

AGENDA

WEEK 6, February 25

LEAD 7300 MANAGEMENT OF NONPROFIT ORGANIZATIONS

ARMSTRONG ATLANTIC STATE UNIVERSITY

1. We will not meet on March 18 (Spring Break).
2. Comments on writing assignments.
3. Alexis de Toqueville item. In 1831, the Frenchman visited America and wrote an important book that included his observations. One of them was that, when Americans see a problem, we tend to form an organization to solve it. Why do you think Americans behaved in that way? Do you think de Toqueville's observation is still true 183 years later in 2014?
4. Demographic information regarding education.
 - In the US adult workforce (age 25 to 65), 86 percent of the people have completed high school, 26 percent have finished a BS degree, five percent have finished a MS degree, and one percent have completed a doctorate. Therefore, if you have a BS degree, you are "well educated." If you have a MS degree, you are "very well educated." If you have a doctorate, you are "extremely well educated."
 - In the past 30 years in America, women have earned 9.1 million more AAS, BS and MA degrees than men. In 2010, women earned 62 percent of AAS degrees, 58 percent of bachelor's degrees, 60 percent of master's degrees, and 52 percent of doctorates.
 - Although men seem to perform better on standardized tests, women seem to earn better grades in school.
5. International perspective. Measured by GDP, the US has the largest economy by a significant margin (about \$15 trillion). By other measures we are the most powerful and successful country. So, why should Americans be watching global events?
 - There are seven billion people in the world. The US population is about 310 million, which is less than five percent of the total.
 - Western Europe has 390 million people, which exceeds the size of the US market in terms of consumer trade.
 - The country with the largest per capita income is probably Qatar.
 - Most international trade takes place in the eastern hemisphere.

- India, which is said to include 300 million middle class people, may now be the world's largest middle class country.
 - China is said to include over 30 million millionaires; if that is true, then China has more millionaires than Canada has people. Buick sells three times as many cars in China as it sells in the US. A typical new car sale in China is more profitable than a new car sale in the US.
 - It is estimated that our world includes one billion middle class people. Meanwhile, there are six billion "poor people," and nongovernmental organizations (NGOs) provide some of their needs.
6. Guest speakers for tonight. Athena Sartin, Joe O'Connor and Sarah Collier. All three recently completed tours of duty with the Peace Corps. I have asked them to talk about NGOs, which have a very high profile in many countries. I also asked them to discuss their education and how it positioned them to work internationally. Athena previously taught in several countries. She earned a MS in Nonprofit Organization Management from Capella U. Joe worked in Albania and Romania. His education includes a BA in History and a MS in International Affairs. When Joe was in Albania, he worked with Sarah Collier on community development projects. Sarah's training includes a BA in Architecture. As the global economy expands, more Americans will be working overseas. Some of the members in our class (especially military) have worked in international situations. Other students in our class will, at some point in their careers, have an opportunity to work in an international environment. Those opportunities may arise in nonprofit organizations. About four years ago, Louise and I considered moving to a teaching assignment at a university in Malaysia. I have also considered teaching assignments in Dubai and China. A friend of ours from South Dakota is now teaching in Cairo, Egypt; he holds a master's degree in English. The mother of one of our class members works in Dubai. Because English has become the international language of business, many colleges in other countries now teach in English. This has created many opportunities for well-educated Americans to land teaching jobs overseas.
7. Guest speaker scheduled for March 4. William Collins. He is Coordinator of Bryan County Drug Free Coalition. This is a nonprofit organization that does some contract work for the County. Collins has several jobs for the City/ County, including emergency preparedness. He will talk about what his group does. He will talk about the grant process. He plans to bring Kay Hughes. She is a retired school principal and now is his Financial Administrator.
8. Guest speaker scheduled for March 11. Reginald Lee has two decades of experience in charity-related work. He is Director of Programs for Gospel Rescue Mission (also known as Old Savannah City Mission). He is pursuing a Master of Management degree at Webster University, where I also teach. He was a student in my Corporate Social

Responsibility (business ethics) class during Fall Term 2013. I have asked him to talk about the kinds of services that religion-based organization like his provide to meet the needs of society. We should ask him how they are funded and what educational track a person should follow to find work in his field.

9. You prepared a Writing Assignment for WEEK 6 on the laws associated with charitable organizations and the Georgia Conservative Society. *Nonprofit law, advocacy and lobbying*. Let's discuss. In response to some comments made during WEEK 5, we revised the WA6 case study to include more information.

You are Connie Careful. You are a graduate of Armstrong's master's degree program in Professional Communications and Leadership. You were hired recently by the Georgia Conservative Society. The organization decided to create the position of Compliance Officer, and they hired you to fill this job.

Created in 1965 as a 501(c) (3) tax-exempt, public charity organization with an educational focus, the Society began as a sort of social club for people who liked to sit around, have a cocktail, and talk politics. They would bring in conservative speakers, sometimes paying them sizable honorariums (In 2002, Rudolph Giuliani was paid \$100,000 to deliver a 50-minute talk). Members include people from the Republican Party, Tea Party, Libertarian Party, and conservatives who have no party affiliation. It is an informal organization, and the Executive Director has been the only paid staff person until they hired you. Nevertheless, there is an annual budget of over \$20 million, all of it coming from donations.

A couple of years ago, the membership decided to move beyond having meetings, cocktails, conversations and speakers. It happened during a membership meeting, when there were statements like, "This is a free country. If we want to use our money to support conservative candidates and conservative causes, there is nothing wrong with that. It is nothing more than freedom of speech, which is protected by the Constitution." The Georgia Conservative Society began making campaign contributions to political candidates (over \$10 million per year). The Society began lobbying to influence legislation, using big name lobbyists in DC. The Society is now spending 20 percent of its revenues on lobbying to influence legislation (about \$4 million per year).

You meet with the Executive Director, Sally Social. She says, "A couple of months ago, a new volunteer joined our Board of Directors. She is Lana Legal, an attorney who works for a local bank. She came in on a Saturday and reviewed our charter documents, our bylaws, and the paperwork that we submitted to IRS when we were gaining approval as a tax exempt 501(c)(3) organization in 1965. Lana became concerned about the possibility that we were out of compliance with

federal regulations. She met with our Board of Directors and convinced them that we needed to hire a Compliance Officer. That's why we hired you.

"If Lana is correct, our organization may be out of compliance with the IRS rules. I want you to develop a Compliance Plan. It should identify anything that we are currently doing that is out of compliance with IRS rules. It should explain, in plain language that our members can understand, what the Society is allowed to do and not allowed to do. I want you to limit it to 600 words. Please provide me with a Compliance Plan within two days. After the Board has approved it, the Compliance Plan will be sent to our organization's members, board, officers and staff members."

You recall that, when you were at Armstrong, you took the course on Managing Nonprofit Organizations. The Heyman textbook included two chapters on nonprofit law, advocacy and lobbying issues. You can also use other references if you like.

10. We are adopting a new ground rule for writing assignments: **"If you think you do not have enough information to complete a writing assignment, you should make an assumption that allows you to move forward and state that assumption in your paper."**
11. To prepare for WEEK 6 class, you read the following material about volunteers. Compared to the government sector and the for-profit sector, the nonprofit sector makes much more use of volunteers.
 - Board and volunteers. Page 495-500.
 - Chapter 30, Board governance. Page 501-518
 - Chapter 32, Volunteer recruitment. Page 533-549
 - Chapter 33, Volunteer engagement and management. Page 551-568.
12. Reading assignment for WEEK 7.
 - Chapter 28. Painless and effective event planning. Pages 459-477
 - Chapter 13. Nonprofit financial management. Pages 197-216.
 - Part Four. Nonprofit technology and IT. Pages 217-220.
 - Chapter 14. The technology foundation: hardware and software. Pages 221-238.
13. Writing Assignment for WEEK 7. WA7A. *Board of Directors; Management Structure.* 100 points.