

MINNESOTA
COUNCIL OF
NONPROFITS

Nonprofit News

Information and connections for Minnesota's nonprofit sector

Winter 2017

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



Economic and Political
Uncertainty Calls for Caution
in State Budget 4



Aeon - 2016 Mission Award
Winner 7



Endowment Pros and Cons
..... 8

Nonprofit Bits

Help MCN, Help You! Take the 2017 MCN Member Survey!

For 30 years, the Minnesota Council of Nonprofits (MCN) has strived to provide nonprofits across the state with the resources, services and support needed to move their missions forward. In an effort to remain responsive to our members' needs, MCN has launched the 2017 Member Survey. The survey takes less than five minutes to complete and participants can enter to win a free FitBit Surge or a free registration to the MCN Annual Conference on October 12-13.

Take the survey at: <http://svy.mk/2kTwa25>

Nonprofit Speech Rights Have Not Changed! 501(c)3s Should Continue to Strategically Advocate

With the start of new administrations both here in Minnesota and at the federal level, many of us 501(c)(3)s across the state are wondering how we can best engage with elected officials to advance our values and missions. This question has received extra attention and urgency with news that President Trump filed paperwork with the Federal Elections Commission on January 20th as well as discussions regarding changes to the Johnson Amendment.

Nothing has changed! We as 501(c)3s can and must thoughtfully, strategically and effectively advocate around our values and mission, including with President Trump, as it best makes sense for each of our organizations. While there are hints of some proposals being discussed, MCN is monitoring and will report back if there is any urgent change. Until then, MCN's website has more comprehensive resources. We also have some best practices for you.

Continued on page 3

Promoting Equity in Internship Opportunities

For many in the sector, an unpaid internship is part of their career process. According to a 2010 study by Intern Bridge, Inc., 57 percent of internships at nonprofits are unpaid. This number is compared to 48 percent in government and 34 percent in for-profit businesses. Clearly, unpaid internships are a facet of the nonprofit sector — but should they be?

least, begin rethinking their internship structure. On Pollen Midwest, Springboard for the Arts, and MCN's job boards, paid internships are now listed separately from unpaid internships. Although this change may seem small, it will allow internship seekers to focus on paid internships only, and promote to nonprofit organizations that paid internships will attract more competitive, qualified candidates.

The Minnesota Council of Nonprofits is partnering with other Twin Cities organizations to showcase the positive impact paid internships have on our sector and those working in it. MCN, along with Pollen Midwest, Springboard for the Arts and the Young Nonprofit Professionals Network of the Twin Cities, are taking the steps forward to encourage organizations to, at the very

In a perfect world, all organizations would be able to pay their interns well. Of course, that is not the reality — MCN recognizes that making internships paid poses challenges to smaller nonprofits. In the interest of equity, however, a move towards paid internships is a positive one for the sector.

Continued on page 3

Trump Administration, Charitable Giving Incentives, and GrantAdvisor.org

By Jon Pratt, MCN executive director

The quickly-moving Trump administration has dramatically increased the importance of tracking what changes are taking place at the federal level. As a candidate, Donald Trump committed an unusually small number of his plans to writing, leaving the details of this new US government to a week by week discovery and rollout. Every nonprofit organization is affected in some way by federal policies and spending, from the Affordable Care Act to SNAP grants to AmeriCorps and VISTA, and MCN as well as congressional offices have been fielding many questions from nonprofits.

To help connect MCN members to breaking information about federal developments affecting their organizations, MCN is creating a Nonprofit Federal Roundtable to provide an opportunity for nonprofits involved in federal issues and funding to meet with representatives of Minnesota's congressional offices several times each year. MCN public policy director Rebecca Lucero and MCN's public policy team are working with district directors from Minnesota's congressional delegation to support nonprofits following the budget process, administrative rulemaking, administration appointments and federal grant opportunities.



Charitable Giving Incentives: Treating 501(c)3 Organizations Equally

People making charitable contributions don't decide to contribute just to get a tax deduction, but it is true that the amount of the contribution is affected by tax policy. The new Congress will be looking at a variety of tax restructuring proposals which could affect charitable giving, including a proposal to extend the charitable deduction to people who don't itemize deductions on their income tax forms.

Minnesota has provided a positive example since 1999, when MCN was the driving force behind the adoption of a Minnesota non-itemizer charitable tax deduction, working with chief house author Tim Pawlenty. 204,000 Minnesotans used this provision in 2016, making \$350 million in contributions at a cost to the state of \$8.8 million. (62 percent of Minnesotans are non-itemizers, the vast majority being families with incomes less than \$75,000.)

MCN's 2017 public policy agenda continues this spirit to advance the role of the nonprofit sector, including "state tax policies that support a positive charitable giving climate and enhance the nonprofit sector's ability to maximize service to the community, including tax exemptions for nonprofit organizations and tax incentives for charitable contributions that treat donors and contributions equally." While it is tempting to carve out special tax preferences for particular kinds of organizations, like what is done for some businesses in the tax code, treating all 501(c)(3) organizations equally has broad support.

GrantAdvisor.org Coming in May - New Info Service for Minnesota and California

Popular blogger Vu Le received a standing ovation as the keynote speaker at the Minnesota Council on Foundations Annual Conference on January 20. Among Vu's many pointed suggestions and critiques of nonprofits and philanthropy was his second to last recommendation, urging participation in the new website, GrantAdvisor.org, for which he is an advisor.

Like the popular travel site TripAdvisor, GrantAdvisor will feature candid reviews, listings and advice from peers, along with responses from grantmakers about their work. GrantAdvisor is being launched as a joint project of the California Association of Nonprofits, MCN and GreatNonprofits.org, with full functionality and recruitment of reviews beginning May 2017. More soon

501(c)3s Can and Must Continue to Strategically Advocate For Their Issues and Communities

Continued from page 1

Nonprofit Do's!

1) Focus all comments or feedback to an elected official on their official duties.

What would we like them to support or oppose in their official capacity? Express enthusiasm, disappointment, frustration and joy, but best practice is to focus on official duties.

- a. Focus on policy issues.
- b. Comment on adoption or repeal of executive orders.
- c. If supporting or opposing a cabinet nominee, focus on the policies that the cabinet nominee holds, not their character.

2) Nonprofits can and should invite elected officials at every level to learn more about our programs, missions and values. Invite legislators and their staff, commissioners, city council members, etc., to events or to meet with various stakeholders. They won't know how important this partnership is unless they hear from you.

3) Nonprofits can lobby! It is important to note lobbying must be properly tracked and reported. You can learn more about what constitutes lobbying,

the rules that govern nonprofit lobbying and how to properly report it on MCN's website.

4) Nonprofits can attend rallies! But, avoid rallies or protests that are specifically about or have the appearance of being for or against any specific person. Keep it focused on issues, topics or policies.

5) Nonprofits can and should register and encourage a healthy and vibrant democracy. This includes registering and encouraging people to vote as well as participating in the Census.

(Of course, staff on their own personal time can attend rallies, engage in political work or make broader statements about an elected official.)

Nonprofit Don'ts!

1) As a nonprofit organization, do not discuss the character of a public official. We can comment on the position of a decision-maker, but we should not discuss the character or fitness of an elected official.

2) Do not suggest that the organization or voters will reward or hold the elected official accountable in the next election. As a nonprofit organization, we cannot engage in any partisan electoral activity or at any time promise to reward or provide retribution at the ballot box.

3) Do not mention an elected official's re-election.

4) Do not discuss voters. Feel free to discuss people as constituents, communities, stakeholders, partnerships, etc.

MCN knows it feels like it is a time of great uncertainty and change, but it is also an opportunity to make sure that we lead with our values and with a clear vision of what we want for our future. We must be at the table to ensure those values are prioritized and that all oppressions are broken down and not further codified. It is a great time for nonprofits alongside government officials, foundations, corporations, religions organizations and private citizens to continue our work together to create and maintain strong, thriving communities.

Promoting Equity in Internship Postings

Continued from page 1

Since making the change to the MCN job board, there have been 20 paid postings and 70 unpaid—a small change, but one in the right direction.

The discussion around paid versus unpaid internships and their promotion on job boards brings up another topic: the importance of posting salary ranges along with job descriptions. At MCN, we strongly advocate for organizations to include salary ranges with every job they post.

Including salary ranges is beneficial for

both the organization and the job-seeker. Salary is a definite factor for many when applying for a job – posting the salary range ensures that neither the organization nor the job-seeker is wasting their time by applying for a job they cannot feasibly take. According to research, many job-seekers are moving away from applying for jobs without salary ranges in the first place – as an organization, you may be missing out on potentially great candidates because of this. It is important to be transparent with the person you may hire. Your organization will certainly benefit — all of these steps

will ensure your organization is moving towards equity in a number of ways.

Internships and salary ranges can pose unique challenges for the sector, but it is a challenge we should take on to bring our sector forward. We encourage you to reach out to us, Pollen Midwest, Springboard for the Arts or the Young Nonprofit Professionals Network of the Twin Cities to learn more, and stay posted for more on the topic of financial equity in the nonprofit sector, coming soon.

Economic Recovery Continues, but Uncertainty Calls for Caution

The 2017 Legislative Session is underway. One of the key tasks for policymakers is to pass the state's budget for the next two years.

Those decisions are informed by the state's economic forecasts, which are the official measure of the state's fiscal health under our existing spending and tax laws. The November forecast projects the state having a \$678 million positive balance for the rest of FY 2016-17, the current budget cycle. A \$1.4 billion surplus is projected for FY 2018-19; this figure includes the \$678 million balance from FY 2016-17. However, it doesn't take into account the cost for existing funding levels to keep up with inflation. In other words, to the extent that policymakers use the surplus for new spending or tax cuts, that will require other parts of the budget to be eroded by inflation.

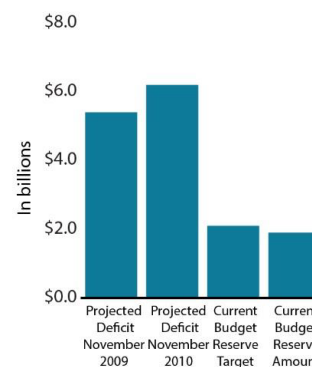
However, this is a time of great uncertainty. Large-scale federal changes could have a major impact. From the repeal of the Affordable Care Act without a good replacement to drastic changes to safety

net programs to tax changes that could erode state revenues, federal policymakers are considering changes that would take a big bite out of the resources used to provide health care and other essential services — and at the same time increase Minnesotans' needs for those services.

In addition, the forecast assumes the economic recovery will continue through 2021 — that would be extremely long by historical standards. All of these unknowns add up to a need for caution. Here in Minnesota, we've learned that making large tax cuts in the good times leads to larger deficits when the economy turns. The state's budget reserve is also critical. Just as a family might save to make it through a job loss or severe illness, the state can avoid drastic cuts to essential services by maintaining a healthy budget reserve.

Nonprofits have an essential role to play. Nonprofits should make the case for the investments they want to see in their communities, and demonstrate the effectiveness of the services they currently

Past Deficits Have Dwarfed Size of Current Reserve



provide in partnership with government. As we heard at MCN's Session Line Up, data on the impact of your services and stories about the people's lives you touch are a powerful combination to inform policymaking. Your voices are key to enacting policy solutions so that all Minnesotans, regardless of who they are or where they live, can share in a broad, more durable prosperity.

Stay up to date on these issues this session with the Minnesota Budget Project's blog, Minnesota Budget Bites, and by following us on Facebook or Twitter.

MAP for Nonprofits and Nonprofits Assistance Fund Combine Forces

On January, MAP for Nonprofits officially merged with the Nonprofit Assistance Fund (NAF) creating an exciting buzz in the nonprofit sector. The retirement of longtime MAP executive director Judith Alnes sparked the conversation between the two organizations to explore the opportunity to merge. The organizations share complimentary missions and have been supporting nonprofits for decades. NAF executive director Kate Barr will lead the new entity with a combined annual budget of \$4.5 million and 28 employees.

"We're all excited by the opportunity to offer a more holistic approach to services that meets a larger set of nonprofits' needs, including the ability to more closely link strategy, governance and finance," said Barr.

NAF provides loans, technical assistance and financial training to nonprofits, and MAP provides accounting and finance services, strategic services, and fiscal sponsorship, to name just a few of the programs offered by the two organizations. The merged organizations will continue to offer all existing programs.

Together the organizations will be able to:

- Pursue new market opportunities with current and new programs;

- Elevate the role of nonprofit capacity-building and effective nonprofit management in the sector, in part through an increased leadership position that yields greater influence;
- Assist nonprofits in new geographic and community impact areas in the future;
- Operate at a scale that will allow for organizational sustainability, opportunities for staff development and advancement and increases capacity for effectiveness and impact.

According to Barr, the organization plans to adopt a new name, identity and brand later in 2017.



Hello, Minnesota Nonprofits

By Rebecca Lucero, MCN public policy director

Hello Minnesota Nonprofits,

My name is Rebecca Lucero, the new policy director here at Minnesota Council of Nonprofits. It's great to meet you! I'm writing this in my first quarter or so here at MCN and I'm enjoying the journey. A little bit about myself: I was born and raised in Albuquerque, New Mexico. I fell in love with the Midwest while attending Grinnell College in the hills of Iowa and subsequently moved to Minnesota after some time in Cuenca, Ecuador, to attend the University of Minnesota Law School. I spent several years practicing law before I decided I really wanted to work more upstream in policy, which is where I've been these past few years with Congressman Keith Ellison's Office and working on policy, advocacy and community engagement with Twin Cities Habitat for Humanity.



Two of my favorite things about Minnesota are:

1. that I get to work with so many people who truly believe what has been left embedded on our hearts: that we all do better when we all do better;
2. that I can zoom around on my road bike, peddling a million miles an hour all across the state.

It's an exciting time to join MCN. The 2016 election result and subsequent administrative actions demonstrates that we are seeing more movement at the federal level than we have seen in recent years with one party in control of the entire legislative body. These changes the President and many federal legislators are discussing will likely have a direct impact on nonprofits and partner communities across the state.

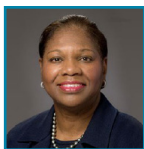
Minnesota itself receives over \$11 billion in federal funds. So, changes at the federal level to how much money is distributed, the mechanism for distribution and any changes to tax code will impact Minnesota over the coming years. On top of that, proposed policy changes from immigration to the Johnson Amendment, upcoming state and local elections, as well as the need to do some deep work with voter engagement and census outreach means that every nonprofit has a bold agenda to work through these coming years.

With all of this going on, MCN and the Minnesota Budget Project are here to provide support.

- Both MCN and the Minnesota Budget Project are carefully monitoring movement at the federal level. We are providing key information and any strategic opportunities to act.
- We continue to be a resource to Minnesota legislators, lobby on proposed legislation that impacts the nonprofit sector, and promote policies that narrow racial disparities and expand opportunities and economic well-being for low and moderate income Minnesotans.
- We will be updating you regularly via our newsletter, The Nonprofit Advocate. Sign up to receive it on our website.
- In these times of great change, we've already heard from many nonprofit organizations who are compelled to deepen their advocacy work. Our goal is to make sure you have the tools you need to be successful. We offer a variety of in-person trainings and interactive online trainings on a variety of topics.
- We continue to offer opportunities to meet directly with federal legislators and their staff with Coffee with Congress and a new Federal Roundtable event. We send announcements to these as they are scheduled and we look forward to you joining us for the next one.

I know that working together, we will ensure that we successfully navigate this time of uncertainty from a place of love and generosity so that we can all do better. I look forward to working with each of you.

Nonprofit Awards and Advancements



Dr. Fayneese Miller joined the board of directors of the Amherst H. Wilder Foundation.



Angela Schlesinger joined The National Parkinson Foundation - Minnesota Chapter, as executive director.

Lighthouse Center for Vision Loss has promoted Betsy Mistek to associate director.



Bloomington-based Bridging named Mark Zastrow, CFRE, development manager.

YWCA Minneapolis appointed Kate Berman, Tami Kozikowski, Beth Smits and Carmen Coballes-Vega to the board of directors.



Tina Palmer was named vice president of external relations at RESOURCE, a Minnesota nonprofit providing chemical and mental health services to more than 6,000 individuals annually.

Don Ness, former mayor of Duluth, joined The Ordean Foundation as executive director.

Aeon brought on and promoted a number of staff members, including Virginia Brown, Sharon Hernandez, Stephanie Payne, Nicole Munsch and Brita Blesiz.



Sadie O'Connor was named managing director at Reading & Math, Inc - Minnesota.

Amherst H. Wilder Foundation promoted Dr. Pahoua Yang and Nona Ferguson to vice presidents of Wilder Programs.



St. Paul Youth Services named Suzette Scheele as director of administration.

Mimi Daly Larson joined The Science Museum of Minnesota as vice president of mission advancement.

Luza Maria Frias joined YWCA Minneapolis as president and CEO.

Minnesota Council of Nonprofits Announcements



Rebecca Lucero joined the Minnesota Council of Nonprofits as public policy director. Rebecca comes to MCN from Twin Cities Habitat for Humanity, where she served as policy and advocacy manager.




Sarah Short joined the Minnesota Council of Nonprofits as the GrantAdvisor Minnesota coordinator, where she will manage all aspects of the GrantAdvisor service.



Ann Iijima joined the Minnesota Council of Nonprofits as Southeast Minnesota regional coordinator. Ann is based in Rochester and will serve 11 counties in the southeast region of the state.

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.



MASTER OF
PUBLIC ADMINISTRATION
ST. CLOUD STATE UNIVERSITY


Concentrations in Non Profit and Health Care Management

strategic
improve reporting
implementation
ethics
director
career
motivate
community
apply
projects
critical
accountability
leadership
co-ordinating
theory
growth
citizenship
organizing
integrity
performance
Administration
bridge
students
build
public
mission
implement
Service
research
strengthen
budgeting
organization
Values

Offering:

- Full time faculty
- Small Class Sizes
- Flexible Schedules
- Classes in St. Cloud, Maple Grove, and online

www.stcloudstate.edu/graduate/mpa 320.308.2462 publicadministration@stcloudstate.edu



St. Cloud State University is committed to legal affirmative action, equal opportunity, access and diversity of its campus community.

Creating Affordable, Safe and Sustainable Housing: Aeon, 2016 Mission Award Winner

Since its inception in 1986, Aeon has worked to create and sustain quality, affordable homes that strengthen lives and communities for residents throughout the Twin Cities area. Driven by the principle that everyone deserves a home, Aeon owns and maintains 2,400 apartments at 39 properties that house more than 4,500 permanent residents, the vast majority of who live on very low or extremely low incomes.

In 2015, Aeon opened The Rose, an affordable housing development which opened in Ventura Village in Minneapolis. This was completed in partnership with co-developer Hope Community. The Rose is a model for the next generation of high-performance, sustainable and healthy multi-family housing, accessible to low-income families and communities. It is a creative solution to solving issues of housing inequity while also addressing environmental issues of today and tomorrow.

Utilizing high-performance, innovative construction methods and materials, The Rose uses 75% less energy than code and significantly less water than average apartments. With healthy living as a core value, it was, to the extent possible, constructed without using traditional building materials that are toxic and unhealthy for residents and the environment. The Rose also encourages health, wellness and connectedness through amenities such as outdoor green spaces, fitness and yoga facilities, and a 4,500 square foot urban garden.



Most ultra-sustainable buildings are in high-income areas, which perpetuates the idea of sustainability as a luxury, available only to those who can afford it. By constructing The Rose in a very low-income community, Aeon was able to pursue sustainability while broadening access and equity for disadvantaged people.

The Rose has allowed people with low-incomes to live in safe, quality housing that they can afford, right in the heart of Minneapolis. To date, the complex includes six units for formerly homeless individuals; six units for formerly homeless families; 15 units for Section 8 qualified families; 20 units for low-income families; and 43 units for market rate households. Additionally, by ensuring lower energy bills and using durable, sustainable building materials, The Rose will remain affordable for a longer period of time.

New Law: Promote Student Loan Forgiveness Program

The federal Public Service Loan Forgiveness program forgives federal student loans for borrowers who are employed full-time by certain public service employers, including 501(c)(3) public charities. Borrowers must make 120 qualifying payments for loans that entered repayment after October 2007 and certify employment in the public sector.

During the 2016 legislative session, the Minnesota Council of Nonprofits supported a bill that promotes federal public service loan programs. The bill required, among other things, that nonprofits inform newly hired employees of their potential eligibility for the program and provide information about the program annually to all employees.

The bill became a law and went into effect on January 1, 2017. The Minnesota Office of Higher Education developed informational materials and templates nonprofits can utilize to comply with the new law. Find information at the Minnesota Office of Higher Education website. Take a look at these resources and share the information with your staff and new hires.



Soderberg's

FLORAL & GIFT

Minneapolis/St Paul Premier Florist

Flowers for Good Program

- Volume discounts
- Event Planning Services
- Free Container Rental
- Post Event Floral Re-purposing

soderbergsflorist.com/flowers-for-good
wecare@soderbergsflorist.com | 612-724-3606

Minnesota Council of Nonprofits
2314 University Avenue West, Suite 20
St. Paul, MN 55114 -1802
Address Service Requested

Update your record with MCN:
by emailing MCN at info@minnesotanonprofits.org.

Endowment Strategies: Not Always a Smart Investment

By Alan M. Cantor, keynote speaker at the Nonprofit Finance and Sustainability Conference on April 13

Charitable organizations are always grateful to have endowments. But drawing from an existing endowment is different from directing scarce resources and dollars toward creating new endowment funds.

Sometimes endowments make perfect sense. A classic example is an endowed maintenance fund at a museum for the perpetual preservation and display of artifacts. In that case, the time span is the same for both the charitable mission and investment strategy. It's a forever mission, so a forever investment aligns perfectly.

At other times, there is a jarring disconnect between mission and method. For example, think of urgent scientific missions, like research to eliminate the HIV virus and end the scourge of AIDS. What's the point of creating an endowment for AIDS research if there are people literally dying for a cure today? Shouldn't all available funds go into research now so lives can be saved and the disease eliminated?

If endowments are singularly inappropriate for fighting dread diseases, I would argue that endowments can also be imperfect vehicles for organizations whose missions seem less urgent. After all, there are students to be educated today, along with children to be fed, families to be housed, and patients to be treated.

When money goes into endowments, we essentially defer our impact. Yet endowments are all too often the default vehicle of choice for major gifts. Why the obsession with endowments?

Well, there's the tug of tradition and prestige, which influences both donors and nonprofits. Another factor encouraging endowment creation is that donors conflate charitable giving with their personal investment strategies. (As individuals, we focus on piling up funds for our retirement; we inappropriately extend that model to nonprofit organizations that have compelling current needs.) Addi-

tionally—and this is critically important—many nonprofits and their leaders are evaluated largely by the size and growth of their endowments.

But one clear reason donors create endowments is that nonprofits have not taken the time to develop creative and high-impact alternatives to suggest to donors.

I look forward to going into more depth and exchanging ideas with you at the Nonprofit Finance and Sustainability Conference on April 13!

Thank you.

For your work making our world a more fair
and sustainable place in which to live.

Dan | 612.845.2446 | dan@triangleparkcreative.com

Branding | Print | Web

TriangleParkCreative

Design for a better world