



Dr. Doctor – Give Me the News Is Your Business District Healthy?

Courtside Lounge, Rose Garden Arena

12-1:30pm

Is your business district in shape? Would your infrastructure receive a clean bill of health so you can provide the economic development services your business district needs to grow and thrive? Attend **Dr. Doctor Give Me the News: Is Your Business District Healthy?** for a quick governance warm-up to help you focus on exercising your economic development muscles.

Attendees receive a **Business District Corporate Documents Binder** to organize and safely keep everything you need to ensure continued nonprofit legal compliance including the **Business District Annual Check-Up™** and **Benchmarking Success™** to ensure your association and district's good health.

Led by Heather Hoell and Laura Becker, May 8, 2013

ventureportland.org

503.477.9648 | 503.477.9641 fax

240 N. Broadway, Suite 127 Portland, OR 97227

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



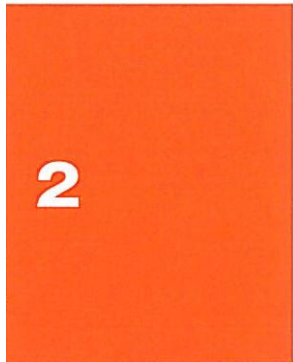
**Business District
Corporate Documents Binder**
Table of Contents

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



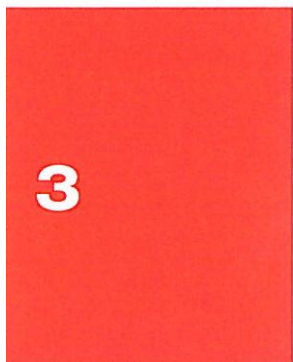
Corporate Records and Filings

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



Corporate Records and Filings: Tab 1

BYLAWS

The rules and regulations enacted by an association or a corporation to provide a framework for its operation and management. Bylaws may specify the qualifications, rights, and liabilities of membership, and the powers, duties, and grounds for the dissolution of an organization. Bylaws generally provide for meetings, elections of a board of directors and officers, filling vacancies, notices, types and duties of officers, committees, assessments and other routine conduct. Bylaws are, in effect a contract among members, and must be formally adopted and/or amended.

Questions?

503.477.9648 / 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?

503.477.9648 / laura@ventuerportland.org



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 '15th day of the 5th month after' organization's fiscal year ends. Organizations that do not have federal tax exemption may be taxed at the highest corporate rate.

Questions?

503.477.9648 / laura@ventuerportland.org



Corporate Records and Filings: Tab 1

ANNUAL REPORT (STATE)

Oregon nonprofits must file an annual report with the state each year on the anniversary date of incorporation; \$50 fee. Failure to file will result in administrative dissolution of the corporation by the state.

Questions?

503.477.9648 / laura@ventuerportland.org



GENERAL LIABILITY INSURANCE POLICY

Liability insurance reduces business district risk exposure and enables business districts to implement activities and district enhancements without acquiring additional insurance certificates (most policies include free or very low cost event certificates). Liability insurance is required to close streets, hang banners/baskets, rent space, etc.

Questions?

503.477.9648 / laura@ventuerportland.org



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?

503.477.9648 / laura@ventuerportland.org



Members/Supporters and Board: Tab 3

MEMBERS & BENEFITS (ALSO SUPPORTERS/DONORS)

Organizations must maintain accurate lists of members/supporters and donors. Produce a public list on letterhead and an internal list that includes contact information, terms and renewal dates.

Member/supporter benefits should be clearly defined and quantifiable. Organizations should track benefit delivery and provide an annual report to members/supporters.

Questions?

503.477.9648 / laura@ventuerportland.org



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?

503.477.9648 / laura@ventuerportland.org



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?

503.477.9648 / laura@ventuerportland.org



VENTURE PORTLAND

Corporate Calendar January-December

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

503.477.9648 /

laura@ventuerportland.org



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™](#)



Corporate Documents Binder
Operations: Tab 4

ANNUAL WORK PLAN

A key component of successful governance is an annual work plan, approved by the Board of Directors. The work plan, created in conjunction with the annual budget, supports organizational priorities, enables operational decisions, and sets the framework for program and membership benefit reporting.

Questions?

503.477.9648 / laura@ventuerportland.org



**BUSINESS DISTRICT Work Plan
2013-2014**

TASK	RESPONSIBLE	VALUE	COST
Serve Members/Grow Economy			
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"> • Food and Beverage • Retail • Services • Property Owners 	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)
Promote and Market District			
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"> • Small Business Week • Summer Local • Localize the Season 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**

TASK	RESPONSIBLE	VALUE	COST
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"> • Signature annual event • Holiday • Spring/Fall Secure sponsors. Promote district.	Board, Event Committee, Event Coordinator	Increase customers. Raise critical funds. Create member marketing opportunities. Strengthen brand.	Budgeted (Events)
Strengthen Business Association			
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)

GRANTS

CONTRACTS

Leases

Maintain records of all grants received, contracts signed for services or equipment as well as all leases for space or equipment to track contractual and financial obligations.

Questions?

503.477.9648 / laura@ventuerportland.org



Corporate Documents Binder
Operations: Tab 4

PERMITS

(DISTRICT EVENTS, BANNERS, ETC.)

Questions?

503.477.9648 / laura@ventuerportland.org



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?

503.477.9648 / laura@ventuerportland.org



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?

503.477.9648 / laura@ventuerportland.org



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™](#) 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?

503.477.9648 / laura@ventuerportland.org



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</u> <u>Budget</u>	<u>FY 11-12</u> <u>Actuals</u>	<u>FY 12-13</u> <u>Budget</u>
Ordinary Income Expense				
Income				
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
	Total Income	<u>31,000</u>	<u>24,000</u>	<u>25,500</u>
Expense				
PROGRAM				
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
	TOTAL PROGRAM	<u>20,950</u>	<u>15,700</u>	<u>16,700</u>
ADMINISTRATION				
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
	TOTAL ADMINISTRATION	<u>8,970</u>	<u>8,167</u>	<u>7,500</u>
	Total Expense	<u>29,920</u>	<u>23,867</u>	<u>24,200</u>
	Net Ordinary Income	<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.

BANK ACCOUNT INFORMATION (SIGNERS, STATEMENTS, ETC.)

Questions?

503.477.9648 / laura@ventuerportland.org



FINANCIAL REVIEW

An annual external financial review (or audit), performed by a certified public accountant (CPA), is an important component of internal controls. The review provides feedback on the organization's use of generally accepted accounting principles (GAAP) and financial statements.

Questions?

503.477.9648 / laura@ventuerportland.org



FINANCIAL POLICIES

To ensure appropriate financial oversight, especially in small organizations, it is critical to have policies detailing internal controls in line with generally accepted accounting principles (GAAP). Additional policies detailing financial reserves, investments, credit, etc. are also important.

Questions?

503.477.9648 / laura@ventuerportland.org

