the organization's first significant update of its online home since 2011.



The redesign project—part of a larger capital campaign to expand its St. Paul office space and create an e-Learning initiative—was based on extensive research and feedback from MCN members and key stakeholders. Through the support of over a dozen funders, including project-dedicated funds from Fidelity Charitable and Wells Fargo Foundation Minnesota, the discovery work for the project kicked off in 2017.

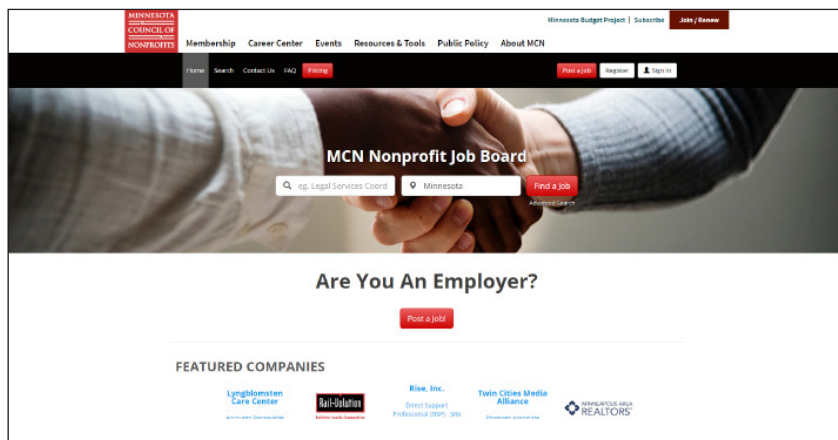
The new website features more efficient navigation and a refreshed look and feel, while providing users access to more than 200 MCN events and trainings hosted, topic-specific resources, research reports and publications, and the latest public policy and general sector

news. Responsive to smartphone, tablet, and other devices for the first time, the website also features an updated online business directory designed to help organizations gain access to products, services, and expertise from businesses focused on the unique needs of nonprofits.

One of the largest nonprofit-specific job boards in the nation, the MCN Nonprofit Job Board will now feature expanded functionality and a responsive interface for both nonprofit employers and jobseekers. New features for employers include expanded access to current and past listings, the ability to easily edit or remove postings, and new options for boosting listings. Meanwhile, jobseekers will now have the ability to monitor job openings of interest, sign up for email job alerts, upload resumes, and more.

As always MCN nonprofit members will have the ability to post jobs, board positions, internships, and volunteer opportunities on the board at no charge, while nonmembers will be able to post for a \$179 fee.

The Minnesota Budget Project (www.mnbudgetproject.org), an initiative of MCN, will be launching its redesigned website in the summer of 2019, as well. The new site will feature research and updates related to project's work to promote opportunity and economic well-being to all Minnesotans, including its popular Minnesota Budget Bites blog.



MCN's new digital headquarters represents one of many ways the organization is working to provide Minnesota's nonprofit professionals with better access to the resources, events, news, and cost-savings they need to effectively manage their organizations.

To tour the new MCN website and job board, visit www.minnesotanonprofits.org and jobs.minnesotanonprofits.org, respectively.

Nonprofit News and Advancements



Bob Ballard, president and CEO of Scholarship America, was appointed to the board of directors for the National Scholarship Providers Association.



Sara Dzuik is transitioning to the role of chief advancement officer at College Possible National after nine years as executive director of College Possible Minnesota.



Geoff Wilson was named executive director of College Possible Minnesota.

Joe McDonald joined VEAP as chief executive officer.

Kari Thompson joined VEAP as advancement director.

The Saint Paul and Minnesota Foundations has announced that Shannon O'Leary has been hired as chief investment officer.



Vicki Gerrits named vice president of programs at Community Involvement Programs.



Aeon named Virginia Brown vice president of advancement.



Aeon named Jeffrey Westbrook vice president of resident connections and supportive services.



Workforce Development, Inc. named Jinny Rietmann executive director.



Susie Brown joined Minnesota Council on Foundations as president. Brown served as MCN's public policy director from 2010 - 2016.

Kit Fordham joined Bii Gii Wiin Community Development Loan Fund as executive director.

Animal Humane Society hired Tyneshia Weeks as veterinary clinic manager.

John Linc Stine hired as executive director at Freshwater Society.



Melanie Sullivan joined Ecumen as chief people officer.

American Refugee Committee changed its name to ALIGHT.

Minnesota Council of Nonprofits Announcement

Marie Ellis joined Minnesota Council of Nonprofits as public policy director.

Submit Your Announcements

Visit MCN's Sector News at www.minnesotanonprofits.org/sector-news. MCN member organizations are invited to submit your organization's awards, staffing announcements and other news to scrumrine@minnesotanonprofits.org.

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2018 Nonprofit Mission Award Recipient for Advocacy: Hiawatha Homes

Hiawatha Homes supports approximately 120 children and adults in Olmsted County with developmental disabilities, physical health needs, brain injury, specialized medical needs, Autism Spectrum Disorder, and emotional and behavioral health needs. Since opening in 1976, Hiawatha Homes has expanded to respond to the needs of the community with services including supporting individuals in twenty-one residential-based homes, respite care, family support services, and in-home support.

Hiawatha Homes opened its doors because a group of concerned parents and community members had a vision for a place where individuals with disabilities would be treated as a person first. They dreamed of quality, loving, comprehensive and individualized care for each person. Over forty years later, the number one goal is still the same: provide quality care for individuals.

Advocacy to Hiawatha Homes means more than promoting its mission. Advocacy is weaved into every moment, every day, and in every way they support individuals. They advocate for inclusion of individuals with all abilities to be active and contributing members of the community.

Hiawatha Homes advocacy efforts are wide-ranging. They maintain a steady presence educating legislators and stakeholders about matters that are important to individuals with disabilities and their staff. In addition, they maintain an active role with their community with the Rochester Area Chamber of Commerce, offer education about all abilities and the importance of services provided, and ensure integration into the community

for those they support.

The results of Hiawatha Homes advocacy work has been impressive. The nonprofit's internal legislative committee coordinates visits to the capital annually, including the attendance of 26 individuals and staff for the 2018 ARRM/MOHR Day at the Capitol. Their DiverseAbility Day at the Festival of Trees has drawn approximately 2500 attendees since inception in 2016. Additionally, their Friday Night Dance Party at the Festival of Trees brings smiles to approximately 400 individuals with disabilities and their family members each year in Rochester and surrounding areas.

It is passion and purpose that keeps pushing Hiawatha Homes to advocate for individuals with disabilities. As a result of this tireless focus on advocating for and with the incredible individuals they serve, the Minnesota Council of Nonprofits was pleased to present the nonprofit with the 2018 Mission Award for Advocacy.

Learn more about Hiawatha Homes at www.hiawathahomes.org.



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Less Than One Year Until Census 2020

April 1, 2019, marked 366 days until Census Day 2020. To celebrate and kick off the statewide “We Count” census campaign the State Demographer’s office, in partnership with Minnesota Census Mobilization Partnership and other 2020 Census organizers, organized a rally at the MN State Capitol. Governor Walz and Lt. Governor Flanagan were in attendance along with community members, Xiongpaoo Lee and Sharon Belton. Representative Jamie Long and Rep. Fue Lee, authors of the state funding bill for the census, were also there.

The speakers emphasized the importance of the census to our state and our democracy. During her speech, Lt. Governor Flanagan underscored how critical it is for nonprofits to mobilize

and ensure a complete count in Minnesota, “Every community deserves to feel seen, heard, and valued – and that starts with being counted.”.

What did your nonprofit do to kick off one year until the census or launch your census work? Send us your photos from the event to be featured on MCN’s social media.

Looking for ways to stay connected and learn what you can do for the 2020 census? Take our Census pledge (<http://bit.ly/MCNCensusPledge>). The census helps us plan, ensures fair political representation, and sets the amount of federal funding that MN receives in programs that matter to the people we serve. An accurate census serves as the foundation for an equitable and

inclusive democracy.

Nonprofits can and are critical agents to ensuring everyone’s voices is heard in our democracy, because our community has the agency to make a change for a more equitable and inclusive society.

