

Montana Nonprofit Association: A Business Plan for Sustainability



Montana Nonprofit Association
P.O. Box 1744
Helena, MT 59624
www.mtnonprofit.org

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I. Background and History

Community Need

Montana's nonprofit community has a long history of leadership, civic engagement and community impact that – in so many ways – is absolutely vital to ensuring our communities are vibrant, resilient, and strong. Nonprofits positively and profoundly touch every facet of community life in our state each and every day. Even more, our own lives are shaped by charitable nonprofits from our earliest days to our golden years. Nonprofits are the faces of our communities.

Yet, we also know that building effective, efficient and sustainable nonprofit organizations is a challenging endeavor even under the best of circumstances in Montana. Many factors contribute to this reality including limited funding sources for capital investment and nonprofit financing, sparse and uneven access to capacity building resources and information, a fragmented voice on public policy matters, and deep isolation due to our geographic layout and low population density. These factors are often magnified for rural nonprofits which reside outside of the seven most populous counties and represent over half of the registered nonprofits in Montana.

To strengthen the nonprofit community and to address challenges like those noted above, many states and localities across the country have established basic pillars of nonprofit support infrastructure that organizations and nonprofit leaders can turn to for advocacy, resources, and support. This nonprofit support infrastructure is akin to the critical public and private infrastructure elements developed by community leaders long ago to support the business sector such as advocacy, networking, and research through Chambers of Commerce and educational training and financing services provided by the Small Business Administration. Whether for-profit or nonprofit, organizations greatly benefit from a healthy and accessible support infrastructure that can provide ongoing resources from start-up to scale-up to maturity.

Although states such as Minnesota, Georgia, New York, and California have been at work for quite some time building a support infrastructure for nonprofits, other states are just beginning to develop such resources. In all cases, leadership, vision, and available financial capital are the driving forces behind development. Although Montana's nonprofit support infrastructure is still characterized by early stage developments on many fronts, significant progress has clearly been made over the past decade. Change is underway and MNA is leading the way.

Emergence of MNA

In response to the need for nonprofit support infrastructure in Montana and the unique challenges of this state, the [Big Sky Institute for the Advancement of Nonprofits](#) convened a small group of Montana nonprofit leaders in the spring of 2001 to discuss how to build a voice for the nonprofit community and to generate more resources for nonprofits across the state. All involved were deeply committed to a vision of nonprofits working together in ways that would leverage the nonprofit network, strengthen the nonprofit community, and benefit organizations of all sizes and missions. Although many ideas were discussed, the core group determined that developing a state nonprofit association was the strategy that held the most promise for

impacting the demonstrated need. However, it was clear at the time that the nonprofit community would have to be the key driver to sustain such an initiative over time.

To determine the level of support from Montana's nonprofit community, the core group barnstormed the state over a 6 week period and conducted 15 Town Hall Meetings that were attended by 275 nonprofit and community leaders. The core group used the meetings as an opportunity to introduce the idea of a state nonprofit association, gauge the overall nonprofit interest, determine early stage priorities for an association, and recruit leadership for the organizing effort if it were to go forward. The response was a resounding "yes" from the nonprofit community. Approximately 89% of survey respondents (n=172) indicated that it was important to build a state nonprofit association in Montana (26% important, 40% very important, and 23% extremely important).

Out of these initial discussions, the Montana Nonprofit Association (MNA) was officially launched in the fall of 2001 as the primary building block and strategy for building a collective voice for nonprofits in Montana and providing access to the information, resources, and tools nonprofits need to grow, develop, and thrive. Today, MNA is vibrant, strong, and growing. Representing the richness and diversity of Montana's charitable sector, [MNA's over 600 members](#) address a broad array of missions, come from all four corners of the state, and range in size from the smallest unstaffed nonprofits to the largest organizations in Montana.

State Nonprofit Association Movement and the National Council of Nonprofits

Although MNA has been a grassroots effort from the very start, it is important to note that MNA was born, in part, out of the broader state nonprofit association movement nurtured by the [National Council of Nonprofits](#) over the past twenty years. In the mid 1990's, there were approximately 15 state nonprofit associations that were dedicated to building a strong and influential nonprofit sector. Now some fifteen years later, there are 37 state nonprofit associations across the country unified in spirit and purpose under the banner of the National Council of Nonprofits as well as developmental efforts underway in many of the remaining "uncovered" states.

To more effectively leverage the nonprofit network across the country, the National Council of Nonprofits adopted a federated model in 2008 whereby local nonprofit members of state associations would be afforded membership in the National Council. Today, the National Council of Nonprofits is the nation's largest nonprofit network with more than 25,000 member organizations across the country. Working through its network of state nonprofit associations, the National Council seeks to amplify the collective voice of America's nonprofit organizations, helping nonprofits manage and lead more effectively, collaborate and exchange solutions, engage in critical policy issues affecting the sector, and achieve greater impact in communities.

MNA strongly supports the mission of the National Council of Nonprofits and we recognize the vital leadership role that the National Council plays in connecting Montana nonprofits, through MNA, to the broader nonprofit network across the country. To that end, we will continue to work vigorously to build the state nonprofit association network in our own region

(Alaska down to Oregon and east to the Dakotas) and across the country. The only way forward is together.

MNA and the Future

MNA has reached the end of our first phase of development with much to celebrate and build upon for the future. In our first eight years of operation, we established a diverse and far reaching membership base, established core member program areas, hired our leadership team, developed an earned income financial model, and built administrative systems to support our core programming.

With these foundational elements in place, MNA is now moving into a second phase of development focused on expanding our impact as an organization. Phase 2 will involve transforming the organization from a predominantly inward focused organization that serves individual member needs to one that focuses both internally on strengthening our individual members (our foundation) and externally on leadership for the nonprofit sector to affect desired change at the local, state, and national level.

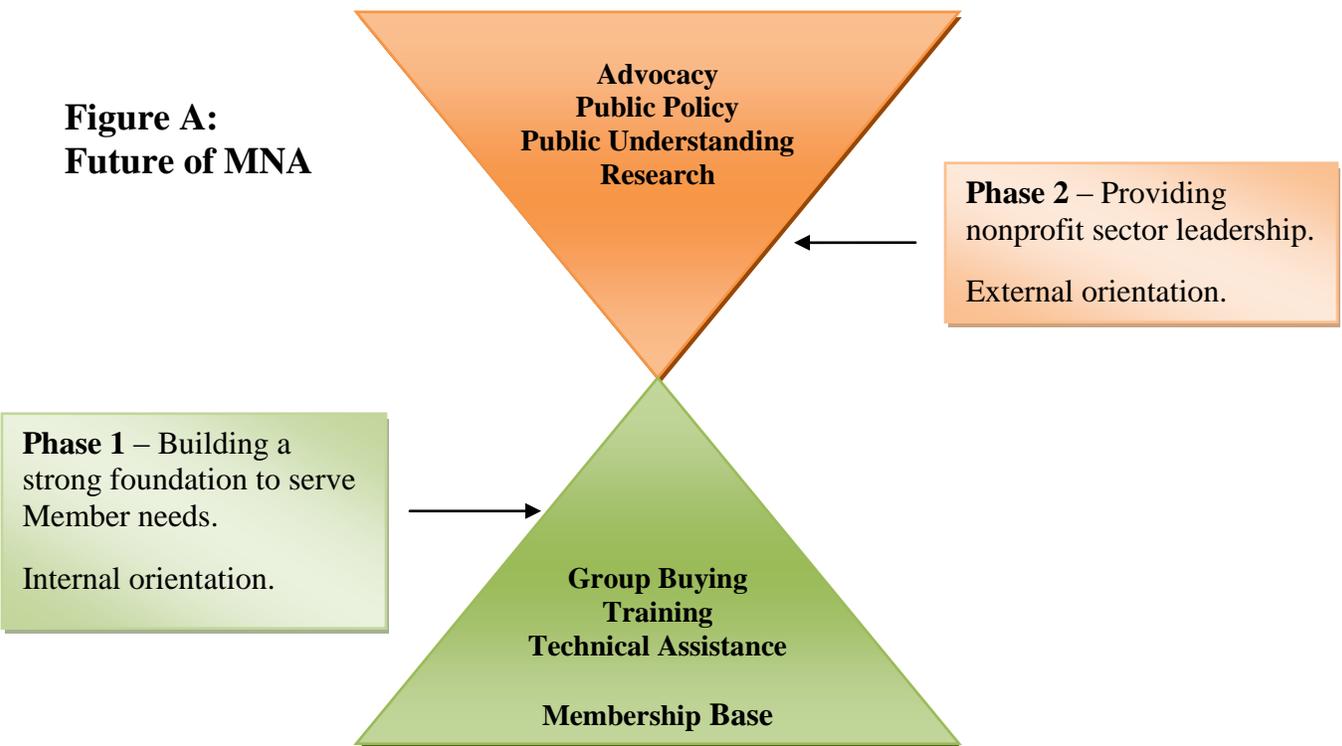


Figure A illustrates this organizational transformation with the bottom triangle representing Phase 1 (where we have been) and the top triangle representing Phase 2 (where we are going). The MNA Board of Directors envisions that this strategic direction, if successfully implemented over the next decade, will result in a true **leadership organization** that works at both the micro (individual member) and macro (nonprofit sector / community) levels to achieve the vision defined at the outset of this plan. The remaining sections of the business plan outline our plans for this transition which include 5 year plans for strategic goals, personnel, finances, and more.

II. Guideposts

Mission

MNA is a 501(c)(3) nonprofit corporation headquartered in Montana. Our mission is to promote a strong nonprofit sector in Montana.

Vision

MNA seeks to achieve the following vision for the nonprofit community and the organization:

Vision for the Nonprofit Community

Awareness: MNA envisions a future where policymakers, community leaders, and Montana citizens widely recognize and celebrate the contributions, professionalism, and impact of the nonprofit sector. Further, Montana citizens view the nonprofit sector as a vital partner, along with government and business, in building our communities and enhancing our quality of life. Through individual advocacy and collective action, nonprofits voice their perspectives and positively shape and influence key public policy that impacts nonprofits, our missions, and the people we serve.

Resources: MNA envisions a future where nonprofits possess the resources necessary for mission fulfillment. Nonprofits have access to: (1) adequate start-up, scale-up, and maintenance capital; (2) a sufficient and well trained work force and voluntary sector; (3) pathways to professional career development including continuing education; and (4) resources such as leadership and management support, consultants, accountants, and attorneys to enhance the professionalism and accountability of the sector.

Networks: MNA envisions a future where the nonprofit community in Montana is well connected, supportive of one another, and recognized for sustained collaboration and sharing of resources. Montana nonprofits efficiently and effectively serve our communities across Montana, including our rural and native communities. To ensure maximum impact, nonprofits leverage strategic partnerships with other nonprofits, government, and businesses to build and strengthen communities. Nonprofits are at the forefront of providing leadership all across our state.

Vision for MNA

MNA is the recognized leader for and voice of the nonprofit sector in Montana. Nonprofits, government, business, and the media seek out MNA as a partner and advisor on issues that impact nonprofits.

To strengthen the nonprofit sector, MNA provides a comprehensive suite of affordable programs and benefits. MNA's leadership has the commitment, knowledge, experience, diversity, and adaptive skills required for success. MNA involves the right people at all levels, generates significant financial capital from operations, and incorporates leading edge infrastructure to meet our mission. In all that we do, MNA leads by example and is a recognized model for nonprofit leadership, management and impact.

To maximize our impact, MNA is connected to and supports local networks of nonprofits across the state and partners with foundations, government, business, and citizens for the good of Montana. MNA is a leader in building the field of nonprofit support organizations in the state and region.

Guiding Principles

The MNA Board of Directors and staff developed the following principles that guide our work:

- We believe that a strong nonprofit sector is vital to our communities and that, if nonprofits were lost, the health and well-being of our communities would be significantly lessened.
- We believe that MNA and nonprofits are more effective working together and collaboratively and that we can accomplish more collectively than we can independently. There is strength in numbers.
- We believe that nonprofits strengthen their impact by working collaboratively with other sectors including business and government.
- We recognize the value that a diverse nonprofit sector brings to the health and well being of our communities and we honor that diversity.
- We believe that nonprofits have the right of self-determination within a framework of accountability and we work to facilitate and preserve that right.
- We practice and model principles and practices for nonprofit excellence and believe that adherence to such principles and practices lead an organization to a higher level of accomplishment, accountability, and sustainability.
- We believe that an organization's health and vitality are directly and positively influenced by the participation and engagement of its members in its activities.
- We believe that people who are affected by decisions and actions have a right and a responsibility to be part of them. We seek member input and are responsive to members.
- We use resources to make things happen that we want to have happen. We do what we say and we invest where we need to invest to build a strong nonprofit community.
- We bring hope, perseverance and tenacity to our work. We believe that we can make a difference.

III. Programs/Services and Social Return on Investment

Current Programs and Services

MNA's current programs and services fall into five primary focus areas: (1) advocacy and public policy, (2) group buying products and services, (3) professional and organizational development, (4) research and information sharing, and (5) network building. A complete list of member benefits associated with the five focus areas is provided in Appendix A.

Advocacy and Public Policy

The purpose of our advocacy and public policy program is to serve as the voice for the charitable nonprofit community when and where needed, shape public policy through individual and collective action, and build the capacity of nonprofits to be strong advocates for their missions and broader nonprofit issues. We do this through two primary pathways: (1) federal, state, and local lobbying on public policy issues that impact all nonprofits, and (2) training, education, and tools to build the nonprofit community's advocacy and public policy skills. Appendix B details our public policy agenda that outlines broad priorities for our legislative advocacy efforts such as expanding charitable giving incentives and funding for nonprofit capacity building, and preserving nonprofit advocacy and lobbying rights. In terms of advocacy capacity building, MNA reaches hundreds of nonprofit leaders through our advocacy toolkits, training programs, and principles and practices.

Group Buying Products and Services

The purpose of our group buying program is to negotiate and secure affordable products and services to help our members save on their administrative costs so that nonprofits can direct more resources towards their mission related work. Each year, MNA members save hundreds of thousands of dollars through our exclusive group buying programs including major and limited benefit health plans, directors and officers insurance, property and casualty insurance, teleconferencing services, office supplies, email messaging, mass media communications, databases, employment postings, background checks and more. MNA identifies priorities for group buying product development through periodic member needs assessments. MNA then leverages our buying power in the marketplace to secure the best deal possible for our members.

Professional and Organizational Development (POD)

The purpose of our professional and organizational development program is to help nonprofits advance from start-up organizations to effective, efficient, and sustainable charitable organizations. MNA's Principles and Practices for Nonprofit Excellence is the foundation of our POD program and covers 11 core principles for nonprofit organizational development followed by a series of broadly accepted practices, some of which are required by state and federal law. We support our Principles and Practices framework through a broad array of implementation resources including on-line and self-help tools, phone and email technical assistance and consultation, training and educational opportunities, conferences, and more. More than any other program area, our POD work has substantial room for growth given the demand for our services and the overall need for accessible and affordable POD assistance. MNA's organizational development framework is detailed in Appendix C.

Research and Information Sharing

The purpose of our research and information sharing program is two-fold: (1) deepen the general public's awareness and understanding of nonprofits in Montana through published research and media advocacy on core topics including the nonprofit economy (scale, scope, and impact), philanthropy, volunteerism, and more, and (2) ensure that timely and useful nonprofit information that benefits the nonprofit community and the general public is disseminated across the MNA network. MNA maximizes the use of technology and social media to implement our research and information sharing program.

Network Building

The purpose of our network building program is to connect nonprofits and leaders to one another and other sectors of society in order to facilitate nonprofit advancement and support. Although this is a new area of focus for MNA, our work involves connecting our members through technology and networking opportunities, developing and supporting local nonprofit networks, and building relationships between the nonprofit community and other sectors of society (business, government, etc.).

Strategic Plan (2010 – 2014)

MNA's strategic plan is designed to transition MNA to an organization that provides leadership for the sector while maintaining our core focus on serving our nonprofit members. The strategic plan will be revisited on a regular basis to ensure ongoing relevance and to evaluate our progress towards meeting our desired goals. The plan currently has a five year horizon, beginning in 2010 and continuing to 2014.

Goal 1: Advance public policy that impacts and strengthens the nonprofit community.

Strategies in support of goal:

- Strengthen the Public Policy Council
- Revise and update MNA's Public Policy Agenda
- Build capacity of members to advocate / mobilize / lobby
- Deepen relationships with key local, state, and national policy makers
- Facilitate opportunities for networks of nonprofits to organize around issues or constituencies to increase their leverage
- Increase nonprofit commitment, skills and capacity to be civically engaged leaders in their communities
- Expand special initiatives (voter engagement, Census, candidates)

Goal 2: Increase opportunities for group-buying programs and shared services.

Strategies in support of goal:

- Strengthen and grow current group buying programs (insurance products, etc.)
- Develop bold new cost-saving programs based on member priorities
- Study feasibility of shared services through MNA
- Increase nonprofit familiarity with the advantages and options across the continuum of collective action (shared services to partnerships to mergers)

Goal 3: Increase the leadership, management, and organizational capacity of nonprofit leaders and organizations

Strategies in support of goal:

- Refine MNA's organizational development delivery framework
- Advance nonprofit awareness of and commitment to the Principles and Practices for Nonprofit Excellence
- Strengthen and grow current resource programs – self-help resources, technical assistance partnerships, and training
- Develop nonprofit leaders, particularly the next generation of leaders
- Develop an affordable consulting, facilitation, and customized training program

Goal 4: Increase public understanding of the nonprofit sector

Strategies in support of goal:

- Determine public perception of nonprofits to establish baseline
- Raise public awareness and tell the Montana nonprofit story
- Ensure basic core research (economic impact of nonprofits, revenue trends, philanthropy, volunteerism, workforce, sustainability, etc.)
- Conduct timely research as needed (health care, economic downturn, etc.)
- Develop dynamic social media vehicles for information dissemination and exchange
- Deepen MNA's position as the place for nonprofit information

Goal 5: Strengthen nonprofit networks and further nonprofit connections to key institutions (philanthropy, business, government, media, etc.) to increase knowledge, effectiveness, partnership and cooperation.

Strategies in support of goal:

- Increase MNA's overall membership to 1,000 members
- Build strong ties to the National Council of Nonprofits and the network
- Advance local nonprofit network development across state
- Establish communication / network tools to facilitate nonprofit information exchange
- Provide tools to connect nonprofits with key institutions (philanthropy, business, etc.)
- Expand MNA's strategic relationships with key institutions (philanthropy, business, government, etc.).

Goal 6: Ensure that core organizational infrastructure is sufficient to support program development and long-term sustainability

Strategies in support of goal:

- Build the core internal team to support internal and external leadership
- Strengthen board governance and align structure with direction of the organization
- Maximize earned income opportunities
- Secure contributed financial resources for future sustainability
- Develop evaluation systems for continuous improvement
- Develop and implement components of fiscal health

IV. Market Analysis

Customers and Stakeholders

Montana's Nonprofit Community

MNA's primary stakeholders and customers come from the pool of nonprofit corporations that have been awarded 501(c)(3) tax exempt status by the IRS. The number of 501(c)(3) nonprofits in Montana has more than doubled since 1995 and now totals over 6,000 charitable nonprofits across the state. Charitable nonprofits are highly diverse in nature and address a broad array of missions in human and social services, arts, culture, humanities, education, health and wellness, environmental affairs, animal welfare, spiritual development, science, technology, philanthropy, and more. They can also be found in all four corners of the state and everywhere in between – over 50% of charitable nonprofits in Montana are located outside of the seven population centers.

In contrast to the nonprofit sector's diversity, there are some characteristics that many organizations share. For example, approximately 92% of charitable organizations in Montana are small, community based nonprofits with budgets of less than \$500,000. Many of these same nonprofit organizations rely heavily on contributed income from individuals, businesses, and foundations to fund their operations and volunteers from the community to implement their programs. Appendix D provides additional data on Montana's nonprofit community from our 2010 Montana Nonprofit Sector Report including assets, expenditures, wage contributions, mission distribution, and revenue sources.

MNA's Current Membership

As a membership organization, MNA views our dues paying member nonprofits as our primary customers, though many of our programs and services also benefit Montana's broader nonprofit community. MNA's current membership now numbers over 600 charitable organizations and mirrors that of the larger nonprofit sector in Montana in terms of mission diversity and geographic distribution. Collectively, our members employ over 12,000 Montanans who earn aggregate wages of \$240 million annually and manage aggregate budgets of approximately \$550 million. In terms of geographic location, MNA is well represented within the major Montana cities; however, a full 35% of our current members are located outside of the seven population centers in more rural parts of the state. Our most recent membership map is provided in Appendix E.

Stakeholder and Community Support

The breadth and depth of our member reach across the state are important indicators of our stakeholder and community support. However, membership growth and retention rates provide additional context for our stakeholder support. Based on key membership recruitment and retention measures, the data support the notion that MNA is underpinned by some of the strongest levels of nonprofit support in the country. Consider the following facts:

- MNA is now the 18th largest state nonprofit association in the country
- MNA is the largest state nonprofit association overall on a member / per capita basis.

- MNA’s market penetration of 8.0% ranks fourth nationally for all state nonprofit associations, behind only Maine (10.6%), District of Columbia (8.8%), and Minnesota (8.4%).
- In 2010, MNA was one of only a few state nonprofit associations that achieved a net gain in membership (8% over 2009).
- MNA’s year end member retention rate is consistently at or above 90%.
- In 2010 (a year of continuing challenge for membership organizations given the economic downturn), MNA achieved a member retention rate of 90% - also one of the highest retention rates in the country for state nonprofit associations.

From the very start of MNA, our members have proven to be some of the most loyal state nonprofit association members in the network. Once a nonprofit joins MNA, they do not often leave for purposes other than financial hardship. We are proud of the leadership, support, and value we provide for our members and our record of outstanding customer service that keeps our members coming back year after year.

In addition to a high level of nonprofit support, MNA also benefits from a wide ranging and deep constituency of financial supporters that includes foundations, businesses, and governmental entities. All of these supporters are aligned with MNA in their belief that a strong and sustainable nonprofit community is vital to the health and well being of our communities. Further, these financial supporters have also proven to be very loyal to the mission of MNA and have renewed their support for our work each year. We deeply appreciate their support and we are proud to call them our partners. A complete list of these supporters can be found at the end of our [Annual Report](#) available on our website.

Industry and Market Trends

MNA operates within what is often referred to as the Nonprofit Support Organization (NSO) industry which includes mostly intermediary organizations or institutions in Montana that are working to strengthen the nonprofit sector. Although many states have a long history of NSOs and other nonprofit support infrastructure, Montana’s NSO infrastructure is still in a relatively early phase of development having emerged primarily over the last ten years. Organizations such as the [Montana Community Foundation](#), [Big Sky Institute for the Advancement of Nonprofits](#), [ALPS Foundation Services](#), [Yellowstone Resource Group](#), [Nonprofit Development Partnership](#), and [AFP Montana Chapter](#) are several examples of groups that are actively supporting the nonprofit sector through a variety of services including organizational and philanthropic development, networking, information sharing, and more.

Organizational Advantage and Strategic Position

In the NSO community, MNA is unique in Montana from the perspective that we are the only organization that is statewide, membership based, and multi-program area focused. MNA’s growing and diverse membership base, now over 600 members statewide, is our unique organizational advantage and most important asset. Membership is the “engine” that drives all of our work whether we are advocating for fair treatment and favorable tax policy at the legislature or leveraging our market access when negotiating with service providers for exclusive group buying arrangements. No other organization in Montana can match the depth or breadth of our reach. And no other organization is viewed as the primary access point to the

nonprofit community in Montana. The numbers matter and we therefore dedicate considerable organizational resources to ensuring our continued membership growth.

MNA's emerging strategic position flows naturally out of our organizational advantage. As MNA's membership base has grown, we have carefully positioned ourselves to emerge as the voice of the nonprofit community in Montana. Policy makers, government officials, members of the media, community leaders, philanthropists, and others routinely seek out MNA for perspective on Montana's nonprofit community. Further, given our growing distributed nonprofit network and our unique location at the nexus of various information channels, MNA is strategically positioned to emerge as the point of connection to the broader nonprofit community in Montana and timely and credible nonprofit resources, information, and perspectives.

Although MNA is already serving as the voice for and point of connection to the nonprofit community in some capacity, MNA will invest the resources necessary over the next five years to deepen these two positions and, in turn, further MNA's transition to a leadership organization that serves the nonprofit sector in Montana. To that end, the most important investments we will make as an organization are growing our membership base (our organizational advantage) and extending our network connections.

Organizations Serving the Same Target Market with Similar Services

A growing number of NSOs (public, for-profit, and nonprofit) are serving the charitable nonprofit community and offering services similar to those provided by MNA, most often in the areas of organizational and philanthropic development, education, networking, and research. A preliminary list of these organizations follows:

- AFP Montana Chapter
- ALPS Foundation Services
- Anderson Zurmuehlen & Co.
- Associated Employers
- Big Sky Institute for the Advancement of Nonprofits
- Bozeman Area Nonprofit Café
- Community Colleges
- Governor's Office of Community Service
- Hopa Mountain (Strengthening the Circle)
- Indian Nonprofit Alliance
- Major Colleges and Universities (UM, MSU, Carroll, UGF, etc.)
- Missoula Nonprofit Network
- MonDak Association of Nonprofits
- Montana BAR Association (Nonprofit Section)
- Montana Budget and Policy Center
- Montana Community Foundation
- Montana Funders Group
- Montana Shares
- Montana Society of CPAs

- National Council of Nonprofits
- Nonprofit Development Partnership
- Nonprofit Voter Engagement Network
- United Way Network
- Western Montana Fundraisers Association
- Yellowstone Resource Group

Opportunities for Collaboration

MNA prides itself on collaboration and works from a cooperative framework in all that we do. It is a deep seated part of our cultural DNA as an organization. In fact, there are very few projects or programs at MNA that do not involve some level of partnership and/or collaboration with others. For example, advancing public policy initiatives like the Montana Charitable Endowment Tax Credit most often involve collective efforts. As well, MNA's organizational development work involves dozens of "provider" partnerships and collaborations as does our group buying programs which are all formal partnerships rooted in common interest. MNA routinely asks the question – Who else may have a common interest in what we want to achieve as an organization? This is where we start.

The NSO community's expansion over the past ten years presents MNA, indeed all of us in the NSO industry, with a unique opportunity to forge some lasting and meaningful partnerships and collaborations to strengthen the nonprofit community. We do not yet know what that looks like. This will take many conversations, some individually with potential partners and some collectively in groups. MNA is committed to helping lead these discussions by convening key stakeholders to analyze the NSO landscape and identify opportunities to work together.

Horizontal Collaborations

In the short term, MNA will continue to pursue and deepen horizontal collaborations (coalitions, partnerships, etc.) that make sense for our organization in pursuit of our vision. There are several key areas where clear pathways exist for collaborative work:

- Organizational development - Continue to expand and deepen partnerships to deliver organizational development services particularly technical assistance, referral, and training. Possible partners include Hopa Mountain, Associated Employers, fundraising groups (AFP), professional associations (BAR, CPAs, etc.), and more.
- Nonprofit sector research – Work with partners to ensure that key nonprofit sector research (economy, philanthropy, volunteerism, etc.) is conducted, consistently available, and promoted. Possible partners include the Montana Community Foundation, Montana Funders Group, Big Sky Institute, Governor's Office of Community Service and more.
- Philanthropy development – Work with partners to grow philanthropy. Possible partners the Montana Community Foundation, Montana Funders Group, Big Sky Institute, Montana Shares, United Ways, and more.

- Network development – Work with partners to tie our networks together more deeply. Possible partners include the Nonprofit Development Partnership, Bozeman Area, Café, and the National Council of Nonprofits.

Vertical Collaborations

At this time, MNA does not have any plans for vertical collaborations (transfer of assets, mergers, acquisitions, etc.), but we will continue to analyze opportunities that come our way or that we identify as a part of our regular assessment and planning process.

V. Marketing Plan

MNA is in the process of developing a comprehensive marketing and communications plan that we expect to complete in 2011. However, the basics of the plan will be rooted in many practices that are already underway and common place at MNA.

Community Awareness

MNA builds community awareness of our programs and services through three primary avenues: (1) direct solicitation and outreach, (2) word of mouth, and (3) media attention and coverage. To facilitate direct solicitation and outreach, MNA utilizes the IRS's Business Master File which houses complete organizational information for all 6,000+ registered nonprofits in Montana. MNA staff, Board members, organizational members, and stakeholders are all engaged throughout the year conducting targeted outreach to member prospects or to current members that might benefit from a particular product or service. This type of coordinated direct outreach is then complimented by word of mouth marketing from our current members and supporters. Many of our new members join MNA as a result of some sort of referral from a colleague or friend that is familiar with our work. As well, our current members also spread the word about products and services to other member organizations at networking events. Finally, with the addition of a Marketing and Communications Director in 2008, we have significantly increased our capacity to secure media coverage (print, radio, television, etc.) for important MNA developments, product launches, and policy issues. Expanding our media reach is a key strategy for our community awareness building efforts going forward.

Information Delivery Strategies and Promotional Tools

MNA employs a vast array of information delivery strategies and promotional tools to reach our nonprofit members, potential prospects, and stakeholders. Our most important tools include the following:

- Websites - (1) MNA main site www.mtnonprofit.org, (2) Build Montana website www.buildmontana.org, and (3) Endow Montana website www.endowmontana.org. Collectively, these sites receive approximately 70,000 hits each month and serve as a focal point for marketing, promotion, and service delivery. All efforts are made to optimize traffic to these sites.
- Electronic Newsletters – MNA produces several monthly newsletters, most notably our MTc3 newsletter with original content, resources, and MNA program information. Our open rate averages 15% which tracks well with industry standards.
- Broad Electronic Distribution List – Timely program and policy alerts go out through our email distribution list that now includes over 1,700 subscribers and growing.
- Social Media – MNA maintains and utilizes a Facebook Fan page, Twitter account, and YouTube channel to promote MNA happenings and alerts and to highlight the work of our members through words, pictures, and video. Search “Montana Nonprofit Association” for Facebook and Twitter and visit www.youtube.com/MTNonprofit to see MNA on YouTube.

- Promotional Materials – MNA employs a full portfolio of branded promotional materials including member packets, lists of benefits, product brochures, table top displays, and more. Additionally, MNA publishes a full color annual report each summer that highlights our accomplishments and members in words and pictures.

VI. Sustainable Human Resources Plan

Current Personnel

Presently, MNA has 5.0 full time equivalent (FTE) positions which are all filled with very experienced and talented staff members who have a long history with small and mid-sized nonprofits – either as employees, volunteers, or both. The overall personnel culture at MNA is highly team oriented with staff assisting others and providing support where and when needed. All current MNA employees were the first individuals to have their respective positions. Turnover has not been an issue to date at MNA. A brief description of current MNA positions follows:

- *Executive Director:* Provides overall leadership for all MNA operations including board development and support, staff leadership and direction, planning, fundraising, public policy, and external leadership.
- *Office Manager:* Oversees general office management including basic administrative and bookkeeping responsibilities. This position also provides targeted support to all program staff, particularly membership development activities.
- *Member Services Director:* Directs all membership development and support efforts and provides overall leadership and management of MNA's group buying programs.
- *Organizational Development Director:* Provides overall leadership and management of MNA's professional and organizational development programs including technical assistance, training, and consulting services.
- *Marketing and Communications Director:* Directs all marketing, communications, and research related activities. This position also provides targeted support to all program staff.

Current Trainer and Independent Contractor Support

Presently, MNA utilizes the services of dozens of trainers and several independent contractors on a consistent basis for specific purposes. In most cases, the primary decision factor in pursuing these relationships is the need for specialized services and/or skills not found among current MNA staff. Cost savings is a strong secondary factor.

- *Training:* MNA evaluates and hires dozens of trainers each year to develop and implement various workshops associated with our Principles and Practices for Nonprofit Excellence training program.
- *Accounting:* MNA utilizes the services of Curt Klotz, principal of Good with Numbers, LLC to prepare monthly financial statements and perform all accounting functions beyond basic bookkeeping responsibilities.
- *Event Planning:* MNA utilizes Gail Brockbank of Premier Planning for event planning services and logistics coordination associated with our Annual Conference, Nonprofit Day at the Capitol, and periodic training events.

- *Government Affairs:* MNA utilizes the legal services of Aimee Grmoljez with the Crowley Fleck PLLP law firm for government affairs support including strategy development and lobbying services.
- *Information Technology:* MNA utilizes the services of Information Technology Core to perform back-office IT services including phone and computer networking maintenance and troubleshooting, data security and back up, and general technology support.

Projected Personnel Needs

To ensure the continued capacity development of MNA, quality support for our members, and movement toward providing leadership for the sector, MNA envisions significant personnel capacity growth over the next 5 years that includes adding 5 new FTEs for a total of 10 FTEs by 2014. Table 1 summarizes projected growth and is followed by detailed descriptions of each position. Appendix F provides a proposed staff organizational chart for 2014 if personnel plan is fully implemented.

Table 1: Projected MNA Personnel Additions through 2014		
2010 Program Year	2011 – 2012 Program Years	2013-2014 Program Years
<ul style="list-style-type: none"> • Full time Office Manager • OD Program Coordinator 	<ul style="list-style-type: none"> • Membership and Development Director • Group Buying Director • Public Policy Director 	<ul style="list-style-type: none"> • Program Operations Director • Senior OD Specialist

2010 Program Year

Full Time Office Manager (evolve to Administrative Director)

MNA’s Office Manager position (currently filled) expanded from three-quarters time to full time on January 1, 2010 to provide additional support to program staff and to manage afternoon call activity. The Office Manager maintains daily office hours from 8am – 4pm. This position would evolve over time into an Administrative Director with responsibilities over all personnel and financial matters for MNA.

Organizational Development (OD) Program Coordinator

The demand for MNA’s professional and organizational development services has increased dramatically and requires additional capacity. This OD Program Coordinator would be supervised by the Organizational Development Director and develop and manage trainings, provide conference support, develop web resources, field basic technical assistance calls, and provide resource referrals.

2011 – 2012 Program Years

Membership and Development Director / Group Buying Program Director

Although earned income will likely remain over 50% of our overall revenue, MNA must begin to further develop sources of contributed income including ongoing foundation core program support and unrestricted support from corporate sponsorships and individual donations. This will require additional capacity. The Membership and Development Director

would be supervised by the Executive Director and build / oversee all membership and development activities for MNA. The current Member Services Director position that now holds membership development responsibilities would be repositioned to focus exclusively on developing, managing, and growing MNA's group buying programs per member needs.

Public Policy Director

MNA hired a Public Policy Director in December of 2008 to provide leadership for all of MNA's advocacy and public policy activities. The position is now vacant and has remained unfilled due to limited resources and sustainability concerns. However, for MNA's Advocacy and Public Policy activities to grow, we must expand our staff capacity to support this work. Presently, MNA's Executive Director manages all aspects of the organizations advocacy and public policy program.

2013-2014 Program Years

Program Operations Director

In *Forces for Good*, Crutchfield and Grant write of the "[N]eed to appoint a strong second-in-command to help run the organization...It really is two at the top – whether this second-in-command is called a COO, an executive vice president, or senior vice president, the role is similar. This second leader is more often an internal manager, focused on operational issues, while the executive director is more often the external leader, concerned with vision, strategy, issue leadership, relationship building, or fundraising."

With MNA's desired evolution towards an organization that provides external leadership, hiring a Programs Operations Director who is more focused internally on program leadership is paramount. Indeed, within the state association network, the strongest state associations are those with the resources to have such leadership and staff support. Working closely with the Executive Director, the Program Operations Director will free up the Executive Director's time to focus on MNA's external leadership development.

Senior Organizational Development (OD) Specialist

MNA's Senior OD Specialist would be supervised by the Organizational Development Manager and filled by an experienced and skilled "nonprofit generalist" who would deliver custom consulting and training, broad based training, and highly involved technical assistance. This position would be primarily earned income driven through fees generated by the services provided.

Recruitment Plan

MNA uses a deliberative approach to new employee recruitment. First and foremost, recruitment does not begin for any position without sufficient financial resources to sustain the position for at least 18 months in most cases, especially those positions that are primarily sustained by contributed income and do not generate earned revenue. MNA employs most standard advertising strategies for employee recruitment including various web and media postings. However, our greatest successes have come from leveraging our networks including our membership base and partners. In most cases, MNA also identifies and seeks out priority candidates to gauge their interest. Above all, MNA does not hire unless we have a high degree of confidence that we have the right person. In short, we seek to find outstanding talent, not just to fill open positions.

Considerations for All Positions:

In addition to the requisite knowledge, skills and abilities for specific positions, our experience indicates that all MNA employees possess several additional characteristics. MNA employees are:

- Driven by and passionate for our mission
- Knowledgeable about or experienced with nonprofits
- Customer / client service focused
- Team oriented

We believe these general characteristics are vital and intrinsic to our success as an organization and we seek these same qualities in all new employees regardless of position.

Compensation and Incentives

MNA believes competitive salaries are critical to recruiting and retaining the best talent possible. Although MNA does not have a formalized wage structure for the organization, we do use compensation and benefit surveys to determine general salary ranges for new positions including MNA's own *2008 Nonprofit Wage & Benefit Survey Report* which provides data from 162 nonprofits and 16 common nonprofit positions. We believe that employees should be paid fair salaries that are commensurate with an employee's professional knowledge, skills, and abilities – a practice that is unfortunately not often followed in the nonprofit community. To meet this standard, MNA generally seeks to set salaries at least at 75% of the statewide mean for comparable positions to recruit and retain the best talent possible. If we cannot meet this standard, our preference is to not hire until such time as we can generate sufficient resources to sustain the position at the desired level.

Aside from competitive salaries, MNA utilizes other benefits to attract and retain top talented employees. All MNA employees are provided with a generous benefit package that includes major medical health insurance (multiple options), dental and vision coverage, life insurance, and a Simplified Employee Pension (SEP) at 6% of salary after one year of employment. MNA employees also benefit from generous Paid Time Off (PTO) provisions and holidays which all staff are strongly encouraged to take throughout the year. Finally, employees are permitted to manage their own schedules and work time providing maximum flexibility to accommodate varying life circumstances.

Staff Evaluation Plan

Evaluation and ongoing support is very important at MNA. All employees receive an annual evaluation and review in late November. A standard instrument is used that both captures desired professional habits and competencies as well as progress towards implementing annual respective goals and work plans. As part of the review, all employees also complete a self-assessment that is reviewed prior to the formal review which is conducted by the supervisor.

Standard operating procedures at MNA also call for quarterly meetings between employees and supervisors to review work plan progress, problem solve any issues, and define short term goals and priorities for the upcoming quarter. In third quarter of each year, staff members

(particularly program directors) are heavily involved in operational planning and budgeting for the upcoming year which generally frames all work plans for the organization.

Leadership Succession Plan - Staff

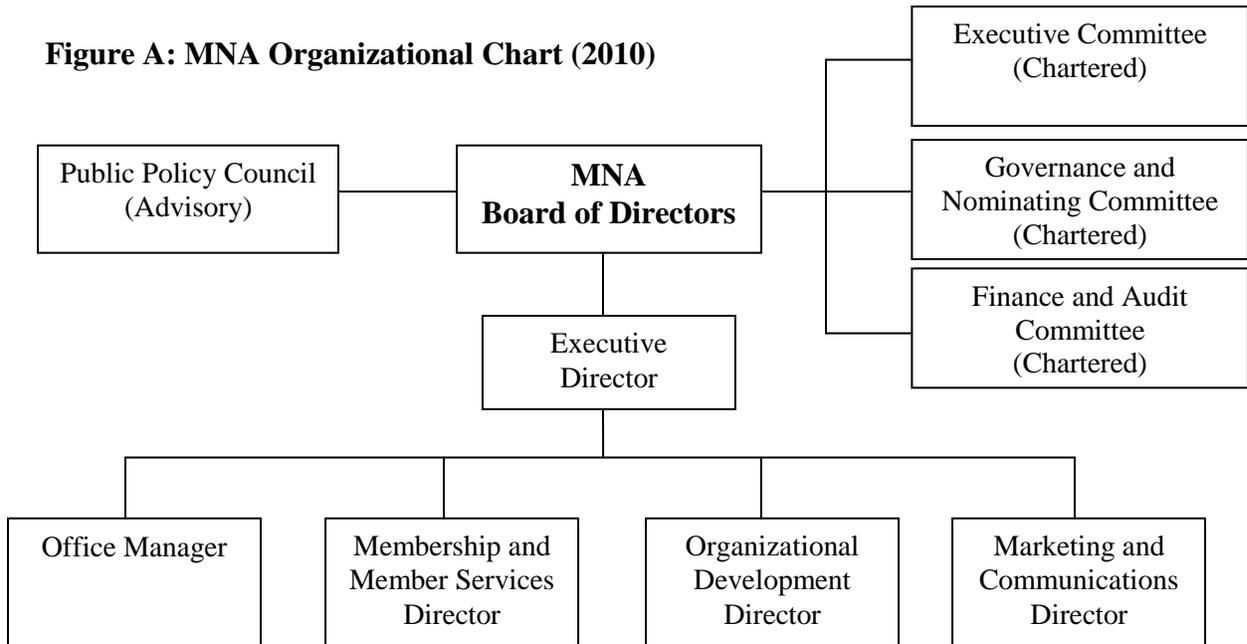
The MNA Board of Directors and Executive Director are currently drafting an Emergency Succession Plan that outlines policies and procedures to address the unexpected situation where the Executive Director is either temporarily or permanently unable to fulfill his/her duties. The plan also outlines recruitment and transition procedures if the Executive Director's temporary absence becomes permanent.

VII. Governance and Leadership

Organizational Chart

Figure A below portrays MNA’s current organizational chart.

Figure A: MNA Organizational Chart (2010)



Board of Directors

Presently, MNA is governed by a fifteen person Board of Directors that is elected by the membership. Board Members serve no more than two consecutive three year terms. Primary Board of Director responsibilities include long-term visioning, strategic planning, financial stewardship, policy formulation, Executive Director support, and membership recruitment. All Board members participate in quarterly Board meetings, actively serve on one or more Board committees, and donate financially to MNA on an annual basis. A Board of Director’s position description is provided in Appendix G and a complete list of current Board members and Officers is provided in Appendix H.

Leadership Succession Plan - Board

Regarding Board leadership succession, the Governance and Nominating Committee (GNC) has primary responsibility for ensuring that the Board of Directors is always comprised of the necessary leadership to fulfill its fiduciary responsibilities. Presently, the GNC maintains a Board Matrix Profile that details terms, demographics, qualifications, knowledge, skills, and abilities for all Board members. Each year, recruitment efforts follow from careful analysis of priorities.

Board Evolution

From the earliest days, MNA’s Board has been comprised primarily of Executive level staff of nonprofit organizations in Montana and a limited number of nonprofit consultants. Above all,

board members were recruited and selected to ensure diverse geographic and mission related representation amongst the nonprofit community in Montana as well as the requisite leadership and governance skills. Such a governance model was appropriate for an emergent state nonprofit association. Staying close to the customer was paramount at the time.

The Board recognizes that making the strategic shift towards becoming a networked and external leader in Montana will require a different Board at least in terms of composition and quite possibly in terms of structure as well. MNA's future board will likely include broader representation from the philanthropic, government, business, and media sectors while preserving the strong connection to our primary constituents and stakeholders – our members and the nonprofit community in Montana.

Key Management Decision Makers

Brian Magee, Executive Director

Brian Magee, MNA's current and first Executive Director, provides overall leadership and management direction for MNA. Brian has been with MNA since September of 2003. Under his leadership, MNA has grown from a promising idea to one of the largest and most respected state nonprofit associations in the country. For his work building MNA and the state association network in the region, Brian has been recognized twice by the National Council of Nonprofits. He received the Phyllis Campbell Newsome Leadership Award in 2006 and, more recently, received the first ever Lincoln Award in 2008. He regularly consults with emerging state nonprofit associations in the northwest and across the country.

Prior to his current position, Brian served for four years with the Montana Commission on Community Service as Director of Operations and later Executive Director. Over the last 16 years, he has worked with and for a diverse array of nonprofit organizations including the United Way of Allegheny County in Pittsburgh, the Northeast Community Center Association in Spokane, the Chicago Community Trust and numerous Montana nonprofits within the national service network.

He currently serves on a number of boards including the National Council of Nonprofits where he serves as chair of the Membership Committee and the Montana BAR Association's Nonprofit Committee. Brian was also appointed to the Independent Sector's Small Organizations Work Group that was part of the National Panel on the Nonprofit Sector.

A native of Pittsburgh, PA, Brian holds a Masters in Business Administration with a nonprofit concentration from the Kellogg School of Management at Northwestern University and a Bachelor of Arts in Anthropology from the University of Notre Dame.

VIII. Facility Operations Plan

Location and Description

MNA maintains office space at [432 N. Last Chance, Suite A](#) on the second floor of the old Park Hotel in historic downtown Helena, Montana. Several other nonprofits (and members) including Alternative Energy Resource Organization (AERO) and Easter Seals – Goodwill also have office space in the building.

Lease Agreement

MNA's current lease runs through February 28, 2012. Monthly lease payments are \$1,800 and cover all space, utilities, high speed internet access, janitorial services, and conference room and kitchen access. Presently, MNA's space comfortably accommodates all staff with room to add two additional staff persons. Although not ideal, Placer Plaza normally has additional rooms available for rent fairly close by should MNA need space beyond that which is currently covered in the lease agreement.

Future

If MNA grows to the scale outlined in this business plan, the organization will outgrow its current office space. As an interim step, MNA will likely negotiate a one year lease extension at the end of the current lease agreement while management searches for a more suitable long-term office environment that can accommodate up to ten employees.

IX. Sustainable Income Plan

The Current Revenue Picture

MNA’s current revenue sources are very diverse as a result of diligent planning that focused on membership, earned income, and foundation fund development in the early years of. Presently, approximately 60% of MNA’s revenue is derived from earned income sources (membership, group buying product fees, training and conference fees, and sponsorships) and 40% of MNA’s revenue is derived from contributed sources, predominantly multi-year foundation grants from larger regional foundations outside of Montana. Figure B below provides a breakdown of MNA revenue sources for 2010.

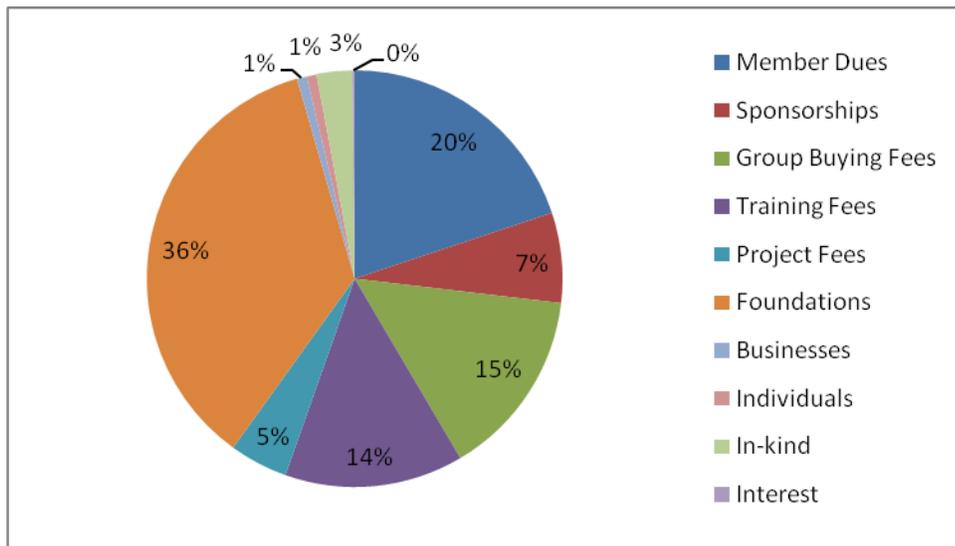


Figure B: 2010 MNA Revenue Sources

Although secured from year to year, MNA’s earned income sources have proven to be highly reliable each year provided that MNA continues to deliver stakeholder and customer value. These are relatively sustainable revenue sources with a strong potential for significant and sustained growth in the coming years. MNA’s foundation revenue, although consistent and growing, is much less reliable given the likelihood of changing foundation priorities and the tendency of foundations to avoid ongoing funding into the future. Table 2 details MNA’s revenue growth by category for the past five years.

Table 2: MNA Revenue Sources (2006 - 2010)

Revenue Source	2006	2007	2008	2009	2010	% of Total
Member Dues	49,012	65,842	86,481	96,668	108,582	20%
Sponsorships	22,300	40,157	34,425	36,225	38,240	7%
Group Buying Fees	14,368	29,966	52,622	66,911	80,088	15%
Training Fees	45,900	64,095	54,487	58,795	75,685	14%
Project Fees	-	-	-	-	24,750	5%
Total Earned	131,580	200,060	228,015	258,599	327,345	60%
Foundations	58,527	151,298	212,580	202,860	194,516	36%
Businesses	8,036	32,420	4,836	4,707	4,138	1%
Individuals	2,300	18,348	6,265	3,554	4,257	1%
In-kind	-	7,427	4,236	15,500	15,000	3%
Government	-	-	-	25,000	-	0%
Interest / Misc.	7,000	8,308	2,949	1,545	1,026	0%
Total Contributed	75,863	217,801	230,866	253,166	218,937	40%
Total Revenue	207,443	417,861	458,881	511,765	546,282	100%

Future Revenue Picture

By 2014, MNA envisions an annual operating budget of over \$1,000,000 which is substantially larger than MNA’s present day budget. To ensure adequate investment and operational funds to meet and sustain this level, MNA fund development strategies will include the following five core components going forward:

1. Ensure a diverse revenue mix

Figure 9 illustrates the relatively diverse nature of MNA’s current revenue sources which is a particular strength of MNA at the present time. Management will focus on deepening the current pools of funding as well as adding new streams, notably targeted government revenue for capacity building and additional sources of contributed income from individuals. Finally, in terms of earned vs. contributed revenue mix, MNA’s long-term goal is to maintain at least 50% of MNA revenue derived from earned income sources.

2. Grow our earned income revenue sources

State nonprofit association work is tailor made for earned income development. If quality is maintained, these funds are highly reliable from year to year and – importantly - are unrestricted. Further, earned income funds can be used to subsidize areas of our work where it is much harder to secure contributed funds (public policy, etc.).

MNA has already had very good success developing income generating activities. Yet, in many ways, the table is set to take earned income development to another level. Each of our earned income categories – membership, product fees, training and organizational

development fees, and sponsorships – have grown every year to date and are poised to grow in the coming years with additional staff support focused on these activities.

Above all, it is important to note that membership development drives earned income generation and therefore must remain paramount going forward. Membership dues represent the first domino that is often followed by training and product usage fees and other sources of earned income. A \$100 member can easily contribute \$500 to MNA's bottom line when earned activity is factored into the equation.

3. Strengthen and evolve our relationships with foundations

To date, MNA has developed very good relationships with several regional foundations that have invested multi-year grants in MNA. Most grant funds have been project based rather than general / core operating support. These same foundations appear poised to continue funding MNA in the future. More recently, MNA has had success with some of the larger Montana based foundations.

In the future, MNA envisions that a significant portion of our contributed income will continue to be derived from state, regional, and national foundations. Our strategy will be to try and move some of our longstanding foundation supporters from project grants to general operating support where possible and to secure additional multi-year commitments. Further, MNA will seek new and expanded relationships with state and national foundations where good prospects exist. And finally, MNA will gradually introduce the concept of providing organizational development services (on contract) for foundation grantees which is a different type of partnership that is earned income based rather than grant funded.

4. Develop new sources of contributed income

To date, MNA has done very little contributed fund development beyond foundation fundraising because MNA needed seed capital at a certain scale that could only be secured from foundations. As well, this is an area of fundraising that our members rely on quite heavily within their own communities. MNA has generally refrained from competing with our members for these dollars.

Although other sources of contributed funds (corporate, individual, etc.) will likely not ever rival our foundation revenue, MNA now has the credibility and relationships to begin exploring a smaller scale corporate and individual giving program that would provide a base set of revenue each year. The pool of donors interested in nonprofit capacity building is clearly far more limited than the pool for other mission based work. However, our experience tells us that the donors that are interested in nonprofit capacity building are very passionate about building a strong support network for Montana nonprofits. MNA would be an attractive vehicle to allow them to do so given our record of accomplishment. Importantly, these types of contributed dollars are generally unrestricted and can be used for any purpose.

5. Implement strategies for ensuring fiscal health and continued deliberative growth

To ensure that MNA remains a fiscally sound organization capable of weathering changing economic conditions and investing in our growth when needed, MNA will undertake the following fiscal health initiatives over the next five years:

- ✚ Build a board restricted financial reserve of three months minimum and ideally six months if possible.
 - Once achieved, begin discussions about developing a permanent endowment for MNA operating funds.
- ✚ Build a capital reserve fund for replacement of key capital expenditures.
- ✚ Build the unemployment reserve fund.

X. The Financials

Income Statement /Budget (4 Year Historical and 4 Year Future)

	2007*	2008*	2009*	2010*	2011	2012	2013	2014
Revenue								
Member Dues	65,842	86,481	96,668	108,582	115,000	135,000	150,000	171,000
Sponsorships	40,157	34,425	36,225	38,240	59,000	65,000	68,000	72,000
Group Buying	29,966	52,622	66,911	80,088	79,800	100,000	125,000	148,500
Training Fees	64,095	54,487	58,795	75,685	74,000	95,000	120,000	135,000
Project Fees	-	-	-	24,750	-	-	-	-
Foundations	151,298	212,580	202,860	194,516	253,700	290,000	290,000	275,000
Businesses	32,420	4,836	4,707	4,138	42,500	3,000	3,500	4,000
Individuals	18,348	6,265	3,554	4,257	3,000	6,000	8,000	10,000
In-kind	7,427	4,236	15,500	15,000	15,000	15,000	15,000	15,000
Government	-	-	25,000	-	-	130,000	175,000	230,000
Interest	8,308	2,949	1,545	1,026	2,000	3,000	4,000	5,000
Total Revenue	417,861	458,881	511,765	546,282	644,000	842,000	958,500	1,065,500
Expenses								
Personnel	182,175	242,976	326,775	306,782	341,149	500,000	570,000	646,680
Contracted	109,344	86,712	108,502	86,666	184,060	175,000	175,000	175,000
Travel	21,421	33,930	13,858	11,599	16,800	19,000	23,000	27,450
Occupancy	11,187	19,462	21,998	22,375	23,500	30,000	45,500	45,500
Property / Equip	9,348	20,828	25,719	28,571	27,400	33,000	37,000	40,300
Other	48,197	50,028	51,821	45,690	50,465	67,000	74,000	81,515
Total Expenses	381,672	453,936	548,673	501,683	643,374	824,000	924,500	1,016,445
Net Gain/Loss	36,189	4,945	(36,908)	44,599	626	18,000	34,000	49,055
*Actual figures from MNA financial statements.								

Statement of Financial Position (4 Year Historical and 4 Year Future)

	2007*	2008*	2009*	2010*	2011	2012	2013	2014
Assets								
Current Assets								
Cash	187,641	144,474	83,725	114,467	168,758	185,428	240,301	306,540
Grants Receivable	93,869	158,336	154,830	271,796	248,609	159,169	180,000	270,000
Accounts Receivable	26,187	26,751	21,332	59,813	30,000	30,000	30,000	30,000
Prepaid Expense	6,440	6,440	662	1,000	1,000	1,000	1,000	1,000
	314,137	336,001	260,549	447,076	448,367	375,597	451,301	607,540
Prop / Equip								
Comp / Equip	10,357	31,518	32,168	32,168	39,018	42,018	44,018	45,018
Less: depreciation	(2,173)	(4,921)	(10,676)	(16,430)	(23,891)	(30,407)	(35,680)	(38,814)
	8,184	26,597	21,492	15,738	15,127	11,611	8,338	6,204
Total Assets	322,321	362,598	282,041	462,814	463,494	387,208	459,639	613,744
Liabilities								
Accounts Payable	12,621	20,938	1,801	15,820	15,000	15,000	15,000	15,000
Deferred Membership Dues	30,118	35,666	38,309	44,103	44,550	49,500	54,900	60,750
Payroll Taxes Payable	4,176	6,221	5,500	51	5,000	6,000	7,000	7,000
Accrued Wages Payable	14,256	18,896	30,730	24,002	24,000	32,000	42,000	50,000
Unemployment Reserve	4,200	5,400	6,600	7,800	9,000	10,200	11,400	12,600
Total Liabilities	65,371	87,121	82,940	91,776	97,550	112,700	130,300	145,350
Net Assets								
Unrestricted	57,472	62,418	27,114	71,713	72,339	90,339	124,339	173,394
Temporarily Restricted	199,478	213,059	171,987	299,325	293,605	184,169	205,000	295,000
Total Net Assets	256,950	275,477	199,101	371,038	365,944	274,508	329,339	468,394
Liabilities and Net Assets	322,321	362,598	282,041	462,814	463,494	387,208	459,639	613,744
*Actual figures from MNA financial statements.								

Cash Flow Statement (3 Year Historical)

	2008	2009	2010
Cash Flows from Operating Activities			
Revenue received from:			
Membership dues	92,029	98,820	113,478
Sponsorships	44,425	49,225	52,231
Discount product fees	52,058	65,759	73,861
Conference and training fees	54,487	60,270	75,783
Contributed support	167,032	206,820	207,589
Miscellaneous	-	86	-
Interest and Dividends	2,949	1,545	1,026
	412,980	482,525	523,968
Cash payments for:			
Management and general	(60,058)	(67,030)	(76,276)
Fundraising	(4,188)	(10,193)	(11,382)
Program Services	(370,740)	(465,401)	(405,567)
Net cash used for operating activities	(22,006)	(60,099)	(30,743)
Cash Flows from Investing Activities			
Purchase of property and equipment	(21,161)	(650)	-
Net cash used by investing activities	(21,161)	(650)	-
Net Decrease in Cash and Cash Equivalents	(43,167)	(60,749)	30,743
Cash and Cash Equivalents at Beginning of Year	187,641	144,474	83,725
Cash and Cash Equivalents at End of Year	144,474	83,725	114,468
Cash and Cash Equivalents Consist of:			
Cash in checking	24,852	77,944	108,684
Money Market accounts	119,622	5,781	5,784
	144,474	83,725	114,468

XI. Appendices

- Appendix A – Member Benefits (2011)
- Appendix B – Public Policy Agenda
- Appendix C – Organizational Development Framework
- Appendix D – Montana Nonprofit Sector Data
- Appendix E – Membership Map (December 2010)
- Appendix F – Staff Organizational Chart (2014)
- Appendix G – Board of Director Position Description
- Appendix H – Board of Director Roster (2011)

Appendix A - Member Benefits (2011)

MNA is the only professional organization in Montana that serves exclusively 501(c)(3)'s. Members gain access to a wide range of benefits including advocacy efforts, enhanced insurance and discount products, educational trainings, research reports, networking opportunities, and more. A brief summary of member benefits follows:

MNA is your voice and advocate on public policy issues that impact the nonprofit sector

- ✚ State and Federal legislative monitoring, including lobbying when appropriate
- ✚ Public policy updates throughout the year
- ✚ Legislative Alerts regarding policy action
- ✚ Long-term agenda development through MNA's statewide Public Policy Council
- ✚ Ongoing education of elected officials and the general public
- ✚ General advocacy efforts including Nonprofit Day during each Legislative Session

MNA saves you money, lowering administrative costs through group buying programs

- ✚ Major Medical Health Insurance – pooled risk stabilizes premium growth
- ✚ Limited Benefit Health Program – coverage for spouse and dependents
- ✚ Directors & Officers Insurance Program – two year rate lock and enhancements for members
- ✚ Unemployment Insurance Alternative – save up to 50% on your UI costs
- ✚ Property & Casualty Insurance Program – National provider who understands nonprofits
- ✚ Free 2011 membership to NTEN – the Nonprofit Technology Network
- ✚ Discounted Office Supplies – low prices, easy ordering, and free 2-day shipping
- ✚ Teleconferencing service – no reservations, toll free access, and under 4 cents/minute
- ✚ Online Career Center – post jobs for \$36/45 days with 2000+ job views every month
- ✚ Background Checks – save over 70% off regular nonprofit rates

MNA builds leadership and management capacity through organizational development

- ✚ Complimentary copy of Principles and Practices for Nonprofit Excellence in Montana and implementation tools
- ✚ Discount on fees to attend the MNA Annual Conference and other MNA trainings
- ✚ Discount on fees for The University of Montana online Nonprofit Administration Program
- ✚ Monthly Training News, access to the MNA training calendar, and online Principles and Practices resources
- ✚ Answers to technical questions relating to 501(c)(3) organizations
- ✚ Discount on annual subscription to GrantStation database – members pay \$75 rather than \$599 per year
- ✚ Up to 25% off on subscriptions to Nonprofit Quarterly and the Stanford Social Innovation Review.

MNA deepens understanding and builds awareness of nonprofit issues through research

- ✚ Sector Report covering the scale, scope, and economic impact of nonprofits in Montana
- ✚ Montana Nonprofit Wage and Benefit Survey Report
- ✚ Statewide and media advocacy on all trends, issues, and research results
- ✚ Free or reduced rates on all MNA published research reports

MNA connects nonprofit and community leaders through information sharing and networking

- ✚ MNA's monthly eNews – timely news and resources for your organization
- ✚ Referrals to State and Federal agencies, experienced

Appendix B - Public Policy Agenda

The following public policy objectives represent the core focus areas of MNA's public policy agenda and were developed in consultation with MNA membership and the broader Montana nonprofit sector. Specific public policy initiatives and/or legislative strategies will be developed to move forward agenda items. Given the complexity of the issues, the agenda is long term in nature.

Nonprofit Sector Public Awareness Building

- ✚ Educate policy makers and the general public regarding the breadth, scope, and economic importance of the nonprofit sector in Montana and nationally.

Nonprofit Capacity Building

- ✚ Increase funding of the nonprofit sector to expand training, management assistance, and organizational development resources available to Montana nonprofits.

Advocacy and Lobbying Rights

- ✚ Protect the advocacy rights of all 501(c)(3) organizations and strengthen the ability of Montana nonprofits to engage in the public policy arena.

Nonprofit - Government Relations

- ✚ Improve and strengthen the interface between Montana nonprofits and state and federal government agencies and processes.

Workforce Development

- ✚ Expand and strengthen incentives for people to work in the Montana nonprofit sector as professional staff or volunteers.

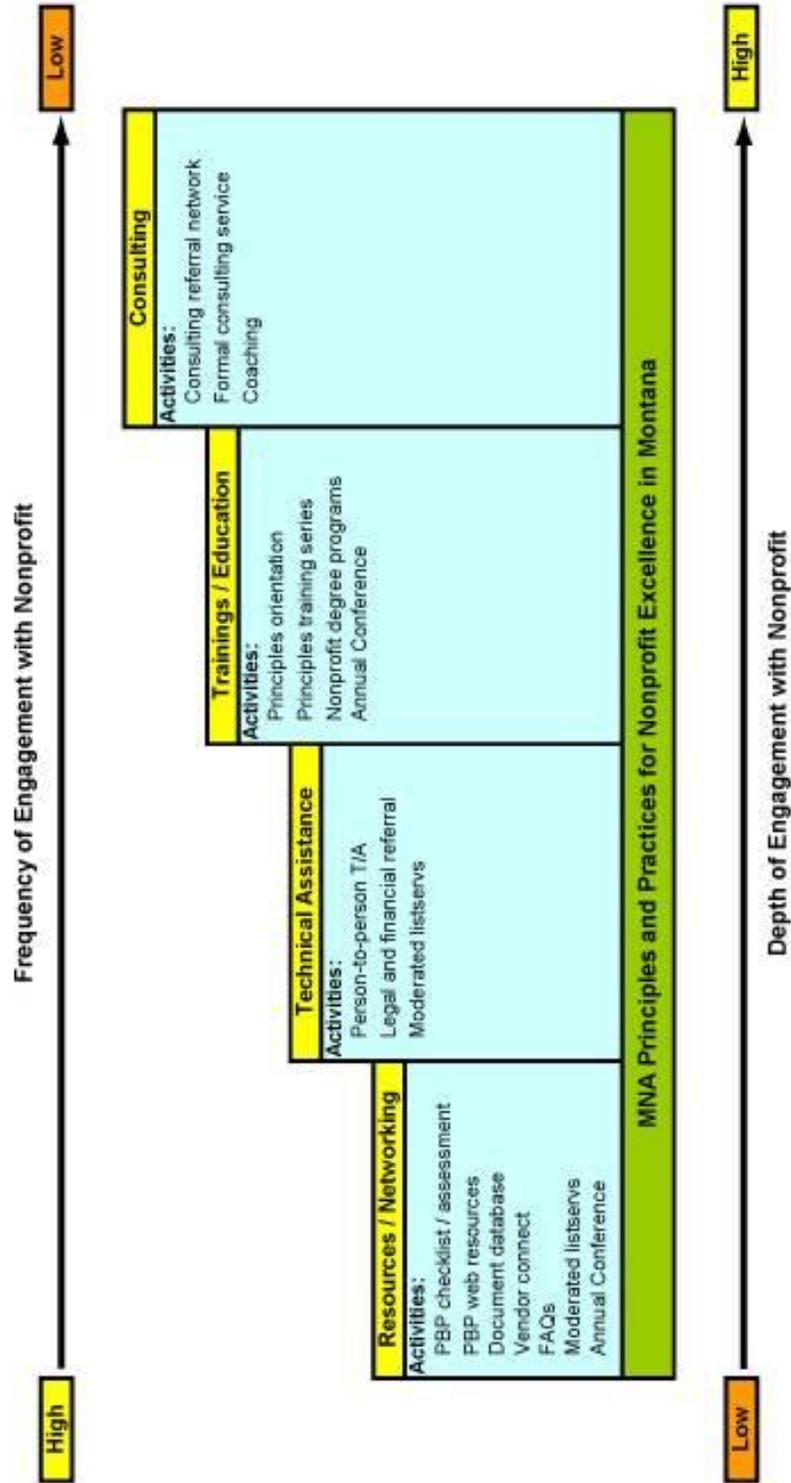
Best Practices and Accountability

- ✚ Enhance the ability of Montana nonprofits to function at the highest levels of integrity, efficiency, and transparency and be accountable to the public they serve.

Charitable Giving

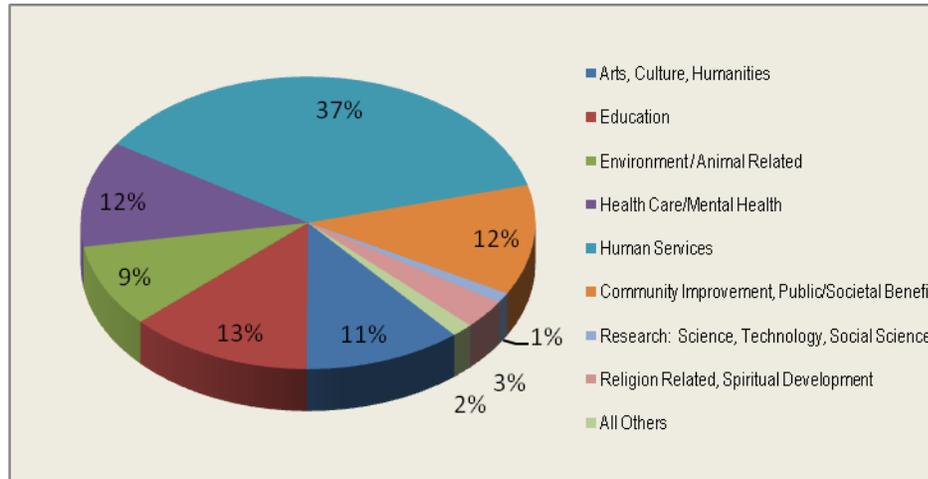
- ✚ Preserve and enact policies that incentivize citizens to donate to Montana charitable organizations.

Appendix C - Organizational Development Framework



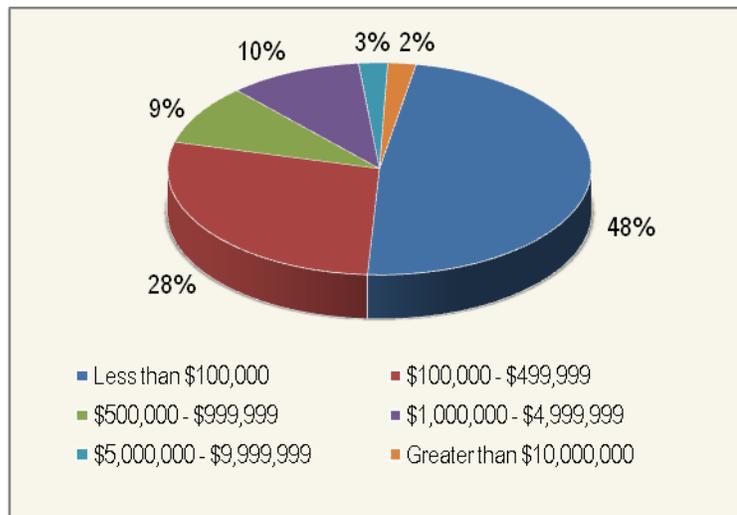
Appendix D - Montana Nonprofit Sector Data

Reporting Charitable Nonprofits by Field, 2008



Sources: NCCS Data Web, National Center for Charitable Statistics, 2010

Reporting Charitable Nonprofits by Expenditure Level, 2008



Sources: NCCS Data Web, National Center for Charitable Statistics, 2010

Appendix D (continued) - Montana Nonprofit Sector Data

Reporting Charitable Nonprofits in Montana by County, 2008

County	Number of Organizations	Expenditures	Assets	County	Number of Organizations	Expenditures	Assets
Beaverhead	21	3,000,204	13,637,266	McCone	3	2,947,938	2,505,491
Big Horn	14	9,658,328	11,809,104	Madison	22	9,204,161	13,415,290
Blaine	10	10,568,550	13,476,987	Meagher	8	4,292,098	8,086,489
Broadwater	3	4,128,681	1,733,755	Mineral	7	6,782,845	3,475,677
Carbon	23	9,509,215	14,868,331	Missoula	253	424,393,016	623,308,302
Carter	2	2,934,583	2,885,023	Musselshell	20	10,352,620	4,045,891
Cascade	131	468,137,374	567,692,405	Park	49	45,058,096	28,578,637
Chouteau	14	5,619,230	9,969,619	Phillips	9	8,008,833	10,188,864
Custer	25	14,888,385	15,812,355	Pondera	13	13,396,026	10,136,929
Daniels	4	5,635,747	5,504,922	Powder River	1	502,357	201,528
Dawson	21	37,180,550	39,393,828	Powell	16	8,624,917	11,316,335
Deer Lodge	18	48,566,931	34,442,358	Prairie	1	12,117	82,548
Fallon	9	7,580,498	10,741,363	Ravalli	76	55,360,125	80,087,087
Fergus	16	29,237,882	39,114,663	Richland	22	41,016,811	75,731,561
Flathead	177	258,990,597	377,931,358	Roosevelt	17	31,445,186	52,314,617
Gallatin	235	259,493,636	616,186,366	Rosebud	12	13,257,070	8,613,057
Garfield	1	1,591,775	1,043,700	Sanders	19	20,117,073	17,828,475
Glacier	20	21,589,985	22,503,165	Sheridan	7	9,939,450	11,529,273
Granite	3	2,020,572	3,747,644	Silver Bow	88	70,742,358	101,425,469
Hill	25	96,097,631	127,292,449	Stillwater	20	6,505,067	8,197,725
Jefferson	13	1,104,898	2,325,664	Sweet Grass	10	464,599	2,433,575
Judith Basin	2	62,464	266,236	Teton	12	2,457,849	3,979,182
Lake	46	76,992,965	101,680,754	Toole	8	4,260,605	4,858,801
Lewis & Clark	190	406,435,857	2,656,044,507	Valley	25	28,673,270	56,095,213
Liberty	6	6,455,785	7,209,083	Wheatland	4	5,256,233	6,841,685
Lincoln	46	33,167,834	32,881,368	Yellowstone	246	671,386,103	958,918,450
				Total	2,043	3,315,106,980	6,834,390,424

SOURCES: NCCS Data Web, National Center for Charitable Statistics, ©2010

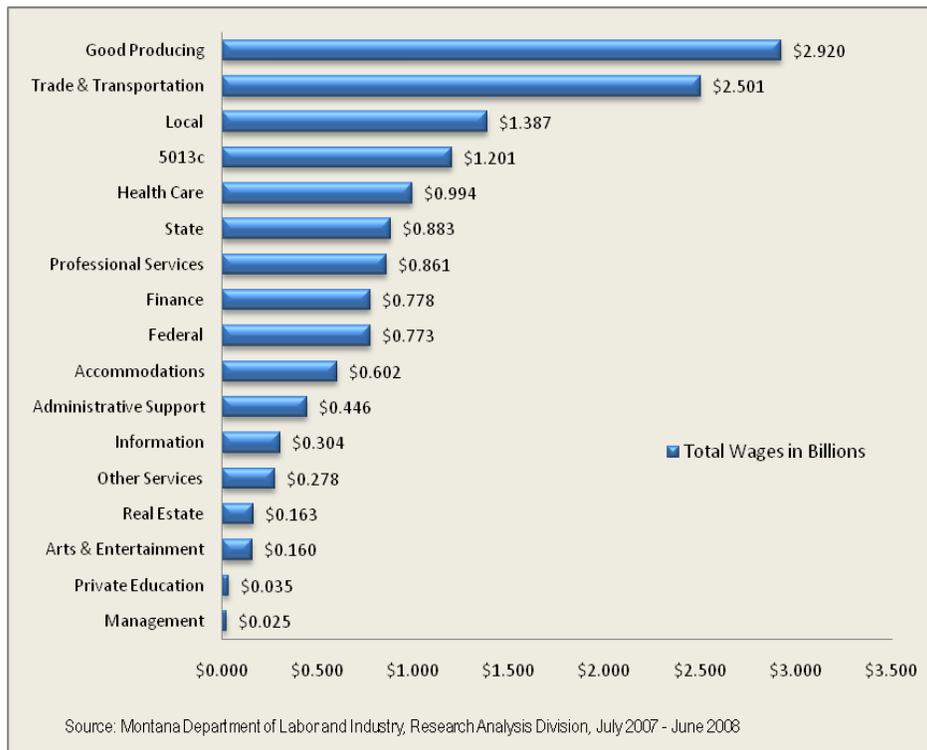
Appendix D (continued) - Montana Nonprofit Sector Data

Nonprofit Wages by County, July 2007 - June 2008

	# of Organizations	Employment	% Total Employment	Total Wages	% Total Wages	Average Wage
Cascade	91	3325	8.4%	\$113,947,074	9.5%	\$34,270
Custer	14	172	0.4%	\$3,366,740	0.3%	\$19,574
Flathead	111	2988	7.5%	\$94,568,041	7.9%	\$31,649
Gallatin	159	1198	3.0%	\$28,324,294	2.4%	\$23,643
Hill	24	816	2.1%	\$27,057,652	2.3%	\$33,159
Lake	32	165	0.4%	\$2,934,550	0.2%	\$17,785
Lewis and Clark	114	3117	7.9%	\$102,528,680	8.5%	\$32,893
Lincoln	32	276	0.7%	\$5,296,005	0.4%	\$19,188
Missoula	195	4021	10.1%	\$111,222,524	9.3%	\$27,660
Park	32	548	1.4%	\$19,113,850	1.6%	\$34,879
Ravalli	43	735	1.9%	\$21,403,529	1.8%	\$29,120
Silver Bow	44	699	1.8%	\$17,759,498	1.5%	\$25,407
Valley	13	441	1.1%	\$14,129,467	1.2%	\$32,040
Yellowstone	150	6531	16.5%	\$271,105,025	22.6%	\$41,510
Balance of State	384	14609	36.9%	\$368,023,478	30.6%	\$25,192
Total	1438	39641	100.0%	\$1,200,780,407	100.0%	\$30,291

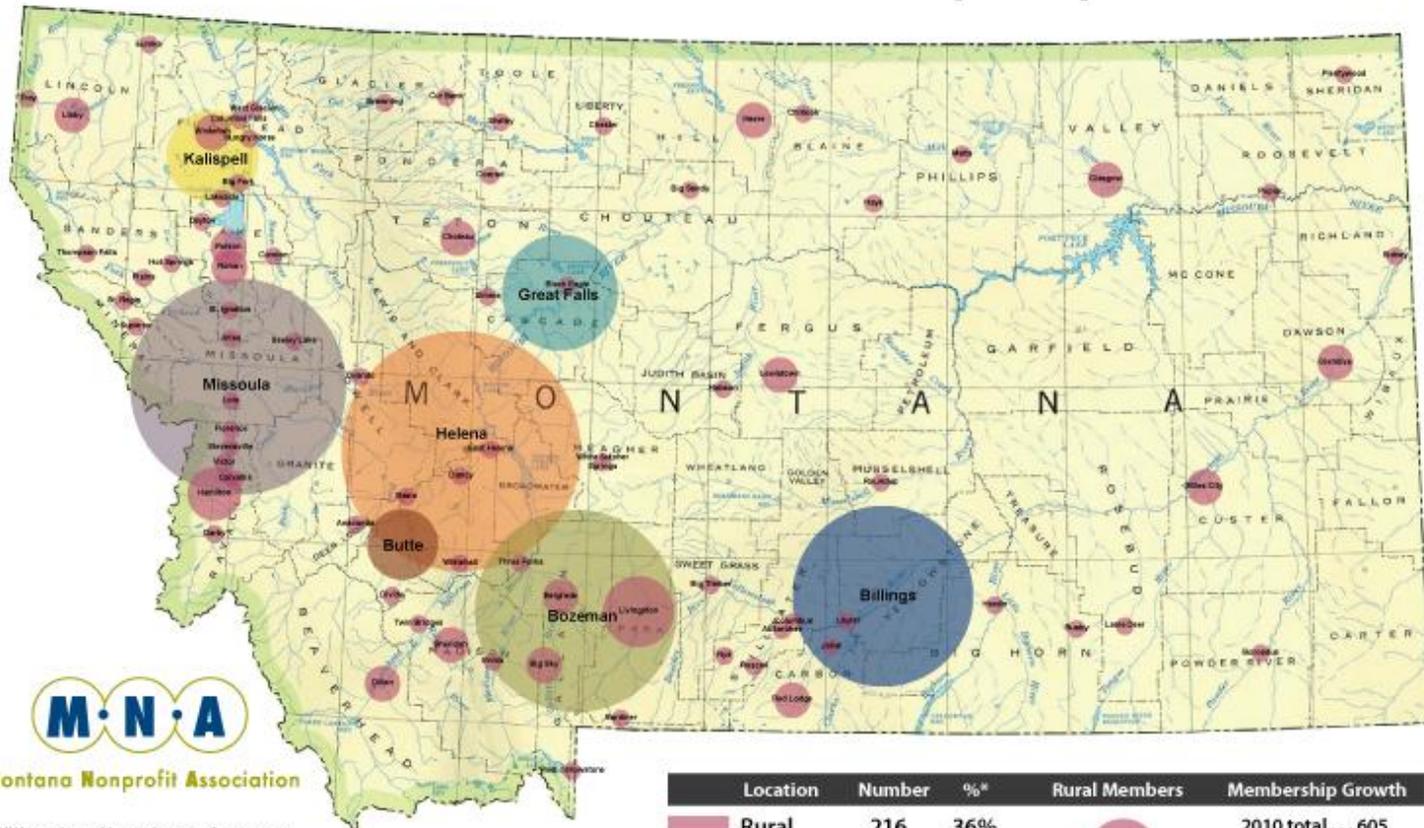
Source: Montana Department of Labor and Industry, Research and Analysis Division, July 2007-June 2008

Total Wages in Billions by Industry, July 2007 - June 2008



Appendix E - Membership Map

2010 MNA Membership Map



Montana Nonprofit Association

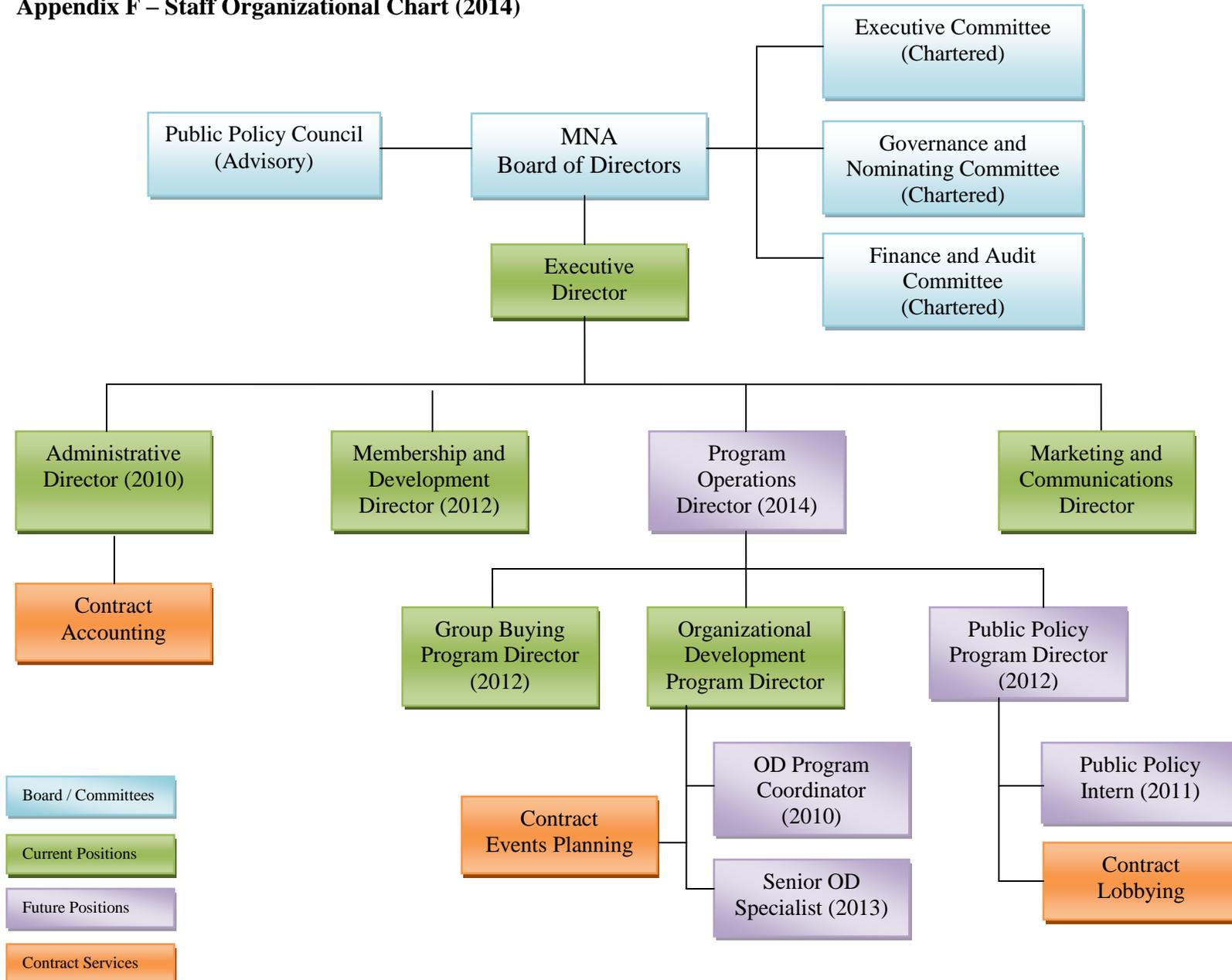
MNA members address a diversity of missions as large as our state and can be found in almost every county in Montana. Membership has tripled since 2004, with significant growth in rural areas.

MNA promotes a stronger nonprofit sector in Montana through public policy, affordable products and services, organizational development, research and information sharing, and network building.

Location	Number	%*	Rural Members	Membership Growth
Rural	216	36%	16-20	2010 total ... 605 2010 new ... 102 Retention ... 90%
Helena	94	16%		
Missoula	82	14%		
Bozeman	70	12%	10-15	2009 total ... 558 2008 total ... 528
Billings	64	11%		2007 total ... 481
Great Falls	35	6%	4-9	2006 total ... 381
Kalispell	26	4%		2005 total ... 272
Butte	18	3%	1-3	2004 total ... 191

*percentages are rounded up

Appendix F – Staff Organizational Chart (2014)



Appendix G – Board of Director Position Description

The mission of the Montana Nonprofit Association is to strengthen the leadership, skills effectiveness, and efficiency of Montana’s nonprofits; enabling them to further enrich the quality of community and personal life in Montana.

Responsibilities:

1. Approve the organization’s mission and review management’s performance in achieving it.
2. Responsible for strategic and long range planning. Annually assess the ever- changing environment and approve the organization’s strategy to be responsive.
3. Fiscally responsible for the organization: Annually review and approve the organizations funding plans, financial goals and budget.
4. Establish agency policies.
5. Make attendance at board of director meetings a priority. Notify board chair of any necessary absences. May be removed from the Board of Directors for missing two or more meetings in a year.
6. Serve on at least one committee.
7. Assist with membership recruitment as needed.
8. Make a personal donation at a meaningful level.
9. Assist with fundraising as deemed appropriate.

Organization:

1. Approve appropriate compensation and benefit policies and practices.
2. Elect, monitor, appraise, advise, stimulate, support, reward, and if deemed necessary or desirable, change top management. Regularly discuss with the chief executive matters that are of concern to that person or to the board.
3. Annually approve the performance review of the executive director and establish compensation based on recommendations of the executive committee and board chair.
4. Be assured that management succession is properly planned.
5. Be assured that the organizational strength and employee base can substantiate long-range goals.
6. Propose a slate of prospective board members to current members and fill vacancies as needed.
7. Determine eligibility for, and appoint members to board committees in response to recommendations of the executive committee.
8. Annually review the performance of the board, (including its composition, organization, and responsibilities), and take steps to improve its performance.

Operations:

1. Review results achieved by management compared with the organization’s mission and annual and long- range goals. Compare the organization’s performance to that of similar institutions.

2. Be certain that the financial structure of the organization will adequately support its current needs and long- range strategy.
3. Provide candid and constructive criticism, advice, and comments.
4. Approve major actions of the organization such as capital expenditures on all projects over authorized limits and major changes in programs and services.

Audit:

1. Ensure that the board and its committees are adequately informed of the financial condition of the organization and its operations through reports or any appropriate method.
2. Ensure that published reports properly reflect the operating results and financial condition of the agency.
3. Ensure that management has established appropriate policies to define and identify conflicts of interest throughout the agency and is diligent in its administration and enforcement of those policies.

Other:

1. Time commitment required: Approximately 4 to 8 hours a month
2. Must be at least 18 years of age
3. Must represent a member organization or be a member in good standing of the Montana Nonprofit Association or other membership classification duly created by the Board of Directors

Appendix H – Board of Directors Roster (2011)

Chair

Judy Held

President
Benefis Healthcare Foundation
Great Falls, MT

Pete MacFadyen

Executive Director
Big Sky Youth Empowerment
Bozeman, MT

Vice Chair

Jono McKinney

President / CEO
Montana Conservation Corps
Bozeman, MT

Brodie Moll

CEO
Mission Mountain Enterprises
Ronan, MT

Treasurer

Bruce Day

Executive Director
Rural Employment Opportunities
Helena, MT

Sheila Rice

Executive Director
NeighborWorks Montana
Great Falls, MT

Secretary

Marcia Eidel

Development Director
Archie Bray Foundation
Helena, MT

Jim Soft

President / CEO
Yellowstone Boys and Girls Ranch
Foundation
Billings, MT

Immediate Past Chair

Ned Cooney

Consultant
Ascent Strategic Development
Big Fork, MT

Paul Tuss

Executive Director
Bear Paw Development Corporation
Havre, MT

Russ Cargo

Principal
Third Sector Services, LLC
Helena, MT

Andrea Davis

Executive Director
homeWORD
Missoula, MT

Sue Herman

Financial Director
Missoula Children's Theatre
Missoula, MT