

**MINNESOTA
COUNCIL OF
NONPROFITS**

Nonprofit News

Information and connections for Minnesota's nonprofit sector

Winter 2018

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



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Fair Taxes, Sustainable Revenues Should Be Goals as State Responds to Federal Tax Bill

By Nan Madden, Minnesota Budget Project director and Laura Mortenson, Minnesota Budget Project communications manager

Federal tax legislation passed in the final days of 2017 undermines the nation's ability to sustainably fund essential services, and in the long run leaves many Americans worse off. As Minnesota policymakers respond, they should avoid mirroring the negative effects of the federal bill in our state tax code.

The federal tax bill will add at least \$1.5 trillion to the federal deficit over the next decade, and was part of a budget framework that also proposed severe cuts in health care and other services, which would harm the nation's children, elderly, people with disabilities, work-

ers, and families. While federal policymakers have not yet followed through, enacting those funding cuts would increase hardship in Minnesota and across the country.

The federal government also steps back from its commitment to affordable health care. The tax bill repeals the individual mandate to purchase insurance, which is expected to result in 13 million fewer Americans having health insurance and higher premiums for those who buy health insurance on the individual market.

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Meet MCN's New Associate Director, Nonoko Sato!

At the turn of the new year, a new face joined MCN - our associate director, Nonoko Sato! Nonoko joins MCN after serving as executive director of SMART, a San Francisco-based nonprofit. You can check out her career and educational background on our website, but we wanted to sit down with her and get to know her on a bit deeper level.

What inspired you to work in the nonprofit sector?

To me, determining where I want to contribute to - as a professional, volunteer, donor, or as a community member - is less about how a company is categorized, but more about how their mission aligns with my personal values and their commitment to help further equity,

prosperity, and human rights for all. I believe in that every individual and entity can make a difference to better our communities. With that said, nonprofits fulfill an important need that are not well addressed elsewhere and are vital in uplifting communities. I am proud to have spent majority of my professional career in nonprofits and to take on this new task in supporting MCN meet its own mission to serve the incredible, diverse, and vibrant nonprofit community of Minnesota.



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Nonprofit Bits

Minnesota Health Plan for Nonprofit Employers?

The U.S. Department of Labor proposed regulations January 5th to allow creation of employment-based health insurance for small employers through Association Health Plans. MCN is exploring how this could help nonprofits reduce administrative costs, strengthen their bargaining position, and offer more insurance options in 2019. Stay posted!

Tax Bill, Minnesota's Special Deduction and April 1, 2020 Census Push

By Jon Pratt, MCN executive director

There were no public hearings in Congress on the way to passing the major rewrite of US tax law, so since the December 20 passage of the new tax bill, every industry has been trying to determine how it will be affected. For nonprofits, two questions have risen to the top:

- How many taxpayers will stop taking the federal charitable deduction under the new tax code?
- What effect will the increase in the federal estate tax threshold have on charitable contributions?

The answers to these questions will show whether a resulting decline in charitable contributions will be substantial or not. Of course, people don't give to charity just to get a tax deduction, but it does affect the amount contributed. An analysis by the Washington DC-based Tax Policy Center concluded that the doubling of the standard deduction and the \$10,000 limit on state and local tax deductions will shrink the number of households climbing in the itemized deduction for their terrible contributions from about 37 million to about 16 million in 2018.



The impact of the estate tax reduction is harder to gauge, though also likely to result in reduced contributions based on the 2010 experience when the estate tax went away for a single year, and charitable bequests took a severe dip.

Good news: Minnesota's very own charitable deduction

While the number of taxpayers able to get a charitable tax deduction for their federal taxes will take a sharp drop in 2018, all Minnesota taxpayers who make at least \$500 in contributions will be eligible for a tax deduction. Minnesota adopted this provision in 1999, with the support of then-representative Tim Pawlenty and Sen. Hollinger, plus organizing support from MCN.

- 50 percent of contributions above \$500 are deductible for non-itemizers.
- 2016 had 204,000 Minnesotans using this provision as they made \$350 million in contributions; at a cost to the state of \$8.8 million.
- MCN would like to see the value of Minnesota's charitable deduction increased, such as by eliminating the half deduction and the \$500 floor, which would take legislative action and require active support from the nonprofit sector.

Nonprofits readiness to build 2020 Census participation?

The census is required by the Constitution, and for good reason. It is the basis of our sharing power in our democracy, and because of that, it is important that the count be fair, accurate and reliable. Every ten years, the U.S. Constitution requires that as complete a count as possible be undertaken of all people residing in the United States. These numbers do at least quadruple duty, from allocation of legislative seats, electoral votes, distribution of federal funds, and essential information used by planners, businesses and nonprofit proposal writers.

We must admit that, as civic duties go, census forms are pretty mundane. So it should be little surprise that a high participation state like Minnesota has frequently been number one in percentage of people returning their initial census form. That act of achieving a very thorough census total has important consequences to help local communities get equitable resources and political power—which then affects every activity in which nonprofits are involved.

Some parts of the country are much more vulnerable to inaccuracies and underreporting. People of color, densely populated urban areas, rural areas, the LGBT community, young children and non-native English speakers are disproportionately hurt if the Census does not reach them. This is one reason why it is important to step up to ensure there is a good count so communities and nonprofits have the tools and resources to make smart decisions together about how to build a prosperous future.

MCN is joining forces with the Minnesota Council on Foundations and other key partners to develop ways organizations can increase awareness and successful participation in the census. More soon...

Fair Taxes, Sustainable Revenues are Best Goals as State Responds to Federal Tax Bill

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This harm to affordable health care and threats to public services are used to pay for a bill whose benefits are not evenly distributed. Instead, the largest tax cuts go to those who are already doing well in today's economy: profitable corporations and high-income households. Corporations receive a large permanent cut in their tax rate, and it is the highest-income Americans who benefit most from steep cuts in the estate tax and other parts of the bill. More than 20 percent of the total federal tax cuts in 2018 go to the 1 percent of households with the highest incomes, according to the Tax Policy Center.

The bill also reflects lost opportunities to prioritize families working toward economic security. For example, 134,000 Minnesota children live in working families that will receive a token increase of \$75 or less in their families' Child Tax Credit, which is much

less than the \$1,000 per child increase that families with higher incomes will receive. What's more, 1 million American children in working families lose the Child Tax Credit as a result of their immigration status.

Because Minnesota's individual income and corporate taxes use federal tax law as their starting points, state policymakers need to decide whether and how to respond.

The most recent economic projections suggest that the federal tax bill will likely improve the state's budget situation through a modest improvement in economic growth. Preliminary analysis by the Minnesota Department of Revenue estimates that conforming to all federal tax provisions impacting the state's tax code would also result in higher state revenues. Under conformity, it's likely some Minnesotans would

pay higher state taxes, some less.

As they respond to federal tax changes, Minnesota policymakers should build toward a tax code that sustainably funds essential services and treats Minnesota taxpayers fairly. Given the uncertainty of future federal funding, Minnesota can't afford to weaken its ability to sustainably fund education, economic development, care for the elderly and people with disabilities, and other critical services provided at the state and local levels. And they should avoid providing additional state tax cuts to those who benefited most from the federal tax bill, paid for through tax increases on others.

For more on federal and state tax issues, visit MinnesotaBudgetBites.org.

Sato Joins MCN After Nine Years as Executive Director in San Francisco

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What has been the best lesson in leadership you've gotten?

Talk less, listen more.

In my lifetime, I would love to see nonprofits...

Succeed in achieving their visions and celebrate closing down of their businesses. More realistically, I'd like to see communities embrace nonprofits as vital members and proactively support their work, so that nonprofits can focus more on furthering their missions and less on having to convince others of their importance.

What is your leadership style?

I love working with a diverse group of people, who bring individual experiences and expertise to the table. I seek input, opinions, and ideas from as

many people as possible and help find common ground so that we can all be productive in our shared goals for the organization. As much as possible, I aim to make consensus-based decisions and acknowledge the important contributions of all staff members.

What are you most excited about as you begin your position at MCN?

I continue to be incredibly inspired by the vast talent of individual staff members at MCN, in an organization so fully committed to being a leader by example. I am looking forward to meeting our members, community partners, and supporters and learn about their inspiring work in Minnesota and beyond. I feel fortunate to have been offered an opportunity that will enable me to grow personally and professionally so that I

can best serve the needs of my staff, my organization, and my community.

What role should nonprofits play in advocacy?

The nonprofit sector ensure stronger and thriving communities. MCN believes in the importance of nonprofits working together and speaking up on behalf of policies that align with our collective values and missions. At the very least, be informed about issues that can directly impact your constituents and your mission. Attend MCN workshops on nonprofit advocacy. As much as you can, join the larger conversation.

Be sure to say hello when you see Nonoko at an upcoming MCN workshop or conference!

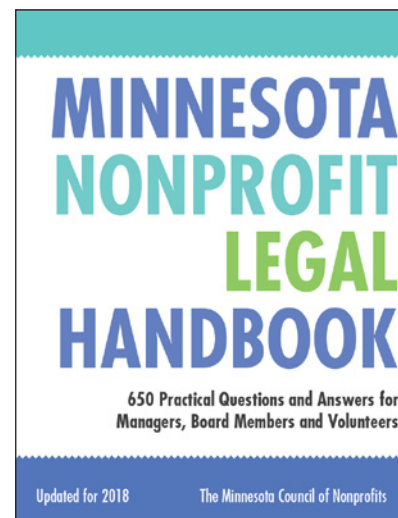
Minnesota Nonprofit Legal Handbook Coming March 2018

In 2009, the Minnesota Council of Nonprofits (MCN) noticed a gap between nonprofits' need for basic legal information and the resources available within many organizations to procure ongoing legal counsel. While there are many publications about nonprofit law, most are technical and aimed at attorneys, not a layperson running a nonprofit organization.

In an effort to address the lack of easily accessible legal information, MCN released the *Nonprofit Legal Handbook* on its website, providing answers to basic legal questions for nonprofit leaders in easy-to-understand language. Written

and reviewed by attorney experts, and additionally reviewed by nonprofit managers, the resource offers plain English explanations of nonprofit law through an easy-to-digest Question/Answer format on 16 core topic areas.

Previously only available online to its members, MCN will be making this information-packed resource available to members and nonmembers alike in a new print format in March 2018. The publication will include 16 chapters of recently updated information and an index of available questions for quick reference. Stay tuned for more information!



MCN Announces E-Learning Offerings and Increased Access in 2018

In 2018, MCN will host several virtual trainings, 4 online Spotlight events, and one virtual conference.

Virtual Trainings

Building on the success of our first virtual trainings offered in late 2017, MCN will refine those two virtual trainings and develop three new virtual trainings in 2018. MCN's virtual trainings aren't your ordinary webinar; in fact, while using familiar webinar software, they don't feel like a webinar at all. Instead, they are highly interactive – combining presentations, conversations, and some individual reflection and work between sessions.

One of MCN's most popular in-person workshops, Supervising for Employee Engagement, will be offered online in April and October. In this three-part training, new and experienced supervisors learn about tested tools and tactics (and have time to practice them), feeling immediately more confident in and comfortable with their supervisory skills. Participant reviews have been positive. One recent participant remarked: "Great platform! I've never really been satisfied with online learn-

ing and webinars. This had a good mix of content and engagement/response." Another said, "I love the format – it is just amazing."

In Developing Your Evaluation Strategy and Plan, participants go beyond basic evaluation concepts to learning how to craft strategic, informed decisions about evaluation for their program or organization. By the end of this three-part training, they have a complete evaluation plan for a program, small organization or department of their choosing. It will be offered in July and November. In addition, new virtual trainings will be developed and offered on evaluation basics (what it is and how to use it), grantwriting, and board development and engagement.

Virtual Conference

This fall, MCN will hold its first-ever virtual conference. Featuring two keynotes, 12 breakout sessions, exhibits, and networking opportunities before, during and after the event, this conference will be web-based and yet will feel familiar to MCN's member as it replicates many aspects of our traditional place-based conference. The content

will be geared specifically to "small development shops" (aka organizations with two fundraising staff members or less).

To participate in this two-day conference, registrants will need only a device (computer or tablet) with speakers that is connected to the internet. All sessions will be recorded and available to registrants to view on the conference website for twelve months.

Spotlights

MCN's quarterly online learning opportunities, Spotlights, are one-day online events offering four sessions, each exploring a different aspect of a specific topic. Spotlights will be held in March, June, September and December. Each session will be led by experienced nonprofit leaders and consultants and. Spotlights are designed to offer practical information that can be applied immediately. Registrants can both participate in the live session and then review the session on-demand via Adobe Connect.

For more information and to register, go to the Event Calendar at www.minnesotanonprofits.org.

State and Federal Policy - Where Are We?

By Rebecca Lucero, MCN public policy director

The nonprofit sector envisions a vibrant community made stronger through the simple recognition that we are interconnected. This is why it was so powerful to see so many nonprofits across Minnesota organizations speak together in opposition to the federal tax bill as it exacerbates income inequality, creates additional challenges to the nonprofit sector, and could lead to damaging cuts to vital programs important to communities across Minnesota. While the bill was ultimately passed into law, there was one place of victory that occurred in an otherwise problematic bill—attempts to weaken or repeal the Johnson Amendment were removed at the last moments. This is a huge victory for the nonprofit sector and demonstrates how advocacy is a powerful catalyst for change.

Although the threats to the Johnson Amendment were ultimately removed from the final tax bill, we are already seeing and anticipating further attempts to weaken or repeal the Johnson Amendment.



Why does MCN continue to focus attention on the Johnson Amendment?



Our friends and national partners at Independent Sector lay it out nicely, “Imagine the pressure placed on your organization if a board member and major donor pushed you to endorse different candidates in a local election. When trying to schedule an important discussion with your senator, imagine their staff person says, ‘It doesn’t look like your organization endorsed the Senator in the last election, so I’m not sure she will have time to meet with you.’” We also share concern that anonymous, tax-deductible donations could flow through 501(c)(3)s for the express purpose of supporting or opposing a specific candidate. This year is going to be extremely active with elections as it is and we don’t want to see this kind of anonymous, tax-deductible money flowing through our election system through nonprofits.

What is the Johnson Amendment?

There are a variety of rights and responsibilities that come with being a 501(c)(3) (which includes nonprofits, religious organizations and some foundations). The Johnson Amendment protects all 501(c)(3)s from partisan political pressures because it prohibits organizations from endorsing or opposing any political party. Any weakening or repeal of this amendment leaves nonprofits facing a world where partisan politics seep into the fabric of our sector.

An ongoing battle...

Right now, the nonprofit sector is, and is perceived of being a trusted institution. This means we go into conversations with decision makers as experts. We are able to work on the issues that impact our missions without having a political dog in the fight. Once we become another political organization, are we still the same valued experts or are we just another special interest group or political operative?



At the end of the day, our country has many other issues that need to be prioritized. This is why more than 10,000 nonprofit, religious and foundation leaders reached out to members of Congress asking them to reject these proposed changes in 2017. But the fight continues. We continue to see attempts to weaken or repeal the Johnson Amendment through budgetary or administrative processes moving into 2018.

The biggest concern is that most members of congress still don’t seem to understand what the Johnson Amendment actually is and how important it is to preserve and protect. MCN will continue to educate and lobby to protect the Johnson Amendment as part of our policy agenda into 2018.

As always, your members of Congress need to hear from you on why you want to stay focused on your mission, not partisan politics.

Thanks for all of your hard work!

Nonprofit Awards and Advancements



Kristen Poppleton was named director of programs at Climate Generation.



Andrew McLean was named construction manager at Aeon.

Bridging hired Maggie Mau as donor relations manager.



Channel One Regional Food Bank hired Virginia Merritt as executive director.

Erin Wilkins joins Annex Teen Clinic as director of clinical operations and services.

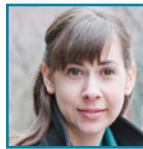
Jim Steinhagen was named C.E.O. at Missions Inc.



Pahoua Yang was named executive director at Citizens League.



YWCA Minneapolis hired Kari L. Clark as chief development officer.



Miriam Weisfeld joined Children's Theatre Company as director of artistic development.

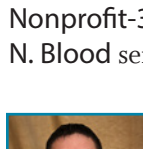
Caren Hansen joined Reach for Resources, Inc. as marketing and communications manager.



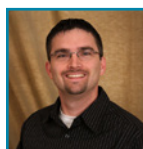
Sean Kershaw joined Amherst H. Wilder Foundation as vice president of wilder center for communities.



Lifeworks Services named Kim Mueller senior vice president of programs and operations.



Nonprofit-360 Consulting named Sara N. Blood senior consultant.



Lakes Center for Youth and Families names Matt Howard executive director.

Join us in welcoming new Minnesota Council of Nonprofits staff!



Michelle Chang was named inclusion and engagement coordinator.



Annie Dugan was named Northeast Minnesota regional coordinator.



Sarah Orange was named policy advocate at Minnesota Budget Project.



Nonoko Sato was named associate 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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2017 Mission Award Winner for Anti-Racism Initiative: City Stay

The 2017 Nonprofit Mission Award recipient for Anti-Racism Initiative, City Stay is the first and only program to localize the concept of study abroad. Placing Twin Cities high school students of all colors and creeds with new Minnesotan families in the Somali, Hmong and Latino communities for one week, City Stay’s groundbreaking approach to community building allows students and families to learn about a new culture or language without traveling abroad.



City Stay’s mission is to provide experiential education that breaks down barriers and sparks unlikely connections between Minnesota’s diverse cultural communities. As neighbors of different cultures build strong relationships with one another, they become advocates for each another in an era of polarization.

Historically, the vast majority of American students who study abroad are white and middle- or upper-class. By offering flexible and affordable options for cross-cultural exchange, City Stay increases access to these learning opportunities and includes new voices in the field of intercultural studies. Approximately 40 percent of City Stay students have been people of color and more than 80 percent have received full or partial scholarship.

City Stay’s primary homestay program lasts one week. During the day, students teach one another about what they are learning in their respective homestays, visit important cultural sites, and engage with community leaders. In the evening, students live with a local family from another culture, building meaningful and informative relationships in Minnesota’s largest immigrant communities. City Stay also offers shorter homestay opportunities, including a simple meal or an overnight visit.

“I previously had little to no interaction with the cultures we learned from. I now have a greater desire to connect with my neighbors of different cultures. I see this experience as a launching pad for me.”

– City Stay student participant

Approximately sixty students and twenty families have participated in a City Stay program. One hundred percent of students and families reported an “increased understanding of neighbors of different cultures,” according to post-program evaluations.

City Stay’s programming is truly a new and creative solution to the problem of bridging cultural and racial divides in Minnesota.

As a result of the organization’s unique approach to celebrating the cultural diversity of all Minnesotans, City Stay has helped foster meaningful relationships between people of diverse backgrounds,

prepare the next generation to lead in a multi-cultural world, and reduce community mistrust and social inequality.

The Minnesota Council of Nonprofits and Propel Nonprofits were honored to present the organization with the 2017 Mission Award for Anti-Racism Initiative at the 2017 MCN Annual Conference on October 13.

To learn more about the innovative, barrier-busting work being done at City Stay, please visit www.mycitystay.org.

Thank you.

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

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MCN Commits to Inclusion and Equity Work

By Rebecca Lucero, MCN public policy director and Michelle Chang, MCN inclusion and engagement coordinator

To celebrate the one-year anniversary of our move into our new office space, MCN would like to highlight the intentional thoughts that were put into creating an accessible space for MCN staff, members, and community partners.

The new office space features a range of carefully thought out amenities. Our office is on the second floor of the building, which is accessible by elevator. The building's front door and MCN's main office door are automated for all who come through. MCN's front desk is ADA accessible. All of our room and office signs include Braille. Our conference rooms have bariatric chairs available. MCN has an all-gender restroom and a wellness room for nursing parents and prayer.

MCN affirms, values and welcomes all. We have taken intentional steps to ensure that all guests will be able to move about safely and easily to make full use of our facilities. We are committed to creating space in order to optimize the the visitor experience in our offices and meeting spaces.

MCN is dedicated to advancing diversity, inclusion and equity by enhancing and improving intercultural competency, intentionally creating inclusive spaces, and, working to address disparities in power, money, access and resources within the nonprofit sector. In doing so, our organization focuses on four areas: race, geography, accessibility and socioeconomic status.

There are many more moving pieces within MCN with regards to our inclusion and equity work that we look forward to sharing along our journey. We come to the table grounded in an authentic, vulnerable and transparent dialogue. We are taking action as we envision a vibrant interconnected community.

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