



Nonprofit News

CAT LADY NIPS IRS OVER CHARITABLE EXPENSES

BY BRUCE TRACHTENBERG

Volunteers who do work for charitable organizations and incur unreimbursed expenses may now be allowed to claim those as deductions on their tax returns, thanks to a ruling by the U.S. Tax Court and a woman who challenged the Internal Revenue Service.

Earlier this month, Jan Van Dusen learned that she could take a charitable deduction for money she spent caring for 70 stray cats in her home as a volunteer for Fix Our Ferals, a tax-exempt nonprofit. The *Wall Street Journal* reports that the Tax Court's decision "paves the way for volunteers of animal-rescue groups like the ASPCA and Humane Society of the U.S. to deduct unreimbursed expenses that further the groups' missions, such as fostering stray animals. It also clarifies rules for anybody deducting unreimbursed charitable expenses of \$250 or more, especially if they involve use of a home."

Van Dusen, a 59-year-old former family law attorney living in Oakland, Calif. had tried to take deductions on her 2004 tax return for more than \$12,000 she spent on food, veterinarian care, litter, and other items such as paper towels, garbage bags, and a portion of utility charges. She ran up these expenses as a volunteer for the rescue group, which captures and neuters stray cats, and then provides shelter until they can find a new home or be released.

After the IRS said those were nondeductible personal expenses, Van Dusen ap-

pealed and her case eventually made its way to Tax Court. In the run up to the ruling, she said IRS lawyers "tried to portray me as a crazy cat lady." The court ruled that because her expenses benefited a charitable group's mission, she could claim most as deductions. Some were disallowed, though, because she didn't have a letter or any other documentation from the charity acknowledging that she'd spent \$250 or more on its behalf.

Among other groups, and their volunteers, that stand to gain from the court's decision is the Humane Society. Jonathan Lovvorn, the group's chief counsel, said it plans to "get the word out" about the ruling. According to the *Wall Street Journal*, The Humane Society estimates that many of its "tens of thousands of volunteers" shell out about "\$2,000 of their own money a year to help animals in need, with some spending up to \$15,000 a year when all expenses are counted."

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Note From BCCNM:

As a volunteer, you are able to deduct mileage (.14/mile) incurred while on business for the organization and expenses over \$250. Make sure you get a statement from the qualified nonprofit organization acknowledging these expenses.

Summer
2011

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NOT JUST ANOTHER LECTURE!

The BCCNM has been providing training programs for the past 11 years. Over the years we have met the staff and board members from hundreds of nonprofit organizations—some clients from our sister firm, Bee, Bergvall & Co. and many new friends looking for high quality, affordable training from experts in the field.

We firmly believe that training programs are a wonderful way to be a catalyst in the community by offering sound information nonprofits can use to grow and thrive.

We recognize that financial constraints prevent some from attending trainings and that others who have had to cut staff, find it difficult to spare the time to attend.

So as we planned the Fall docket of programs, we've not only reviewed the needs assessments for topics of interest to you, we've made some changes to our fee schedule and the training curriculum to

make attending a better value for you and your organization.

Easy on the Budget

For our Fall series Bergvall & Co. will be providing its own economic stimulus and will under-write the training programs, so that you can attend our seminars at no charge.

Practical Knowledge

We are taking a 'workshop approach' to our trainings. Rather than three, 3-hour lectures, we have carefully chosen two great workshops to offer. You will leave each training with practical take home knowledge that you can put into use immediately!

We believe that these changes in our programming format will make a difference for our participants. We hope to see you in the Fall!

Your growth is our mission.



The Fall 2011 Seminar series is being underwritten by Bee, Bergvall & Co.

Up to 3* members of an organization may attend our trainings at no charge.

Seminars are held at the PA Center for Biotechnology of Bucks County, 3805 Old Easton Rd. Doylestown, PA

For more information please contact Liz Vibber 215-343-2727

www.buckscountynonprofit.com

* additional participants may attend based on availability

Fall 2011 Nonprofit Management Trainings

September 20, 2011

8:45-12:00 pm
Elizabeth Vibber, MS

Traveling the Road to Good Governance: Creating a Board Manual

Fee: \$0 underwritten by Bee, Bergvall & Co.

One of the first steps down the road of good governance is to have a comprehensive Board Manual outlining the specifics of your organization. During this workshop we will look at each of the components of a board manual and you will complete exercises for each section. You will leave with a CD of a Board manual template that you can bring back to the office and complete.

October 19, 2011

1:15-4:30 pm
Stephanie Cory, CFRE

Successful Annual Appeals: Designing a Comprehensive Program to Boost Returns

Fee: \$0 underwritten by Bee, Bergvall & Co.

This interactive how-to-session will cover real-world annual giving techniques that organizations of all sizes can apply. Learn how to craft written appeals that will be opened, read, and, most importantly, answered with gifts. Take home tips for supplementing your direct mail campaign with tele-fundraising, incorporating good stewardship practices, and ensuring compliance with solicitation and tax receipting requirements. If you're up for it, bring a recent direct mail appeal for critique.

BCCNM Around Town

October 6-7, 2011-Find Capacity, Find Funders: Communicating to your Funders the Power of an Investment in Your Organization-Charity Channel National Conference, Las Vegas, NV

October 13, 2011-Key Performance Indicators and Dashboards-PA Community Providers Association, Seven Springs, PA

November 9, 2011-Proposal Writing 101-Nonprofit Resource Center-Grundy Library, Bristol, PA

For other BCCNM Training programs, visit www.buckscountynonprofit.com/training.htm

Employee/Volunteer Use of Personal Vehicles

Many Non-Profit organizations will utilize the vehicles of its employees and volunteers in the course of doing business. These organizations need to know the exposure they create when doing so, how the organization can be covered and how that affects premiums.

An employer can be held liable for the actions of its employees and volunteers while driving on the employer's business. This is known as **Non-Owned Auto Liability**. Any time an employee or volunteer operating his or her own vehicle on organization business is involved in an accident, the organization will almost certainly be sued.

Employer's Non-Owned Auto coverage protects your organization in the event that it is named in a law suit arising out of the use of a vehicle owned by an employee or volunteer driving on behalf of your organization.

This coverage is designed to protect only the organization, not the employee or volunteer operator of the vehicle. It also does not pay for damage to the vehicle being driven by the employee or volunteer. The employee or volunteer's Personal Automobile policy provides their coverage.

Non-Owned Liability coverage can be written either as a part of the automobile policy for the organization's vehicles or as a part of the organization's General Liability policy, if the organization does not own any vehicles.

Important: Remember that a loss suffered by an employee or volunteer utilizing their personal auto for organization business will affect the future premium of their own policy just as it would if they suffered a loss not related to organizational business.

Recommendations:

1) Personal auto use should be restricted where possible (use organization vehicle for medical appointments,

deliveries or pick ups or any time consumer transported).

2) Employees and volunteers using their personal vehicles for organization business should be reviewed as any staff member using an organization vehicle would:

- ◆ MVR checked and analyzed on annual basis.
- ◆ Ensure proper driver training to include DDC, PAT, Emergency Evacuation, other
- ◆ Annual Update of primary insurance and MVR
- ◆ Follow organization's standard policies and procedures when using personal vehicles; ie: driver eligibility, use of seatbelts, etc.

3) Employees and volunteers using a personal vehicle should provide proof of insurance, confirmation that there are no exclusion regarding vehicle use, proof of inspection and the organization should determine appropriateness of personal vehicle (condition, type, etc.)

4) Organizations should have a policy in place to require both employees and volunteers to maintain minimum liability limits on their personal auto policies. The preferred limits should be at least \$300,000 unless the person is transporting clients, in which case the limit should be \$1,000,000.

5) Insured's can institute periodic checks on employees' and volunteers' personal insurance and require copies of their declaration showing limit of liability carried.

RMG Insurance, with offices in Warrington and Bethlehem, PA specializes in assisting Non-Profit Organizations with their insurance needs. If you have questions about this article or have any question in regards to how your Non-Profit insurance is structured, please feel free to contact us. We understand the financial stress Non-Profit organizations are under and look for ways to better protect your organization AND reduce your insurance costs.



For more information, please contact
Ron Martin, CIC,
CISR
610-867-6869

www.RMGinsurance.com

Board Boot Camp is coming to The Independence Visitor Center in Philadelphia!

The **Board Boot Camp** program has been designed for both new and experienced board members to learn or refresh their skills on being an effective nonprofit board member. This does not happen by accident, but rather by thoughtful and consistent attention to the role of board members in your organization.

We focus on skills effective board members possess. By structuring the evening into two tracks, we are able to direct the discussion at the appropriate level for each group.

Freshman Track ~ for individuals who have served for less than two years on a nonprofit board and are interested in learning about the more general duties of board members.

Advanced Track ~ for individuals who have experience serving for many years or on a variety of boards and are looking to gain insight on the tools used by more mature boards.

Schedule

5:00-5:30 pm	Registration & Dinner
5:30-6:00	General Duties of Board Members
6:00-6:40	Freshman Session Understanding Strategic planning
	Advanced Session Advanced Strategic Planning
6:40-6:50	Break
6:50-7:30	Freshman Session Fundamentals of Fundraising
	Advanced Session Understanding Data and Finances as a Key to Capacity Building
7:30-8:10	Freshman Session Financial Oversight for Boards
	Advanced Session Vital Role of Engagement: CEO & Board
8:10-8:30 pm	Closing Discussion

Cost: \$35pp 1st; \$15 each add'l from same organization
Note: A limited number of scholarships are available

**Thank you to our Sponsor,
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www.independencevisitorcenter.com**

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