This special issue of the Buzz newsletter does double duty as our Annual Report.
Dear Members, Colleagues and Friends:

Wow. How did we accomplish so much last year? The truth is, we didn’t – our members did. Our tiny staff simply leverages the power of our membership. When we California nonprofits flex our muscles, we can do a lot.

Together, we stopped AB 2855, the “warning label” bill that would have placed unnecessary and punitive burdens on nonprofits. More than 700 nonprofits signed on to oppose the warning label bill, and dozens called their assemblymembers.

We also worked together to have the first-ever resolution passed by the State Assembly recognizing the vital importance of nonprofits to the economy and well-being of California. We hosted the inaugural California Nonprofits Day at the State Capitol, honoring 70 different nonprofits across the state as Nonprofits of the Year, with state senators and assemblymembers hosting their honorees on the Senate and Assembly floors before a luncheon celebrating the breadth, diversity and impact of the nonprofit community.

We took our Student Debt Project to the next level, too, with an advisory council headed by rising Congressional star Eric Swalwell. We’re changing how governments fund indirect costs and how foundations think about overhead, through the Nonprofit Overhead Project. And much more.

Whenever you see a magazine spread encouraging people and companies to locate in a particular area, they typically point to nearby colleges, parks, museums, theatres, highly regarded hospitals, activities for kids, and recreational opportunities. Think about it: all these reasons to live somewhere are provided by nonprofits. Nonprofits not only make our particular area, they typically point to nearby colleges, parks, museums, theatres, highly regarded hospitals, activities for kids, and recreational opportunities. Think about it: all these reasons to live somewhere are provided by nonprofits. Nonprofits not only make our communities desirable, we are an economic driver: one in every sixteen California workers is employed at a nonprofit, and we bring $40 billion in from out of state every year.

This year we changed our tagline to “the voice for California’s nonprofit community” to more actively convey our role as advocates – to government, to the philanthropic community, among nonprofits, and to the public at large. We ask nonprofits what they are thinking and doing, then amplify those voices through publications, testimony at hearings, with foundations, and by crisscrossing the state to meet with groups in different communities. Our CFO Taskforce, Student Debt Taskforce, and Teleconnect Fund Taskforce are part of this effort as well.

California is in a period of tumultuous change, and it feels as if everything is at stake. California nonprofits – with all of our diverse political opinions – know that our work is more important than ever. Maybe harder than ever. Maybe more unpredictable than ever. But clearly: more important than ever.

Jan Masaoka
CEO, CalNonprofits
janm@calnonprofits.org

Geoff Green
Chair, CalNonprofits Board of Directors
CEO, Santa Barbara City College Foundation

PS. This annual report covers a lot, but as we go to press we have breaking news about how we’re already flexing the power of our nonprofit community in 2017 that we just couldn’t leave out. The first-ever Assembly Select Committee focusing on the nonprofit sector has been created, headed by Assemblymember Monique Limón, and more than 800 nonprofits spoke up in our new survey on the impact of the Trump Administration on their work. See the summary report of our findings at bit.ly/NPSurvey2017. And there’s a lot more to come!
What are the keys to getting the most out of your CalNonprofits benefits?

When you join CalNonprofits, your organization can...

- Feel more connected to the nonprofit community in California
- Get access to specialized and current compliance information
- Participate in advocacy on legislation that affects nonprofits and be part of a policy task force on an issue you care about
- Join free webinars on best practices, current research findings, policy matters, and voter engagement
- Get great rates at a one-stop shop for health insurance, workers’ compensation and all the other types of insurance you need
- Save money using our expanding list of partners offering discounts on your everyday expenses

To find out more, contact our Membership Manager at (415) 926-0668, email membership@calnonprofits.org or visit www.calnonprofits.org

Where is CalNonprofits?

Main office: San Francisco
275 Fifth Street
San Francisco, CA 94103
Phone: (800) 776-4226

Sacramento
1100 11th St, Suite 10
Sacramento, CA 95814
Phone: (800) 776-4226

Los Angeles
1000 North Alameda, Suite 240
Los Angeles, CA 90012
Phone: (213) 500-2274

CalNonprofits Insurance Services (CIS)
Headquarters Office:
1500 41st Ave., Suite 280
Capitolia, CA 95010
Phone: (888) 427-5222

CalNonprofits Insurance Services (CIS)
Regional Office:
3435 Wilshire Boulevard, Suite 1930
Los Angeles, CA 90010
Phone: (888) 427-5222

Everywhere via the web:
www.calnonprofits.org

Funders

Our most important funders are our members, whose dues give them access to many discounts and benefits in addition to supporting our collective advocacy work.

INSTITUTIONAL FUNDERS 2016

California Community Foundation
California Wellness Foundation*
David & Lucile Packard Foundation*
Fidelity Charitable Trustees’ Philanthropy Fund
First Five LA
Mott Foundation*
Southern California Edison*
Weingart Foundation*

* We are especially grateful to these funders that have provided unrestricted support, which, along with membership dues and earned income, gives us the ability to respond quickly and strongly to urgent policy and nonprofit structural issues as they emerge.

SUSTAINING MEMBERS 2016

These are the members who support us above and beyond their dues and play an instrumental role in sustaining our sector!

California State Parks Foundation
Evelyn & Walter Haas, Jr. Fund
Humboldt Area Foundation
Josephine S. Gumbiner Foundation
Provisional Credit Union
S.H. Cowell Foundation
The California Wellness Foundation
Valic
Walter and Elise Haas Fund
Weingart Foundation
Nonprofits of the Year Honored at State Capitol Event

On Wednesday, June 22, 2016, the California Association of Nonprofits hosted the inaugural California Nonprofits Day celebration at the State Capitol in Sacramento, honoring nonprofits across the state as Nonprofits of the Year.

“Nonprofit organizations are vitally important to the economy and well-being of California. But too often nonprofits are ‘hidden in plain sight’.”

—CalNonprofits CEO Jan Masaoka

Stay tuned for details about the 2017 California Nonprofits Day event, scheduled for June 28th!
“The incredible value of the work done by California nonprofits can’t be overstated.”
— Sacramento Mayor Darrell Steinberg

California Senate Honorees

Ben Allen honoring Safe Place for Youth
Joel Anderson honoring YALLA (Youth and Leaders Living Actively)
Patricia Bates honoring North County Lifeline
Tom Berryhill honoring The Heart of the Horse Therapy Ranch
Marty Block honoring Jewish Family Service of San Diego
Kevin de León honoring PATH
Lonnie Hancock honoring Center for Independent Living, Inc. (CIL)
Ed Hernandez honoring Friends of the LA River
Robert Hertzberg honoring Pacoima Beautiful
Jerry Hill honoring Project WeHOPE
Ben Hueso honoring Bayview Baptist Church
Bob Huff honoring Pathways of Hope
Hannah-Beth Jackson honoring La Hermandad Hank Lacayo Youth and Family Center
Richard Lara honoring Long Beach Alliance for Children with Asthma
Mark Leno honoring Jewish Vocational Services
Connie Leyva honoring Tzu Chi Foundation
Carol Liu honoring Family Promise of the Verdugos, Ending Homelessness
One Family at a Time
Holly Mitchell honoring Vox Femina
Bill Monning honoring Community Solutions
John Moorlach honoring Orange County Rescue Mission
Richard Pan honoring California Black Health Network
Jeff Stone honoring Desert Arc
Bob Wieckowski honoring Tri-City Ecology Center

California Assembly Honorees

Katcho Achadjian honoring Children’s Resource Network of the Central Coast
Joaquin Arambula honoring Focus Forward
Toni Atkins honoring WILDCOAST
Catharine Baker honoring Save Mount Diablo
Richard Bloom honoring OPCC
Susan Bonilla honoring Monument Crisis Center
Rob Bonta honoring Ella Baker Center for Human Rights
William Brough honoring Working Wardrobes’ Vet Net
Cheryl Brown honoring Community Action Partnership of San Bernardino County
Autumn Burke honoring Centenial Youth Services, Inc.
Nora Campos honoring YWCA Silicon Valley Domestic Violence
Ling Ling Chang honoring United Abacus Arithmetic Association
Ed Chau honoring Asian Youth Center
David Chiu honoring Community Housing Partnership
Kansen Chu honoring Tzu-Chi Foundation
Jim Cooper honoring Relimage Mack Road Foundation
Bill Dodd honoring Contra Costa Solano Food Bank
Beth Gaines honoring Big Brothers and Big Sisters of El Dorado Hills
Eduardo Garcia honoring Imperial Valley Food Bank
Lorena Gonzalez honoring ARTS (A Reason to Survive)
Richard Gordon honoring Sunnyvale Community Services
Shannon Grove honoring Stay Focused Ministries
David Hadley honoring Torrance Education Foundation

Chris Holden honoring Union Station Homeless Services
Jacqui Irwin honoring Play Conejo
Brian Jones honoring East County Boys & Girls Club
Tom Lackey honoring Desert Haven Enterprises, Inc.
Marc Levine honoring Next Generation Scholars
Patty Lopez honoring San Fernando Valley Partnership Inc.
Evan Low honoring People Acting in Community Together
Devon Mathis honoring Visalia Rescue Mission
Chad Mayes honoring Safehouse of the Desert
Kevin McCarty honoring Health Education Council
Jose Medina honoring the Latino Network
Adrin Nazarian honoring Jewish Family Service of Los Angeles
Patrick O’Donnell honoring Harbor Interfaith Services San Pedro
Jay Obernolte honoring Jocelyn’s Journey
Kristin Olsen honoring CASA of Stanislaus County
Jim Patterson honoring Central Valley Honor Flight
Anthony Rendon honoring Food Finders
Freddie Rodriguez honoring Mercy House
Rudy Salas honoring Kings Community Action Organization Inc.
Miguel Santiago honoring Little Tokyo Service Center
Marc Steinorth honoring The John P. Previti Memorial Foundation
Tony Thurmond honoring the Ann Martin Center
Philip Ting honoring Self Help for the Elderly
Shirley Weber honoring San Diego (CA) Chapter of The Links, Incorporated
Das Williams honoring the Channel Islands YMCA
Jim Wood honoring Humboldt Area Foundation

calnonprofits.org
CalNonprofits Insurance in 2016

Not everyone knows that CalNonprofits has a wholly owned social enterprise, which provides insurance coverage to more than 800 nonprofits and health insurance to more than 16,000 nonprofit employees. Here are some quick facts:

- CalNonprofits Insurance Services (CIS) transitioned from founder and CEO Meredith Clark to new, high energy leadership with Colleen Lazanich. Look for her column “Ask Colleen, Your Nonprofit Insurance Expert” in regular issues of the Buzz.

- In addition to CIS, CalNonprofits sponsors two exclusive health trusts — only open to CalNonprofits members — which leverage group buying power: our dental and vision trust, and the HealthWay Trust of California.

- After health, dental and vision insurance, our most popular products include D&O (Directors and Officers) insurance and workers’ compensation.

- 100% of the profits from our insurance work not only stays in the nonprofit sector, but funds our advocacy and mobilization work — work that is typically difficult to fund through foundations.

Support your staff with our new Student Debt Toolkit for Nonprofits

More than 160,000 nonprofit staff have student debt. A survey conducted by CalNonprofits in 2016 confirmed that student debt is hurting recruitment, retention and diversity in the nonprofit workforce. But most nonprofits are unaware of how debt affects their employees, or of the free and low-cost ways to help them with debt. Find out how to use the federal Public Service Loan Forgiveness Program and get other useful resources by downloading our new Student Debt Toolkit for Nonprofits at www.calnumprofits.org/images/downloads/Student-Debt-Toolkit-2017.pdf

CalNonprofits Insurance Services

A program of the California Association of Nonprofits (CalNonprofits) with exclusive insurance plans for nonprofits.

**Employee Benefits:**
- Health
- Dental
- Vision
- Life and Disability
- Alternative Health Care
- And more...

**Property Casualty:**
- Workers’ Compensation
- General Liability
- Directors + Officers
- Cyber Liability
- Risk Management Programs
- And more...

Contact us! 888.427.5222 or www.CalNonprofitsInsurance.org

Valuable Tools Offered by CalNonprofits

Property Casualty:
- Workers’ Compensation
- General Liability
- Directors + Officers
- Cyber Liability
- Risk Management Programs
- And more...

Support your staff with our new Student Debt Toolkit for Nonprofits

More than 160,000 nonprofit staff have student debt. A survey conducted by CalNonprofits in 2016 confirmed that student debt is hurting recruitment, retention and diversity in the nonprofit workforce. But most nonprofits are unaware of how debt affects their employees, or of the free and low-cost ways to help them with debt. Find out how to use the federal Public Service Loan Forgiveness Program and get other useful resources by downloading our new Student Debt Toolkit for Nonprofits at www.calnumprofits.org/images/downloads/Student-Debt-Toolkit-2017.pdf
As executive recruiters they’ve done it all. Let them do it for you.

Jacqueline Jansen and her highly reputable team of associates manage a full-service executive search and consulting firm for nonprofit organizations. They also offer the much lauded “Sustainable Futures” transition consulting program.

Having completed over 1,000 executive searches, they manage the process and the leadership change with compassion and care.

Janssen Nonprofit Recruiting
Transition with Insight
Call today at 415.999.1111 for a pro bono consultation for CAN participants. JanssenRecruiting.com

As an alliance of nonprofits, a crucial role for CalNonprofits is to advance public policies that support a healthy nonprofit ecosystem. We focus on elevating your voice to policy makers, philanthropy, and the public, and strengthening your ability to advocate on behalf of your community.

This year we led the effort to stop AB 2855, a bill in the California legislature that would have required nonprofits to place unnecessary and burdensome notices on every document that included a fundraising message — not just California nonprofits but any nonprofit that attempted to raise funds in California. In just two months, we mobilized more than 700 nonprofit organizations to speak up to oppose this bill, an unprecedented show of solidarity. This was truly a team effort that showed the power of the nonprofit community.

Welcome New CalNonprofits Members

- AIA Abide in Awareness
- Alexandria House
- All Tribes in Recovery, Inc.
- Animal Relief Fund - Monterey (DBA Max's Helping Paws Foundation)
- Ariene and Michael Rosen Foundation
- Arts Orange County
- Asian Pacific Americans for Progress
- Association of Accredited Naturopathic Medical Colleges
- BirchBank Foundation
- Boys & Girls Club of the Redwoods
- California Association of Public Procurement Officials Inc.
- California Association of Human Relations Organizations
- Campbell & Company
- Community Board Program, Inc.
- ECO Center for Education and Wellness
- First Step Communities Foundation for Filipina Women’s Network
- Friends of the Miracle Mile
- Grandpoint Bank
- Groundswell Institute
- Haven Services
- Humboldt Network of Family Resource Centers
- International Pre-Diabetes Center Inc.
- Janis Rich-Smith
- Karlsson & Lane, An Accountancy Corp.
- Kimberley Martin
- Kitchens for Good
- Kol-Poi Community Services, Inc
- Leadership Pasadena
- Manufacturers Bank
- Million Little
- Ninth Street Media Consortium
- Nonprofit Prosperity Consulting
- Northern California Chapter of The Explorers Club
- Operation: With Love From Home
- Peninsula Volunteers, Inc.
- Poinsettia Center for the Arts
- Reclaim The Records
- Santa Barbara Community Housing Corporation
- SF Women’s Rehabilitation Foundation
- Shirt-Tailless Productions Inc
- Sigma Beta Xi Inc.
- Single Moms Planet
- Siskiyou Child Care Council
- Sow A Seed Community Foundation
- Sylvia Yee
- Team Tassy
- Torrance Education Foundation
- Urban Strategies Council
- Valley Vineyard Christian Fellowship
- VeggieLution
- Villages of San Mateo County
Don’t Say That, Say This:
NEW RESEARCH ON MESSAGING ABOUT OVERHEAD

We need to talk about overhead costs — and the way we talk about it matters. Overhead is a prevalent and controversial topic in the nonprofit sector. Online raters like Charity Navigator point to the overhead rate as a key indicator of nonprofit worthiness. Different government entities use wildly different indirect cost rates when contracting with nonprofits. And nonprofits struggle to make sense of it all — with quality programs and services that affect millions of lives at stake.

A big part of the challenge is the way we communicate. How do we talk about overhead in a way that makes sense to the audiences that need to understand? What should we say — and what shouldn't we say? To gain insight into this crucial issue, the CalNonprofits Nonprofit Overhead Project partnered with Lake Research to investigate which messages about overhead work — and which ones don’t — with two key groups: County Supervisors and Mid-Level Donors.

Here are our most important takeaways. Keep them — and use them!

**DO’S & DON’T’S WHEN COMMUNICATING WITH COUNTY SUPERVISORS**

**DO**
- Emphasize results: outcomes matter most and nonprofits need to cover overhead expenses to produce good results.
- Build on Supervisor’s existing recognition of the importance of overhead funding.
- Be specific about the OMB requirements and the problem with counties not implementing that guidance.
- Reach out to Supervisors with personal backgrounds in the nonprofit world.
- Reach out to County staffers.

**DON’T**
- Use unfamiliar terms or vague or flowery language.
- Explicitly divert focus from overhead costs.
- Talk about threats to nonprofit sustainability.
- Message broadly about “nonprofits” and “nonprofit overhead” in a generic way.
- Assume county Supervisors react to messaging the same as individual donors.

“This most convincing reason [for counties to fund nonprofit overhead] is just it’s a reality. You have to fund bricks and mortar and you have to fund folks to run the program, so it’s not that I question overhead or I’m not a believer in overhead, overhead is a reality.”

“I mean somebody has to run the show. You know somebody has to, you know, create the vision, the mission and at some point execute the plan and you can’t do that without an administrative staff at some level doing that. So somebody has to be in charge and somebody has to pay for that.”

**DO’S & DON’T’S WHEN COMMUNICATING WITH DONORS**

**DO**
- Treat giving as a values-driven action.
- Focus on immediate needs that the organization is meeting.
- Use words like “effective,” “responsible,” and “viable” when developing persuasive messaging.
- Use the term “operating costs.”
- Demonstrate that you can stretch a budget.
- Follow through with what you say you will do and demonstrate this to donors.
- Share with donors the importance of operating costs in your ability to meet your organizational goals.
- Talk about the community you serve and how your organization’s dollars are reinvested in the community.

**DON’T**
- Treat giving as a financial investment.
- Focus on long-term structural improvements.
- Use words like “top-notch,” “high quality” or other words that imply high costs when developing persuasive messaging.
- Use the terms “overhead costs,” “real costs,” “full costs,” etc.
- Come across as defensive when discussing how the nonprofit uses donations.
- Promise more than you can reasonably achieve.
- Overwhelm donors with financial details.
- Talk about your organization as if it were a business.

“When I was a teenager I and friends got stuck. Car broke down. We were way out of town. It was night and we really didn’t know what to do, so we called the police. They contacted the Salvation Army. Over the years I have continued to give to them because of my personal experience. They came to my aid.”

“Without having money for overhead they can’t keep the lights on; they can’t keep the space they are in. They need to have space. [To use the above example.] someone had to take that call from the police to come get him. That is the person that you are paying for.”
CalNonprofits Convention 2016: 
THE POWER OF CALIFORNIA NONPROFITS

On October 6th, over 200 nonprofit leaders, funders, and supporters of the nonprofit community gathered at The California Endowment in Los Angeles to flex, build and celebrate the power of California nonprofits.

One of the day’s highlights was a panel featuring California State Assemblymember Phil Ting, Los Angeles Councilmember Marqueece Harris-Dawson, and California State Senator Holly Mitchell, moderated by CalNonprofits Policy Director Nancy Berlin. They discussed how nonprofit leaders in public office bring nonprofit values to Sacramento: “We know our communities best and want to make change for the people we care about.”

“We are not and have never lived in a ‘post-racial’ society. ‘Until all of us are free, none of us are free.’” – Alicia Garza

We were all riveted by the moving and powerful telling of the Black Lives Matter story by co-founder Alicia Garza, our Keynote Speaker, who called the movement “a love letter to Black people.” She urged us to live the values of Black Lives Matter in our own organizations and look at how our missions include and assist black lives.

“Meet with us in our district offices. Ask for our help with your strategy.” — Phil Ting
CSUN’s Nonprofit Sector Management program empowers individuals working in both the public sector and throughout philanthropic organizations and fosters their ability to work across all facets of both the public sector and nonprofit world.

- **DEVELOP PROFESSIONALLY:** Improve expertise in budgeting, financial management, advocacy, leadership, stakeholder relations, and strategic planning.

- **TAUGHT BY INDUSTRY PROFESSIONALS:** Courses are developed and taught by industry professionals and leading CSUN faculty. This online program is held to the same high standards of academic excellence and student achievement as traditional programs.

- **WORK AND TAKE CLASSES ONLINE:** 2-year online program with guaranteed enrollment in classes conveniently designed for the working professional.

**GET STARTED**

Joe Rodriguez  
Recruitment Manager  
(818) 208-4627  
programs@csun.edu  
go.csun.edu/calnonprofits

**APPLY NOW FOR FALL 2017**

APPLY NOW AT GO.CSUN.EDU/CALNONPROFITS
Finances 2016

STATEMENT OF ACTIVITIES
Year Ended December 31, 2016
Estimated - Pre-audit

Revenue and Support
Memberships 445,966
Grants and Contributions 166,000
Products and Services 23,371
Advertising 1,150
Conferences and Workshops 71,715
Honoraria and Consulting 10,850
Interest Income and Other 8,351
Earnings from Investment in Subsidiary 189,650
Net assets released from restriction 0
Total Revenue and Support 917,053

Expenses
Program Services 907,006
Management and Administrative 201,050
Fundraising 1,978
Total Expenses 1,110,034

Change in Net Assets (192,981)
Net Assets- Beginning of Year 3,888,053
Net Assets - End of Year 3,695,072

STATEMENT OF FINANCIAL POSITION
Estimated Pre-audit at December 31, 2016

Assets
Cash and Cash Equivalents 800,405
Accounts Receivable 6,159
Grants Receivable 0
Dividend Receivable from Subsidiary 264,650
Investment in Subsidiary 2,656,484
Property and Equipment (Net) 0
Prepaid Expenses and Deposits 16,773
Total Assets 3,744,471

Liabilities & Net Assets
Accounts Payable 23,466
Accounts Payable to Wholly-Owned Subsidiary 7,559
Accrued Liabilities 0
Accrued Vacation 18,184
Deferred Revenue 190
Total Liabilities 49,399

Net Assets
Unrestricted Net Assets 578,910
Investment in Wholly-Owned Subsidiary 2,996,134
Temporarily Restricted Assets 120,028
Total Net Assets 3,695,072

Total Liabilities & Net Assets 3,744,471

CalNonprofits Membership
by the numbers

10,525 total members
1,481 nonprofit full voting members
88 associate members, including students, retirees, consultants and other for-profit businesses
8,944 advocacy members who support our policy work

Where in the State are Calnonprofits Members?

CalNonprofits Members
by Subsector

Human Services 30%
Education 16%
Environment 10%
Foundations 3%
Health, other 10%
Higher Education 1%
Arts/Culture/Humanities 12%
Religion 2.5%
International 1.2%
Mutual, Public, Societal Benefit 1.2%

CalNonprofits.org
CalNonprofits brought hundreds of members together in 2016

- **Annual Convention**: 285 attendees
- **Nonprofit Overhead Project**: 1,527 participants in 26 convenings, discussions, conference sessions, webinars, and workshops
- **California Teleconnect Fund webinar**: 93 participants
- **California Nonprofits Day Event**: 150 participants
- **California Policy Forum**: 530 participants
- **Insurance webinar**: 124 participants
- **Student Debt Project**: 104 participants in Student Debt and the Nonprofit Workforce Forum
- **How to Start a Nonprofit webinar**: 117 participants

Join us as we continue to serve you in 2017!