

Leadership Workshop

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What to look for in a leader...

- 1. Know your organization!**
2. Listens
3. Communicates
4. Pro-active not reactive
5. Resourceful, open to change
6. Delegates
7. Consistency
8. Character, integrity, respect

Leadership Tidbits...

There are three types of knowledge:

- Things you **know you know**
- Things you **know you don't know**
- Things you **don't know you don't know!**



Who are we...Where do we fit?

National Garden Clubs, Inc. (NGC)



- ◆ 50 states & National Capitol Area
- ◆ 6000 clubs (200,000+ members)
- ◆ 70 National Affiliate member organizations
- ◆ 300 International Affiliate member organizations

NGC divided into 8 regions

Pacific Region

Washington **A**rizona **C**alifornia **O**regon **N**evada **I**daho Alaska **H**awaii



WACONIAH

official publication of the pacific Region

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California Garden Clubs, Inc.

- ▶ 21,346 members
- ▶ 277 garden clubs
- ▶ 54 associate plant societies
- ▶ 2 (CGCI) affiliates
- ▶ 28 geographical districts (2 are inactive)

Orange County

- ▶ 1789 members, 26 clubs

Palms to Pines

- ▶ 1103 members, 12 clubs, 1 affiliate

Palomar District

- ▶ 2450 members, 23 clubs, 3 affiliates



YOUR organization

What do we have in common?

- ★ Most clubs have a similar objective: To create and promote interest in horticulture, floral and landscape design, plant and bird life and to encourage civic and environmental responsibility.
- ★ But we are all also non-profit organizations

What is a non-profit organization?

- ★ A **non-profit organization** (NPO or not-for-profit organization) is an organization that ***does not distribute its surplus funds to owners or shareholders, but instead uses them to help pursue its goals.*** Examples include charities (i.e. charitable organizations) and public arts organizations.
- ★ It does **not issue stock or dividends** to directors or shareholders

So true...So false...

Can a non-profit earn “profits”?

★ **SO TRUE**...more accurately called a “surplus”, such earnings must be retained by the organization for its self-preservation, support of its objectives, expansion and future plans

Must a non-profit “spend” its surplus?

★ **SO FALSE**...NPOs can keep ANY/ALL funds to use in future. Many universities and foundations have large endowments to carry out their charitable missions

- ◆ Bill & Melinda Gates Foundation - \$37.1 billion
- ◆ Ford Foundation - \$13.8 billion
- ◆ Harvard University - \$31.7 billion



Are all non-profits “tax exempt”?



Not necessarily... To be tax-exempt under one of the 7 sections of the Internal Revenue Code 501(c), an organization must be organized and operated exclusively for exempt purposes* and none of its earnings may inure to any private shareholder or individual.

- ◆ *Garden clubs receive exemption under 501(c)3...based on “charitable, religious, educational, scientific” purposes.

In addition, it **may not be an action organization**, *i.e.*, it may not attempt to influence legislation as a substantial part of its activities and it may not participate in any campaign activity for or against political candidates.

Protecting your exemption*



A 501(c)3 organization must

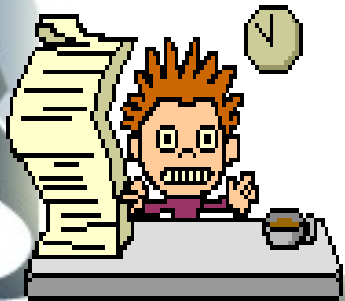
- satisfy annual filing requirements
- continue to be operated for its exempt purposes.
- ensure that its earnings do not inure to the benefit of any private shareholder or individual
 - must not operate for the benefit of private interests such as those of its founder, the founder's family, its shareholders or persons controlled by such interests
- not operate for the primary purpose of conducting a trade or business that is not related to its exempt purpose, such as a school's operation of a factory
- not provide commercial-type insurance as a substantial part of its activities
- not have purposes or activities that are illegal or violate fundamental public policy
- absolutely refrain from participating in the political campaigns of candidates for local, state, or federal office
- restrict its lobbying activities to an insubstantial part of its total activities

***The amount of “profit” a club earns does not affect its exemption**

IRS reporting/filing requirements for clubs:

A 501(c)3 organization

- ★ with incomes **less than or equal to \$50,000** (for tax years beginning in 2010) are required to electronically file the form **990-N e-Postcard**.
 - ◆ *Note: this is increase in total income from previous level of \$25,000*
 - ◆ *Earnings over \$50,000 require filing a longer form 990*
- ★ **IRS is automatically revoking tax-exempt status for all clubs or districts that fail to file form 990-N e-Postcard for 3 consecutive years**
- ★ Risk to clubs or districts of having tax-exempt status revoked
 - ◆ donors will not be able to take charitable contribution deductions
 - ◆ cannot join CGCI group exemption program
 - ◆ ultimately, IRS might declare revoked/nonfiling clubs or districts to be for-profit entities that would pay INCOME TAXES on net income



Are there other reporting/filing requirements for clubs?

- ★ Yes...starting January 1, 2011, the **State of California** requires small tax-exempt organizations with normal gross receipts of **\$50,000 or less**, to **electronically file an annual informational notice the e-Postcard Form 199N** beginning with their 2010 tax year.
- ★ There is **no paper form**, only the electronic filing is accepted. For further information please consult the California Franchise Tax Board Publication 1068.



Do we have to pay sales tax, since we are a nonprofit and exempt from income taxes?

ABSOLUTELY!!!

- ◆ The 501(c)(3) status applies **only** to Federal and State **income tax**
- ◆ California Sales Tax is governed by the State Board of Equalization (BOE)
- ◆ See BOE Publication 18 *Nonprofit Organizations*. NOTE: there are some organizations exempt from California sales tax...garden clubs are not one of them. Check the regulations.



Fundraising

RAFFLES...

- ★ Selling tickets for raffles is considered "gaming" and California has a *90/10* rule ... only 10% of the expected raffle revenue may be used to purchase raffle prizes ...

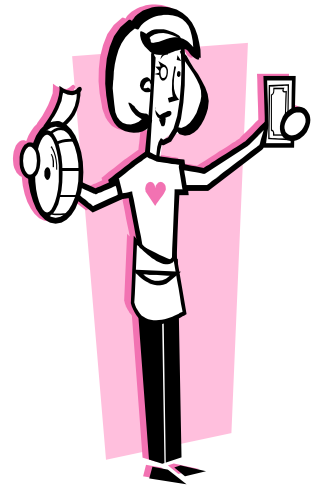
90% of the proceeds must be used to pursue your organization's objectives.

NOTE: donated prizes eliminates the 10% restriction to purchase prizes.

- ★ **50/50 Raffle is illegal** in the state of California. (see 90/10 rule above)
- ★ **Wine:** May **NOT** be offered as a raffle prize...may only be auctioned.

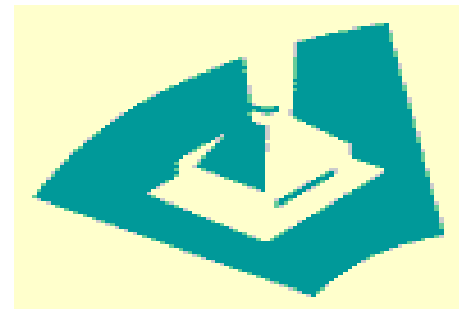
AUCTIONS...

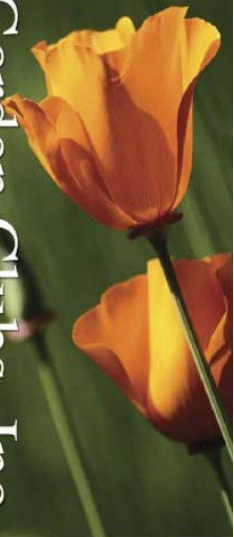
- ★ Silent and live auctions are **not considered gaming** but the proceeds generated are **subject to sales tax** as are white elephant sales, plant table sales, etc.



California registration

- ◆ All charitable corporations, unincorporated associations, trustees, or other persons holding assets in trust for charitable purposes **must register with the Attorney General's Registry of Charitable Trusts and renew the registration annually.**
- ◆ All non-profit organizations must submit application for registration in the California raffle program by September 1 of each year.
 - ◆ an annual raffle report must be filed
- ◆ All registered organizations are listed on the California Attorney General's website under "Charities" and can be searched via the registry search.





Benefits of membership in CGCI

Eligible for:

- ◆ CGCI Umbrella Liability Insurance program
- ◆ 501(c)(3) Group Tax Exemption program for clubs not exempt on their own
- ◆ Awards program (many with monetary awards)
- ◆ College Scholarships (2 - \$2,000 ea)
- ◆ Grants – for a variety of projects and programs

FREE to all member clubs/districts:

- ◆ Membership/Promotional Materials
- ◆ Longevity Certificates (20 years or more)
- ◆ Website: www.californiagardenclubs.com
 - ◆ Zip Code Finder (prospective members can find YOU)
 - ◆ Calendar – post your events on the website and/or in *Golden Gardens eNews*
 - ◆ website design and hosting for clubs/districts
- ◆ Newsletters:
 - ◆ Golden Gardens eNews, Council Thymes, WACONIAH

Opportunities:

- ✓ to attend NGC Educational Schools at significant cost savings and receive certification in one or all of the following:

*Environmental Studies, Flower Show Judge,
Gardening Studies, Landscape Design*

- ✓ to participate in programs/projects that reach beyond local borders:

*Penny Pines...Blue Star Memorials...Habitat for Humanity...
Natural Disaster Fund...World Gardening...and more*

- ✓ to network and share ideas, promote interest, find solutions
- ✓ for program resources through CGCI Chairmen
- ✓ for discounts (with your membership card) at nurseries, garden centers and arboreta and botanic gardens around the state
- ✓ for community service

Friendships!



Where do I find stuff?

Parliamentary procedure

- Robert's Rules of Order

Non-Profit Information & Guidelines

- www.irs.gov
- oag.ca.gov/charities (CA Attorney General)
- boe.ca.gov (CA Board of Equalization)



CGCI & Palomar District Information (dues, deadlines, guidelines)

- www.californiagardenclubs.com
- www.californiagardenclubs.com/palomardistrict
- *CGCI Yearbook, Manual & Roster*
- *Palomar District Yearbook*

No question is “wrong” or “bad”

Feel free to ask!

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