A report to the nonprofit COMMUNITY on what we accomplished TOGETHER this year

Membership Benefits
Policy Advocacy
Vote with Your Mission
Nonprofit Overhead Project
Nonprofit Student Debt Project
California Teleconnect Fund
Annual Policy Convention
How to Start a Nonprofit in California
CalNonprofits Insurance Services

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

The Power of California Nonprofits. That's all of us working together – and it's the theme of our 2016 convention, as you'll see on the back of this report.

The collective energy of our members and foundation partners is what powers us forward, lights the way, and improves the business and regulatory climate for nonprofits, just as we nonprofits improve the communities we serve.

This year we’ve gone further with member task forces – the CFO Task Force on Overhead as well as one on the Teleconnect Fund – and with mobilization (more than 900 folks signed letters to legislators!) than ever before.

Our work boils down to one thing: we’ve got your back. That means we:

• Build strong relationships in Sacramento that support nonprofits and mobilize our community against legislation that hurts us
• Speak truth to philanthropy and to institutions like Charity Navigator
• Lead on complex issues like increasing the minimum wage, the burden of student debt, support for low-income communities, rural communities and communities of color, and low-profile but high-impact regulatory issues like the eligibility requirements for support from the California Teleconnect Fund
• Help nonprofits recover a fairer share of their indirect costs, and support nonprofits in the technical and messaging aspects of overhead
• Develop tools for nonprofits to stay compliant with required filings and forms
• Make sure more than 16,000 nonprofit staff get affordable health, dental and vision insurance through CalNonprofits Insurance Services
• Provide significant discounts on the supplies and services nonprofits want

As we look forward to another exciting year, we welcome your thoughts, questions, criticisms, and ongoing partnership. When California’s nonprofit community is strong, everyone benefits. More power to us all!

Jan Masaoka
CEO, CalNonprofits
janm@calnonprofits.org

Geoff Green
Chair, CalNonprofits Board of Directors
CEO, Santa Barbara City College Foundation
When you are a member of CalNonprofits, you:

- Feel more connected to the nonprofit community in California
- Add your voice to our advocacy work in Sacramento, with philanthropy and the public
- Get great rates at a one-stop shop for health insurance and other insurances
- Simplify your life with helpful information you can trust and an expanding list of partners offering discounts on your everyday expenses

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 2015
- Annenberg Foundation
- California Wellness Foundation
- Evelyn & Walter Haas, Jr. Fund*
- David & Lucile Packard Foundation
- James Irvine Foundation*
- Nonprofits Insurance Alliance of California*
- Ralph M. Parsons Foundation
- 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 2015
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
- California Wellness Foundation
- Frank H. and Eva B. Buck Foundation
- Evelyn & Walter Haas, Jr. Fund
- Humboldt Area Foundation
- Josephine S. Gumbiner Foundation
- Kidango
- MoveOn.org
- Provident Credit Union
- S.H. Cowell Foundation
- The Wallace Alexander Gerbode Foundation
- Turning Point Community Programs
- Valic
- Walter & Elise Haas Fund
- Weingart Foundation

Where is CalNonprofits?

Main office: San Francisco
400 Montgomery St, Suite 500
San Francisco, CA 94104
Phone: (800) 776-4226

Sacramento
1029 H Street, Suite 104
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
Capitola, 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
CalNonprofits keeps you on top of the latest issues affecting nonprofit leadership and staff, with innovative programs and the information you need to succeed.

The Nonprofit Overhead Project

A window for changing the paradigm on nonprofit overhead and indirect costs has opened, thanks to the new OMB guidance on improving government contracting with nonprofits — particularly regarding support for funding indirect costs — as well as increased philanthropic attention to the funding of nonprofit overhead. This presents a tremendous opportunity to improve the financial sustainability of nonprofits and service ecosystems, and to create government-foundation-nonprofit partnerships working together on making the nonprofit capital market more efficient.

With $11 billion in government contracts to California nonprofits each year, and $2 billion in California foundation grants to California nonprofits, the stakes are high. If we move the needle even just a little bit, a great deal of money can be leveraged for nonprofits. CalNonprofits recognizes this unique opportunity and is working to move that needle. The response has been extremely positive: so far, we have successfully organized 22 workshops with over 650 participants in seven cities, and seven webinars with over 1,400 registrants.

For the latest news, practical information you can use, and a toolkit full of helpful answers, tips and techniques, visit www.calnonprofits.org/programs/overhead

How to Start a California Nonprofit — and Stay Compliant

You’ve got an idea for making the world a better place, and you want to start a nonprofit as the means to do so. The good news is that starting a California nonprofit isn’t that hard to do if you have a sound plan, the right team, and sufficient startup capital.

But running a successful nonprofit is not easy. You’ll need to think through exactly how you will bring value to the public, obtain funds, attract staff and/or volunteers, build a board of directors, and comply with the laws that regulate nonprofits. Your answers to these questions will determine whether you should start a nonprofit or consider alternatives. That’s why CalNonprofits created a step-by-step guide and the resources you need—all in one place! The questions you have and the answers you need can be found at www.calnonprofits.org/resources/starting-a-california-nonprofit. This information is now available in Spanish as well.

CalNonprofits now offers a handy comprehensive Annual Nonprofit Compliance Checklist, too! Find it at www.calnonprofits.org/resources/nonprofit-compliance-checklist

buzz is the CalNonprofits quarterly journal
Nonprofit Student Debt Project

Student debt is hurting the nonprofit community, and CalNonprofits is doing something about it. Everyone has heard about the student debt crisis — more than 42 million people owe a total of $1.3 trillion in student debt. In California, the average debt for an individual graduating from a four-year institution is $21,382.

Student debt is a personal issue for nonprofit employees, and a public policy issue for the nonprofit community. More than 100,000 California nonprofit staff have student loans and loan payments can take up a large portion of their salaries. The debt burden can seem insurmountable, leading some to abandon nonprofit work.

CalNonprofits has launched the Nonprofit Student Debt Project to combat the student debt crisis and its impact on the nonprofit community. The Nonprofit Student Debt Project will provide tools for nonprofit employers and employees to learn about the Public Service Loan Forgiveness Program, manage student debt and address employee recruitment and retention, and ask California’s nonprofit community to become active advocates for solutions to the student debt crisis and its impact on the nonprofit workforce.

Find out more and get involved!

www.calnonprofits.org/programs/nonprofit-student-debt-project

Vote with Your Mission

Nonprofit votes count. There are nearly one million nonprofit employees in California and over five million volunteers. When nonprofits use our voting power, we advance our missions, make our voices heard and change the world for the better.

Vote with Your Mission is a grassroots campaign to highlight the power of the nonprofit community. Our goals are simple: for nonprofits to mobilize their staff, volunteers and constituents as voters and for policymakers to appreciate the nonprofit community as a powerful voting force. So get out there and VOTE!

Information on nonprofit voting power, legal FAQs, voter registration resources, and downloadable materials to post and distribute are all available here: www.calnonprofits.org/programs/voteyourmission

Welcome New CalNonprofits Members!

Good news: We’re now sending out a quarterly announcement to welcome the newest members of CalNonprofits. We want our community of more than 10,000 organizations to get to know each other — and take advantage of the networking opportunities offered by being part of such a diverse and varied group of nonprofits!
Advocating for You

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.

Here are some examples of CalNonprofits’ advocacy successes this year:

• We made it easier for nonprofits to do business. We championed AB 327 which extends for another seven years an exemption to state prevailing wage rules for work performed by volunteers and AB 556, which alters the definition and disclosure of commercial fundraisers in an effort to improve transparency for interested donors.

• We helped craft a motion, unanimously passed by the Los Angeles County Board of Supervisors, directing its county executive to develop recommendations on how county government will implement the provisions of the OMB Uniform Guidance related to paying reasonable indirect costs of nonprofit services with federal funds. The motion expressly instructs the county executive to consult with nonprofits and philanthropic leaders for their input.

• We put nonprofits at the table by actively supporting Senator Leno’s bill to increase the minimum wage for all Californians, and by advocating and negotiating with local governments to win minimum wage increases in Los Angeles City and County.

• We work to ensure that Californians have full access to voting, and that’s why we threw our support behind AB 1461, the California New Motor Voter Program to automatically register voters when they obtain or renew a drivers’ license or receive a state identification card.

We value the role of California’s nonprofits as drivers of shared prosperity, and our advocacy work reflects this by prioritizing good governance and fairness. Through policy advocacy, CalNonprofits will continue to strive to protect and enhance the ability of California’s nonprofits to serve California, the nation, and the world.
**Statement of Activities**

Year Ended December 31, 2015

**Revenue and Support**

- Memberships: $456,060
- Grants and Contributions: $448,550
- Products and Services: $32,537
- Advertising: $550
- Conferences and workshops: $63,535
- Honoraria: $2,050
- Royalties: $20,000
- Interest Income and Other: $7,258
- Earnings from Investment in Subsidiary: $443,503

**Total Revenue and Support:** $1,474,042

**Expenses**

- Program Services: $860,637
- Management & Administrative: $188,948
- Fundraising: $3,212

**Total Expenses:** $1,052,797

**Change in Net Assets:** $421,245

**Net Assets - Beginning of Year:** $3,423,698

**Net Assets - End of Year:** $3,844,943

**Statement of Financial Position**

Estimated Pre-audit at December 31, 2015

**Assets**

- Cash and Cash Equivalents: $836,191
- Accounts Receivable: $4,521
- Grants Receivable: $100,000
- Dividend Receivable from Subsidiary: $243,503
- Investment in Subsidiary: $2,688,374
- Prepaid Expenses and Deposits: $14,016

**Total Assets:** $3,886,605

**Liabilities & Net Assets**

- Accounts Payable: $9,819
- Payable to Wholly-Owned Subsidiary: $7,341
- Accrued Vacation: $24,502

**Total Liabilities:** $41,662

**Net Assets**

- Unrestricted Net Assets: $873,179
- Investment in Wholly-Owned Subsidiary: $2,688,374
- Temporarily Restricted Assets: $283,390

**Total Net Assets:** $3,844,943

**Total Liabilities & Net Assets:** $3,886,605

Save the Date for the CalNonprofits 2016 Convention!

Thursday, October 6th and Friday, October 7th

The California Endowment, Los Angeles

www.calnonprofits.org/convention