

# People, Partnerships, and Communities

The purpose of the People, Partnerships, and Communities series is to assist The Conservation Partnership to build capacity by transferring information about social science related topics

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## Understanding Non-Profit Organizations

Non-profit organizations play an important role in the community. The Natural Resources Conservation Service (NRCS) and The Conservation Partnership often collaborate with these non-governmental organizations. It benefits everyone if we are able to work together to better our communities and improve our natural resources. Non-profit organization structure is much different from the government. An understanding of how non-profit organizations are structured and how they operate is necessary in order to facilitate effective partnerships and cooperation in the community.

### What is a Non-Profit Organization?

One definition of a non-profit organization is “those legally constituted, non-governmental entities, incorporated under state law as charitable or not-for-profit corporations that have been set up to serve some public purpose and are tax exempt according to the United States IRS.”<sup>1</sup>

All non-profit organizations must have these four characteristics:

1. They must be granted legal status that allows gifts to be tax deductible
2. Their role and mission must be above any self-interest or financial gain
3. Tax exemptions must be granted (although not every non-profit organization elects to file for them)
4. They must serve the public



Creating solutions, changing lives.



In the year 2000, the number of organizations in the entire non-profit sector totaled 1.6 million.<sup>2</sup> Some examples are the Boy Scouts of America, Chambers of Commerce; community foundations; Ducks Unlimited; Farm Bureau; General Federation of Women's Clubs; Girl Scouts of the USA; National Easter Seal Society; Nature Conservancy; Pheasants Forever; Rotary International; Soil and Water Conservation Society (SWCS); and Urban League. Some watershed groups also seek non-profit status.

<sup>1</sup> Thomas Wolfe, *The Non Profit Organization: An Operating Manual* (New York: Prentice Hall Press, 1984).

<sup>2</sup> The Independent Sector, *The New Nonprofit Almanac & Desk Reference in brief*. 2002.

<<http://www.independentsector.org/PDFs/inbrief.pdf>>. (18 April 2003)

## Why are They Important?

Non-profit organizations provide a central role in economic growth. Their role in education (schools, research, training, consultation) and community services (health services, social services, recreation, libraries, arts) are instrumental in supplying access to capital for certain community populations. Non-profits affect and contribute to the community by stimulating employment, income, creating a more skilled workforce and introducing new technology. Chamber of Commerce and tourism councils are examples of non-profit organizations whose missions promote economic growth.

Non-profits can also support many locally led conservation activities. For example, a non-profit organization can provide a financial contribution, political support, or a representative to serve on a watershed group. Much like the NRCS Earth Team volunteer program that provided over one million hours of service to NRCS during the fiscal 2002-year<sup>3</sup>, they also can be a resource in providing volunteers for a wide variety of activities ranging from a clean-up day to engineering work. In 1998, the non-profit sector benefited from the volunteer work of 5.8 million people, with a total assigned dollar value of \$226 billion.<sup>4</sup>

## How are They Structured?

Non-profit organizations have a board of trustees that includes officers. Depending on the size of a group, they may also have committees and an executive director.

**Board of Trustees:** This group, also referred to as board of directors or council, governs non-profit organizations. An RC&D Council, for example, serves as a board of trustees. Generally, the board consists of volunteers. They have six major responsibilities:

1. Determine mission and set policies from year to year
2. Institute economic agendas and boundaries including budgets and financial discipline
3. Appoint, assess, and if necessary, terminate the appointment of the chief executive
4. Secure and maintain ties with the community
5. Provide monies for the activities of the organization through contributions and fund-raising
6. Guarantee that the vision and mission of the organization's charter and the law are being followed

**Officers:** A non-profit organization's board of trustees is required by state law to include at least three officers: a president (or chairperson), a treasurer, and a clerk (or secretary). The organization's bylaws will specify how many officers there will be, their titles, powers and duties. The bylaws will also state the process by which they are elected and the frequency of the elections.

**Committees:** When a non-profit organization reaches considerable size and complexity, the board usually finds that it is difficult to carry out all of its responsibilities efficiently. They will then divide into smaller committees that will allow for a detailed analysis of specific areas such as fund-raising, planning, budgeting or programs. The full board then discusses these analyses and any recommendations by the committees. Some common committees in non-profits are the executive, financial, development/fund-raising, and planning committees. Other committees in selected organizations might focus on interest areas such as forestry, conservation, agricultural land resources, and land use. Still other committees focus on specific projects such as a legislature tour, annual meeting, or field day.

**Chief Executive:** Chief executives may have the title executive director, executive vice president or president. The chief executive acts as a facilitator and consensus builder. He or she will mediate and engage in board-centered leadership, along with managing and implementing the board's ideas, policies and decisions. With the approval of the board, the executive will hire, recruit and supervise staff and volunteers. Chief executives clarify job descriptions and procedures as well as establishing networks with other non-profit organizations, government agencies and local businesses. These networks enable partnerships and cooperation in the community. Conflict resolution among the board, staff and the public are also primary responsibilities of the chief executive.

<sup>3</sup> Source: Eginore, Michele, Director of National Earth Team Program. "Earth Team Information." E-mail message. (18 April 2003).

<sup>4</sup> Source: The Independent Sector, <<http://www.independentsector.org/PDFs/inbrief.pdf>>. (18 April 2003).

## Why should Non-Profit Organizations matter in Conservation?

Seven out of every 10 Americans belong to an organization. A number of organizations also support environmental and conservation initiatives. For example, conservation is one of six primary interest areas of the General Federation of Women's Clubs, who have local affiliates throughout the United States. Non-profits benefit others by educating, setting professional standards, developing and disseminating information to the public, ensuring representation of private interests, exercising and supporting political choice and organizing volunteer efforts. They enrich the lives of people in the community.



## Some Things to Consider when Dealing with Non-Profit Organizations

- Non-profit organizations depend upon a constant flow of resources, including funding. Financial support usually comes from member dues and program services, private gifts, contributions, and fundraising activities. Non-profits can also write grants and receive state and federal funds.
- Many organizations plan their priorities, issues and projects a year in advance. If you work with or plan to work with an organization for political support, validation, redistribution of services, expert assistance or to form a partnership to identify conservation priorities, it would be wise to contact them, if possible, six months to a year before they determine their annual plan of work. Then, adequate resources might be available to you providing the group's membership approves. At other times, organizations are able to respond rapidly.
- It is important to research the organization before visiting them or meeting with one of their leaders. They are guided by policies and plans. Policies focus on critical issues and give a general guide to action. Non-profit organizations reflect their philosophy, values, limits and conduct. It is helpful to know in advance of a meeting what issues you might share in common and which issues might result in a conflict of interest. Most groups at the local, state, and national levels have Web sites.
- Incorporated non-profit organizations have bylaws. This document outlines the rules governing the group and can have legal ramifications. The board ensures that its bylaws are written and reviewed regularly. Most bylaw provisions address members, meetings, the board of directors, committees of the board, officers of the board and how to adopt and amend the bylaws.
- In the private sector, non-profit organizations are referred to as "non-profits" or non-profit organizations. They do not use the term "NGO", an abbreviation for non-governmental agencies, that is commonly used by government agencies.
- Non-profit organizations can be defined by the objectives and constraints they face or by the identity of their beneficiaries. Typically, they respond to a need in the community. It is that need that translates into their mission and purpose as an organization.

**Where can I find more Information?**

Center on Nonprofits and Philanthropy of the Urban Institute.  
9 April 2002 <<http://www.urban.org/centers/np.html/>>

Internet Nonprofit Center. Evergreen State Society.  
15 Feb. 2002 <<http://www.nonprofits.org/>>

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