



Down Syndrome Association of Wisconsin, Inc.
Board of Directors Meeting Agenda
Tuesday, April 12, 2011

NOTE: The Board meeting will be held starting at 7:30 p.m. in Room 455 A in the Children's Corporate Center of Children's Hospital

- I. Guest Speaker – Amanda Bell (Asset-Based Community Development) (45 min)
- II. Secretary's Report – Marita (5 min)
- III. Treasurer's Report– Ron (5 min)
- IV. Office Report – Ron (30 min)
- V. Discussion Regarding Staffing – Ron (30 min)
- VI. Discussion Regarding Advocacy Efforts – Mike (15 min)



**Board of Directors Meeting Agenda
(Detail with Documents to Review)**

- I. Guest Speaker – Amanda Bell (Asset-Based Community Development)

- II. Secretary’s Report
 - a. Minutes from March Board meeting
 - b. Actions Taken Between Meetings

- III. Treasurer’s Report
 - a. P&L
 - b. Balance Sheet

- IV. Office Report
 - a. Office Report

- V. Discussion Regarding Staffing
 - a. Article: Non-Profit Salaries in 2010
 - b. Correspondence from Nonprofit Center of Milwaukee
 - c. Merit and Development Increase Summary, Recommendation and Timeline

- VI. Discussion Regarding Advocacy Efforts
 - a. Legislative Advocacy documents
 - b. Tabled Motion from March meeting

**Board of Directors
Record of Action Taken Between Meetings**

Action Taken by the Board of Directors Between March 13, 2011 and April 11, 2011

DSAW Board of Directors Meeting: April 12, 2001, 2011

Per Article 6, section 6 of the By-Laws:

Action by Directors Without a Meeting. Any action required or permitted of the Board or of any committee thereof may be taken without a meeting, if written consent is signed by all Directors on the Board or committee, as the case may be, and is filed with the minutes of the proceedings of the Board or committee.

**NO VOTES TAKEN OUTSIDE OF BOARD MEETINGS THIS
MONTH**

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Down Syndrome Association of Wisconsin Inc.

Profit & Loss

July 1, 2010 - April 7, 2011

	Chippewa Valley Chapter	Fox Cities	General	Green Bay	TOTAL
Income					
4100 DONATIONS RECEIVED		1,116.78	13,811.25	120.00	15,048.03
MATCHING GIFT INCOME		185.00	3,497.47		3,682.47
MEMORIAL			3,120.00	1,000.00	4,120.00
UNITED WAY			693.98		693.98
WE CARE PROGRAM			510.14		510.14
Total 4100 DONATIONS RECEIVED	0.00 \$	1,301.78 \$	21,632.84 \$	1,120.00 \$	24,054.62
4150 MEMBERSHIP					0.00
1 YEAR			720.00		720.00
2 YEAR			3,900.00		3,900.00
Total 4150 MEMBERSHIP	0.00 \$	0.00 \$	4,620.00 \$	0.00 \$	4,620.00
4200 MEMBER EVENT INCOME					0.00
CONFERENCE INCOME			365.00		365.00
DADS			866.10		941.10
PICNIC DONATION		75.00	100.00		100.00
World Down Syndrome Day			524.03		524.03
Total 4200 MEMBER EVENT INCOME	0.00 \$	75.00 \$	1,855.13 \$	0.00 \$	1,930.13
4230 CORPORATE DONATIONS			250.00		250.00
4250 GRANT INCOME			4,000.00		4,000.00
4300 MARKETPLACE INCOME					0.00
DSAW BRACELETS			25.00		25.00
Total 4300 MARKETPLACE INCOME	0.00 \$	0.00 \$	25.00 \$	0.00 \$	25.00
4600 INTEREST INCOME			1,301.80		1,301.80
4700 FUNDRAISING EVENT INCOME		1,534.00	390.87	162.38	2,122.25
4720 GOLF OUTING INCOME	35.00		14,619.00		14,619.00
AUCTION			2,115.00		2,115.00
DINNER ONLY			125.00		125.00
DINNER SPONSOR			1,500.00		1,500.00
HOLE SPONSOR			570.00		570.00
LUNCH TABLE SPONSOR			1,600.00		1,600.00
REGISTRATION			15,205.00		15,205.00

	Chippewa Valley Chapter	Fox Cities	General	Green Bay	TOTAL
Total 4720 GOLF OUTING INCOME	0.00 \$	0.00 \$	35,734.00 \$	0.00 \$	35,734.00
4721 NEW BREWERS WIVES			18,130.00		18,130.00
4722 NEW EBAY 50%/50% AUCTION			62.55		62.55
4730 AWARENESS WALK	16,216.00	27,581.54	95,199.38	9,972.00	121,387.38
DONATIONS-FIRST GIVING		15,552.32	240.00		27,821.54
DONATIONS-OFFICE	25.00	1,553.85	2,655.00		18,232.32
FOOD		311.00	10.00		1,553.85
OTHER		3,783.00			321.00
RAFFLE			-130.00		3,783.00
REGISTRATION-FIRST GIVING		2,725.00	1,918.00		-130.00
REGISTRATION-OFFICE		1,200.00	3,700.00		4,643.00
SPONSORSHIP					4,900.00
Total 4730 AWARENESS WALK	16,241.00 \$	52,706.71 \$	103,592.38 \$	9,972.00 \$	182,512.09
4998 MISCELLANEOUS INCOME	205.15		410.71		615.86
4999 TEMPORARY INCOME ACCOUNT			611.35		611.35
Total Income	16,481.15 \$	55,617.49 \$	192,616.63 \$	11,254.38 \$	275,969.65
Expenses					
5000 Salaries & Wages			74,625.10		74,625.10
5050 PAYROLL TAXES - FICA			5,708.92		5,708.92
5070 Professional Fees			1,352.75		1,352.75
ACCOUNTING FEES			5,000.00		5,000.00
Total 5070 Professional Fees	0.00 \$	0.00 \$	6,352.75 \$	0.00 \$	6,352.75
5110 OFFICE SUPPLIES	305.69	25.38	1,718.76		2,049.83
5112 RESOURCE MATERIAL			276.47		276.47
5113 VIDEO EXP			655.96		655.96
5115 Computer Related			19.95		19.95
5130 TELEPHONE	532.24		2,233.13		2,765.37
5140 POSTAGE	127.93	132.00	3,499.64	112.20	3,871.77
5170 PRINTING	45.00		866.62		911.62
BROCHURES			968.00		968.00
COPIES			-383.40		-383.40
NEW PARENT PACKETS	322.25	616.69	304.20		1,243.14
NEWSLETTER PUBLICATION			2,514.14		2,514.14
STATIONARY			623.88	12.10	635.98

	Chippewa Valley Chapter	Fox Cities	General	Green Bay	TOTAL
Total 5170 PRINTING	367.25 \$	616.69 \$	4,893.44 \$	12.10 \$	5,889.48
5210 RENT	112.00	107.00	5,162.00		5,381.00
5260 Equipment Rental & Maintenance			1,026.74		1,026.74
5320 TRAVEL			2,347.51		2,347.51
5326 CONFERENCE EXPENSE			850.00		850.00
5510 BANK CHARGES	19.50		1,151.17	12.00	1,182.67
Ebay and Paypal Fees			14.01		14.01
Total 5510 BANK CHARGES	19.50 \$	0.00 \$	1,165.18 \$	12.00 \$	1,196.68
5520 INSURANCE			2,034.00		2,034.00
5545 DUES & SUBSCRIPTIONS			1,298.85		1,298.85
5550 CONSULTANT EXPENSE			5,400.00		5,400.00
5630 GOLF OUTING EXP			18,999.33		18,999.33
5640 AWARENESS WALK EXP	346.97	2,570.00	5,878.01	2,138.64	10,933.62
EQUIPMENT RENTAL	1,373.18	628.20	1,395.71		3,397.09
FOOD	62.16	206.25	791.84		1,060.25
OTHER	697.28	2,096.53			2,793.81
PRINTING	576.00	1,560.50	1,909.46		4,045.96
RAFFLE	180.00	139.00	116.58		435.58
REGISTRATION-FIRST GIVING	200.00	1.88	18.01		219.89
T-SHIRTS	2,642.16	3,208.00	5,502.25		11,352.41
Walk Entertainment	1,050.00	4,590.00	350.00		5,990.00
Walk Promotion	240.00	534.00			774.00
ZOO ENTRY FEE			8,942.00		8,942.00
ZOO PICNIC AREA			960.00		960.00
Total 5640 AWARENESS WALK EXP	7,367.75 \$	15,534.36 \$	25,863.86 \$	2,138.64 \$	50,904.61
5700 MEMBER EVENT EXPENSE	146.45		511.40		657.85
BREWERS OUTING			2,396.43		2,396.43
DADs PROGRAM EXPENSE			906.30		906.30
HALLOWEEN DANCE			674.09		674.09
HOLIDAY PARTY			1,812.87	233.93	2,719.49
July 3rd Event	672.69		1,511.06		1,511.06
LTTW EXPENSE			2,920.00		2,920.00
PICNIC EXP			22.86		22.86
SELF-ADVOCATE COUNCIL FUNDING			100.00		100.00
Valentines Day Dance			486.51		486.51
World Down syndrome Day	1,500.00	356.75	985.75		2,842.50

	Chippewa Valley Chapter	Fox Cities	General	Green Bay	TOTAL
Total 5700 MEMBER EVENT EXPENSE	\$ 2,319.14 \$	356.75 \$	12,327.27 \$	233.93 \$	15,237.09
5750 OUTREACH PROGRAM EXPENSE		3,677.27	494.62		4,171.89
5815 GRANT AWARD		400.00	3,843.07		4,243.07
5820 MARKETPLACE EXPENSE		993.90	1,033.91		2,027.81
5850 Board Expense		314.75	463.44		463.44
5855 Member Expenses			381.25		696.00
5930 Licenses and Fees			85.00		85.00
5990 MISCELLANEOUS	214.60	201.00	-35.05		380.55
5992 Volunteer Program			1,242.35		1,242.35
Total Expenses	11,366.10 \$	22,359.10 \$	183,967.45 \$	2,508.87 \$	220,201.52
Net Operating Income	5,115.05 \$	33,258.39 \$	8,649.18 \$	8,745.51 \$	55,768.13
Other Income					
4815 Green Bay Revenue				1,661.00	1,661.00
Total Other Income	0.00 \$	0.00 \$	0.00 \$	1,661.00 \$	1,661.00
Other Expenses					
6810 CVC Expense	57.77				57.77
6815 Green Bay Expense				392.15	392.15
Total Other Expenses	57.77 \$	0.00 \$	0.00 \$	392.15 \$	449.92
Net Other Income	57.77 \$	0.00 \$	0.00 \$	1,268.85 \$	1,211.08
Net Income	5,057.28 \$	33,258.39 \$	8,649.18 \$	10,014.36 \$	56,979.21

Thursday, Apr 07, 2011 12:15:42 PM GMT-5 - Accrual Basis

Down Syndrome Association of Wisconsin Inc.

Balance Sheet

As of April 7, 2011

	Total
ASSETS	
Current Assets	
Bank Accounts	
1050 Cash on Hand	431.80
1099 TRI CITY SAVING xxxxxx2501 (deleted)	0.00
1100 CHASE CHECKING xx5147	16,326.77
1120 TRI CITY CHECKING xxxx-016	23,110.43
1130 M & I Checking-CVC	31,497.69
1132 Chase xx5084- Fox Cities	43,593.08
1134 Chase xx5092-Green Bay	12,024.07
1150 CHASE SAVINGS xxx-4826	2,017.05
1151 CHASE HIGH YIELD SAVINGS XXX-5334	61,875.89
1153 ING Business Savings	125,609.22
1155 METLIFE MONEY MARKET	0.00
1160 CHASE CD	0.00
1162 Tri City CD	72,616.01
1165 METLIFE CD	0.00
1965 DSAW (deleted)	0.00
1968 DSAW 1 (deleted)	0.00
1969 DSAW 2 (deleted)	0.00
1988 12 MONTH CD (deleted)	0.00
Total Bank Accounts	\$ 389,102.01
Total Current Assets	\$ 389,102.01
Other Assets	
1190 Security Deposits	600.00
Total Other Assets	\$ 600.00
TOTAL ASSETS	\$ 389,702.01
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
2200 Chase Mastercard	0.00
2250 Capital One Visa (deleted)	0.00
Total Credit Cards	\$ 0.00
Other Current Liabilities	
2100 Federal W/H Tax Payable	0.00
Total Other Current Liabilities	\$ 0.00
Total Current Liabilities	\$ 0.00
Total Liabilities	\$ 0.00
Equity	
3000 Opening Bal Equity	0.00
3900 Fund Balance	332,722.80
Net Income	56,979.21
Total Equity	\$ 389,702.01
TOTAL LIABILITIES AND EQUITY	\$ 389,702.01

April 12, 2011 DSAW Office Report, submitted by Ron Malloy

March Program Events and Outreach

Outreach

- 3-14-2011, Peer Sensitivity training for 40, 3rd grade students at Lincoln Elementary school in Cudahy.
- 3-16-2011, Milwaukee County Day Care Presentation. Presentation by Angie Fech, 25 in attendance.
- 3-31-2011, Peer Sensitivity, presented to 140 students (3 first grade classes and 1 second grade class)
- April e-Blast to promote Peer Sensitivity training

Events

- 3-21-2011, World Down syndrome Day was attended by 110. Many positive comments about the event.

Upcoming Events

- 4-29-2011, Spring Break play date, we did not ask for RSVP's.
- 5-6-2011, Sibs presentation to parents. 1 registered as if 4-6-2011.
- 5-21-2011, Potty training with guest speaker Alice Belgrade in partnership with the Down Syndrome Clinic. 20 registered as of 4-5-2011. Member registration fee = \$25, non-Member registration fee = \$35. 3 of the 20 registered were offered scholarships based on financial need.
- 5-29-2011, The Brewers Outing is scheduled for Sunday May 29, 2011 and DSAW is expecting attendance from all Chapters and Stevens Point. The event is co-sponsored with DADs. 34 registered as of 4-5-2011. Food to be cooked in place of catered food.
- 6-25-2011, Family Sock-Hop and Picnic. 11am to 5 pm at the Marian Center. Replaces the July 3rd event. In conjunction with Claire Oasis. The goal is organizational awareness. This event is in partnership with DADs.
- 6-27-2011, LTTW will be held June 27 – July 1, 2011 in Cudahy this year. The contract is being reviewed. The camp is expected to sell out very quickly. No mailing planned. The event is advertised in the newsletter.

Upcoming Outreach

- 4-8-2011, Self Determination in schools. In place of the two day seminar with cost of \$55/educator, DSAW will instead host a 3 hour no charge dinner on 4-8-2011 with the speaker being UW Special Education Assistant Professor and DSAW Board Member, Mary Pearson.
- 4-21-2011, Stevens Point. The outreach has evolved and expanded to a full day of presentations including multiple Peer Sensitivity training sessions and a teacher's in-service. Angie will travel to Steven's Point the night before.
- 5-7-2011, Stevens Point IEP Seminar planned for May in conjunction with the local Down syndrome organization.

Fundraising Events

Walk

- Donation solicitation and sdponsor solicitation letters mailed in March, 2011.
- Donations are starting to come into the office.
- Committee members have engaged with the Bucks and Miller Brewing.
- Walk Chair Ellen Moon will be training volunteers on in-kind and sponsorship solicitation.
- Firstgiving will be up no later than April 30th allowing on-line teams to begin forming.
- There will be two walk brochure mailings this year, the first mailing without sponsors where we will encourage those receiving the brochure to connect the office with potential sponsors. Then a second mailing will include the sponsors.

Golf Outing

- Sponsor solicitation letters, in-kind solicitation letters and golfer invites mailed in March 2011.

Volunteers

Office Volunteers

- Bea Gerbitz is volunteering one day per week in the DSAW office helping with giftworks data entry, the lending library and proof reading.
- A second office volunteer will be on-boarded in May. Our goal is to have two office volunteers trained and able to support the bulk of gift works event registration, volunteer registration and event thank you letters for the busy summer season.

LTTW Volunteers

- 30 volunteers confirmed as of 4-6-2011.
- The City of Cudahy Mayor, Tony Day, is helping with promoting the camp.
- The registration website will be ready to accept camper and volunteer registration by the end of April.

Other

Camp PALS

- Camp PALS is camp where adults with Down syndrome get to spend a week with a future Doctor or future Teacher. The goal is to provide a fun week for the person with Down syndrome and to introduce future professionals to Down syndrome. The office is exploring Marquette University as the host college and if everything works out, the event will be held in the summer of 2012. The office is expected to solicit for community events (Harley Museum for 50...) and the cost of the camp will be covered by Family Care or IRIS funds or through scholarships. Board Motion Item.

End the Word

- We have been asked by ACAP to sponsor their end the R-word campaign. Board Motion Item.

Grants – Milwaukee

- \$150.00 in \$2,\$4, \$6, ate hospital meal passes provided to three families.
- 4, \$250 Grants Awarded in March 2011

Chapters

- Ron Malloy and Angie Fech attended the Kohler walk committee meeting on April 2, 2011. We shared relationship options with DSAW. Kohler will either pursue 501(C)(3) status independently or leverage DSAW's 501(C)(3) status as they grow.
- Angie Fech and Ellen Moon have been invited to Green Bay in May to train their committee on donation solicitation and volunteer recruitment. We have asked Green Bay to reimburse expenses.
- Children of the Heart, a Lacrosse based Down syndrome organization, reviewed DSAW's high level Chapter value matrix and concluded since they have already reached self sufficiency it does not make sense to further explore becoming a DSAW Chapter.

On-Line Registration

90% of Self Determination for Educators conference registrations came in through on-line registration. The percentage of on-line registrations for Potty Training, Membership renewals and the Brewers game is below 30%. With a majority of future DSAW events being set-up for on-line registration, we expect the percentage of on-line registration for all events to trend toward 60% over the next year.

The following event types will support on-line registration:

- A. Events where a fee is charged
- B. Events where registration is expected to exceed 25 participants
- C. Non-fee repetitive events like the Holiday Party, Halloween Dance and Picnic

The following event types will not support on-line registration:

- A. One-time events where attendance is expected to be below 25 participants

Nonprofit salaries in 2010

Terrie Temkin | July 26, 2010



Terrie Temkin

As nonprofit executives and boards begin the budgeting process, many are wondering whether, and by how much, they should raise salaries this year, and what the average salary adjustments are in 2010.

This is a tall order, as you may well imagine. The numbers will vary depending on the organization's mission - human services organizations tend to always lag behind - where in the country the organization is based, the position being surveyed and even the entity that conducts the study - its biases, sample size and methodology.

Sadly, according to the Association of Fundraising Professionals' latest Compensation and Benefits Study (requires membership to access), the numbers still also depend on the employee's gender.

In the nine years AFP has conducted its study, no increases have succeeded in closing a roughly \$20,000 salary gap between male and female fundraising professionals.

Men continue to make more money, whether that is due to higher increases, the fact that they start out at a higher base salary or some combination of these.

In April of 2009, the reported salary picture was bleak.

According to a study by the Nonprofit Finance Fund released at that time, 41 percent of nonprofit organizations had reduced or were considering reducing staff or salaries and 22 percent had reduced or were considering reducing staff hours.

As many as 43 percent of the nonprofits surveyed were dipping into their reserves to stay afloat. I don't think raises were even a consideration in most organizations.

However, by April of 2010, things appear to have changed. The AFP study referenced above found that the average salaries of its U.S.-based survey participants increased by 7.4 percent.

One could argue that since most AFP survey participants are fund raisers, this is merely a result of organizations recognizing that they need highly-qualified help in order to bring in extra dollars during a difficult period.

However, the program managers that responded still saw a mean increase of 4.8 percent and other staff positions saw a mean increase of 4.5 percent.

It is perhaps helpful to note that 47.9 percent of the AFP respondents work in organizations with only one to three staff and 73.9 percent work in organizations with fewer than 10 staff, qualifying them as small and allowing you to use the numbers here with a fair degree of confidence.

The annual salary surveys conducted by Professionals for NonProfits in New York City, New Jersey and Washington, D.C., also showed that salaries increased or at least stayed the same.

Granted, fund raisers and finance people enjoyed the greatest increases - 10 percent and 7 percent respectively.

Charity Navigator found in its 5th Annual CEO Compensation Study that top administrators saw their salaries rise an average of 6.1 percent during this past year, though only by 2.5 percent in organizations with budgets of less than \$3.5 million and by 4.5 percent in organizations with budgets of between \$3.5 and \$13.5 million.

By the end of 2010, the PNP surveys project that, at least in the northeast where the data were gathered, salaries will stay the same in an average of 33 percent of the organizations.

But, they will increase 1 percent to 2.5 percent in 22 percent of the organizations, increase 2 percent to 6.3 percent in 20 percent of the organizations, increase 3.1 percent to 5 percent in 11 percent of the organizations, increase 5.1 percent to 7 percent in 2.3 percent of the organizations and increase 7.1 percent or more in 3 percent of the organizations.

Only 3.3 percent of organizations expect to decrease salaries and 5.3 percent are undecided.

It seems nonprofits understand that they have to pay a fair and decent wage to retain good people if they want those people to stick around, not only to help the organizations get through the bad times, but catapult them forward during the good.

Another positive sign from the PNP study is that a large majority of those organizations responding expect to make new hires in 2010.

New hires often come in at a higher salaries and this can stimulate a drive for equity, resulting ultimately in increases for all.

While I can't provide more specific information on the percentage of increases employees of nonprofits are receiving, given the variables stated above, you may wish to check out some basic salary numbers for different jobs in different cities to determine the percentage of increase required to bring your employees up to a comparable salary.

Of course, this presumes you can afford to offer raises. There are many paid sites you can reference for this information.

The NonProfit Times produces an annual national study that is one of the most comprehensive, providing salary information for most job titles in different regions of the country and broken down by mission area.

However, for a simple look at no cost, check out "Nonprofit Compensation: Trends for 2009 and 2010." You will find numbers generated by PayScale that are updated constantly.

Terrie Temkin is founding partner at the Miami, Fla.-based management consulting group CoreStrategies for Nonprofits Inc. For five

From: Leigh Kunde
Nonprofit Center of Milwaukee
2819 West Highland Blvd.
Milwaukee, WI 53208
414-344-3933; 414-344-7071 (Fax)
promoting nonprofit excellence since 1967

Ron,

At the September AEG meeting we open the meeting with a question about 2011 salary increases within the nonprofit sector. The average range was 2.5%. There were a number of nonprofit that were not giving any increase due to the economy.

The question for your board should be what can you afford in 2011 given your funding situation. The market is weighing in at 2.5 % but some organizations were not able to given any increase based on their funding.

The Nonprofit Center gave our employees a 3% increase in 2011; 2.5 % in 2010; 0 increase in 2009; 3% in 2008. When we decided to do 3% for 2011, it means we will need to raise \$13,000 in new money to do that.

Here is the data for your board:
2009 increase 2.5%
2010 increase 2.5%

If you wanted to use the salary ranges since data is from 2009 I would add 5% to each position to get a very current hourly rate that can then be turned into a salary range by multiplying the new hourly rate by 2008 hours.

I hope this helps. Feel free to call me if you want to discuss any of the above.
Leigh

At 10:29 AM 3/29/2011, Ron Malloy wrote:

Hi Leigh,
I spoke to Rodney and he indicated you might know the answer to my question.

Last year I reviewed the salary survey and it indicated what non-profits were doing associated with the economic crisis. I guess the new salary survey will be coming out later in 2011.

I need to make a recommendation to my board about what the industry is doing in 2011. Flat - no increases, Rate of inflation (+3%).....

What the market is doing is one thing, what I can afford based on increases in donations and grants is another thing.

email = ron@dsaw.org, cell 262-225-9169

Thanks,
Ron

Leigh

Leigh Kunde
Nonprofit Center of Milwaukee
2819 West Highland Blvd.
Milwaukee, WI 53208
414-344-3933; 414-344-7071 (Fax)
promoting nonprofit excellence since 1967

Merit Increase (e.g. pay raise) and Development Increase (e.g. promotion)
Summary – Recommendation - Timeline.

Given:

- The process of forecasting fiscal year end salaries is a manual process made more complex if pay increases are awarded at different times during the year and not awarded at the start of a fiscal year.
- The process of creating a budget proposal for approval is made more complex when salary increases are awarded at different times during the year and not awarded at the beginning of the fiscal year.
- Calculating and proposing wage increases to the board for approval multiple times during the year is inefficient.

Recommendation:

- A one-time adjustment for all existing employees such that all pay changes occur on July 1, the beginning of our fiscal year.
- Any new employee will be told, all pay changes occur on July 1, the beginning of our fiscal year.
- Emergency changes can and will be addressed as needed.

Timeline:

- February – Strategic Plan
- April – Presentation of salary market data to board
- May – Directional budget discussion with the board (e.g. Outreach increase by 10%, travel flat, salaries increase by 2.5%....)
- June – Detailed budget presented for approval

MEMORANDUM

TO: Interested Parties

FROM: Mike Wittenwyler
Godfrey & Kahn, S.C.

DATE: February 6, 2007

SUBJECT: Political and Lobbying Activities.

This memorandum provides an overview of the legal issues in connection with a charitable organization's lobbying activities. Charitable organizations established under section 501(c)(3) of the Internal Revenue Code (the "Code") may engage in an insubstantial amount of lobbying activity but are strictly *prohibited* from engaging in political campaign activities.

PROHIBITION ON POLITICAL ACTIVITIES

Charitable organizations should *not* directly or indirectly participate in or intervene in – including the publication or distribution of statements – any political campaign or on behalf of or in opposition to any candidate for public office. *See* I.R.C. § 501(c)(3). Taking positions on issues, however, is considered lobbying activity, *not* political campaign activities.

To avoid engaging in political campaign activities, a charitable organization should *not*:

- take positions on the outcome of an election or on a specific candidate;
- intervene directly or indirectly in a political campaign;
- expend any money to support or oppose a candidate;
- make any contributions to candidates, political parties or other political committees;
- solicit contributions for candidates, political parties or other political committees;
- compensate employees for time spent working on political campaign activities;
- provide publicity or volunteers for a candidate or political party; or
- endorse or oppose candidates for public office.

While a charitable organization is strictly prohibited from engaging in political campaign activities, the organization still may encourage people to participate in the electoral process in ways that are not considered participation or intervention in a campaign. For example, within the limits under the Code, a charitable organization can sponsor debates or forums to educate voters, distribute voter guides, or conduct voter registration or get-out-the-vote activities. However, if a debate or forum, voter guide, voter registration or get-out-the-vote activity shows *any* preference for or against a candidate or political party, the activity is a prohibited political campaign activity.

A charitable organization may *not* establish a political action committee ("PAC"). See Treas. Reg. 1.527-6(g). However, a PAC may be established by a section 501(c)(4) organization affiliated with a charitable organization.

Individuals affiliated with a charitable organization may engage in political campaign activities. However, these individuals should take steps to demonstrate that they are acting in a private, individual capacity. See "Election Year Issues," *Internal Revenue Service CPE Exempt Organizations Text* (2001) p. 363-64. That is, these individuals should make sure that any individual political campaign activities would not be attributed to the charitable organization. Moreover, under no circumstances should any individuals engaged in political activities utilize the charitable organization's resources, facilities or personnel for political campaign activities.

POLITICAL ACTIVITIES AND ISSUE ADVOCACY COMMUNICATIONS

In determining whether a particular activity is political campaign activity, the Internal Revenue Service (the "IRS") will look at all relevant facts and circumstances. Accordingly, some "issue advocacy" communications¹ may be considered by the IRS to be political campaign activities under the Code, not lobbying activity – even though the communication may be completely unregulated under state or federal campaign finance law. See "Election Year Issues," p. 344-46. That is, issue advocacy communications that appear to take a position on the outcome of an election or on a specific candidate in an election (rather than focusing on an issue) may be considered by the IRS to be prohibited political campaign activity.

In Revenue Ruling 2004-6 (Jan. 26, 2004), the IRS provided some additional insight on the factors it will consider in determining whether an organization's issue advocacy communication should be treated as a political campaign activity. Communications – including broadcast, print advertising, telephone programs and direct mail – are more likely to be considered political campaign activities if the communication:

- identifies a candidate;
- occurs during an electoral campaign, targeted at voters in a particular election;

¹ A communication that does *not* expressly advocate the election or defeat of a clearly identified candidate is referred to as "issue advocacy." By definition, "issue advocacy" communications avoid any explicit discussion of a candidate's election or defeat and, instead, provide information on a political issue or policy question associated with a candidate.

- identifies the candidate's position on a public policy issue, and the public policy issue has been raised during a campaign to distinguish the candidate from others; and,
- is not part of an ongoing advocacy campaign on the public policy issue.

To *avoid* being a political campaign activity, conversely, an organization should point to:

- the absence of one or more of the factors above;
- the timing of an event outside the control of the organization – such as a legislative vote, a committee hearing or other major legislative action – on the public policy issue;
- identification of the candidate only in his or her position as an elected official – not as a candidate; and,
- identification of the candidate only as a principal sponsor of the legislation.

Based on these factors, there is clear benefit to planning lobbying communications well in advance. That is, communications that are part of an ongoing lobbying campaign in connection with pending legislative matters are more likely to be considered lobbying than political campaign activities.

LIMITATION ON LOBBYING ACTIVITY

While a charitable organization is strictly prohibited from engaging in political campaign activities, it may engage in lobbying activity. *See* I.R.C. § 501(c)(3). The amount of lobbying activity, however, must be an “insubstantial amount” of the organization’s overall activities. That is, “no substantial part” of a charitable organization’s activities can involve attempting to influence legislation.

“Lobbying” Defined

“Lobbying,” under the Code, is any attempt to influence legislation as well as the activities in support of those efforts. *See* I.R.C. § 4911(c). There are two categories of lobbying, either “direct lobbying” or “grassroots lobbying,” and the limits on lobbying activities will depend on this categorization.

Direct lobbying is any attempt to influence legislation through a communication with any member or employee of a legislative body or with any government official or employee – local, state or federal – who may participate in the formulation of legislation. *See* Treas. Reg. 56.4911-2(b)(1). The lobbying communication must refer to specific, introduced legislation and reflect a view on such legislation. *See* Treas. Reg. 56.4911-2(b)(1)(ii).

Grassroots lobbying is any attempt to influence any legislation through an effort to affect the opinions of the general public or any segment thereof. *See* Treas. Reg. 56.4911-2(b)(2). Generally, a grassroots lobbying communication: (1) refers to specific legislation; (2) reflects a

view on that specific legislation; *and*, (3) encourages the recipient of the communication to take lobbying action with respect to the specific legislation.² Grassroots lobbying does *not* include efforts urging the public to vote for or against a ballot initiative or referendum. In these instances, the expenditures are considered “direct lobbying” as it is the public’s vote not a legislative body’s vote that is being lobbied. *See* Treas. Reg. 56.4911-2(b)(1)(iii).

“Legislation” includes any acts, bills, resolutions or similar items considered by Congress, any state legislature, any local council or similar governing body, or by the public in a referendum, initiative, constitutional amendment or similar procedure. *See* Treas. Reg. 1.501(c)(3)-1(c)(3)(ii).

Lobbying activity includes:

- Contacting or urging the public to contact federal, state or local legislators for the purpose of proposing, soliciting or opposing legislation;
- Advocating for the adoption or rejection of legislation;
- Formulating positions to be taken by the charitable organization with respect to supporting or opposing legislation;
- Expenditures for researching and reviewing legislation; or,
- Any expenses incurred by a charitable organization in connection with lobbying by any volunteers.

For charitable organizations that have made the “501(h) election” (see below), lobbying activity does *not* include:

- Lobbying by volunteers affiliated with the charitable organization as long as no expense is incurred by the organization;
- Communications with members of the charitable organization on legislation if the organization does *not* directly encourage its members or others to lobby – even if the charitable organization takes a position on the legislation;
- Responses to written requests from a legislative body – not a single legislator – for technical advice on pending legislation;
- Lobbying legislators – but not the general public – on matters that may affect the charitable organization’s own existence, powers, or its tax exempt status;

² It is important to also note that certain mass media advertisements that would not otherwise constitute grassroots lobbying will be considered grassroots lobbying when the advertisement appears within two weeks of a vote on that legislation. *See* Treas. Reg. § 56.491-2(b)(5).

- Discussion of broad, social, economic and similar policy issues whose resolution would require legislation – as long as the discussion does not address the merits of specific legislation; or,
- Making available the results of a “nonpartisan analysis, study or research” on legislative issues that presents a sufficiently full and fair exposition of the pertinent facts to enable the audience to form an independent opinion. The research and analysis need not be neutral or objective and may take a direct position of the merits of the legislation. The materials must be generally available to all interested parties and cannot include a direct call to action to encourage a reader to contact legislators.

See I.R.C. § 4911(d)(2); Treas. Reg. 56.4911-2(b); Treas. Reg. 53.4945-2(d)(4).

What is a “substantial part”?

A charitable organization must monitor whether its lobbying activities are a “substantial part” of the organization’s activities. “Substantial part” is *not* defined in the Internal Revenue Code. “A determination of whether attempts to influence legislation constitute a ‘substantial’ portion of an organization’s total activities is a factual one and there is no simple rule as to what amount of activities is substantial.” See “Lobbying Issues,” *Internal Revenue Service CPE Exempt Organizations Text* (1997) p. 279.

In determining “substantiality,” a charitable organization has two options:

1. The organization can engage in a subjective “facts and circumstances” analysis of its activities; or
2. The organization can affirmatively elect to follow the limits on lobbying activity set forth in I.R.C. § 501(h).

“Facts and Circumstances” Test – Nonelecting Charitable Organizations

Unless an organization has made an affirmative election under I.R.C. § 501(h), as discussed below, “substantiality” will be determined based on the facts and circumstances of the situation, the nature of the organization, and the nature and extent of the activities at issue. Either substantial money or time spent on lobbying activity can lead to a determination that lobbying activity is a “substantial part” of the charitable organization’s purpose. A non-electing charitable organization is required to annually report its total spending on lobbying activity and a description of its activity.

501(h) Election – Electing Charitable Organizations

In response to concerns that the standards for determining “no substantial part” are too vague and can be difficult to apply, Congress enacted and the IRS codified a specific formula for charitable organizations to determine how much money can be spent on lobbying activities. Under I.R.C. § 501(h), a charitable organization will have a specific limit on its lobbying expenditures and, as a result, certainty on what amount of lobbying activity is insubstantial and permissible.

To fall within this “safe harbor” on what will be considered an insubstantial amount of lobbying activity, a charitable organization must affirmatively elect to be regulated under section 501(h). An election under section 501(h) is made by filing IRS Form 5768. It only needs to be filed once and can be revoked.

Section 501(h) provides a sliding scale of permissible “lobbying nontaxable amounts” that may be spent on lobbying activity. These amounts are based on a percentage of the charitable organization’s exempt purpose expenditures. “Exempt purpose expenditures” are the total amounts of paid or incurred (including depreciation and amortization, but not capital expenditures) by a charitable organization for the tax year to accomplish its exempt purpose. *See* Treas. Reg. 56.4911-4(b).

Overall Lobbying Expenditure Ceiling

Under the 501(h) election, the amount an electing charitable organization can spend on lobbying expenditures (the “lobbying nontaxable amount”) is equal to:

- 20 percent of the first \$500,000 of exempt purpose expenditures; plus
- 15 percent of the next \$500,000 of exempt purpose expenditures (\$500,000 to \$1 million); plus
- 10 percent of the next \$500,000 of exempt purpose expenditures (\$1,000,000 to \$1,500,000); plus
- 5 percent of the rest of exempt purpose expenditures (over \$1,500,000) up to a maximum limit on lobbying activity expenditures of \$1 million. That is, no charitable organization that makes an election under section 501(h) may annually spend more than a \$1 million on its lobbying activity.

See I.R.C. § 4911(c)(2).

Grassroots Lobbying Expenditure Ceiling

An electing organization's annual limit on *grassroots* lobbying is equal to 25 percent of the amount that the charitable organization could spend on all of its lobbying activities (the "lobbying nontaxable amount") for that tax year. See I.R.C. § 4911(c)(4). Accordingly, if an organization spends the full allowable amount on grassroots lobbying, it could then only spend 75 percent of the lobbying nontaxable amount on direct lobbying.

501(h) Reporting

Charitable organizations that have made the 501(h) election must keep track of their expenditures on all direct lobbying activity and grassroots lobbying activity. The expenditures will be reported annually on Schedule A to Form 990. The information on lobby expenditures required to be furnished by the charitable organization includes:

- the amount spent on direct lobbying activities;
- the permissible amount of direct lobbying expenditures (the "lobbying nontaxable amount");
- the amount spent on grassroots lobbying activities; and,
- the permissible amount of grassroots lobbying expenditures (the "grassroots nontaxable amount").

DEDUCTIBILITY OF CONTRIBUTIONS

Generally, no tax deduction is allowed for any amount spent on lobbying or political campaign activities. See I.R.C. § 162(e). Contributions to charitable organizations, however, are deductible – even if the charitable organization engages in lobbying activity. Unlike other non-charitable, tax-exempt organizations, charitable organizations do not need to inform their contributors of what portion of a contribution may be nondeductible due to the lobbying activity of the organization.

CONCLUSION

In sum, a charitable organization may engage in lobbying activity so long as such activity does not become a substantial portion of the organization's overall activities or involve factors that would make it political activity (rather than lobbying activity) under the Code.

Please let us know if you have further questions or need any additional information on this matter.

DRAFT DSAW ADVOCACY PLAN - 2/9/2011

Advocacy Mission and Overview:

DSAW's advocacy seeks to give voice to the Down syndrome community in Madison and Washington, DC that is consistent with DSAW's values and overall mission. This advocacy will rely on the following principles:

- Down syndrome is a nonpartisan issue, and DSAW will not participate in political activities.
- Self-advocates and parents/guardians will be DSAW's main voice.
- DSAW will monitor legislative and policy arena for issues that affect members.
- DSAW will educate public officials on issues important to the DSAW community, and the impact of their decisions and policy.

Tools:

- Form advisory committee?
- Monitor issues and legislative activities
- Post issue priorities to DSAW website in an "advocacy" section with officials' contact information
- Issue action alerts via new media, e-blasts, and other outreach resources (newsletters, meetings, etc.)
- Participate in national group's visit to Wisconsin's congressional delegation in Washington, DC
- Organize annual visit to Madison to visit key state legislators

Federal Issues:

Justice

- Protect Americans with Disabilities Act and Rehabilitation Act
- End discrimination in employment and housing

Health Care

- PPACA protection from discrimination based on preexisting conditions, ban on lifetime limits, etc.
- Full funding of Kennedy-Brownback Act (the Prenatally and Postnatally Diagnosed Conditions Awareness Act)
- Increase federal research funding

Education

- Improve and expand inclusive opportunities
- End use of force, restraint and seclusion in schools
- Support transition legislation (TEAM Act)

Financial Security

- ABLE Act (allows parents and individuals with disabilities to save money in special bank accounts that don't count towards federal benefits [SSDI, SSI])

Involvement

- Involve federal officials in DSAW events.

State Issues:

Justice

- End discrimination in employment and housing

Health Care

- Protect Medicaid (BadgerCare) eligibility.

Education

- Improve and expand inclusive opportunities
- End use of force, restraint and seclusion in schools
- Improve transition

Workforce

- Promote workforce development initiatives that encourage employers to hire people with Down syndrome

Involvement

- Involve state officials in DSAW events.

Tabled Motion from 3-14-11 DSAW Board Meeting

Move that the Board develop a policy regarding advocacy which provides information to members on a non-partisan, neutral basis. The Advocacy Committee is charged with presenting to the Board issues they would like to see DSAW advocate or issues on which they would like to see DSAW take a position as an organization. Board approval is needed for any "call to action" or action taking a position as an organization.