

The TMG Connection

December 2008

A Quarterly Publication of TALLEY MANAGEMENT GROUP, INC.

Volume 3, Number 3



In This Issue

- New 990 Resources
– page 2
- Fundraising challenges
– page 3
- New International Travel Requirements
– page 4

Published by



19 Mantua Road
Mt. Royal, NJ 08061
856-423-7222
www.talley.com

© 2008 All rights reserved.

No content may be reproduced in whole or in part without the express written consent of the publisher. For reprint permission E-mail: csapp@talley.com

Nonprofits Face Increased Scrutiny

The American Society of Association Executives (ASAE) reported that it has concerns that the nonprofit community might once again become a target of federal scrutiny and renewed interest in taxing associations as a new administration and Congress assume office. ASAE is committing resources to educate the new administration and members of Congress on the importance of nonprofits and their tax-exempt status.

In a report issued by ASAE, the society announced that it is preparing for potential stricter federal oversight of the nonprofit community and the possibility that the government may seek to find money in nonprofits to offset some of the bailout measures implemented to deal with the slowing economy.

ASAE/Center CEO John Graham IV, CAE noted that increased federal interest in the exempt community has already begun with credit unions and hospitals. Graham said he is concerned that deregulation in other areas over the past two decades has led to the economic crisis, which in turn fostered this new environment of scrutiny. ASAE believes the federal government might now see the exempt community "as an opportunity for additional revenue by changing tax policy or rules on exemption," Graham said.

ASAE is considering a public relations campaign in the Washington D.C. market that targets regulators, new administration officials, as well as members of Congress, on the "value of associations to society." The society announced it will hire an outside firm and will move on the campaign by the end of January 2009.

TMG will continue to monitor developments in this area and will work with our client boards to communicate information regarding any potential changes to nonprofit operations or tax matters, as well as any advocacy activities by the association community. ■

Source: ASAE

Tips for those first 100 days for the new President (of your society!)

While Washington welcomes a new resident to the White House, many associations are beginning new presidential terms as well. A new resource based on a presentation at the 2008 American Society of Association Executives Annual Conference by Bob Harris and William Pawlucy, is now available to help guide new presidents in their role. Your TMG account executive can provide the document upon request. Among the tips for those first 100 days:

- "Wisdom comes not from speaking, but from listening. A true leader knows how to hear the unheard."
- "From time to time, ask your president elect or vice president to step in for you... You want to provide opportunities for those behind you to be comfortable in the chief elected position."
- When you have to make tough decisions, such as dropping a committee or disciplining a board member, try to focus your discussion and attention on the position and not the personality. For example, you may want to discuss the position of the committee that has not accomplished its tasks, as opposed to referring to the person by name or personality.

Source: William Pawlucy

Preparing for the New 990 Form

As reported in previous issues of *The TMG Connection*, the IRS is implementing a revised form 990 beginning with tax filings for the year ended December 31, 2008. The new form will drastically change reporting practices and will delve into organizational policies regarding compensation, international activities, political activities, and governance, among others. TMG has brought our clients information from a variety of sources and has been working with our vendor partners and through our own professional societies to ensure our clients are up to date on the changes to the form and how best to prepare for the impact of the changes.

Recently, we learned that Jeffrey Tenable, Esq. of Venable LLP has created sample policies for the New Jersey Society of Association Executives; and the American Society of Association Executives (ASAE) has partnered with Jerry Jacobs Esq. of Pillsbury Winthrop Shaw Pittman LLP to create a number of sample governance policies. All TMG Executive Directors can provide any needed policies for our client boards to adopt. Each would likely be sufficient to permit the organization to respond "yes" to the Form 990 question about that policy. Sample policies available include: Conflict of Interest, Whistleblower, Document Retention & Destruction, Determining Compensation, and creating Joint Ventures. TMG staff will be reaching out to all clients to discuss the adoption of these policies that are asked about on the new Form 990.

Part VI of the 990 core form asks nonprofits to disclose whether they have governance policies such as a whistleblower policy, document retention, and conflict of interest. Many smaller organizations risk IRS and media attention by not having these policies in place (even if they are not required) and the sample policies will help them adopt a governance structure acceptable for the new Form 990. ■

Source: ASAE Member Mailing December 2008

Corporate Hotel Rates Level Off in 2008

Hotel rates for corporate travelers leveled off in North America for the first half of 2008, while other regions continued to show strong rate hikes. There were double-digit percentage increases in a number of US markets including Atlanta, Boston and Dallas. North America has been the first region to see rates begin to level off, and larger decreases were anticipated for the second half of 2008, as hotels increasingly began to open up corporate rate availability. While New York remained the most expensive North American city, with an average rate of \$358.98 per night, it was stable compared with the same period in 2007. ■

Source: Hogg Robinson Group News Release

Welcome!

TMG's New Jersey office is pleased to welcome **Stacey Lombardo** as Senior Staff Accountant. Stacey's role concentrates on preparation of financial statements, reconciliations of GL accounts, and supervising our daily accounting tasks.

Steve Wooton has joined TMG as Director of Information Technology. Steve is responsible for managing the IT function for TMG and its clients.

TMG's Virginia Office recently welcomed **Monique Montoya** as Office Administrator. Monique primarily focuses on administrative functions for the Virginia Office and providing additional support to the Glass Packaging Institute.

Amanda Almassy has also joined the Virginia Office staff as Meetings Coordinator. Amanda will primarily focus on Meetings administrative support for National Society for Experiential Education, American Women in the Metals Industries, Federation of State Boards of Physical Therapy, Snack Foods Association and Convention Industry Council.

Report: Economy Dampens Nonprofit Fundraising

A report from the Center on Philanthropy at Indiana University, Indianapolis indicated that nonprofit organizations are seeing the worst climate for fundraising in ten years. According to the latest Philanthropic Giving Index (PGI) report, US charities and their professional staff aren't optimistic about 2009 either.

The report, which is a measure similar to a Consumer Confidence Index, stated that the PGI for charitable giving is now 64.8, a 21.7% decrease from just six months ago and a 27% decrease since December 2007. In the 10 years since the study began in 1998, the overall PGI has ranged from a previous low of 72.3 in summer 2003 to a high of 94.6 in December 1999.

In the latest survey, all three of the main indexes fell dramatically from their previous levels. In addition to the PGI's historic drop, the Present Situation Index (PSI) fell to 63.6, its lowest level since the summer of 2003. The PSI is nearly 28% lower than one year ago. The Expectations Index is 66.1, a 21.2% decrease from six months ago and more than 26% lower than last year at this time.

More than 93% of fundraisers said the economy is having a negative impact on fundraising, including 28.5% who reported a very negative impact. But just over 21% expect the economic impact to be positive six months from now.

Human services and public benefit, environment/animals, and international organizations are reporting a tough fundraising climate. Consultants and development officers working in health had the highest PGI of any type of organization, but still reported a difficult fundraising climate.

Only 71.3% of fundraisers reported success with major gifts, the lowest measure since 2003. On the other hand, 72.9% report more success with planned giving than they did just six months ago, 67.6%.

Source: Association TRENDS ■

Overhead Bins At a Premium

TMG has alerted staff travelers and client meeting attendees in confirmation letters that checked bag fees are affecting the use of overhead bins on flights due to increased carry on bags. In turn, enforcement of bag size limits and number of bags is on the rise. ■

New E-Authorization Required for Visa Waiver Program Travelers

TMG has learned that all nonimmigrant foreign citizens traveling to the US under the Visa Waiver Program (VWP) now must obtain travel authorization from Homeland Security's Electronic System for Travel Authorization. Information that VWP travelers currently provide on Form I-94W in flight must now be provided electronically through the ESTA web site, www.cbp.gov/esta and travelers must receive authorization before embarking on travel to the US.

Countries currently eligible to participate in the VWP include Andorra, Austria, Australia, Belgium, Brunei, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Iceland, Ireland, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Monaco, Netherlands, New Zealand, Norway, Portugal, San Marino, Singapore, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland and UK.

Once approved electronically, the ESTA is valid for two years, meaning that the international traveler does not have to make application again for another trip to the US within that period. Travelers whose home country passports expire in less than two years will receive an ESTA approval valid until the passport's expiration date.

International participants of meetings and trade shows from visa waiver countries who do not apply under the ESTA program in advance of their trip may be denied entry into the US. International participants from countries not a part of the VWP must still obtain visas from the US embassy in their home country before traveling to the US. ■

Source: Association TRENDS

TMG Staff Celebrates "Holidays Around the World"



Kathy B. & Laurie M.
- North Pole



Madhavi K. – Ireland



Mike W. - Poland

TMG Staff Gives Back to its Community

The employees of TALLEY MANAGEMENT GROUP, INC. collected toys, games, books and gift cards to benefit Santa's Workshop, an annual drive to collect gifts for needy children served by Robin's Nest, Inc., a southern New Jersey charity with four offices throughout the region. The Santa's Workshop event serves over 600 children and Robin's Nest, Inc. has been in operation for forty years.

TMG staff also have been collecting food and gift cards for The Food Pantry, a Woodbury, NJ based charity that provides nutrition to families in need throughout the area. The number of families using the services of The Food Pantry has been on the rise as the economy has taken a downturn.