

**KNOWING YOUR NONPROFIT PARTNERS:
A DESK GUIDE FOR FEDERAL EMPLOYEES**



Bureau of Land Management
Department of the Interior
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INTRODUCTION

During the 2004 White House Conference on Cooperative Conservation, participants identified a number of problems and potential solutions regarding the relationship or interaction between Federal agencies and their partner nonprofit organizations. Conference participants noted that the two organizations use different definitions and language to talk about goals, programs, and policies. When individuals are speaking different languages, misunderstandings and conflicts may arise. Federal agency personnel must get to know the world of their nonprofit partners—learn their language, culture, way of doing business, how they raise money, and the problems and barriers they face.

Making an effort to know each other's mission, management issues, and idiosyncrasies is key to getting to know the individuals who are managing the partnership and establishing open communication and a trusting relationship with them.

This electronic desk guide, written from the perspective of nonprofit organizations, is designed to help the Federal employee understand the culture of the nonprofit world. Organized in the form of questions and answers, the guide is divided into four sections: (1) about nonprofit organizations, (2) working with nonprofit organizations, (3) challenges and potential solutions, and (4) additional resources. The purpose of the desk guide is twofold: first, to provide a resource for BLM employees at the field level to understand the nonprofit world, assessing the strength, resiliency, flexibility, and stability of an existing or potential community-based nonprofit partner; and second, to provide an introduction for private groups or individuals wishing to form a community-based nonprofit organization to partner with specific BLM units.

ABOUT NONPROFIT ORGANIZATIONS

What is a nonprofit organization?

Nonprofit organizations are private, self-governing organizations that are overseen and benefit—at least in part—from the work and contributions of volunteers. Nonprofit organizations are registered in a State and qualify through the Internal Revenue Service (IRS) for special tax status. These organizations can make a profit. However, IRS rules require nonprofit organizations to use part of their profits to ultimately serve a public purpose or benefit rather than return earnings to owners or Board members. Most nonprofit organizations partnering with the BLM obtain the IRS's 501(c)(3) Federal tax-exempt classification. These organizations can then receive tax-deductible contributions from individuals and other organizations to serve religious, educational, charitable, scientific, and literary purposes. Whereas 501(c)(3) organizations can let the public know how a piece of legislation might affect the cause their organization supports, they are only allowed to spend as much as 5% of their resources to lobby the legislature.

How do nonprofit organizations work?

In many ways, for-profit businesses and nonprofit organizations are similar. The main difference is that the mission of a for-profit business is to make money; a nonprofit business's mission is to work toward some public good. Nonprofit organizations often refer to the **double bottom line** to evaluate success—both the financial results of an organization and the social change they have created. While it is desirable for nonprofit organizations to end the year with a profit, they cannot distribute this profit to their owners or Board members. The profit must be reinvested into the organization or used as defined by its mission (i.e., to assist the agency).

How are nonprofit organizations governed?

Nonprofit organizations are governed by a volunteer Board of Directors that has no financial interest in the nonprofit organization's business. The Board agrees to accept legal and fiduciary (or public trust) responsibility for the organization. The Board is responsible for ensuring that the nonprofit organization is doing what it set out to do and must make sure funds are spent properly. A Board member's roles and responsibilities include staying well informed about the organization's work, clarifying the organization's mission, selecting leadership, overseeing the budget and ensuring the organization has the resources to carry out its goals, setting policies, approving long- and short-range plans, fundraising, overseeing, and serving as an ambassador for the organization. There are a variety of ways that nonprofit Boards and associated committees can be structured. Also visit Board Source <http://www.boardsource.org> or the Board Café <http://www.boardcafe.org>

Advisory Boards are commonly formed to provide professional expertise to the Board of Directors or identify prominent names to list on the organization's letterhead for organizational credibility or fundraising activities. Advisory Board members do not have governance responsibilities and typically do not engage in the day-to-day workings of the nonprofit organization.

What is the life cycle of a nonprofit organization?

Nonprofit organizations face life cycles not unlike those of humans. Their birth is followed by growth. Growth builds toward maturity. Maturity, without a regenerative process, may result in decline. Below is a chart describing six generally accepted stages of nonprofit development:

| STAGE | BOARD/STAFF | POLICIES | PLANNING |
|--|---|---------------------------------|---|
| Infant: Founder and close friends hustle to get things started. Work seems frenetic with management in a crisis mode. | Founder and close friends form the Board and do all the work. Board raises all money. | None or minimal, beyond bylaws. | Showcase the founder's vision. Little or no long-range planning. Main focus is on survival and an immediate need. |
| Toddler/go-go: After | Founder and friends | Basic staffing policies | Heavy reliance on grant |

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| <p>some success, day-to-day crisis has ended. New ideas can develop. High energy remains. Growth spurts occur. Activity may take precedence over results. New projects may be undertaken without considering potential outcomes.</p> | <p>may remain involved. Hires first paid staff. Everyone is spread thin. Organization adds staff long after the need for them is recognized. Many people are involved in fund raising. Staff begins to feel overwhelmed.</p> | <p>are written, along with key Board policies beyond bylaws. Policy is written only after problems emerge.</p> | <p>writing and events. Opportunities outweigh planning. Programs may be accepted that fall outside the organization's mission. A sense that it's time to get organized and do more planning.</p> |
| <p>Adolescent: May be conflicts between those wanting to continue unfettered growth and those who want more organization.</p> | <p>Founder may still be active, bringing energy and financial assistance. New Board assumes more responsibility and control. Board lacks understanding of fundraising.</p> | <p>Systems and procedures adopted for efficiency and accountability. May cut projects not in line with mission.</p> | <p>Strategies and goals crafted. New systems and procedures for fundraising and consultants may help Board build fundraising skills.</p> |
| <p>Prime: Order and discipline brought to the work load—without hurting innovation and risk taking. Organization is results oriented and there is predictable growth. Risk taking is based on knowledge and experience. Conflicts are resolved in best interests of the organization.</p> | <p>Experienced and energetic Board. Talented employees and volunteers work with mutual respect. People in the organization enjoy their work. Both the Board and the staff are fully engaged in appropriate fund raising, program, or earned income roles.</p> | <p>Innovation takes place within established systems.</p> | <p>Business planning and long-range strategic planning are integrated into the life of the organization. Fundraising is integrated into most activities.</p> |
| <p>Stable: All programs, products, and services are supported by public contributions and earned income. Maximum financial growth and strength have been achieved. Complacency sets in and growth slows. Leaders have an opportunity to initiate a new growth curve.</p> | <p>The Board is less than energetic. People in the organization still take pride in their work. Working conditions include good salaries and benefits. People are happy with the way things are.</p> | <p>Policies may be updated, but are rarely a major concern.</p> | <p>Organization dwells on achievements rather than future plans. There is declining investment in new ideas.</p> |
| <p>Aristocracy: Money is used for comfort and image rather than new programs or services. The organization takes on an air of formality, in people's dress, offices, and procedures. Things continue to slow down, with decisions taking a</p> | <p>Some people in the organization may be concerned, but most accept the status quo. Leadership is required to reinvent the organization by pushing for change and bringing in fresh ideas from</p> | <p>Money is invested in systems of control. Emphasis is placed on how things are done, rather than what is done. Long-established policies may be questioned, such as the temptation to dip into endowment funds since</p> | <p>A large endowment may trick leaders into thinking that there is no urgency. The Board is likely to resist new fund raising strategies.</p> |

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| long time. Participation in the organization's programs begins to decline. | outside the group. | some income streams are being reduced. | |
| Bureaucracy: The focus of the organization is inward. Formality and politeness give way to passive resistance. People blame one another or outside forces for declining circumstances. The organization may fail, but lingers as long as the money holds out. | In some instances, energy is spent on fighting one another rather than for the charitable cause. Backstabbing may occur between Board and staff. The chief executive is likely to be fired. Layoffs may occur and morale plummets. | Employees are alienated, with grievances and lawsuits possible. Employees are paranoid and some begin to look for other jobs. There are many complex, slow internal systems, and outsiders find it hard to connect with the organization. | A few committed donors may provide "bailouts," which only prolong the agony. No new, exciting plans are introduced, having been replaced with a recitation of problems. Suggestions for change are likely to be resisted. |

Material adapted for educational purposes only by C. W. Buchholtz, April 23, 2006, from Holly Hall, "Getting Over Growing Pains" in The Chronicle of Philanthropy, pages 41–45, April 6, 2006.

What are the steps involved in setting up a nonprofit organization?

1. Choose a name for the nonprofit organization.
2. Establish a steering committee or core group to develop a mission.
3. Form an incorporating Board of Directors.
4. Write Articles of Incorporation and submit them with the required fee to the State.
5. Obtain a Federal Employer Identification Number.
6. Develop organizational bylaws.
7. Hold the first Board meeting and take minutes.
8. Once you receive State nonprofit status, file appropriate IRS documents to apply for 501(c)(3) Federal tax exempt status and pay appropriate fees.
9. Register as a charity within your State.
10. Check if your State requires a separate tax exemption.

<http://www.irs.gov/pub/irs-pdf/fss4.pdf>
<http://www.irs.gov/pub/irs-pdf/f990ez.pdf>
<http://www.irs.gov/pub/irs-pdf/f990sa.pdf>
<http://www.irs.gov/pub/irs-pdf/f990ezb.pdf>
<http://www.irs.gov/pub/irs-pdf/f1023.pdf>
<http://www.irs.gov/pub/irs-pdf/f8718.pdf>

What is the planning process for a nonprofit organization?

Newly formed nonprofit organizations tend to focus on a short-term action plan (typically 1 year in duration) containing small, achievable goals. As the organization matures, the group will be confronted with more complex decisions about where to spend the organization's energy and resources in the future. This is where the planning process comes in. There are essentially four main categories of planning used by nonprofit organizations, which are described below.

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| <p><u>Goal</u>: the end toward which effort is directed</p> <p><u>Strategy</u>: approach or way to achieve a goal</p> <p><u>Objective</u>: measurable, small step that must be accomplished to reach a goal in a specified period of time</p> <p><u>Outcome</u>: measurable description of the result of achieving a goal</p> |
|---|

1. Strategic Plan

This plan sets 3- to 5-year goals for the organization and describes the objectives that must be accomplished to achieve these goals. Funders often ask that the strategic plan be included with a funding proposal. Plans typically include an executive summary; a statement of the organization's mission, vision, and values; a description of the planning process; organizational goals; strategies to achieve these goals; a timeline and action plan that lists specific tasks to be accomplished; and appendixes with summaries of background information used to determine the plan. The best way to get started on a strategic planning process is to form a planning committee. This committee is composed of a group of Board members, staff, and one or two outside people who will guide the planning process and pull together the background information needed to make decisions. Training is available to assist new organizations undertaking the planning process (www.appl.org).

One important step in forming a strategic plan is to have the group assess the internal and external situation confronting the nonprofit organization. One common way to organize this information is through an analysis of the internal Strengths and Weaknesses of an organization, as well as the external Opportunities and Threats. Known as a "S.W.O.T." (Strengths, Weaknesses, Opportunities, and Threats), this analysis is followed by a discussion focused on converting weaknesses into strengths and threats into opportunities.

In addition to compiling a strategic plan, it is recommended that a one- or two-page synopsis of what the organization is trying to accomplish, an implementation plan, and resources needed to accomplish the mission are developed. This is often called an "elevator summary" (the amount of information you could convey to someone during an elevator ride).

2. Annual, Action, or Business Plan

It is important that the planning committee review the strategic plan and mission every year to be sure the organization is on track in regard to workload and tasks, as well as the division of roles and responsibilities. This review is done as part of the annual planning process, whereby specific objectives, a deadline, and lead person responsible for completing the task are identified. An annual plan should include an organizational budget for the current year (including in-kind contributions). Annual plans form the basis for year-end reports detailing organizational accomplishments.

3. Sustainable Funding Strategy Plan

Successful fundraising is based on a plan that recognizes and develops an organization's likeliest sources of funding, as well as ways to diversify revenue sources to provide sustainable, ongoing streams of revenue. There are six basic steps involved in creating a fundraising plan:

1. Provide a brief overview of previous income sources.
2. Identify sources of current earned revenue such as fee for service, sale of products, or accrued interest.
3. Develop goals for accessing a diverse base of contributions such as government grants or contracts, foundation grants, corporate contributions, individual contributions, annual fund, major gifts, memberships, or special events. If fundraising is a task, prepare a plan.
4. Develop a plan for recognizing donors.
5. Analyze the cost of achieving each fundraising goal.
6. Identify who will work on each fundraising goal and develop a timeline.

4. Evaluation and Adaptation Plan

Evaluation is particularly important for nonprofit organizations because of their emphasis on a double bottom-line (stable finances that can include a profit, and the service and benefits that the nonprofit organization provides to the community). When designing an evaluation process, it is important to consider why, what, and how the organization is going to evaluate and who will be interested in the results. There are several types of evaluation: (1) process evaluation (did the project do what it was supposed to do?); (2) goal-based evaluation (did the project reach its goal?); and (3) outcome evaluation (did the project have the desired outcome?). Some projects require a combined evaluation approach.

How often does the organizational planning process occur, and who should be involved?

It is best to revisit an organization's mission statement and strategic plan each year to be sure they are still relevant. This review is followed by an annual planning process designed to identify activities that support the mission, goals, and objectives of the organization, as well as to craft implementation and funding strategies to ensure the annual work gets done.

Involving all partners early and often in the organizational development and planning process provides a unique opportunity for the partners to convey who they are organizationally, what they are trying to do together, and how they are planning to get there. This helps establish understanding, sets realistic expectations, and clarifies where the organizational goals and objectives overlap. For example, the process can show how the partner can use its skills and resources to help accomplish a mutually agreed-upon goal and how the BLM can help the partners support the public lands in their community.

What are the reporting requirements for nonprofit organizations?

Many people understand that nonprofit organizations do not pay corporate income tax, and that donors may be eligible to claim their donations to a 501(c)(3) nonprofit organization as a tax deduction. But being exempt from taxation does not exempt nonprofit organizations from IRS reporting requirements or meeting transparency standards with regard to their financial information. States govern the corporate organization and organizational reporting requirements for nonprofit organizations and often require registration if a nonprofit organization—whether in-State or out-of-State—plans to raise funds from individuals in the State.

Nonprofit organizations also file a Federal financial report with the IRS called a 990, which ascertains the organization's adherence to the regulations that must be met to maintain nonprofit status. Nonprofit organizations have the same tax and reporting requirements for employees and contractors that for-profit corporations meet. While nonprofit organizations may apply for sales tax exemptions in their State of incorporation, that exemption usually stops at the State borders. Finally, nonprofit organizations may not be exempt from personal property taxes in some States.

The IRS regulations require nonprofit and for-profit organizations alike to provide their financial information on an annual basis. Well-run nonprofit organizations have four primary means of providing this information to the public: the IRS tax form 990 filed annually; a self-prepared annual report or an audit by an independent CPA firm, or both; and information provided on the Web site of *Guidestar*.

1. The 990 Return

An organization that normally has \$25,000 or more in gross receipts must file a Form 990, *Return of Organization Exempt from Income Tax*. This return is due on the 15th day of the 5th month after the end of the fiscal year. The due date may be extended for 3 months without showing cause by filing Form 8868 before the due date. An additional 3-month extension may be requested on Form 8868 if the organization shows reasonable cause why the return cannot be filed by the extended due date.

2. Audited financial statements

Most nonprofit organizations with government grants and contracts or foundation funding are required by those funders to provide audited financial statements prepared by an independent certified public accountant. Audits provide detailed notes in addition to the standard financial statements. Audits do not guarantee that there are no problems with the nonprofit organization, but they do measure the probability that the statements are valid (unqualified audit) or suspect (an audit with qualifications). For nonprofit organizations with more than \$500,000 in Federal grants, there is an additional audit step—the OMB-required A-133—which lists any accounting practices that are viewed as risky.

3. Annual Report

An annual report usually has three components: (1) it tells the nonprofit organization's "stories" about its programs, people, and ideas; (2) it usually also has abbreviated financial information; and (3) it recognizes donors to the organization. An annual report is the key "public face" of any nonprofit organization.

4. Providing Public Information and Guidestar

Well-run nonprofit organizations will place their 990 returns, audited statements, or annual reports on their Web sites for easy access. *Guidestar* (www.guidestar.org) also makes available on its Web site all the 990s filed with the IRS. Nonprofit organizations may complete information for their *Guidestar* listing to tell the public more about their mission, programs and successes. Many nonprofit organizations have come to understand the power of telling their story through *Guidestar* and other web sites dedicated to providing donors with information. But these sites, particularly *Guidestar*, do not allow a nonprofit to choose whether its 990 is listed.

As Federal managers are approached by nonprofit organizations as partners, a quick check of the organization's Web site for an annual report or *Guidestar* for a 990 and other information can help familiarize the manager with the mission, program, and financial wherewithal of the nonprofit.

WORKING WITH NONPROFIT ORGANIZATIONS

What criteria should the BLM use for selecting existing nonprofit partners?

Both the agency and the nonprofit organization need to benefit from the partnership. Identifying benefits for the potential partners can form the basis for a partnership. If the agency knows nonprofit organizations or people with mutual interests who support BLM's mission, they can be potential partners. Ask the following questions:

- Which nonprofit organizations share the same or complementary purpose, values, and vision as BLM's?
- Which nonprofit organizations serve a similar clientele?
- What is the purpose of the partnership you want to develop, and what resources and expertise are needed?
- Does the nonprofit organization have a positive, compatible image in the local community that will bring additional credibility to the BLM?
- Does the nonprofit have the capacity—or can it develop additional capacity—to take on the new responsibilities of the partnership?
- Do you or your agency have past experience with the nonprofit organization? If yes, is there an existing financial assistance agreement in place? It is often easier to build on a present relationship than build a new relationship from scratch.

- Does the nonprofit have the ability to leverage Federal funding either through private foundation grant money, program income, membership dollars, or volunteer hours?
- If there is no existing organization that can function as the desired partner, should a new nonprofit be established? If so, what is the appropriate structure? Will an informal organization serve the purpose over a short term, or should a more formal group be established as a long-term partnership?

What should be considered in creating a new nonprofit organization?

BLM employees can facilitate activities that lead to the creation of a nonprofit (e.g., calling a meeting to facilitate the organization of a nonprofit or speaking with community members about the benefits of a nonprofit). However, BLM employees should not be actively involved in the setting-up and management of a new nonprofit (e.g., writing the bylaws and incorporation papers, service as an officer). In all activities, it is important to avoid the perception of a conflict of interest. Visit <http://www.doi.gov/partnerships/ethics.html>.

It is possible to create a nonprofit organization if none exist in your area that support the missions and projects similar to those of the BLM. However, it is important to recognize that creating a new nonprofit can be a difficult and time-consuming task, needing frequent nurturing during the early years. Before making such a decision, consider asking an existing nonprofit to act as a fiscal sponsor to foster a new nonprofit, giving your group the opportunity to grow before it becomes an independent entity.

What role can BLM employees play in working with established nonprofit organizations?

Nonprofit partners are not Federal entities, and their members are not subject to many of the ethics restrictions applicable to Federal employees. For example, as non-Federal entities, their members may freely perform activities such as: fundraising, lobbying; soliciting donations; selling commercial items; promoting and endorsing the products and services of other organizations, etc. Partner organizations are performing these activities for their respective missions, many of which directly or indirectly benefit the BLM.

Ethics restrictions prohibit Federal employees from using their Federal positions to perform most of the activities cited above. Furthermore, because partner organizations are frequently performing the activities cited above for the direct or indirect benefit of the BLM, real or apparent conflicts of interest could exist in BLM employees are actively involved in these same activities on behalf of their nonprofit partners. For these reasons, and others described below, it is advisable to maintain an “arms length” relationship between the BLM and nonprofit partners.

For the legal protection of BLM employees, it is the BLM policy that BLM employees working with nonprofit partners will primarily be representing BLM views and interests as they relate to partner organizations, and BLM employees will not become significantly

involved with the management of these organizations. The role of BLM employees is to: provide information about BLM goals, objectives, and needs to nonprofit partners, including how donated funds might best be utilized; and to facilitate the accomplishment of joint BLM/partner activities from a BLM perspective. BLM employees, to the extent possible, will remain “hands-off” from active fundraising in which nonprofit organizations may freely participate. BLM employees should avoid commingling BLM duties and partner activities to the point that confusion is created as to whether an employee is working for the BLM or a partner organization.

BLM employees are strongly discouraged from becoming officers or members of the Board of Directors of partner organizations. If BLM employees do become officers in partner organizations, it should be the rare exception and not the rule, and careful discussions with the employee’s servicing ethics counselor should occur before such a decision is made. Instead, BLM employees are encouraged to represent BLM views and interests as they relate to nonprofit partnerships by serving as:

- a liaison or technical representative to the nonprofit’s Board of Directors;
- a nonvoting member on the Board of Directors; or
- a member of a committee of the partner organizations.

This policy is being put into place to prevent BLM employees from inadvertently violating several criminal statutes (with substantial jail terms or fines) as they relate to service with outside organizations. It is important to note that even if a BLM employee services as an officer of a partner organization purely as a private citizen, with no use of Government time, resources, or information, these referenced criminal statutes will still be applicable.

If it is determined that it is absolutely necessary for a BLM employee to become an officer or a member of the Board of Directors of an outside organization, the BLM employee must:

- Seek the counsel of a qualified ethics counselor;
- Complete ethics training;
- Recuse themselves from any BLM matters affecting the financial interests of the outside organization; and
- Develop and obtain approval of a formal MOU and waiver. These documents require the signature of the Director of the BLM. Sample MOUN and waiver language can be found at: <http://www.doi.gov/ethics/docs/officer.html>

Regardless of the relationship of a BLM employee to a partner organization, BLM employees shall not use their Federal positions to promote or endorse the products or services of a partner organization. BLM employees may “recognize” the efforts of nonprofit partners in supporting joint BLM–partner projects. However, a general endorsement of a partner organization, as distinct from “recognition” of a jointly undertaken and properly authorized project, should be avoided.

Furthermore, BLM employees are prohibited from controlling or assuming any measure of practical responsibility for the fundraising activities of partner organizations. BLM employees are also prohibited from using their Federal position or any appropriated funds for lobbying activities performed by a nonprofit.

What limitations does the Federal Advisory Committee Act impose?

The Federal Advisory Committee Act (FACA) was enacted by Congress in 1972. Its purpose was to ensure that advice rendered to the Executive Branch by the various advisory committees, task forces, Boards, and commissions formed over the years by Congress and the president be both objective and accessible. Its purpose was to also promote good government values such as openness, accountability, and balance of viewpoints consistent with administrative efficiency and cost containment.

Generally, nonprofit partners are not providing a Federal agency with advice or recommendations on a specific issue. Therefore, FACA would not apply to partnership activities such as fundraising for partnership or volunteer projects.

However, if an organization is established to provide a Federal agency with advice or recommendations on any matter, it is subject to FACA guidelines. There are several ways Federal agencies can work with various interests and partners and still uphold the law:

- Have non-Federal entities initiate and conduct meetings.
- Have open meetings (town halls, hearings, county commissioner-style meetings, and others) where the meeting is publicly announced and open to all.
- Use any method of communication that is open to anyone—computer bulletin boards, fax-back telephone systems.
- Visit www.gsa.gov/faca for more information

Is a written agreement between the nonprofit partners and the BLM required?

Where there will be no exchange of resources, it is strongly suggested that the partner relationship be formalized by signing a Memorandum of Understanding (MOU). The MOU outlines the roles and responsibilities of all the partners, including the BLM. If the Federal partner anticipates exchanging resources (federally appropriated money or items of value) with a nonprofit partner, a formal written agreement is required.

How does a nonprofit partner apply for Federal funds to use for partnership activities and projects?

A Federal agency and its nonprofit partner can transfer funds or resources through the use of a:

- Financial assistance agreement (a cooperative agreement or a grant agreement) and modification;

- contract;
- contributed funds agreement; or
- reimbursable agreement.

The process of applying for Federal funds now includes one additional step—requiring the nonprofit partner organization to apply for Federal monies by using an electronic clearinghouse called “grants.gov.”

What is grants.gov?

Grants.gov supports the requirements of The Federal Financial Assistance Management Improvement Act of 1999 (Public Law 106-107) by providing a single Internet site through which organizations and individuals can identify and apply for Federal grants and cooperative agreements (<http://www.grants.gov/>). Public Law 106-107 was enacted to:

- (1) improve the effectiveness and performance of Federal financial assistance programs;
- (2) simplify Federal financial assistance application and reporting requirements;
- (3) improve the delivery of services to the public; and
- (4) facilitate greater coordination among those responsible for delivering such services.

Under grants.gov, when the BLM wants to provide Federal funds for a project, the project must be posted by BLM on the grants.gov Web site. Partners—not the BLM—then compete for the project. The posting on grants.gov, called a “grant opportunity,” provides the following information:

- posting date;
- closing date for applications;
- funding instrument type (whether a grant or cooperative agreement);
- expected number of awards;
- estimated total program funding;
- award ceiling and floor;
- whether cost sharing or matching is required;
- description of eligible applicants;
- agency name; and
- description of the project or activity.

Once posted, the project announcement will be open for applications from all qualified parties nationwide, including the partnership members. When the winning applicant has been selected, a cooperative agreement will be developed between the BLM and the winning applicant. If there is a current cooperative agreement in place between the BLM and winning applicant, a new cooperative agreement is not needed. If a cooperative agreement exists, a modification will be created to transfer the money from the BLM to the winning applicant. **THERE IS NO GUARANTEE THE WINNING BIDDER WILL BE A MEMBER OF THE PARTNERSHIP.** If a partner that is a contractor is the winning applicant and continues as an active member of the partnership, it is important

that the contractor partner recuse themselves from participating in partnership activities including financial activities which may have the appearance of a conflict of interest.

All nonprofit organizations who wish to apply for Federal money must register at: http://www.grants.gov/applicants/get_registered.jsp.

Can the nonprofit partnership donate money and other resources to the BLM?

Yes, money and other resources can be donated from nonprofit organizations and foundations directly to the BLM. This donated money is placed in a Contributed Fund Account (7122). Partner organization donations CANNOT pay for the salary of Federal employees. A BLM employee can have his or her travel expenses paid by non-Federal organizations for participation in trainings, conferences, or meetings. (BLM employees should check the following ethics Web site concerning a nonprofit partner paying for their travel: <http://www.doi.gov/partnerships/ethics.html>.)

Can BLM employees be involved in fundraising activities conducted by partners?

There are a broad range of appropriate activities the BLM employee may undertake in relation to authorized fundraising by partners, for example, in responding to inquiries from the public. BLM employees may provide information, when appropriate, regarding the BLM's ability to accept donations in support of their programs. As part of this informational activity, employees may develop lists of programs or activities that the BLM could undertake with donated support, and disclose these in interactions with outside entities. BLM employees interact frequently with nonprofit partner groups who solicit on behalf of the BLM. This interaction generally is permissible. The Partnership Legal Primer, available online at <http://www.doi.gov/partnerships/>, contains more information regarding the ethical guidelines for BLM employees engaged in fundraising activities. It is the responsibility of the BLM employee engaged in a fundraising activity to ensure their actions comply with established ethical guidelines.

Can a nonprofit partner solicit donations for a partnership project at a BLM structure or facility/area?

A. Donation Boxes. Donation boxes may be installed on BLM property by an authorized BLM fundraising partner provided that 100% of the donations or collections are expended consistent with the agreement between the partner and the BLM. Donation boxes must clearly advise the public on how the funds will be used. Without this information, moneys collected in donation boxes must be considered miscellaneous receipts to the U.S. Treasury. Donation boxes may be placed only on BLM property or on property jointly administered by, or for the benefit of, the BLM. Funds received from donation boxes on jointly administered property, for example, joint visitor centers, heritage areas, or leased facilities, must be accounted for in the same manner as those located on BLM-managed property. The proceeds from such joint donation boxes will be allocated according to a formula agreed to by those entities in written agreements.

B. On-Site Fundraising of Visitors. Direct personal solicitation of visitors is not permitted. Unless visitors have specifically provided authorization, for example, through an opt-in check box, visitor names from sources such as permit applications, backcountry or campground registrations may not be given to BLM partners nor may they be disclosed to any third party except as provided under the Freedom of Information Act and the Privacy Act. Visitors may specifically request that the BLM provide them with additional information about the BLM or its needs.

C. Displays and Fundraising Activity Information. The manager may allow the nonintrusive display or distribution of materials to educate visitors about an authorized fundraising partnership or activity. The material must identify the BLM fundraising partner and inform visitors how they may receive additional information. Materials may include donation envelopes, architectural drawings, models, graphics, newsletters or other similar material. It is permissible to authorize links from BLM Web sites to partner Web sites that provide opportunities to make electronic donations provided that such linkages conform to Departmental information technology management and security policies, including those pertaining to Web sites, and are authorized by written agreement between the BLM and partner.

D. On-Site Fundraising Events. Requests from nonprofit partners to use structures or land for authorized fundraising activities or donor cultivation events are subject to the same review and approval procedures applicable to any other non-BLM users, including the need to obtain permits as necessary. If the BLM is a cosponsor of the fundraising event on-site, special use permits are generally not required. Fundraising activities, such as raffles, auctions, sale of food or beverages or other items, and information booths with nonprofit partnership membership brochures are permitted. On-site fundraising sponsors may charge an entrance or parking fee.

What is the difference between Friends Groups and Interpretive Associations?

There is no specific legal definition for Friends Groups. In general, these are community-based volunteer groups organized for a specific purpose or interest in a particular geographic area. Friends Groups are not required to have a formal agreement with the agency; however, it is highly recommended that, at a minimum, they have a MOU in place. If a Friends Group has nonprofit 501(c)(3) statuses, and they run a sales outlet in a BLM facility to support interpretive, educational, or scientific programs, they become an interpretive association.

Interpretive associations are nonprofit 501(c)(3) organizations that have a Cooperative Agreement with a Federal public land agency to support interpretive, educational, or scientific programs. Interpretive organizations are authorized to sell interpretive and educational materials in outlets on public lands and use their revenues to support the Federal partners interpretive, educational, or scientific programs.

Are nonprofit partners—even those who are salaried—considered BLM volunteers?

Yes. Non-salaried and salaried nonprofit members are considered volunteers. (Salaried employees are called “donated workers.”) To be considered an official BLM volunteer or donated worker, a volunteer or donated worker agreement must be completed. This agreement includes a position description detailing the type of work to be done, when the work will be done and what resources are needed to accomplish the work. Nonprofit organization volunteers and donated workers should participate in training regarding the rights and responsibilities of BLM volunteers.

Are nonprofit partners able to access government equipment?

Nonprofit partner volunteers are allowed to use government equipment on an as-needed basis. Regarding computer access, the job description provided in a volunteer agreement should specify: (1) why computer access is needed; (2) what type of computer access is needed (e.g., word processing, graphics programs, Internet access); and (3) the hours when they will be in the office using such equipment. All BLM volunteers are required to complete required security screenings and trainings before IT access will be granted. Volunteers are not allowed to use government equipment for fundraising activities: they must use their own computer and dedicated phone line for this purpose.

Are BLM employees able to serve as liaisons to nonprofit partners or serve on their Board of Directors?

BLM employees can serve as a liaison—technical assistant—committee member to nonprofit partner organizations including interpretive associations and Friends Groups authorized to raise funds for the benefit of BLM. It is recommended that the BLM identify a liaison to nonprofit partner organizations to participate in such activities as coordinating efforts, facilitating agreements, preparing financial documentation, and participating in the annual planning process.

BLM employees may not serve on a nonprofit organization’s Board of Directors except in very rare circumstances that must be approved by the Bureau’s Ethics Officer. There are important reasons for not having a Federal employee serving as a member of a Board of Directors or other officer of partner organizations. For example, there is a criminal statute (18 USC 208) that prohibits Federal employees from taking actions in their Federal capacity that can affect their own financial interests or those of a spouse or minor child, a business partner, a prospective employer, or an organization in which a Federal employee serves as an officer or employee. For more information, visit <http://www.doi.gov/partnerships/ethics.html>

CASE STUDIES: BEST MANAGEMENT PRACTICES

GRAND STAIRCASE–ESCALANTE NATIONAL MONUMENT PARTNERS



Organizational History:

The Grand Staircase–Escalante National Monument (GSENM) was designated in south-central Utah in 1996. The community-based Grand Staircase–Escalante Partners (GSEP), a nonprofit 501(c)(3), was created to generate private funds and resources to support interpretive, educational, scientific, scenic, historical and cultural activities and programs for the Monument. The GSEP started with a small group of committed incorporating Board of Directors.

The BLM’s Role in Grand Staircase–Escalante Partners:

The BLM was not involved in starting the nonprofit organization. The GSEP was formed by the community’s interest in preserving resources and supporting activities at the Monument. A BLM staff person presently serves as liaison between the BLM and the GSEP. The organization operates out of the BLM Visitors Center in Kanab, Utah, with BLM providing office space and equipment to the partnership.

Present Organizational Challenges:

1. Changing the focus or orientation of the Board of Directors from project implementation to governance and fundraising. Few members have Board nonprofit experience and need training and experience in Board roles and responsibilities, governance and fundraising skills.
2. Little planning has been accomplished because of the Board’s previous focus on accomplishing on-the-ground projects. Consequently, there is no long-term strategic plan, sustainable funding strategy, or succession strategy to bring in new Board members.
3. When the Monument was created by Presidential proclamation, the traditional local community resisted the designation. The present Board, composed mainly of members who have recently moved to the area, is challenged to find ways to bring the long-time residents and newer arrivals together.

Lessons Learned:

1. Board members need a clear understanding of their roles and responsibilities and the level of commitment that is required. Having job descriptions or an orientation handbook allows new members to focus on their appropriate roles.
2. 1-year term limits for Board officers prevented these officers from fully applying skills and knowledge they learned in that year. Board members now serve a 3-year term.
3. The BLM liaison position was key to providing a stable environment in a year when there was a high turnover in the Federal staff.
4. Strong initial strong support from a BLM Field Manager helped develop a vision of opportunities that could be developed between the BLM and GSE partners.
5. Shared workspace helps build strong relationships between the two organizations.

FRIENDS OF YAQUINA LIGHTHOUSES

Organizational History:

Incorporated in 1988, Friends of Yaquina Lighthouses (FOYL) supports the restoration and preservation of two light houses on the Oregon coast: the BLM-managed Yaquina Head, and Yaquina Bay, managed by Oregon Parks and Recreation. A nonprofit organization, the FOYL operates sales outlets in each location to provide resources to support both lighthouses' education, interpretive, maintenance, and operations programs. Other fundraising efforts include a membership program, special events, grant writing, donation boxes, and government contracts. FOYL has a 12-member Board and full-time executive director. In addition to the BLM and Oregon Parks and Recreation, partners include the U.S. Fish and Wildlife Service and the U.S. Coast Guard.

The BLM's Role in Friends of Yaquina Lighthouses:

When the organization began, the BLM manager at Yaquina Head served as the president of the Board. This relationship, detrimental to the functioning of the organization and illegal, was discontinued. Some Board members displayed an "us versus them" attitude, which prevented a clear organizational vision from emerging. Hiring a strong executive director in 2000 strengthened the organization financially and organizationally by creating a synergistic vision and focus on the mission.



Current Organizational Challenges:

1. There is no long-term strategic plan and sustainable funding strategy.
2. Lack of public recognition in the community hinders the ability of the nonprofit organization to increase its revenue stream.
3. The Board of Directors is in transition: it needs to (1) train and develop the existing Board while continuing to bring in new Board members, (2) define Board roles and responsibilities, and (3) develop a Board succession strategy.

Lessons Learned:

1. Multiple family members on the Board were counterproductive to the goals and objectives of the initial organization. Present Board members have diverse expertise and skills.
2. Although leadership provided by a Federal partner on the Board was important in the initial stages of the organization, BLM staff should not serve as members of the Board. Leadership needed to be transferred to Board members drawn from the local community to attain organization stability and credibility.
3. Good, daily communication between the BLM and the Executive Director is vital to making the relationship between the nonprofit organization and Federal agency work.
4. Lack of a long-range strategic plan and sustainable funding strategy has inhibited the fundraising ability of the organization.

CHALLENGES AND POTENTIAL SOLUTIONS

Differences in budget, funding, and planning processes or cycles between the BLM and its nonprofit partners

- It is important that the BLM be aware of its nonprofit partners' budget cycles and reporting requirements. Nonprofit organizations, if they so desire, have the flexibility to mirror the Federal fiscal year (October through September). Since the biggest fundraising season for a nonprofit organization is typically the fourth quarter (September–December), most nonprofit organizations choose to follow the calendar year or set their year end at July 31.
- Nonprofit organizations and Federal land management agencies have different timelines, objectives, and legal requirements regarding planning. Every effort should be made, however, to be informed of and involved in each other's planning processes to ensure the creation and maintenance of a common vision and to keep all parties informed and communicating about potential problems.

Different interpretations regarding BLM guidelines for partnering with nonprofit organizations that raise funds

- Nonprofit partner volunteers cannot use government equipment to conduct fundraising activities. Fundraising is defined as the organized activity of raising funds for an institution or project (such as special events, membership campaigns, grant writing, and direct mail solicitations).
- Nonprofit partner volunteers can use their own computer and pay for a private DSL or phone line within a Federal facility to raise funds.
- BLM employees can work or participate with authorized nonprofit support groups who solicit for the benefit of the BLM (i.e., attend events and accompany a partner on visits to prospective donors) subject to any specific limitations contained in the BLM Draft Donation Guidelines. The BLM employee must be specific with the donor from the start that the BLM employee's role in the meeting is to provide education and information, not to make the solicitation—the request for money.

Lack of communication about nonprofit partnership activities within the BLM organization

- Communication among all members of a BLM–nonprofit partnership is critical. It is particularly important that key decision makers and spokespersons at high levels in both the agency and nonprofit organization are aware of the goals and objectives of the partnership. Such awareness enables

both entities to highlight successes, respect local decisions, and avoid sending mixed signals to the public.

- The responsibility for ensuring adequate communication and consultation within the BLM rests with the BLM's liaison to the nonprofit partner organization. It is the liaison's responsibility to attend nonprofit partner organization meetings and other events to stay informed of the nonprofit organization's activities and what assistance might be needed from the BLM. Since the BLM liaison is often not the agency's local decision maker, he or she will need to get approval before issuing a decision on behalf of the Bureau. Ultimately, the partnership is between the agency and nonprofit organization. Every effort must be made to ensure that all individuals within the agency are aware and supportive of the partnership effort.

Inability of a nonprofit partner to deliver the goods and services that the BLM needs

- It is important to remember that successful and long-lasting partnerships are mutually beneficial. In addition to looking for ways that a nonprofit organization can support the BLM, it is equally important that the BLM look for ways it can assist the nonprofit partner. Rather than assuming what type of support each partner organization can provide or needs at any particular time, make time to ask.
- Often, nonprofit organizations that work with BLM field units are small, rely on volunteers to accomplish their mission, and have limited funds. In order to operate effectively and maintain a competitive edge in today's business world, these organizations benefit from BLM in-kind donations of office space, computer equipment, telephone lines, and supplies to conduct their daily business. In some instances, nonprofit organizations may need to rely on the technical expertise and specialized equipment that the BLM has to offer (e.g., archaeologists, biologists, GIS mapping equipment, and expertise).
- Be sure to recognize the nonprofit partner and celebrate its successes. Formal recognition by the Federal partner can help legitimize nonprofit employees in the eyes of their supervisors, Board members, and funders.
- In return, the nonprofit organization can offer the BLM volunteers who can perform needed work, raise funds to provide additional financial resources, and encourage members to support the BLM.

Changes in Federal and nonprofit staff

- Relationships are important predictors of long-term success. When possible, select and maintain nonprofit liaisons that have tenured, positive relationships with the group.

- The BLM and its nonprofit partners should institute protocols to maintain consistency in the face of employee turnover in both the agency and the nonprofit organization.
- Consider incorporating nonprofit or BLM partners on hiring committees.

Need to build Federal capacity for partnering with nonprofit organizations

- All BLM employees working with nonprofit and for-profit partners should have a basic understanding of business management, including fundraising, advertising, and marketing.
- All BLM employees should have, at a minimum, a general understanding of how nonprofit organizations work. Reading this Desk Guide is a good start. Other Federal agencies may take this Desk Guide and change it as needed to apply their policies and programs.
- BLM employees working with nonprofit partners should have basic training about the functions of nonprofit organizations and the ethics implications of partnerships. This Desk Guide can serve as the basis for an online training program sponsored through the National Training Center or a “Nonprofit 101” module to add to existing BLM training programs. Agency employees can also serve details to nonprofit partner organizations.

ADDITIONAL RESOURCES

Publications

- Nonprofits for Dummies, Hutton & Phillips, Wiley Publishing
- Taking Flight, U.S. Fish and Wildlife Service publication
- Team Based Strategic Planning, Fogg, Amacom Publishing
- Fundraising for Dummies, Multz & Murray, Wiley Publishing
- Grant Writing for Dummies, Browning, Hungry Minds Publishing
- A Desktop Reference to Collaborative, Community-Based Planning, Sonoran Institute
- Collaboration Desk Guide, Bureau of Land Management
- A Desk Guide to Cooperating Agency Relationships, Bureau of Land Management
- Standards for Excellence: Ethics & Accountability Code for the Nonprofit Sector

Internet

- Knowing Your Nonprofit Partner: A Desk Guide for Federal Employees
<http://www.blm.gov/partnerships>
- BLM Partnership Web site <http://www.blm.gov/partnerships>
- BLM Partnership Q&A <http://blm.gov/nlcs/partnerships/qa.html>

- DOI Partnership Web site <http://www.doi.gov/partnerships>
- DOI Partnership Legal Primer
http://www.doi.gov/partnerships/partnership_legal_framework.html
- USFS Partnership Resource Center <http://www.partnershipresourcecenter.org>
- BLM's ADR and Conflict Prevention Program
<http://www.blm.gov/adr/index.html>
- DOI's ADR and Conflict Prevention Program <http://www.doi.gov/cadr>
- Maryland Association of Nonprofit Organizations
<http://www.marylandnonprofits.org>
- Grassroots Fundraising <http://www.grassrootsfundraising.org>
- Chronicle of Philanthropy <http://www.philanthropy.com>
- Association of Fundraising Professionals <http://www.afpnet.org>
- Sonoran Institute <http://www.sonoran.org>
- National Forest Foundation <http://www.natlforests.org>

Training and Technical Assistance

- Sustainable Funding Strategies Workshop, <http://www.ntc.blm.gov>
- Grant Writing Course, <http://www.ntc.blm.gov>
- Partnership Series <http://www.ntc.blm.gov>
- Board Source, <http://www.boardsource.org>
- Association of Partners for Public Lands <http://www.appl.org>

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