



# BUILDING BUSINESS DISTRICT CAPACITY TO BUILD A HEALTHY economy



# Portland's Economic Development Strategy, 2009

Thriving Neighborhood Business  
Districts are a Critical Component of a  
Thriving City



# Portland Plan, 2010

Economic Prosperity and Affordability  
Require Neighborhood Business Vitality

Vibrant Neighborhood Centers create a  
Healthy Connected City



# Neighborhood Economic Development Strategy, 2011

5 Year Goal: 80% of Portland's Neighborhood Business Associations Successfully Contribute to a Strong Neighborhood Economy.

Measurements of Success:

- Organizational and Financial Health of Association
- Neighborhood Vacancy Rates
- Overall Economic Health of the District



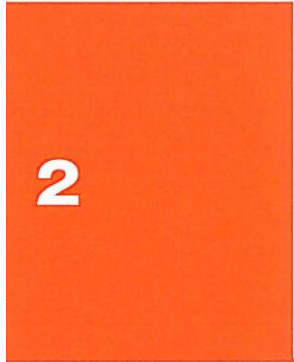
**Business District  
Corporate Documents Binder**  
Table of Contents

(Acquire 3-ring binder and  
sheet protectors to hold  
corporate documents)



**Corporate Records and Filings**

Articles of Incorporation  
Bylaws  
IRS Tax Status Letter (Federal)  
990 Tax Return (Federal)  
Annual Report (State)



**Insurance**

General Liability  
Directors & Officers (D&O)



**Members/Supporters and Board**

Members/Supporters  
Board  
Corporate Calendar  
Policies  
Completed Annual Check-Up™



**Operations**

Workplan  
Grants  
Contracts/Leases  
Permits  
Personnel  
Secure Information  
Current Benchmarking Success™



**Finances**

Annual Budget  
Bank Accounts  
Account Signers  
Annual Financial Review  
Policies

Presented by Venture Portland  
Dr. Doctor Give Me the News:  
Is Your Business District Healthy?  
Capacity Building Training  
5/8/13

## Corporate Records and Filings: Tab 1

# ARTICLES OF INCORPORATION

A legal document filed with the state to create a corporation. Nonprofit Articles contain the organization's basic information (name, registered agent, office address, etc.) and tax exemption information.

### Questions?

503.477.9648 / [laura@ventuerportland.org](mailto:laura@ventuerportland.org)







# GOT (GOOD) BYLAWS?

- Are your Bylaws up-to-date with your Articles of Incorporation, operations and current technology?
- Are your bylaws consistent with Oregon law?
- Are you in compliance with your bylaws?
- Do you know what your bylaws say?

If you said “no” or “I don’t know” to any of the above questions, we can help.

**Call Venture Portland’s bylaws helpline before you call a lawyer.**

503.477.9648



## Corporate Records and Filings: Tab 1

# IRS DETERMINATION LETTER/ EMPLOYER IDENTIFICATION NUMBER (EIN)

Business district Associations should become exempt under Section 501(c) of the internal Revenue code by applying for recognition of exemption. An IRS determination letter outlines the tax exempt status. According to the IRS, Every organization must have an Employer identification number (EIN) to incorporate, open a bank account and file tax forms, even if it will not have employees. The unique employer identification number identifies the organization to the Internal Revenue Service.

### Questions?

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## Corporate Records and Filings: Tab 1

# 990 TAX RETURN (FEDERAL)

Federally tax exempt organizations must file a 990 annually. Failure to do so may result in loss of tax exempt status. Filing date is the '15<sup>th</sup> day of the 5<sup>th</sup> month after' organization's fiscal year ends. Organizations that do not have federal tax exemption may be taxed at the highest corporate rate.

### Questions?

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# DIRECTORS & OFFICERS INSURANCE POLICY

Directors and Officers (D&O) insurance protects board members by covering damages or defense costs as a result of a lawsuit for alleged wrongful acts while acting in their capacity as directors and officers for the organization. Corporate indemnification policies only provide protection if the corporation has assets or insurance to cover expenses when indemnification is needed.

## Questions?

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## Members/Supporters and Board: Tab 3

# CURRENT BOARD

Organizations must maintain an accurate list of Board members. Produce a public list on letterhead and an internal list that includes contact information, terms and officer or committee information.

Board member roles and responsibilities should be clearly defined.

## Questions?

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## Members/Supporters and Board: Tab 3

# CORPORATE CALENDAR

A key component of successful governance is a corporate calendar. This document highlights critical corporate actions that occur each year and identifies the people (Board, Committee, Staff, Consultant, etc) responsible for implementation and oversight.

## Questions?

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# VENTURE PORTLAND

## Corporate Calendar January-December

Month	Activity	Responsible
January • <i>Start of Venture Portland membership year</i>	<ul style="list-style-type: none"> <li>• Venture Portland membership drive</li> <li>• Mid-year PDC report due</li> <li>• Annual Report to Secretary of State</li> </ul>	Staff Staff/Executive Staff
February	<ul style="list-style-type: none"> <li>• Board Summit</li> <li>• Announce Spring/Summer Grants</li> <li>• Board Recruitment</li> </ul>	Staff/Executive Staff Staff/Nominating
March	<ul style="list-style-type: none"> <li>• Fall/Winter Grant Reports due</li> <li>• Spring/Summer Grant Application review</li> <li>• Board/Officer Recruitment</li> </ul>	Grantees Staff/Grants Staff/Nominating
April	<ul style="list-style-type: none"> <li>• Start negotiating future-year PDC contract</li> <li>• Venture Portland Annual Membership Meeting</li> <li>• New Venture Portland Board elected</li> <li>• Award Spring/Summer Grants</li> <li>• Quarterly PDC report due</li> <li>• Draft work plan/budget created</li> </ul>	Staff; PDC Staff Staff/Executive Board/Membership Staff/Grants Staff/Executive Staff/Executive/Finance
May	<ul style="list-style-type: none"> <li>• Venture Portland Board Orientation</li> <li>• Venture Portland Officer Elections</li> <li>• Draft work plan/budget presented</li> <li>• Continue negotiating future-year PDC contract</li> </ul>	Staff/Executive Staff/Nominating/Board Staff/Board Staff; PDC Staff
June	<ul style="list-style-type: none"> <li>• Year-end work plan review</li> <li>• Final work plan/budget approved</li> <li>• Finalize future-year PDC contract</li> </ul>	Staff Board Staff/Executive; PDC Staff
July • <i>Start of Venture Portland fiscal year</i>	<ul style="list-style-type: none"> <li>• Year-end PDC report due</li> <li>• Annual Review of ED</li> <li>• Insurance Reviews</li> </ul>	Staff/Executive Executive Board
August		
September	<ul style="list-style-type: none"> <li>• Announce Fall/Winter Grants</li> <li>• Spring/Summer Grant Reports Due</li> <li>• Insurance renewal</li> <li>• Financial Review</li> </ul>	Staff Grantees Staff Staff/Finance; CPA
October	<ul style="list-style-type: none"> <li>• Fall/Winter Grant Application review</li> <li>• Quarterly PDC report due</li> </ul>	Staff/Grants Staff/Executive
November	<ul style="list-style-type: none"> <li>• File taxes</li> <li>• Award Fall/Winter Grants</li> </ul>	Staff; CPA Staff/Grants
December	<ul style="list-style-type: none"> <li>• Mid-year work plan review</li> <li>• Venture Portland membership drive</li> <li>• Venture Portland holiday card</li> </ul>	Staff/Executive Staff Staff/Board

Approved 7/28/10; updated 11/8/10 to reflect 7/1-6/30 fiscal year.

## Members/Supporters and Board: Tab 3

# GOVERNANCE POLICIES

Policies, including Anti-Harassment, Anti-Discrimination, Confidentiality, Conflict of Interest, Electronic Communications, Records Retention & Destruction and Whistleblower, provide governance guidance to nonprofit organizations. Policies should be approved annually.

## Questions?

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# IS YOUR BUSINESS DISTRICT HEALTHY?

## BUSINESS ASSOCIATION management

Good Governance is Good Business

- Protect and maintain institutional knowledge
- Ensure smooth leadership transitions
- Instill compliance and professionalism
- Successfully manage conflict and crisis

Click on link below to complete the

[Business District Annual Check-Up™](#)





**BUSINESS DISTRICT Work Plan  
2013-2014**

<b>TASK</b>	<b>RESPONSIBLE</b>	<b>VALUE</b>	<b>COST</b>
<b>Serve Members/Grow Economy</b>			
Take advantage of Venture Portland trainings; fund 2 members at each.	Board, Venture Portland Delegate	Strengthen business district capacity. Respond to training needs/ requests.	Budgeted (Member Meetings/Networking)
Take advantage of Venture Portland advocacy alerts/information. Share with members. Provide timely feedback for advocacy/information requests.	Board, Venture Portland Delegate	Strengthen advocacy capacity. Provide critical/timely information and resources to members.	
Host quarterly networking events; ensure at least 25 attendees at each.	Board	Connect members. Engage prospects. Highlight successes and membership ROI. Identify new leaders.	Budgeted (Member Meetings/Networking)
Facilitate annual Interest Group discussions. <ul style="list-style-type: none"> <li>• Food and Beverage</li> <li>• Retail</li> <li>• Services</li> <li>• Property Owners</li> </ul>	Board	Create sense of community. Target services/information to appropriate audience; tailor services to needs. Ensure consistent communication with stakeholders. Identify new leaders.	Budgeted (Member Meetings/Networking)
Apply for Venture Portland grants; secure at least \$2000 in funding. Manage grant funds; ensure grant compliance.	President, Treasurer, Grant Coordinator, Venture Portland Delegate		Budgeted (Grant Projects)
<b>Promote and Market District</b>			
Tell the story of business district value. Strengthen district identity and relevance.	Board, Marketing Committee	Explain value and impact of district and neighborhood economic development.	Budgeted (Marketing/Design; Advertising/Website)
Take advantage of Venture Portland annual marketing campaigns: <ul style="list-style-type: none"> <li>• Small Business Week</li> <li>• Summer Local</li> <li>• Localize the Season</li> </ul> Increase awareness of association, district, businesses and events.	Board, Marketing Committee, Venture Portland Delegate	Increase organization visibility. Improve positioning of businesses and district; increase visibility. Recognize and honor members.	Budgeted (Marketing/Design; Advertising/Website)
Maintain website: update member list, seasonal calendar, news.	Board, Marketing Committee	Drive visitors to district; create member marketing opportunities.	Budgeted (Advertising/Website)
Take advantage of Venture Portland social media content; post consistently; increase followers 50%. Control brand; increase relevance. Coordinate with members' electronic assets.	Board, Marketing Committee, Venture Portland Delegate	Promote district, businesses and events; increase traffic to district. Provide consistent, rich content for members. Increase supporters.	Budgeted (Advertising/Website)

**BUSINESS DISTRICT Work Plan  
2013-2014**

<b>TASK</b>	<b>RESPONSIBLE</b>	<b>VALUE</b>	<b>COST</b>
Produce newsletter to highlight district businesses, events and successes. Take advantage of Venture Portland content.	Board, Marketing Committee, Venture Portland Delegate	Increase communication, community, marketing opportunities and customers. Strengthen brand.	Budgeted (Advertising/Website)
Host major events: <ul style="list-style-type: none"> <li>• Signature annual event</li> <li>• Holiday</li> <li>• Spring/Fall</li> </ul> Secure sponsors. Promote district.	Board, Event Committee, Event Coordinator	Increase customers. Raise critical funds. Create member marketing opportunities. Strengthen brand.	Budgeted (Events)
<b>Strengthen Business Association</b>			
Renew Venture Portland membership. Support Delegate's dual role.	Board, Venture Portland Delegate	Ensure access to benefits.	Budgeted (Dues)
Host 6 Board meetings and annual Membership meeting. Ensure smooth governance transition; host Orientation for new Board. Ensure structure maintains Board and member engagement.	Board	Ensure organization's policy and fiduciary oversight. Provide networking opportunities. Continue successful communication vehicle. Develop new leaders; prevent burnout.	Budgeted (Member Meetings/Networking)
Complete annual 'Check-Up'; utilize Venture Portland best practice resources. Ensure appropriate infrastructure (insurance, policies, internal controls).	Board, Committees, Venture Portland Delegate	Ensure operational oversight and infrastructure excellence. Accurately track and report revenue and use of funds. Maintain internal controls and financial management transparency.	Budgeted (Insurance; Postage & Delivery; Professional Services: Accounting)
Submit Annual Report (Oregon) and 990 tax return (Federal).	Board, CPA, Treasurer	Ensure Venture Portland eligibility.	Budgeted (Professional Services: Accounting; Licenses/Fees/Permits)
Visit each business 1-4 times. Serve as a communication liaison for businesses.	Board	Provide information. Solicit feedback. Connect stakeholders. Increase awareness of services and benefits.	Budgeted (Personnel; Travel)
Facilitate annual membership campaign. Retain 90% of current members. Establish realistic new member goals. Maintain member tracking systems.	Board, Membership Coordinator	Raise operational funds. Engage new/lapsed businesses; track members. Strengthen association with increased business representation/participation.	Budgeted (Personnel; Postage and Delivery)
Increase data tracking for analysis and member ROI reporting. Plan, track and achieve 'benchmarks'. Manage contacts; use segmentation/distribution groups.	Board	Produce reports for members and funders; clearly articulate association value. Ensure services responsive to member needs. Streamline and professionalize communication.	Budgeted (Personnel)
Take advantage of Venture Portland Celebrate the City auction; submit package, sell tickets.	Board, Venture Portland Delegate	Promote district brand and businesses. Raise operational funds. Celebrate.	Budgeted (Events)





Corporate Documents Binder  
**Operations: Tab 4**

# **PERMITS**

## **(DISTRICT EVENTS, BANNERS, ETC.)**

**Questions?**

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Corporate Documents Binder  
**Operations: Tab 4**

# PERSONNEL

Employers are legally required to maintain employment records including letters of hire, contracts, personnel documents, evaluations, compensation and tax information, etc. A staff contact list, including emergency contact and personal contact information is also recommended.

## Questions?

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Corporate Documents Binder  
**Operations: Tab 4**

# SECURE INFORMATION

Protect and ensure access to all secure account numbers, log-ins and passwords (bank, website, social media, payroll, accounting, on-line bills, subscriptions, file-sharing service, analytics, office technology/equipment, etc.)

## Questions?

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# IS YOUR BUSINESS DISTRICT HEALTHY?

## BUSINESS DISTRICT management

### Benchmarking for Better Business

- Emphasis on member service and neighborhood economic development
- Mini-strategic plans support year-over-year growth
- Tracking and reporting show results
- Strengthen track record of achievement

Click on link below to complete the

[Benchmarking Success](#)<sup>™</sup> form



# ANNUAL BUDGET

A key component of generally accepted accounting principles (GAAP)/internal controls is an annual budget, approved by the Board of Directors. The budget, created in conjunction with the annual work plan, supports organizational priorities, enables operational decisions, and sets the framework for financial reporting and oversight.

## Questions?

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## Business District FY 12-13 Budget

APPROVED 6/1/12

Board should approve budget annually; may approve revised budget at mid-year or if significant financial change

Historic budget and actual expenses inform future budgets

Chart of Accounts: Income

Chart of Accounts: Program

Chart of Accounts: Admin

		<u>FY 11-12 Budget</u>	<u>FY 11-12 Actuals</u>	<u>FY 12-13 Budget</u>
<b>Ordinary Income Expense</b>				
<b>Income</b>				
41000	Membership Dues	10,000	9,900	9,000
42000	Event Sponsors/Fundraisers	7,000	6,225	6,500
43000	Event Vendor Fees	5,000	3,575	4,000
44000	Grants	5,000	1,000	2,500
45000	Advertising Income	4,000	3,300	3,500
	<b>Total Income</b>	<u>31,000</u>	<u>24,000</u>	<u>25,500</u>
<b>Expense</b>				
<b>PROGRAM</b>				
60200	Member Meetings/Networking	1,200	1,101	1,100
60300	Grant Projects	5,000	675	2,000
60400	Marketing/Design	750	581	600
60500	Events (Street Fair, Holiday, etc.)	10,000	10,369	10,000
60600	Advertising/Website	4,000	2,974	3,000
	<b>TOTAL PROGRAM</b>	<u>20,950</u>	<u>15,700</u>	<u>16,700</u>
<b>ADMINISTRATION</b>				
72000	Personnel	3,200	2,895	2,725
73200	Professional Services	1,720	1,284	1,300
73210	IT Support	500	354	400
73220	Legal Fees	500	220	300
73230	Accounting (include Filing of 990)	720	710	800
74000	Insurance (Liability, D&O)	1,000	1,667	1,700
75000	Postage & Delivery (include PO box)	1,000	266	300
76000	Printing & Reproduction	1,000	815	900
77000	Licenses/Fees/Permits (include Filing of Annual Report)	300	50	75
78000	Dues (Venture Portland, etc.)	750	480	500
	<b>TOTAL ADMINISTRATION</b>	<u>8,970</u>	<u>8,167</u>	<u>7,500</u>
	<b>Total Expense</b>	<u>29,920</u>	<u>23,867</u>	<u>24,200</u>
	<b>Net Ordinary Income</b>	<u>1,080</u>	<u>133</u>	<u>1,300</u>

Personnel: Executive Director, Independent Contractor, etc.

Profit: Could fund reserves (3-months of operating expenses), or future member services, events, capitol improvements, etc.







