**BOARD OF DIRECTORS**
**Downtown Dover Partnership**
**Capital City Transformation Alliance, Inc.**
Thursday, July 31, 2025, 1 p.m.
*Lunch served beginning at 12:30 p.m.*
**The Hive, 28 W. Loockerman St., Dover, DE**

# AGENDA

Rev. 7-31-25

12:30 *Board members may arrive before actual meeting begins to begin lunch*

**DDP BOARD MEETING:**

1-1:25 **DDP board meeting)**

- FY 2026 budget
- 120 S. Governors Ave.: Donated Properties - Ground Use Agreement
- Conflict of Interest Procedure
- General updates

**BOARD MEMBER TRAINING:**

1:25-1:45 **Why does DDP have three non-profit entities?** (Diane & Ken)

1. Main Street Dover
2. Downtown Dover Partnership
3. Capital City Transformation Alliance, Inc.

1:45-2:40 **Key Elements of Effective Board Governance (Pt. 1)** Earl Sissel (Over for bio.)

- Role of Non-Profit Boards
- Culture of High Performing Boards
- Legal and Ethical board Responsibilities
- Board Structure and Decision-making

2:40 **Break**

**Required for CCTA board members to attend.**
*All DDP board members are invited and encouraged to remain for this portion of training.*

2:50-4:10 **Key elements of Effective Board Governance Overview (Pt. 2)** (Earl)

- Board Responsibilities
  - Mission, Vision, Values, and Strategy
  - Fiduciary and Legal Oversight and Accountability
  - Building and Sustaining an Excellent Board
  - Resource Development
- Is your Board a High Performing Board?

4:10-4:20 **Question & Answer/Key TakeAways**

4:20-4:30 **Next Steps/Action Items**

*Agenda items as listed may not be considered in sequence. Pursuant to 29 DEL. C. 10004(e)(2), this agenda is subject to change to include the addition or deletion of items, including executive sessions, which arise at the time of the meeting.*

**Lead Consultant:**

**Earl Sissell**
**Vice President of Consulting**
**esissell@delawarenonprofit.org**
**302.330.7225**

Earl Sissell is Vice President of Consulting at DANA. Earl brings a combination of business development, financial management, strategic planning, and leadership expertise to this engagement. Before coming to DANA, Earl's work experience included more than a decade in public and private finance and venture capital. He served as a faculty member of higher education and at independent schools; as well as serving in a Head of School and CEO for both private and charter schools in the Philadelphia region. His expertise includes strategic planning, nonprofit governance, board development, and nonprofit finance. Earl is a graduate of Kenyon College (BA in Sociology and Anthropology) and the University of Pennsylvania (M.Ed. in Elementary Education). He is a *Standards of Excellence* certified consultant.

| | 501(c)(3) | 501(c)(6) |
|---|---|---|
| **Purpose and activity** | • Charitable and educational.<br>• Services like housing, food distribution, education, religion, or other publicly beneficial actions. | • Not charitable.<br>• Promotes common interests and improves business conditions. For e.g. business leagues, chambers of commerce, boards of trade, and professional football leagues. |
| **Tax-exempt status** | • Exempt from federal, state, and local taxes.<br>• Requires Form 1023 or Form 1023-EZ.<br>• Cost - $600 or $275 | • Exempt from federal taxes, may not be from state and local taxes.<br>• Requires Form 1024.<br>• Cost - $600 |
| **Lobbying** | • Can advocate for causes within reason.<br>• More restrictions - cannot influence legislation and support a candidate. | • Can participate in unlimited lobbying if related to their purpose.<br>• Fewer restrictions - IRS will assess proxy tax penalty. |
| **Political involvement** | • Cannot participate in political campaigns or electioneering. | • Can actively take part in political and election campaign activities.<br>• Must report percentage dues used on these activities to their members. |
| **Fundraising and donations** | • Donations are considered charitable and tax-deductible. | • Donations are not tax-deductible. |
| **Donor disclosure on IRS Form 990** | • Must report donor information for gifts of $5,000 or more. | • Not required to report donor information to the IRS. |
| **Donor disclosure to the public** | • Private foundations must disclose donors to the public.<br>• Public charities don't have to disclose donors. | • Not required to report donor information to the public. |
| **Grants** | • Can give and receive grants. | • Can receive grants if the company allows them to apply. |

SOURCE: https://donorbox.org/nonprofit-blog/501c3-vs-501c6

# CAPITAL CITY TRANSFORMATION ALLIANCE, INC.

# NON-PROFIT CORPORATE BYLAWS

## ARTICLE 1:
## NAME

1.01 **Name**. The name of this corporation shall be Capital City Transformation Alliance, Inc. The business of the corporation shall be conducted as Capital City Transformation Alliance, Inc.

## ARTICLE 2:
## PURPOSES AND POWERS

2.01 **Purpose**. Capital City Transformation Alliance, Inc. is a non-profit corporation and shall be operated exclusively for charitable, scientific, literary, and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, or the corresponding section of any future Federal tax code.

Capital City Transformation Alliance, Inc.'s primary purpose is to combat community deterioration, lessen neighborhood tensions, erect and maintain buildings open to the public, monuments, or works, lessen the burdens of government, and promote social welfare.

Its programs include the creation and management of a parking facility open to the public in Dover, Delaware to serve as a mobile transportation hub for the support of local housing, local health organizations, and community development.

2.02 **Powers**. The corporation shall have the power, directly or indirectly, alone or in conjunction or cooperation with others, to do any and all lawful acts which may be necessary or convenient to affect the charitable purposes, for which the corporation is organized, and to aid or assist other organizations or persons whose activities further accomplish, foster, or attain such purposes. The powers of the corporation may include, but not be limited to, the acceptance of contributions from the public and private sectors, whether financial or in-kind contributions.

2.03 **Nonprofit Status and Exempt Activities Limitation**.

(a) **Nonprofit Legal Status**. Capital City Transformation Alliance, Inc. is a Delaware non-profit exempt corporation, and is applying to be recognized as tax exempt under Section 501(c)(3) of the United States Internal Revenue Code.

(b) **Exempt Activities Limitation**. Notwithstanding any other provision of these Bylaws, no director, officer, employee, member, or representative of this corporation shall take any action or carry on any activity by or on behalf of the corporation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code as

it now exists or may be amended, or by any organization contributions to which are deductible under Section 170(c)(2) of such Code and Regulations as it now exists or may be amended. No part of the net earnings of the corporation shall inure to the benefit or be distributable to any director, officer, member, or other private person, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the Certificate of Incorporation and these Bylaws.

(c) **Distribution Upon Dissolution**. Upon termination or dissolution of the Capital City Transformation Alliance, Inc., any assets lawfully available for distribution shall be distributed to one (1) or more qualifying organizations described in Section 501(c)(3) of the 1986 Internal Revenue Code (or described in any corresponding provision of any successor statute) which organization or organizations have a charitable purpose which, at least generally, includes a purpose similar to the terminating or dissolving corporation.

The organization to receive the assets of the Capital City Transformation Alliance, Inc. hereunder shall be selected in the discretion of a majority of the managing body of the corporation, and if its members cannot so agree, then the recipient organization shall be selected pursuant to a verified petition in equity filed in a court of proper jurisdiction against the Capital City Transformation Alliance, Inc., by one (1) or more of its managing body which verified petition shall contain such statements as reasonably indicate the applicability of this section. The court upon a finding that this section is applicable shall select the qualifying organization or organizations to receive the assets to be distributed, giving preference if practicable to organizations located within the State of Delaware.

In the event that the court shall find that this section is applicable but that there is no qualifying organization known to it which has a charitable purpose, which, at least generally, includes a purpose similar to the Capital City Transformation Alliance, Inc., then the court shall direct the distribution of its assets lawfully available for distribution to the Treasurer of the State of Delaware to be added to the general fund.

## ARTICLE 3:
## MEMBERSHIP

3.01 **No Membership Classes**. The corporation shall have no members who have any right to vote or title or interest in or to the corporation, its properties and franchises.

3.02 **Non-Voting Affiliates**. The board of directors may approve classes of non-voting affiliates with rights, privileges, and obligations established by the board. Affiliates may be individuals, businesses, and other organizations that seek to support the mission of the corporation. The board, a designated committee of the board, or any duly elected officer in accordance with board policy, shall have authority to admit any individual or organization as an affiliate, to recognize representatives of affiliates, and to make determinations as to affiliates' rights, privileges, and obligations. At no time shall affiliate information be shared with or sold to other organizations or groups without the affiliate's consent. At the discretion of the board of directors, affiliates may be given endorsement, recognition and media coverage at fundraising activities,

clinics, other events or at the corporation website. Affiliates have no voting rights and are not members of the corporation.

3.03 **Dues**. Any dues for affiliates shall be determined by the board of directors.

## ARTICLE 4:
## BOARD OF DIRECTORS

4.01 **Number of Directors**. Capital City Transformation Alliance, Inc. shall have a board of directors consisting of at least 5 and no more than 9 directors. Within these limits, the board may increase or decrease the number of directors serving on the board, including for the purpose of staggering the terms of directors and the formation of committees of the board.

4.02 **Powers**. All corporate powers shall be exercised by or under the authority of the board and the affairs of the Capital City Transformation Alliance, Inc. shall be managed under the direction of the board, except as otherwise provided by law.

4.03 **Terms**.

(a) All directors shall be elected to serve a three-year term; however, the term may be extended until a successor has been elected.

(b) Director terms shall be staggered so that approximately half the number of directors will end their terms in any given year.

(c) Directors may serve terms in succession, without limitation.

(d) The term of office shall be considered to begin July 1 and end June 30 of the second year in office, unless the term is extended until such time as a successor has been elected.

4.04 **Qualifications and Election of Directors**. In order to be eligible to serve as a director on the board of directors, the individual must be 18 years of age and an affiliate within affiliate classifications created by the board of directors. Directors may be elected at any board meeting by the majority vote of the existing board of directors. The election of directors to replace those who have fulfilled their term of office shall take place in June of each year.

(a) Downtown Dover Partnership – Each member of the board of directors of the Downtown Dover Partnership shall be eligible to be elected to a seat on the board of directors of the Capital City Transformation Alliance, Inc. The total number of board members serving pursuant to this section shall be at least one less than the total number of board members serving as defined by Article 4.01.

(b) Independent Board Members - Each additional member of the board shall be elected by a majority vote of the seated and appointed board of directors then serving.

4.05 **Vacancies**. The board of directors may fill vacancies due to the expiration of a director's term of office, resignation, death, or removal of a director or may appoint new directors to fill a previously unfilled board position, subject to the maximum number of directors under these Bylaws. Vacancies in the board of directors due to resignation, death, or removal shall be filled by the board for the balance of the term of the director being replaced.

(a) When a member of the board elected pursuant to Article 4.04(a) ceases to serve on the board of directors of the Downtown Dover Partnership, such seat of Capital City Transformation Alliance, Inc. shall be vacated, and that member will cease to serve pursuant to Article 4.04(a). The board member shall be replaced by an eligible person by election of the remaining members of this board who are serving pursuant to Article 4.04(a) by majority vote. Further, by majority vote of the remaining board of directors serving pursuant to Article 4.04(a), the vacating member of the board of directors of Capital City Transformation Alliance, Inc. may continue to serve on the board of the Capital City Transformation Alliance, Inc. and such appointment shall be pursuant to Article 4.04(b).

4.06 **Removal of Directors**. A director may be removed by two-thirds of the board of directors, or by unanimous vote of the members of the board of directors serving on the board pursuant to Article 4.04(a) then in office, if:

(a) the director is absent and unexcused from two or more meetings of the board of directors in a twelve-month period. The board president, in agreement with at least one other director, is empowered to excuse directors from attendance for a reason deemed adequate by the board president. The president shall not have the power to excuse him/herself from the board meeting attendance and in that case, the board vice president shall excuse the president; or,

(b) for cause or no cause, if before any meeting of the board at which a vote on removal will be made the director in question is given electronic or written notification of the board's intention to discuss her/his case and is given the opportunity to be heard at a meeting of the board.

(c) All directors serving pursuant to Article 4.04(b), may be removed, without cause or hearing, by a unanimous vote of the members of the board of directors serving on the board pursuant to Article 4.04(a) then in office.

4.07 **Board of Directors Meetings**.

(a) **Regular Meetings**. The board of directors shall have a minimum of four (4) regular meetings each calendar year at times and places fixed by the board. Board meetings shall be held upon four (4) days' notice by first-class mail, electronic mail, or facsimile transmission or forty-eight (48) hours' notice delivered personally or by telephone. If sent by mail, facsimile transmission, or electronic mail, the notice shall be deemed to be delivered upon its deposit in the

mail or transmission system. Notice of meetings shall specify the place, day, and hour of meeting. The purpose of the meeting need not be specified.

(b) **Special Meetings**. Special meetings of the board may be called by the president, vice president, secretary, treasurer, or any two (2) other directors of the board of directors. A special meeting must be preceded by at least 2 days' notice to each director of the date, time, and place, but not the purpose, of the meeting.

(c) **Waiver of Notice**. Any director may waive notice of any meeting, in accordance with Delaware law.

4.08 **Manner of Acting.**

(a) **Quorum**. A majority of the directors in office immediately before a meeting shall constitute a quorum for the transaction of business at that meeting of the board. No business shall be considered by the board at any meeting at which a quorum is not present. In the event of any matter being considered subject to the Conflict-of-Interest Policy, the majority of "independent," or non-conflicted members being present shall constitute a quorum.

(b) **Majority Vote**. Except as otherwise required by law or by the Certificate of Incorporation, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board. An act of the majority of the "independent" or non-conflicted members shall constitute an act of the board on matters subject to the Conflict-of-Interest policy.

(c) **Hung Board Decisions**. On the occasion that directors of the board are unable to make a decision based on a tied number of votes, the president or treasurer in the order of presence shall have the power to swing the vote based on his/her discretion.

(d) **Participation**. Except as required otherwise by law, the Certificate of Incorporation, or these Bylaws, directors may participate in a regular or special meeting through the use of any means of communication by which all directors participating may simultaneously hear each other during the meeting, including in person, internet video meeting or by telephonic conference call.

(e) **Review of Actions.** Any actions taken by the board of directors, committee, or officer of the Capital City Transformation Alliance, Inc. may be reviewed by the members of the board of directors then serving pursuant to Article 4.04(a), and within 30 days, may reverse such action on behalf by a unanimous vote of such members and further those members serving on the board of directors of Capital City Transformation Alliance, Inc who also serve on the board of directors of Downtown Dover Partnership may, by unanimous action veto any action taken by any board of Capital City Transformation Alliance, Inc or its officers. There shall be no power of review over matters in which more than one of the members is unable to participate pursuant to the Conflict of Interest Policy.

4.09 **Compensation for Board Service**. Directors shall receive no compensation for carrying out their duties as directors. The board may adopt policies providing for reasonable reimbursement of directors for expenses incurred in conjunction with carrying out board responsibilities, such as travel expenses to attend board meetings.

4.10 **Compensation for Professional Services by Directors**. Directors are not restricted from being remunerated for professional services provided to the corporation. Such remuneration shall be reasonable and fair to the corporation and must be reviewed and approved in accordance with the board Conflict of Interest policy and state law.

## ARTICLE 5:
## COMMITTEES

5.01 **Committees**. The board of directors may, by the resolution adopted by a majority of the directors then in office, designate one or more committees, each consisting of two or more directors, to serve at the pleasure of the board. Any committee, to the extent provided in the resolution of the board, shall have all the authority of the board, except that no committee, regardless of board resolution, may:

(a) take any final action on matters which also requires board members' approval or approval of a majority of all members;

(b) fill vacancies on the board of directors of in any committee which has the authority of the board;

(c) amend or repeal Bylaws or adopt new Bylaws;

(d) amend or repeal any resolution of the board of directors which by its express terms is not so amendable or repealable;

(e) appoint any other committees of the board of directors or the members of these committees;

(f) expend corporate funds to support a nominee for director; or

(g) approve any transaction;

(i) to which the corporation is a party and one or more directors have a material financial interest; or

(ii) between the corporation and one or more of its directors or between the corporation or any person in which one or more of its directors have a material financial interest.

5.2 **Meetings and Action of Committees**. Meetings and action of the committees shall be governed by and held and taken in accordance with, the provisions of Article 4 of these Bylaws concerning meetings of the directors, with such changes in the context of those Bylaws as are

necessary to substitute the committee and its members for the board of directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the board of directors or by resolution of the committee. Special meetings of the committee may also be called by resolution of the board of directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The board of directors may adopt rules for the governing of the committee not inconsistent with the provision of these Bylaws.

5.3 **Informal Action By The Board of Directors**. Any action required or permitted to be taken by the board of directors at a meeting may be taken without a meeting if consent in writing, setting forth the action so taken, shall be agreed by the consensus of a quorum. For purposes of this section an e-mail transmission from an e-mail address on record constitutes a valid writing. The intent of this provision is to allow the board of directors to use email to approve actions, as long as a quorum of board members gives consent.

## ARTICLE 6:
## OFFICERS

6.01 **Board Officers**. The officers of the corporation shall be a board president, vice-president, secretary, and treasurer, all of whom shall be chosen by, and serve at the pleasure of, the board of directors. Each board officer shall have the authority and shall perform the duties set forth in these Bylaws or by resolution of the board or by direction of an officer authorized by the board to prescribe the duties and authority of other officers. The board may also appoint additional vice-presidents and such other officers as it deems expedient for the proper conduct of the business of the corporation, each of whom shall have such authority and shall perform such duties as the board of directors may determine. One person may hold two or more board offices, but no board officer may act in more than one capacity where action of two or more officers is required.

6.02 **Term of Office**. Each officer shall serve a one-year term of office and may not serve more than five (5) consecutive terms of office. Unless unanimously elected by the board at the end of his/her five (5) year terms or to fill a vacancy in an officer position, each board officer's term of office shall begin upon the adjournment of the board meeting at which elected and shall end upon the adjournment of the board meeting during which a successor is elected.

6.03 **Removal and Resignation**. The board of directors may remove an officer at any time, with or without cause. Any officer may resign at any time by giving written notice to the corporation without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party. Any resignation shall take effect at the date of the receipt of the notice or at any later time specified in the notice, unless otherwise specified in the notice. The acceptance of the resignation shall not be necessary to make it effective.

6.04 **Board President**. The board president shall be the chief volunteer officer of the corporation. The board president shall lead the board of directors in performing its duties and responsibilities, including, if present, presiding at all meetings of the board of directors, and shall perform all other duties incident to the office or properly required by the board of directors.

6.05 **Vice President**. In the absence or disability of the board president, the ranking vice-president or vice-president designated by the board of directors shall perform the duties of the board president. When so acting, the vice-president shall have all the powers of and be subject to all the restrictions upon the board president. The vice-president shall have such other powers and perform such other duties prescribed for them by the board of directors or the board president. The vice-president shall normally accede to the office of board president upon the completion of the board president's term of office, unless otherwise agreed upon by the board of directors.

6.06 **Secretary**. The secretary shall keep or cause to be kept a book of minutes of all meetings and actions of directors and committees of directors. The minutes of each meeting shall state the time and place that it was held and such other information as shall be necessary to determine the actions taken and whether the meeting was held in accordance with the law and these Bylaws. The secretary shall cause notice to be given of all meetings of directors and committees as required by the Bylaws. The secretary shall have such other powers and perform such other duties as may be prescribed by the board of directors or the board president. The secretary may appoint, with approval of the board, a director to assist in performance of all or part of the duties of the secretary.

6.07 **Treasurer**. The treasurer shall be the lead director for oversight of the financial condition and affairs of the corporation. The treasurer shall oversee and keep the board informed of the financial condition of the corporation and of audit or financial review results. In conjunction with other directors or officers, the treasurer shall oversee budget preparation and shall ensure that appropriate financial reports, including an account of major transactions and the financial condition of the corporation, are made available to the board of directors on a timely basis or as may be required by the board of directors. The treasurer shall perform all duties properly required by the board of directors or the board president. The treasurer may appoint, with approval of the board a qualified fiscal agent or member of the staff to assist in performance of all or part of the duties of the treasurer.

6.08 **Non-Director Officers**. The board of directors may designate additional officer positions of the corporation and may appoint and assign duties to other non-director officers of the corporation.

## ARTICLE 7:
## CONTRACTS, CHECKS, LOANS, INDEMNIFICATION AND RELATED MATTERS

7.01 **Contracts and other Writings**. Except as otherwise provided by resolution of the board or board policy, all contracts, deeds, leases, mortgages, grants, and other agreements of the corporation shall be executed on its behalf by the treasurer or other persons to whom the corporation has delegated authority to execute such documents in accordance with policies approved by the board.

7.02 **Checks, Drafts**. All checks, drafts, or other orders for payment of money, notes, or other evidence of indebtedness issued in the name of the corporation, shall be signed by such

officer or officers, agent or agents, of the corporation and in such manner as shall from time to time be determined by resolution of the board.

7.03 **Deposits**. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depository as the board or a designated committee of the board may select.

7.04 **Loans**. No loans shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by resolution of the board. Such authority may be general or confined to specific instances.

7.05 **Indemnification**.

(a) **Mandatory Indemnification**. The corporation shall indemnify a director or former director, who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he or she was a party because he or she is or was a director of the corporation against reasonable expenses incurred by him or her in connection with the proceedings.

(b) **Permissible Indemnification**. The corporation shall indemnify a director or former director made a party to a proceeding because he or she is or was a director of the corporation, against liability incurred in the proceeding, if the determination to indemnify him or her has been made in the manner prescribed by the law and payment has been authorized in the manner prescribed by law.

(c) **Advance for Expenses**. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding, as authorized by the board of directors in the specific case, upon receipt of (I) a written affirmation from the director, officer, employee or agent of his or her good faith belief that he or she is entitled to indemnification as authorized in this article, and (II) an undertaking by or on behalf of the director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the corporation in these Bylaws.

(d) **Indemnification of Officers, Agents and Employees**. An officer of the corporation who is not a director is entitled to mandatory indemnification under this article to the same extent as a director. The corporation may also indemnify and advance expenses to an employee or agent of the corporation who is not a director, consistent with Delaware Law and public policy, provided that such indemnification, and the scope of such indemnification, is set forth by the general or specific action of the board or by contract.

## ARTICLE 8:
## MISCELLANEOUS

8.01 **Books and Records**. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of all meetings of its board of directors, a record of all actions taken by board of directors without a meeting, and a record of all

actions taken by committees of the board. In addition, the corporation shall keep a copy of the corporation's Certificate of Incorporation and Bylaws as amended to date.

8.02 **Fiscal Year**. The fiscal year of the corporation shall be from July 1 to June 30 of each year.

8.03 **Conflict of Interest**. The board shall adopt and periodically review a conflict of interest policy to protect the corporation's interest when it is contemplating any transaction or arrangement which may benefit any director, officer, employee, affiliate, or member of a committee with board-delegated powers.

8.04 **Gift and Donation Policy**. The board shall adopt and periodically review a gift and donation policy to protect the corporation's interest and exempt status when contemplating receiving gifts or donations of a non-traditional nature.

8.05 **Nondiscrimination Policy**. The officers, directors, committee members, employees, and persons served by this corporation shall be selected entirely on a nondiscriminatory basis with respect to age, sex, race, religion, national origin, and sexual orientation. It is the policy of Capital City Transformation Alliance, Inc. not to discriminate on the basis of race, creed, ancestry, marital status, gender, sexual orientation, age, physical disability, veteran's status, political service or affiliation, color, religion, or national origin.

8.06 **Bylaw Amendment**. These Bylaws may be amended, altered, repealed, or restated by a vote of the majority of the board of directors then in office, or by a unanimous vote of the board of directors then serving pursuant to Article 4.04(a), at a meeting of the Board, provided, however,

(a) that no amendment shall be made to these Bylaws which would cause the corporation to cease to qualify as an exempt corporation under Section 501 (c)(3) of the Internal Revenue Code of 1986, or the corresponding section of any future Federal tax code; and,

(b) that an amendment does not affect the voting rights of directors. An amendment that does affect the voting rights of directors further requires ratification by a two-thirds vote of a quorum of directors at a Board meeting.

(c) that all amendments be consistent with the Certificate of Incorporation.

## ARTICLE 9:
## COUNTERTERRORISM AND DUE DILIGENCE POLICY

It is the policy of Capital City Transformation Alliance, Inc. to comply with all laws and regulations of the United States regarding counterterrorist financing, money laundering, and sanctions and export controls. In furtherance of its exemption, contributions to other organizations,

domestic or foreign, Capital City Transformation Alliance, Inc. shall stipulate how the funds will be used and shall require the recipient to provide the corporation with detailed records and financial proof of how the funds were utilized; such documentation shall be retained in accordance with the Document Retention Policy.

Although adherence and compliance with the U.S. Department of the Treasury's publication the "Voluntary Best Practice for US Based Charities" is not mandatory, Capital City Transformation Alliance, Inc. willfully and voluntarily recognizes and puts to practice these guidelines and suggestions to reduce, develop, re-evaluate and strengthen a risk-based approach to guard against the threat of diversion of charitable funds or exploitation of charitable activity by terrorist organizations and their support networks.

Capital City Transformation Alliance, Inc. shall also comply with, and put into practice a risk-based approach to implementing, the federal guidelines, recommendations, laws, executive orders, administrative directives, and limitation set forth by U.S. legal requirements related to combating terrorist financing and sanctions evasion, which include, but are not limited to, various sanctions programs administered by the Office of Foreign Assets Control (OFAC) in regard to its activities. Where the activities involve non-U.S. donors or funds recipients, Capital City Transformation Alliance, Inc. will perform a risk-based vetting of the entities and individuals involved, including potentially performing a search of OFAC's screening list for designated persons.

## ARTICLE 10:
## DOCUMENT RETENTION POLICY

10.01 **Purpose**. The purpose of this document retention policy is establishing standards for document integrity, retention, and destruction and to promote the proper treatment of Capital City Transformation Alliance, Inc. records.

10.02 **Policy**.

Section 1. **General Guidelines**. Records should not be kept if they are no longer needed for the operation of the business or required by law. Unnecessary records should be eliminated from the files. The cost of maintaining records is an expense which can grow unreasonably if good housekeeping is not performed. A mass of records also makes it more difficult to find pertinent records.

From time to time, Capital City Transformation Alliance, Inc. may establish retention or destruction policies or schedules for specific categories of records in order to ensure legal compliance, and also to accomplish other objectives, such as preserving intellectual property and cost management. Several categories of documents that warrant special consideration are identified below. While minimum retention periods are established, the retention of the documents identified below and of documents not included in the identified categories should be determined

primarily by the application of the general guidelines affecting document retention, as well as the exception for litigation relevant documents and any other pertinent factors.

Section 2. **Exception for Litigation Relevant Documents. Capital City Transformation Alliance, Inc.** expects all officers, directors, and employees to comply fully with any published records retention or destruction policies and schedules, provided that all officers, directors, and employees should note the following general exception to any stated destruction schedule: If you believe, or the Capital City Transformation Alliance, Inc. informs you, that corporate records are relevant to litigation, or potential litigation (i.e. a dispute that could result in litigation), then you must preserve those records until it is determined that the records are no longer needed. That exception supersedes any previously or subsequently established destruction schedule for those records.

Section 3. **Minimum Retention Periods for Specific Categories.**

(a) Corporate Documents. Corporate records include the corporation's Certificate of Incorporation, By-Laws and IRS Form 1023 and Application for Exemption. Corporate records should be retained permanently. IRS regulations require that the Form 1023 be available for public inspection upon request.

(b) Tax Records. Tax records include, but may not be limited to, documents concerning payroll, expenses, proof of contributions made by donors, accounting procedures, and other documents concerning the corporation's revenues. Tax records should be retained for at least seven years from the date of filing the applicable return.

(c) Employment Records/Personnel Records. State and federal statutes require the corporation to keep certain recruitment, employment and personnel information. The corporation should also keep personnel files that reflect performance reviews and any complaints brought against the corporation or individual employees under applicable state and federal statutes. The corporation should also keep in the employee's personnel file all final memoranda and correspondence reflecting performance reviews and actions taken by or against personnel. Employment applications should be retained for three years. Retirement and pension records should be kept permanently. Other employment and personnel records should be retained for seven years.

(d) Board and Board Committee Materials. Meeting minutes should be retained in perpetuity in the corporation's minute book. A clean copy of all other Board and Board Committee materials should be kept for no less than three years by the corporation.

(e) Press Releases/Public Filings. The corporation should retain permanent copies of all press releases and publicly filed documents under the theory that the corporation should have its own copy to test the accuracy of any document a member of the public can theoretically produce against the corporation.

(f) Legal Files. Legal counsel should be consulted to determine the retention period of particular documents, but legal documents should generally be maintained for a period of ten years.

(g) Marketing and Sales Documents. The corporation should keep final copies of marketing and sales documents for the same period of time it keeps other corporate files, generally three years. An exception to the three-year policy may be sales invoices, contracts, leases, licenses, and other legal documentation. These documents should be kept for at least three years beyond the life of the agreement.

(h) Development/Intellectual Property and Trade Secrets. Development documents are often subject to intellectual property protection in their final form (e.g., patents and copyrights). The documents detailing the development process are often also of value to the corporation and are protected as a trade secret where the corporation:

(i) derives independent economic value from the secrecy of the information; and

(ii) has taken affirmative steps to keep the information confidential. The corporation should keep all documents designated as containing trade secret information for at least the life of the trade secret.

(i) Contracts. Final, execution copies of all contracts entered into by the corporation should be retained. The corporation should retain copies of the final contracts for at least three years beyond the life of the agreement, and longer in the case of publicly filed contracts.

(j) Correspondence. Unless correspondence falls under another category listed elsewhere in this policy, correspondence should generally be saved for two years.

(k) Banking and Accounting. Accounts payable ledgers and schedules should be kept for seven years. Bank reconciliations, bank statements, deposit slips and checks (unless for important payments and purchases) should be kept for three years. Any inventories of products, materials, and supplies and any invoices should be kept for seven years.

(l) Insurance. Expired insurance policies, insurance records, accident reports, claims, etc. should be kept permanently.

(m) Audit Records. External audit reports should be kept permanently. Internal audit reports should be kept for three years.

Section 4. Electronic Mail. E-mail that needs to be saved should be either:

(i) printed in hard copy and kept in the appropriate file; or

(ii) downloaded to a computer file and kept electronically or on disk as a separate file. The retention period depends upon the subject matter of the e-mail, as covered elsewhere in this policy.

## ARTICLE 11:
## TRANSPARENCY AND ACCOUNTABILITY DISCLOSURE OF FINANCIAL INFORMATION WITH THE GENERAL PUBLIC

11.01 **Purpose**. By making full and accurate information about its mission, activities, finances, and governance publicly available, Capital City Transformation Alliance, Inc. practices and encourages transparency and accountability to the general public. This policy will:

(a) indicate which documents and materials produced by the corporation are presumptively open to staff and/or the public;

(b) indicate which documents and materials produced by the corporation are presumptively closed to staff and/or the public;

(c) specify the procedures whereby the open/closed status of documents and materials can be altered.

The details of this policy are as follow:

11.02 **Financial and IRS documents (The form 1023 and the form 990)**. Capital City Transformation Alliance, Inc. shall provide its Internal Revenue forms 990, 990-T, 1023 and 5227, bylaws, conflict of interest policy, and financial statements to the general public for inspection free of charge.

11.03 **Means and Conditions of Disclosure.** Capital City Transformation Alliance, Inc. shall make "Widely Available" the aforementioned documents on its internet website: www.capitalcitytainc.com to be viewed and inspected by the general public.

(a) The documents shall be posted in a format that allows an individual using the Internet to access, download, view and print them in a manner that exactly reproduces the image of the original document filed with the IRS (except information exempt from public disclosure requirements, such as contributor lists).

(b) The website shall clearly inform readers that the document is available and provide instructions for downloading it.

(c) Capital City Transformation Alliance, Inc. shall not charge a fee for downloading the information. Documents shall not be posted in a format that would require special computer hardware or software (other than software readily available to the public free of charge).

(d) Capital City Transformation Alliance, Inc. shall inform anyone requesting the information where this information can be found, including the web address. This information must be provided immediately for in-person requests and within 7 days for mailed requests.

11.04 **IRS Annual Information Returns (Form 990).** Capital City Transformation Alliance, Inc. shall submit the Form 990 to its board of directors prior to the filing of the Form 990. While neither the approval of the Form 990 or a review of the 990 is required under Federal law, the corporation's Form 990 shall be submitted to each member of the board of director's via (hard copy or email) at least 10 days before the Form 990 is filed with the IRS.

11.05 **Board.**

(a) All board deliberations shall be open to the public except where the board passes a motion to make any specific portion confidential.

(b) All board minutes shall be open to the public once accepted by the board, except where the board passes a motion to make any specific portion confidential.

(c) All papers and materials considered by the board shall be open to the public following the meeting at which they are considered, except where the board passes a motion to make any specific paper or material confidential.

11.06 **Staff Records.**

(a) All staff records shall be available for consultation by the staff member concerned or by their legal representatives.

(b) No staff records shall be made available to any person outside the corporation except the authorized governmental agencies.

(c) Within the corporation, staff records shall be made available only to those persons with managerial or personnel responsibilities for that staff member, except that;

(d) Staff records shall be made available to the board when requested.

11.07 **Donor Records.**

(a) All donor records shall be available for consultation by the members and donors concerned or by their legal representatives.

(b) No donor records shall be made available to any other person outside the corporation except the authorized governmental agencies.

(c) Within the corporation, donor records shall be made available only to those persons with managerial or personnel responsibilities for dealing with those donors, except that;

(d) donor records shall be made available to the board when requested.

## ARTICLE 12:
## CODES OF ETHICS AND WHISTLEBLOWER POLICY

12.01 **Purpose**. Capital City Transformation Alliance, Inc. requires and encourages directors, officers and employees to observe and practice high standards of business and personal ethics in the conduct of their duties and responsibilities. The employees and representatives of the corporation must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations. It is the intent of Capital City Transformation Alliance, Inc. to adhere to all laws and regulations that apply to the corporation and the underlying purpose of this policy is to support the corporation's goal of legal compliance. The support of all corporate staff is necessary to achieving compliance with various laws and regulations.

12.02 **Reporting Violations**. If any director, officer, staff or employee reasonably believes that some policy, practice, or activity of Capital City Transformation Alliance, Inc. is in violation of law, a written complaint must be filed by that person with the vice president or the board president.

12.03 **Acting in Good Faith**. Anyone filing a complaint concerning a violation or suspected violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false shall be viewed as a serious disciplinary offense.

12.04 **Retaliation**. Said person is protected from retaliation only if she/he brings the alleged unlawful activity, policy, or practice to the attention of Capital City Transformation Alliance, Inc. and provides the Capital City Transformation Alliance, Inc. with a reasonable opportunity to investigate and correct the alleged unlawful activity. The protection described below is only available to individuals that comply with this requirement.

Capital City Transformation Alliance, Inc. shall not retaliate against any director, officer, staff or employee who in good faith, has made a protest or raised a complaint against some practice of Capital City Transformation Alliance, Inc. or of another individual or entity with whom Capital City Transformation Alliance, Inc. has a business relationship, on the basis of a reasonable belief that the practice is in violation of law, or a clear mandate of public policy.
Capital City Transformation Alliance, Inc. shall not retaliate against any director, officer, staff or employee who disclose or threaten to disclose to a supervisor or a public body, any activity, policy, or practice of Capital City Transformation Alliance, Inc. that the individual reasonably believes is in violation of a law, or a rule, or regulation mandated pursuant to law or is in violation of a clear mandate of public policy concerning the health, safety, welfare, or protection of the environment.

12.05 **Confidentiality**. Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

suspected violations shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

12.06 **Handling of Reported Violations.** The board president or vice president shall notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports shall be promptly investigated by the board and its appointed committee and appropriate corrective action shall be taken if warranted by the investigation.
This policy shall be made available to all directors, officers, staffs or employees and they shall have the opportunity to ask questions about the policy.

## ARTICLE 13:
## AMENDMENT OF CERTIFICATE OF INCORPORATION

13.01 **Amendment.** Any amendment to the Certificate of Incorporation may be adopted by approval of two-thirds (2/3) of the board of directors, or by the unanimous approval of the members of the board of directors then serving pursuant to Article 4.04(a).

## CERTIFICATE OF ADOPTION OF BYLAWS

I do hereby certify that the above stated Bylaws of Capital City Transformation Alliance, Inc. were approved by the Capital City Transformation Alliance, Inc.'s board of directors on October 23rd, 2024 and constitute a complete copy of the Bylaws of the corporation.

Secretary _____
Print Name: Sarah E. Kaiser

Date: 11-12-24

# GIFT AND DONATION ACCEPTANCE POLICY

# OF

# CAPITAL CITY TRANSFORMATION ALLIANCE, INC.

## ARTICLE I - PURPOSE

The purpose of this Gift and Donation Acceptance Policy is to protect the Capital City Transformation Alliance, Inc. tax-exempt entity ("Charity") interest when it is offered for acceptance any gift or donation of a nonstandard nature. This policy is intended to guide the Charity with respect to its responsibilities concerning gifts and donations to the Charity, and supplement but not replace any applicable state and federal laws governing acceptance of gifts or donations applicable to nonprofit and charitable organizations and companies.

## ARTICLE II - PROCEDURES

### 1. Accepting Gifts or Donations.

The Charity urges all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts, including the resulting tax and estate planning consequences. The following policies and guidelines govern acceptance of gifts made to the Charity for the benefit of any of its operations, programs or services.

### 2. Standard Gifts and Donations.

The Charity may accept standard gifts and donations without further review or approval from the board, or a board designated Gift and Donation Acceptance Committee ("Committee"). Standard gifts and donations include cash, marketable securities, bequests and beneficiary designations through accounts, trusts, life insurance policies, or retirement plans.

### 3. Nonstandard Gifts and Donations.

Before the Charity accepts a nonstandard gift or donation, it must be reviewed and approved by the board, or the designated Committee. The board or designated Committee shall review the details of any proposed gift or donation, including seeking the assistance, where applicable, of legal counsel or accounting, tax, or any other necessary professionals prior to accepting a nonstandard gift or donation.

A nonstandard gift or donation include one that is not reasonably expected to be used to satisfy or further the organization's exempt purpose and for which (a) there is no ready market to liquidate the donation to convert it to cash and (b) the value of the item is difficult to ascertain or speculative.

The following is considered a non-exhaustive list of gifts or donations that are nonstandard requiring review and approval prior to acceptance:

- Gifts or donations that are subject to restrictions or buy-sell agreements;
- Gifts or donations that require the Charity to serve in a fiduciary capacity;
- Gifts or donations requiring the Charity to assume financial or other obligations including debts;
- Gifts or donations that require review under the Charity's Conflict of Interest Policy; and,
- Gifts or donations of property that may be subject to environmental or other regulatory restrictions.

The board or designated Committee will review the nature and terms of the nonstandard gift or donation and determine whether the Charity will accept it, and shall document the determination through minutes as described herein, in conjunction with any separate reviews to be performed under any other policies, including the Conflict of Interest Policy, where applicable.

**4. Prohibited Gifts and Donations.**

The Charity will not accept gifts that (a) would result in the Charity violating its Certificate of Incorporation or bylaws, (b) would result in losing its status as an IRC § 501(c)(3) not-for-profit organization, (c) are too difficult or too expensive to administer in relation to their value, (d) would result in any unacceptable consequences for the Charity, or (e) are for purposes outside the Charity's mission. Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the board or designated Committee.

## ARTICLE III - RECORDS OF PROCEEDINGS

The minutes of the board and the designated Committee with board delegated powers shall contain:

a. The names of the persons who are the donors of the proposed gift or donation, the details of the gift or donation including the nature of it and whether it is standard or nonstandard, the name of the professional and details of any outside opinions sought in connection with a gift or donation review, the members of the board or designated Committee present, and the decision of the board or designated Committee.

b. Any such additional information and records as would be required to report on the IRS Form 990 and its applicable schedules, including Schedule M for noncash contributions.

ADOPTED EFFECTIVE: October 23rd, 2024

BY: _____
Sarah E. Keifer

# CONFLICT OF INTEREST POLICY

# OF

# CAPITAL CITY TRANSFORMATION ALLIANCE, INC.

## ARTICLE I - PURPOSE

The purpose of the conflict-of-interest policy is to protect the Capital City Transformation Alliance, Inc. tax-exempt entity ("Charity") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of the Charity, its members, Directors, Officers, or employees, or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations and companies.

## ARTICLE II - DEFINITIONS

**1. Interested Person.**

Any officer, member of a committee of the Charity, or a Director who has a direct or indirect financial interest, as defined below, is an interested person.

**2. Financial Interest.**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

a. An ownership or investment interest in any entity with which the Charity has a transaction or arrangements;

b. A compensation arrangement with the Charity or with any entity or individual with which the Charity has a transaction or arrangement; or

c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Charity is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate Board of Directors or committee decides that a conflict of interest exists.

## ARTICLE III - PROCEDURES

**1. Duty to Disclose.**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board of Directors (governing Board) and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

**2. Determining Whether a Conflict of Interest Exists.**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

**3. Procedures for Addressing the Conflict of Interest.**

a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the governing board or committee shall determine whether the Charity can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Charity's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

**4. Violations of the Conflicts of Interest Policy.**

a. If the governing board or committee has reasonable cause to believe a Director has failed to disclose actual or possible conflicts of interest, it shall inform the Director of the basis for such belief and afford the Director an opportunity to explain the alleged failure to disclose.

b. If, after hearing the Director's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the Director has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## ARTICLE IV - RECORDS OF PROCEEDINGS

The minutes of the governing board and all committees with board delegated powers shall contain:

a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

b. The names of the person who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

## ARTICLE V - COMPENSATION

a. A Director of the governing board who receives compensation, directly or indirectly, from the Charity for services is precluded from voting on matters pertaining to that Trustee's compensation.

b. A Director of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Charity for services is precluded from voting on matters pertaining to that Director's compensation.

c. No Director of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Charity, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

## ARTICLE VI - ANNUAL STATEMENTS

Each Director and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

a. Has received a copy of the conflicts of interest policy;

b. Has read and understands the policy;

c. Has agreed to comply with the policy; and

d. Understands the Director is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

## ARTICLE VII - PERIODIC REVIEWS

To ensure the Charity operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

b. Whether partnerships, joint ventures, and arrangements with management conform to the Charity's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

## ARTICLE VIII - USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Article VII, the Charity may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

ADOPTED EFFECTIVE: October 23rd, 2024

BY: _____
Sarah Keifer,

# PROCEDURES FOR THE BOARD of DIRECTORS TO FOLLOW IN THE EVENT OF A CONFLICT OF INTEREST WITH A BOARD MEMBER/TRUSTEE

The purpose of this policy is to set forth a procedure to meet the fiduciary duties when Capital City Transformation Alliance, Inc ("Alliance") is contemplating entering into a transaction, contract or lease that might benefit the private interest of a Board Member. A Board Member has a financial interest if the Board Member directly or indirectly through business, investment, or immediate family, i.e., spouse, parent, or child, has an ownership or investment interest in any entity with which the The Alliance has a transaction or contract or is negotiating a transaction, lease, or contract. A financial interest is not necessarily a conflict of interest and further certain *de minimis* transactions, which at the time of the adoption of this policy is $5,000, shall not require this procedure.[1]

When there is financial interest of a Board Member, such Board Member shall be considered potentially conflicted and shall disclose material facts of any actual or possible financial interest to each of the other Board Members who shall then determine if an actual conflict of interest exists. Such material facts shall be made available to every Board Member at the meeting in which the conflict is disclosed and shall be kept in the office of the Alliance.

If the Board Members have determined that such a conflict of interest exists, the transaction, lease or contract shall be debated and voted upon at a board meeting after the following procedure has occurred:

1. The Alliance shall list in its minutes of a meeting prior to the meeting in which the vote will be held, notice of the conflict which

provides such information that a reasonable person could understand the conflict, such as identifying the name of the business, the subject matter of the contract, the approximate scope and term of the transaction, contract or lease and that it is owned by a Board Member or an immediate family member of a Board Member. The minutes notice shall indicate the date and time that the transaction, lease, or contract will be presented for a vote to the Board which vote shall occur at a regularly scheduled if time permits or otherwise at a specially noticed and called meeting.

2. After the opportunity for the notice in the minutes and the notice of the meeting to vote, the Board Members may then debate and/or deliberate at such meeting and then vote at the meeting upon the lease, transaction, or contract. The conflicted Board Member shall not be entitled to vote and shall not be present for the debate or the vote.

Adopted this ____ day of _____, 2025

_____, authorized person

**BOARD OF DIRECTORS**
**Downtown Dover Partnership**
**Capital City Transformation Alliance, Inc.**
Thursday, July 31, 2025, 1 p.m.
*Lunch served beginning at 12:30 p.m.*
**The Hive, 28 W. Loockerman St., Dover, DE**

# AGENDA

Rev. 7-31-25

12:30 *Board members may arrive before actual meeting begins to begin lunch*

## DDP BOARD MEETING:

1-1:25 **DDP board meeting**)

- FY 2026 budget
- 120 S. Governors Ave.: Donated Properties - Ground Use Agreement
- Conflict of Interest Procedure
- General updates

## BOARD MEMBER TRAINING:

1:25-1:45 **Why does DDP have three non-profit entities?** (Diane & Ken)

1. Main Street Dover
2. Downtown Dover Partnership
3. Capital City Transformation Alliance, Inc.

1:45-2:40 **Key Elements of Effective Board Governance (Pt. 1)** Earl Sissel (Over for bio.)

- Role of Non-Profit Boards
- Culture of High Performing Boards
- Legal and Ethical board Responsibilities
- Board Structure and Decision-making

2:40 **Break**

**Required for CCTA board members to attend.**
*All DDP board members are invited and encouraged to remain for this portion of training.*

2:50-4:10 **Key elements of Effective Board Governance Overview (Pt. 2)** (Earl)

- Board Responsibilities
  - Mission, Vision, Values, and Strategy
  - Fiduciary and Legal Oversight and Accountability
  - Building and Sustaining an Excellent Board
  - Resource Development
- Is your Board a High Performing Board?

4:10-4:20 **Question & Answer/Key TakeAways**

4:20-4:30 **Next Steps/Action Items**

*Agenda items as listed may not be considered in sequence. Pursuant to 29 DEL. C. 10004(e)(2), this agenda is subject to change to include the addition or deletion of items, including executive sessions, which arise at the time of the meeting.*

**Lead Consultant:**

**Earl Sissell**
**Vice President of Consulting**
**esissell@delawarenonprofit.org**
**302.330.7225**

Earl Sissell is Vice President of Consulting at DANA. Earl brings a combination of business development, financial management, strategic planning, and leadership expertise to this engagement. Before coming to DANA, Earl's work experience included more than a decade in public and private finance and venture capital. He served as a faculty member of higher education and at independent schools; as well as serving in a Head of School and CEO for both private and charter schools in the Philadelphia region. His expertise includes strategic planning, nonprofit governance, board development, and nonprofit finance. Earl is a graduate of Kenyon College (BA in Sociology and Anthropology) and the University of Pennsylvania (M.Ed. in Elementary Education). He is a *Standards of Excellence* certified consultant.

## The Downtown Dover Partnership operates with three non-profit entities:

1. **Downtown Dover Partnership - 501(c)(6)**
2. **Main Street Dover - 501(c)(3)**
3. **Capital City Transformation Alliance - 501(c)(3)**

**What's the difference?**

**How does the DDP use each of its non-profits?**

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## What's the difference between a 501(c)(3) or 501(c)(6) entity?

1. **Purpose & Activity**
2. **Political Engagement**
3. **Donations, Fundraising and Membership**
4. **Grants**

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## Think about...

Why do you serve as a Board Member with the Downtown Dover Partnership?



ion.

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DANA LEADING THE SECTOR FORWARD
Delaware Alliance for Nonprofit Advancement

# Board Excellence Training

**for Capital City Transformation Alliance**

**July 31, 2025**

**Earl Sissell** | Vice President of Consulting

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## About DANA

- Mission to strengthen, enhance & advance Nonprofits in Delaware
  - Advocacy
  - Capacity Development (workshops, mentoring, consulting)
  - Networking/collaboration facilitation
  - Information & Resources
- Provide Expertise to Nonprofits
  - Engaged & Effective Nonprofit Boards
  - Sustainable Organizations
  - Strategic Planning
  - Leadership Development
- Support an alliance of over 500 nonprofits, foundation, & business partners


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## Thank you to our Alliance Partners


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## Standards *for* Excellence Institute


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## Today's Agenda

1:45 Key Elements of Effective Board Governance (Pt 1)
- *Role of Nonprofit Boards*
- *Culture of High Performing Boards*
- *Legal and Ethical Board Responsibilities*
- *Board Structure and Decision-making*

2:45 Break

2:55 Key Elements of Effective Board Governance Overview (Pt 2)
- *Board Responsibilities*
  - *Mission, Vision, Values and Strategy*
  - *Fiduciary and Legal Oversight and Accountability*
  - *Building and Sustaining an Excellent Board*
  - *Resource Development*
- *Is Your Board a High Performing Board?*

4:10 Q&A/Key Take Aways

4:20 Next Steps

4:30 Adjourn


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# What is the Role of a Nonprofit Board?

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Ownership

Measures of Success

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The board is charged
to independently oversee a nonprofit…

…To ensure the organization can continue to deliver its mission now
and in the future.



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Nonprofit Governance Accountability

Community

**Board of Directors**

Internal Stakeholders


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## Nonprofit Board Members Serve as …

- Visionaries … *imagine … plan …*
- Stewards … *manage … monitor …*
- Ambassadors … *tell … invite …*



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## Culture of High Performing Boards



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## Culture of High Performing Boards

- ❑ Clarity about Legal and Ethical Board Roles and Responsibility
- ❑ Intentionality about the structure of board processes and policies
- ❑ Intentionality about the structure and content of meetings
- ❑ Clarity about Board vs. Chief Executive and staff roles and responsibilities and boundaries
- ❑ Established plans for board recruitment and leadership succession/continuity
- ❑ Set and monitor annual performance goals for the board, executive, committees, and organization
- ❑ Evaluates to Improve
  - Reviews Board Performance at least every two years to understand board members' perception of effectiveness
    - Full board as a collective and individual board members
    - Measures the degree in which board members are aligned
  - Actively monitors organization's financial health and manages risks
  - Evaluates Chief Executive annually using shared goals with measurable outcomes
  - Evaluates program effectiveness using shared measurable outcomes



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## What are the Responsibilities of a Nonprofit Board?



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## Board Governance -Two Responsibilities

**Type I – Fiduciary Governance**

- ❑Stewardship of tangible assets.
- ❑ Focus is on oversight.

**Type II – Strategic Governance**

- ❑Strategic partnership with management.
- ❑ Focus is on strategy.

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## Duty of Care
## (How We Govern)

Actively participate in planning and decision-making in a prudent, diligent and informed way. Caring for Assets: People, Property & Capital

Use a degree of **diligence**, care & skill

- Regularly attend meetings
- Read & evaluate meeting materials in advance
- Ask questions and participate in discussions
- Be knowledgeable about the organization's purpose, programs, operations & environment
- Maintain confidentiality as appropriate

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## Duty of Loyalty
## (Why We Govern in Certain Ways)

Act in the best interests of the organization over personal interest and avoid any conflicts of interest. Why We govern in Certain Ways

- Act "in good faith" in interest of organization over personal interests, or interests of another person or organization.
- Decisions are made for organizational purposes and not to benefit:
  - Position of authority
  - Donor level
  - Connection
- Considers conflicts of interests and need for confidentiality




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## Duty of Obedience
## (What We Honor)

Comply with all applicable laws, ethical standards, and the organization's governing documents, while carrying out the Mission.

- Board members ensure organization is operating to further its stated purpose (as outlined in the Articles of Incorporation)
- Ensure that organization is both legally and ethically compliant with laws, contracts, and other agreements
- Policies & procedures to ensure monitoring and reporting compliance are in place.

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## What is a Conflict of Interest? Why does it matter?

- ❑Conflicts of interest occur when an individual's personal interests – family, friendships, financial, or social factors – could or do compromise judgment, decisions, or actions.
- ❑Conflicts of Interest are about more than money.
- ❑Failing to disclose conflicts of interest lead to a loss of trust between board members, the board and the organization, and an organization and its stakeholders. In many cases, substantial conflicts of interest can result in legal action.
- ❑The perception of a conflict of interest is just as damaging as an actual conflict of interest.

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## Avoiding Conflict of Interest

- ✓Establish a Conflict of Interest Policy.
- ❑Require that board members sign a Conflict of Interest Statement annually listing potential conflicts.
- ✓Establish decision-making policies, for example when choosing board members, employees, or vendors, that minimize opportunities for conflicts of interest.
- ✓Educate the board about the organization's policies and procedures regarding conflict of interest.
- ❑Encourage board members to "err on the side of caution" if they feel they might have a conflict of interest.

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## Scenario

**At its upcoming meeting, the Board of Directors of NEI will consider purchasing a vacant property.**

The property is owned by a for profit corporation, Real Estate Holdings Corp. (REHC). The property has been closed and on the market for over three years. The property purchase was presented to NEI's management by a member of its Board of Directors, who is the President of REHC.

In considering the acquisition, NEI management has looked at two ways to use the property 1) for its own use, or 2) develop it for the purposes of leasing it for a future revenue stream.

Potential lenders are being considered to finance the purchase and development of the property. Two of NEI's board members are employed by the banks being considered, and one is the brother of the Executive Director.

***What conflicts of interest exist? What Duties apply to this scenario? What questions should the board ask as it considers the transaction? What actions could/should the board take to protect the organization against conflicts?***

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## Typical Board Activities

**Monitoring**

- Financial and legal oversight
- Policy setting
- Selecting, supporting, and evaluating the CEO
- Monitoring annual plan & performance
- Evaluating board performance

**Providing Resources**

- Setting strategy
- Contributing expertise
- Representing stakeholder interests
- Recruiting board members
- Raising funds
- Promoting the organization & serving as a network to important individuals and groups


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## Great Boards are Great Teams




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## A great team has high performance expectations of their players




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## Bylaws - Board's "Rulebook" for Decision Making

- Purpose of the Organization
- Membership
- Composition & Conduct of the Board (how many, terms & limits, Officers)
- How Decisions are Made & Who has Authority (quorum)
- Committee Structure and Responsibilities (Standing and Ad Hoc)
- Meeting Requirements (regular and special or emergency)
- Indemnification


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## Dynamics of Nonprofit Governance

The issues, needs, and challenges in an organization change and reflect its stage of development.




Consequently, the role of the Board – *and the practice of governance* – must adapt as well.


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## Board Governance -Two Different Levels

**The Board**



A collective leadership body with the authority to make decisions and leads as a unit

**The Board Member**



Individual accountable to uphold fiduciary responsibility, honor commitments, actively engage, and inform the collective regarding implications of decisions


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## Typical Board Structure

**Board**

| Board Officers | Board Committees | Ex Officio |
|---|---|---|
| President | Executive | Executive Director |
| Vice President | Finance | Deputy/Asst. Director |
| Treasurer | Governance/Nominations | CFO/COO |
| Secretary | Development | Division Directors |
| | Program, Marketing, Property | |


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## The Board Delegates Decision Authority & Work

- Influenced by:
  - Lifecycle
  - Whether there is paid staff
  - Size and scale of the organization
  - Regulatory environment
- Typical Delegations:
  - Board Officers
  - Board Committees
  - CEO/Executive Director


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## Why Form Committees?

- Perform detailed work and oversight when the Board is not in session
  - Meet between board meetings to keep important work going
  - Conduct investigative work
  - Create draft policies
  - Bring vetted information and recommendations to board for feedback and decisions
  - Specialize in specific areas
  - Provide support/oversight to board processes
  - Provide support/oversight to operations in absence of staff
  - Serve as volunteers for special initiatives
  - A vehicle for vetting new board members, engaging staff/stakeholders


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## Types of Committees

- Standing
  - Committees, definede in the By Laws, that must exist for core functions
    - Executive
    - Finance
    - Governance or Nominating
    - Development, Property, Program, Personnel
- Ad Hoc or Special
  - Committees formed to meet an immediate short-term need
    - Search Committee
    - Capital Campaign Committee
    - Building Committee


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## Typical Board Committees

- Executive Committee
  - Consists of Board officers and sometimes committee chairs
  - Acts on the board's behalf in the event of an emergency
  - A sounding board for the ED/CEO
  - Assists in setting the board meeting agenda
- Finance Committee
  - Reviews interim financial performance data
  - Works with ED to monitor budget development process and test assumptions
  - Hires auditor and monitors financial audit process
  - Monitors investment performance and policies
  - Monitors insurance policies and coverage


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## Typical Board Committees

- Governance Committee
  - Monitors board recruitment, succession, and orientation process, including maintaining a board matrix, conflict of interest and board expectation statements
  - Monitors board performance and oversees annual board performance assessment
  - Coordinates annual board calendar
  - Establishes and monitors annual board development plan
  - Considers issues with individual board member performance
- Development Committee
  - Works with staff to monitor fundraising activities and test assumptions
  - Provides strategic input to staff regarding Development and Fundraising plan
  - Works with board to enhance the board's participation in development activities.


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## Scenario

MHCF has experienced significant growth over the last several years and have run out of space. The board, ED, and staff all agree that a building expansion is needed.

The staff wants to be involved in decisions about where to build, how much to build, how much to spend, how square footage will be allocated, who to hire for the project, building design and materials, and other details.

What can the board do facilitate input, monitor progress, and access resources to address the needs of the project?

What expertise should they be looking for?


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## The Board Meeting is for Evaluation and Decision-making as a Team

- The Board's corporate work is carried out at Board meetings
  - Approval of records (such as board minutes)
  - Vetting of assumptions and ideas
  - Decisions
  - Delegation of tasks
  - Evaluation & Direction
- Understand what is required vs. what is desired
- Celebrations of success and lessons learned
- Future-oriented vs. past focused
- Board Development
- Team building
- Performance Review & Measures of success (Org/CEO/board)


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## Scenario

Pet Cares Shelter's Board meets every other month during the year. Meetings typically last about 3 hours. They start 15 minutes late, board materials are handed out at the start of the meeting, the Secretary reviews the minutes in detail before approval, and the remaining portion of the meeting consists of Committee Chairs reporting on what they did at their meetings. The Board Chair and ED are frustrated that they have a difficult time getting a quorum to make decisions.

*What problems do you see with the way PCSVH's meetings are structured and executed?*

*What steps could the Board take to improve board meeting effectiveness?*

*How could board meetings be different if these changes were implemented?*

*How would this benefit the board and organization?*


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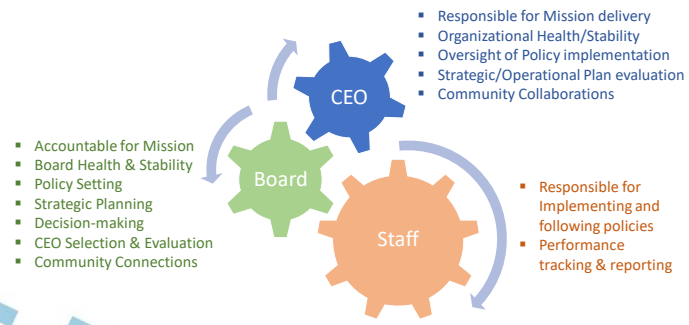
## Board, CEO, and Staff Relationship



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## Organizational Roles & Authorities




- Responsible for Mission delivery
- Organizational Health/Stability
- Oversight of Policy implementation
- Strategic/Operational Plan evaluation
- Community Collaborations

- Accountable for Mission
- Board Health & Stability
- Policy Setting
- Strategic Planning
- Decision-making
- CEO Selection & Evaluation
- Community Connections

- Responsible for Implementing and following policies
- Performance tracking & reporting


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## Board Chair and CEO Relationship

- ❑ Leadership partner
- ❑ Sounding board
- ❑ Confidant
- ❑ Conduit to inform the Board
- ❑ Advocate to the board
- ❑ Consultant on operational Issues
- ❑ Mentor/Coach to CEO


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## Focus and Decision-Making Authority

| Focus | Decision-Making Authority |
|---|---|
| Mission/Vision<br>Policies (Conflict of interest, personnel and hiring policies, investments, etc.)<br>Strategic Oversight<br>Fiduciary Oversight<br>Legal Oversight | Board Decisions<br>CEO Input* |
| Strategic Planning<br>Development Planning<br>Financial Planning<br>Program Planning | Collaborative Decisions: Board and CEO |
| Policy Implementation<br>Daily Operations Decisions<br>Hiring and Evaluating Staff<br>Program Implementation<br>Partner Relations<br>Facilities Management | Board Input*<br>CEO Decisions* |

Note: CEO decisions and input may incorporate staff input


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## Scenarios

The board hired a contractor to make major repairs on its facility. The total contract is over $50,000.

It is discovered after the decision has been made that the contractor is related to a member of the Property Committee who voted in favor of awarding contract.

What are the problems?
Who needs to address it?
How should it be addressed?
What can be done to avoid the issue in the future?


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# Break


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# Mission, Vision, Values and Strategy



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## Clear Purpose: A Strategic Framework

Vision → Mission → Values → Programs → Impact

*What is the world you seek to create?*

*What is your role in creating this world?*

*What values guide your work?*

*What do you do to fulfill this role?*

*What is the expected result of your effort in the community?*


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## Mission, Vision, and Values

- Mission: the purpose of your organization (what it does) –should be clear, concise and limited

*What is CCTA's mission?*

- Vision: the outcome the organization hopes to achieve through its purpose…how the world will look if the mission is accomplished

*What is the CCTA's vision?*

- Values: the values that guide your work and decision-making

*What are CCTA's values?*


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## Clear Direction: Strategic Plan

- Positions the organization in the larger (external) environment
- Multi-year horizon (3-5 years)
- Identifies Strategies: High-level areas you focus on to achieve your mission
- Articulates Strategic Outcomes: Priorities for what you want to accomplish.
- Identifies Programs/Initiative: What you do to achieve Outcomes
- Establishes Conditions: Needed resources (people, space, partners, funding!)
- Identifies Collaborators: Who do/will/can you work with to reach goals.
- Key performance Indicators: Measurable outputs and (SMART goals)
- Living document to which the organization should refer regularly - MONITOR
- Can be an externally-facing document


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## Strategic Plan Components

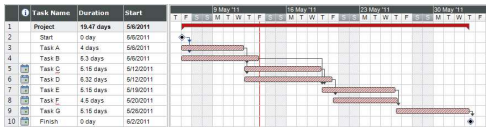
- Environmental Scan/Landscape Analysis (Interviews, Focus Groups, Survey)
  - How are we perceived?
  - Who else does what we do?
  - What is/are our differentiator(s)?
  - What do others wish we would do?
  - What risks do others see?
- Strategic Planning
  - Identify Strengths, Challenges, Opportunities, Aspirations and Desired Results (SCOAR)
  - Clarify Mission, Vision, and Values
  - Identify desired Outcomes of work in the next three to five years
  - Aligns programs and services you deliver/want to deliver to achieve outcomes
  - Develop success metrics to measure the output success that lead to outcomes
  - Identify key enablers, including resources (fiscal, human, and property), required meet those success metrics


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## Clear Direction: Annual Operating Plan(s)

- One-year horizon
- Specific initiatives or activities to move the goals/objectives forward
- Include deadlines, person(s) responsible, costs
- Specific, concrete measures of achievement
- Reviewed regularly and progress reported
- An internal document





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## How the Mission, Vision, Values, Plan, and People Work Together

Vision, Mission, Values = North

Board = Compass

Strategic Plan = Flight Plan

Executive/Leader = Pilot

Staff (and Volunteers) = Crew




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## A Good Plan Adapts as Conditions Change

- Plan for the unexpected
  - Federal, State, Private Funding and Policy Climate
  - Economic Climate
- Human Resource & Technology Requirements
- Increased expectation for collaborative efforts
  - Resource Sharing
  - Program partnerships
  - Advocacy

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## Fiduciary and Legal Oversight

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## Financial Oversight, Planning, and Transparency

Every Board Member should know…

- ❑ What is our Business Model?
- ❑ What is our greatest source of revenue and how stable is it?
- ❑ What is the board's role in securing resources and how are we doing?
- ❑ What financial controls are in place to ensure no one is accused of wrongdoing?
- ❑ Have all board members reviewed the most recent 990?
- ❑ Have you been audited by a 3rd party expert? (Typically for $250,000+ budget)
- ❑ Does our Financial Plan match the Strategic Plan?
- ❑ Is there a contingency plan if expenses or revenues don't materialize?
- ❑ What reserves are needed so we can continue to innovate and expand?

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## Financial Oversight

- Understand your organization's business model
  - ➢ Sources of revenue (and how they are allocated to expenses)
  - ➢ Drivers of expense (and how they are allocated to funding sources)
  - ➢ Program profitability
  - ➢ Cash Reserves, Cash Flow, and Sustainability
- Regular review of financial position focused on Strategy, Budget, and Key Performance Indicators
- **The full board owns this responsibility**

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## Nonprofit Phenomenon

It is possible for a nonprofit to have a million in the bank yet cannot make payroll?




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## Restricted vs Unrestricted Funds

- Unique to nonprofits: fund type determines how it can be spent
  - **Unrestricted**: can be spent by organization's discretion
  - **Temporarily Restricted**: donor restricts how funds can be spent, released as conditions are met
  - **Permanently Restricted**: fund balance (corpus) is held, and only interest or a portion can be spent based upon donor/board restriction
- Tracking funds by restriction is important
  - Can result in spending down unrestricted
  - Donor may wish to receive report on spending
  - Audit helps to track balances




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## Standard Reports to Review Financial Position

- Statements about Current Position
  - Balance Sheet
    - Income, Liabilities, Fund Balance
  - Income/Expense and net gain
  - Perspective of position vs prior period
- Statements about Future Position
  - Annual Financial Plan
  - Cash flow projection
  - Capital spending projection (Depreciation)




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## Elements of Financial Oversight

- **Internal Controls**
  - Segregate duties
  - Policies Enforced
- **Insurance Policies**
  - Risk assessment
  - Annually review policies, coverage and deductibles
- **Investment & Reserve Policies**
  - Risk guidelines
  - Investment Strategy
  - Cash Balance Requirements
- **Spending**
  - Authorization Guidelines
  - Process for Vendor Selection


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## Financial Oversight, Planning, and Transparency
## Bottom Line…

Are the assets of the organization being invested effectively and efficiently to advance the intended community outcomes in a way that is viable today and into the foreseeable future?




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## Legal Oversight, Compliance & Risk Management

- Understanding compliance and legal climate
  - By-laws and Articles of Incorporation
  - Employment Laws
  - Tax Law
  - Fund/Donor/Contract Compliance
  - Codes of conduct/laws for specific industry in which org operates
- Policies protect organization
  - Safety
  - Harassment
  - Whistleblower
  - Conflict of Interest
  - Insurance
- Build in regular review of compliance into board schedule


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## Sustaining Fiduciary Engagement

- **Prepare for Incoming Board Directors**
  - Recruit members with experience
  - Orient board members to expectations
- **Provide Ongoing Training/Evaluation**
  - Regularly review financial policies around compliance and controls
  - Routinely educate board members on the organization, business model, programs, market/climate, and best practices
- **Create a Culture of Accountability**
  - Hold board members responsible for expectations
  - Be willing to disagree and discuss options
  - Once a decision is made – the decision is made (no "parking lot")
  - Enforce confidentiality
  - Conduct annual leadership evaluation - Board and Executive Director


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## Creating, Building and Sustaining a High Performing Board




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## Each Nonprofit Board is Unique

- Development Cycle
- Leadership
- Monitoring Capabilities
- Resource Needs




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## Culture and Values



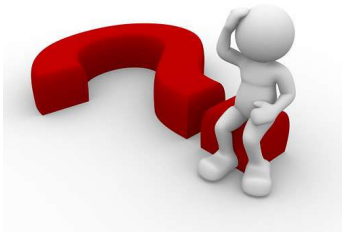


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## Think about...

When you hear the word "culture," what does it mean to you?



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## How Do Values Show Up in Governance?

- Lifecycle of board and organization
- Board member expectations
  - For example, when do you hold your meetings?
- By laws
- Composition of the board
- Decision-making processes
- Board policies and procedures
- Whether there is paid staff
- Regulatory environment
- Board assessments and focus on improved performance
- Future (proactive) vs Right Now (reactive) orientation




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## Board Composition



- Size
- Diversity (all types)
- Term Limits
- Recruitment and Selection Process

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## Board Profile Considerations

- ❑ Demographic?
- ❑ Location?
- ❑ Skills?
- ❑ Industry?
- ❑ Background?
- ❑ Constituency?
- ❑ Network?



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## Board Composition & Effectiveness

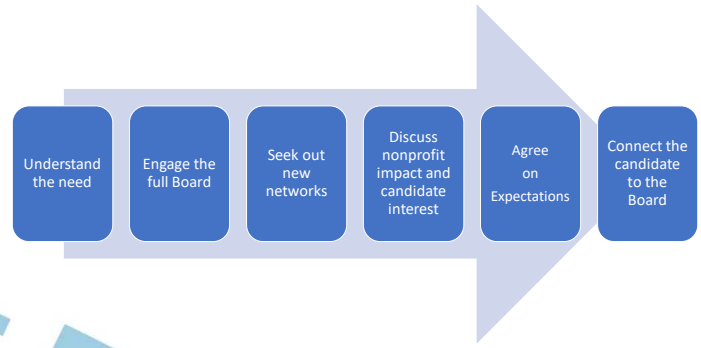
- **Governance Activities**
  - What do we want our board to make possible?
  - What work do we need to do to make it happen?
  - What skills do we need?
  - What perspectives do we needed?
- **Effective Decision-making & Goal Setting**
  - Board meetings
  - Board member engagement
  - Culture of Performance

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## Board Member Recruiting Process




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## Share Expectations Before Election




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## Sustain Leadership Continuity

- Board Leadership
  - Officers
  - Committee Chairs
- Shared Leadership
  - CEO & Board Chair
  - CEO & Committee Chairs
  - CEO & Full Board
- Staff roles in relation to Board roles



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## Succession Planning

- Plan for Leader transition – unexpected and expected
- Identify process for selecting successor
- Determine who is responsible
- Identify what you need and what you want
- Development opportunities before transition
- Onboarding for success



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## Board Development

**How to help Board members stay current and keep organization's issues top of mind:**

- Provide updates on market, organizational dynamics, insights into industry in which nonprofit operates.
- Update board members on program activities, accomplishments, metrics
- Discuss board practices and improvement areas - Find or create scenarios to practice common board activities or problem solve and then debrief on what happened, why, and what could be done differently,
- Review & reflect on key policy areas and local, state, regional, national trends
- Refresh on financial model, fundraising plans etc.
- Attend a governance workshop individually or as a group.

*"The only sustainable competitive advantage is an organization's ability to learn faster than the competition." — Peter M. Senge*

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## Resource Development
## Fund Development and Community Engagement




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## Providing Resources

- Board must understand the resource needs of the organization.
  - Funds beyond cash reserves and "fee for service"
  - People (paid/volunteer)
  - Infrastructure (buildings, IT, policies)
  - Partners (collaborations, vendors, alliances)





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## Fundraising & Development




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## Fundraising & Development

*Transactional* *Relationships*


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## Development & Fundraising

*Relationships* *Transactions*

What is the role of the Board member in Fundraising & Development?


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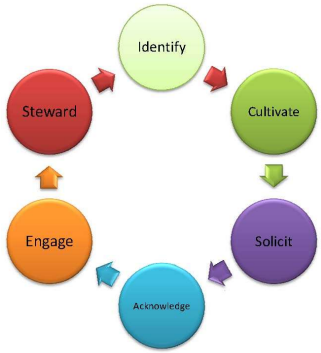
## Development

- Board Models Development Behavior
  - Create awareness of the organization's mission
  - Invite prospective contributors to events
  - Build/maintain stakeholder relationships
  - Connect prospective contributors to leadership
  - Recognize gifts
  - Ask for support


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## Development & Fundraising





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Community Engagement


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## The Board as an Advocate

- Advocate: a person who champions ....
  - The Organization
  - The cause
  - The clients
  - The program
- To...
  - The Government
  - Volunteers
  - Donors
  - The community





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## Staying Abreast of Legislative Issues

- State
  - Regulatory Issues
  - Tax Issues
  - Funding for community-based services
- Federal
  - Funding Priorities
  - Tax Policies




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## LOBBYING
*YES* a nonprofit organization can lobby (and must)!

- Board members can serve as the best ambassadors for government relations
- Test for "Lobbying"
  - "Not a substantial part of activities"
  - Schedule C or 501 (h) election
- No partisan activities




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## Strategic Partnerships

*"Alone we can do so little; together we can do so much." — Helen Keller*

- Nonprofits work within an ecosystem system (social, political, economic)
- Efficiency across the system
  - Sharing Resources
  - Co-creating and executing programs
  - Avoiding Duplication
- Funder and Government Expectations


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## Scenario

You are surprised to find out that a combination of new state and local regulations severely limits property development and use in neighborhoods that impact your plans.

Should this have been a surprise?

What could have been done to avoid being surprised?

What does the organization need to do to assess the impact?

Is this a Board problem?

What can the board do to try to address the changes?

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## Culture of High Performing Boards

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## Culture of High Performing Boards

- ❑ Clarity about Legal and Ethical Board Roles and Responsibility
- ❑ Intentionality about the structure of board processes and policies
- ❑ Intentionality about the structure and content of meetings
- ❑ Clarity about Board vs. Chief Executive and staff roles and responsibilities and boundaries
- ❑ Established plans for board recruitment and leadership succession/continuity
- ❑ Set annual performance goals for the board, executive, committees, and organization are in place
- ❑ Evaluates to Improve
  - Reviews Board Performance at least every two years to understand board members' perception of effectiveness
    - Full board as a collective and individual board members
    - Measures the degree in which board members are aligned
  - Actively monitors organization's financial health and manages risks
  - Evaluates Chief Executive annually using shared goals with measurable outcomes
  - Evaluates program effectiveness using shared measurable outcomes

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## Is Your Board a High Performing Board?

- ❑ Yes/No/Maybe?
- ❑ How do you know?
- ❑ When will you assessed your performance?
  - ❑ What are your Strengths?
  - ❑ What are your Opportunities for Growth?
- ❑ What steps are you taking or will you take as a board and Board members to move towards Board Excellence?

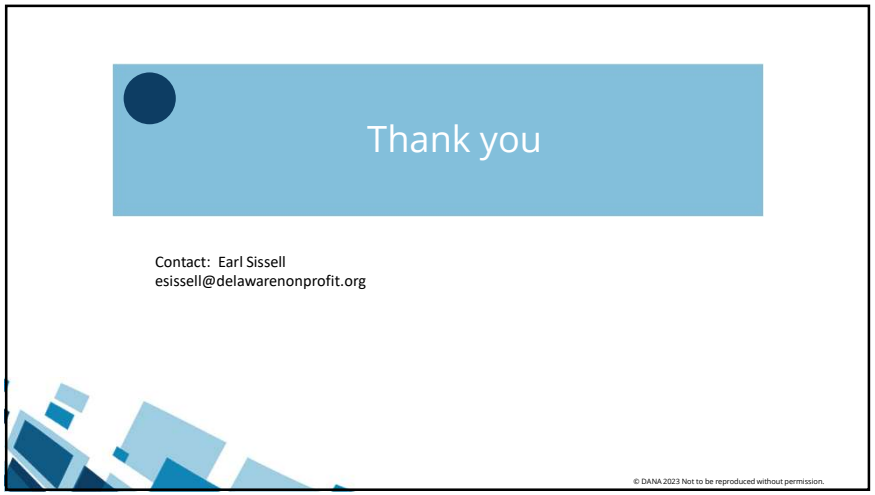
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Questions and
Key Take Aways
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Thank you
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