



# Citizen Corps Funding: Structuring Your Program for Sustainability

Individual and Community Preparedness Division



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# Agenda

- **Michelle Hanneken, Homeland Security Program Manager, Illinois Emergency Management Agency**
- **Stella Hickey, Oregon Fire Corps Advocate/Secretary, Oregon Citizen Corps Council**
- **Dante Randazzo, Presenting for: Rachel Jacky, Community Emergency Response Team, National Director**
- **Michael Paddock, Chief Executive Officer, Grants Office LLC**



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# Illinois Citizen Corps Strategic Planning



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# Illinois Council Structure

- Committee of the Illinois Terrorism Task Force since June 2002
- Council envisions itself and local Councils as the “connector” of all disciplines at the state and local level to encourage cooperation in preparedness and service.
- 19 voting members representing statewide interests in the program as well as local Councils.
- All state Council activities managed at State Administrative Agency (SAA)
  - Both programmatic and grants management



# Statewide Program Data

| IL Programs 7/1/11 to 12/31/11 |                 |                                       |
|--------------------------------|-----------------|---------------------------------------|
| <i>Program</i>                 | <i>Reported</i> | <i>Total Volunteer #s Per Program</i> |
| CCC                            | 91              | 1244                                  |
| CERT                           | 61              | 4374                                  |
| MRC                            | 22              | 1465                                  |
| VIPS                           | 15              | 397                                   |
| FC                             | 8               | 172                                   |
| NW                             | 7               | 245                                   |



# Illinois Citizen Corps Stats

- Illinois from July 1, 2011 through December 31, 2011
  - 7,897 volunteers statewide engaged in the Citizen Corps program
  - These volunteers have a total of 76,977 hours
  - The value of those hours total \$1,604,970 for six months
  - This number is more than triple what the state received under the FY 2011 Citizen Corps Program (\$322,293) from FEMA.
- Why is this important?
  - Paints the picture for true needs related to the program
  - Helps frame a strategic plan moving forward
  - Quantity versus quality; qualitative versus quantitative info
  - How the program evolves for the next 10 years



# Program at Crossroads

- Illinois has invested over \$7 million in 10 years in the Citizen Corps Program from the Homeland Security Grant Program (HSGP) in the areas of CCP, SHSP, UASI, and state funds
- Survey of Illinois Citizen Corps Councils conducted February 2012  
75% of local Councils are dependent on CCP funds to continue programs in current capacity.
- Continuing capacity without dedicated funding stream
- Prioritize key missions on a statewide basis in the program to more clearly focus on the road ahead to include preparedness and volunteer service areas.



# Preparedness Mission

- Education, Exercises and Training are methods of preparedness.
- Preparedness can be of both individuals and the community as a whole.
  - Simple messaging to the public that brings their mindset from awareness to action.
  - Branding
- Preparedness should intertwine among citizens and government.
  - Community members knowing preparedness is important (grassroots efforts)
  - Elected/appointed officials assisting in implementing a culture of preparedness (government assistance)



# Volunteer Service Mission

- Outreach of a variety of organizations and partnerships with already existing service opportunities in the community
- Response efforts as a part of a government's emergency operations plan (EOP)
- Focus on the whole community with specific points on targeted populations as the private sector, youth, faith-based organizations, and functional needs.



# On-Going Statewide Activities

- Focus on already scheduled activities
  - 2012 Illinois Citizen Corps Workshop
  - 2012 Prairie State CERT Challenge
  - Remodeled Community Emergency Response Team (CERT) train-the-trainer course delivery.
  - Development of the Citizen Corps Mobile Support Team (CCMST)



# Action Steps for 2012-2013

- *Local Citizen Corps Technical Assistance Program*
  - Assisting local Councils without monetary grants.
  - Provide options to Councils on how to think strategically via workshops
  - Sharing of ideas/best practices stories to continue successfully
  - Establishing a network of peer support.



# Action Steps for 2012-2013

- *Local Citizen Corps Bridging Grant Program*
  - This new strategy will “bridge” the gap from the continued grant funding from the last 10 years to no funding for the program at all to be used during calendar year 2013.
  - Grant Program primarily dependent upon any remaining Citizen Corps funding for all older grant years and other more traditional federal preparedness sources.
  - Grants for those Councils with identified community gaps
    - Strategies to implement change within the community, in the planning, training, or exercise categories.



# 501(c)(3) Status and Federal Grants

- **501(c)(3)/tax-exempt organizations are eligible to receive and spend Federal grant funds (while maintaining their 501(c)(3) status)**
- **Grantees may not use grant funds to meet other Federal obligations, including cost-match for other grants.**
  - Unless otherwise authorized by law, Federal funds cannot be matched with other Federal funds



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# Steps to receiving a 501(c)(3)

# Stella Hickey

## Oregon Fire Corps Advocate

**Mother of 4**

**Wife of a  
Firefighter**

**Citizen Corps  
Representative**

**Volunteer  
Coordinator**



# Participants will:

- Understand what to consider before applying
- Understand the basic process
- Understand basic organization structure
- Know what support documents are needed
- Know what a Dissolution statement is
- Understand the timeline associated with applying
- Understand cost associated with applying

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# What to consider before applying for Tax Exempt Status

There are several things to consider before you apply.

- Structure:
- Fiscal management
- Registering and Reporting requirements
- Insurance and risk management
- Grant writing, fundraising, and grantor reporting requirements
- Costs
- Time schedules
- Development of supporting documents

# Basic Process

- Establish Organization
- Board of Directors and Officers
- Supporting Documents
- Filling out IRS form 1023 (Not submitting)
- Local, County or State required permits
- EIN Number
- Articles of Incorporation
- Register with Department of Justice
- Submit IRS form 1023

# Organization Structure

- Name
- Board of Directors
- Officers
- Membership
- Vision
- Mission
- Purpose



# Supporting Documents

- Bylaws
- Financial records
- Policies and Procedures



# Bylaws

Nonprofits corporations are required to have bylaws that lay out and outline procedures that govern the Organization such as:

- Purpose/ mission Statement
- Roles of board members
- Role and classes of membership
- Officers description and duties
- Disciplinary Policies
- Conflict of Interest policies
- Non-discrimination
- Dissolution Statement



# Financial Records

- Income
  - Who
  - How much
- Expenses
  - Payee
  - Amount
  - Purpose
- Auditing records
- Reporting records



# Dissolution Statement

- By law, upon dissolution (termination), a nonprofit corporation must donate any excess assets to another nonprofit or to the government. If you are planning on obtaining 501(c)(3) tax-exempt status, the IRS requires certain wording on Article 8. That wording is explained in the “Dissolution Language for Tax Exempt” Handout. (You can write “See attached” next to Article 8 and attach a document with the wording from the Handout.)

# Time Limit



- Is important to file your 1023 within 27 months of the date when your organization was established, or when your Articles of Incorporation were filed. Although the IRS may approve an additional extension under certain circumstances, missing the deadline may result in your charity or foundation not getting 501(c)(3) recognition retroactive to its incorporation date.
- The Department of Justice requires you to register before conducting any Fundraising efforts once you have incorporated.

# Cost to Apply

- Articles of Incorporation
- Register with Department of Justice
- Submit IRS form 1023
- \$50.00 plus \$5.00
- Submit no fee with this Registration Form. Please note that fees may be due with future annual financial reports.
- exceed income of \$10,000 annually filing fee is \$850, Income dose not exceed \$10,000 annually fee is \$400.

# Funding and Sustainability:

## Alternatives to Establishing a New 501(c)(3) Organization



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# Alternatives to 501(c)(3)

- Why consider alternatives?
- What are possible alternatives?
- Smart practices to find the best alternative(s)



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# Why Consider Alternatives?

- Ability to receive donations and fundraise without incurring corporate duties
- Limit time needed to handle administrative requirements
  - Create and maintain corporate structure
  - Register and maintain IRS status
  - Manage fiscal and fiduciary responsibilities
  - Insurance and risk management
  - Maintain supporting documentation



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# Why Consider Alternatives?

## Avoid or limit fees

- \$400 - \$850 annual filing fee
- Attorney fees (but may be covered by *pro bono* assistance)



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# Why Consider Alternatives?

Maintain best possible relationship with sponsoring organization

- Programs like CERT, Citizen Corps Councils, other Partner Programs are usually government programs
- 501(c)(3) status and corporate entity creates greater financial independence
- Corporate structure, etc. may weaken link with sponsoring organization



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# Why Consider Alternatives?

## Focus on mission

- 501(c)(3) status requires focus on financial and other corporate management
- Need to protect focus on community preparedness, safety and response



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# Possible Alternatives

- Local government?
- Existing 501(c)(3) organization related to sponsoring organization?
- Existing 501(c)(3) organization in the community?



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# Possible Alternative: Local Government

- Local government provides its Tax ID number
- Contribution is tax-deductible for donor
- Requires fiscal management within local government's system
  - Ability to “sequester” funds to limit use to the program?
  - Ability to carryover funding from one fiscal year to the next?



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# Possible Alternative: 501(c)(3) Related to Sponsor

- Many government agencies have related 501(c)(3) organizations, for example:
  - Fire or police museum, Police Benevolent Association
  - “Friends of...” organizations
  - Etc.
- May act as fiscal agent for organizations that otherwise meet 501(c)(3) requirements
  - Provide corporate and fiscal management umbrella
  - May charge a fee for management services



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# Possible Alternative: 501(c)(3) Organization in the Community

- Existing community-based organization with current 501(c)(3) status
- May act as fiscal agent for organizations that otherwise meet 501(c)(3) requirements
  - Provide corporate and fiscal management umbrella
  - Likely to charge a fee for management services



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# Smart Practices

- Determine possibilities for each alternative
- If your program is government-sponsored, consult jurisdiction's legal counsel
- If considering using local government's Tax I.D. number, confirm fiscal management practices with jurisdiction's financial officer



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# Smart Practices (Contd.)

- If considering an existing 501(c)(3) to act as fiscal agent:
  - Do your homework to assure that your organization would fit under their “umbrella”
  - Determine respective responsibilities
  - Determine any requirements they may have in addition to qualifications for 501(c)(3) functions
  - Determine any fee they may charge
  - Confirm tracking and reporting that will be provided
  - Get references



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# Alternatives to 501(c)(3)

- Why consider alternatives?
- What are possible alternatives?
- Smart practices to find the best alternative(s)



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# Exploring Foundation Funding

*Michael Paddock*  
**CEO**

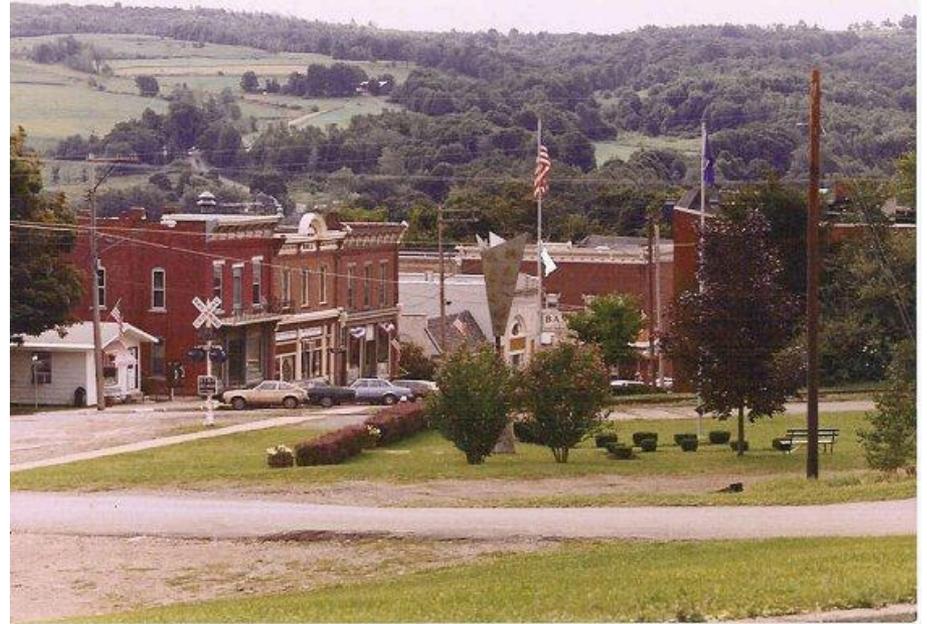
*Grants Office LLC*  
[www.grantsoffice.com](http://www.grantsoffice.com)





# Foundation Funding

- \$40 Billion annually
- Locally responsive
- Fill in gaps
- Provide matching funds





# Foundation Research

- Giving interests
- Geographic focus
- Past grant amounts
- Trustee names
- Application process

Your local library

or

Online resources

- Council on Foundations ([cof.org](http://cof.org))
- [FoundationCenter.org](http://FoundationCenter.org)
- [GrantsOffice.com](http://GrantsOffice.com)
- [GuideStar.org](http://GuideStar.org)
- Foundation Websites



# Be Prepared

Develop a **written plan** that describes:

- The community's need for the project
- Operational or security challenges you're trying to overcome
- What you're planning to do (a detailed action plan)
- How the project will improve the challenges and needs you described earlier (objectives)
- Who all is involved in the project
- Details on how the project aligns with the National Preparedness Goal and other state and federal plans, guidelines, and initiatives
- A governance structure (for big projects)
- A detailed budget

***Community Plan to  
Expand Response  
Capability and  
Situational Awareness***

***A ready-to deploy  
short-term project  
requiring \$200,000 in  
outside funding***

***Contact : Dr. Sam Smith  
(555) 555-5555***



# 10 Tips for Engaging Foundations

1. Learn as much as possible about each foundation to which you intend to apply
2. Involve others in your project, but be judicious; have a purpose for their involvement
3. Customize each proposal to the requirements of the funder
4. Get feedback for non-winning proposals and use that in future proposals
5. Include only support letters that demonstrate a real commitment on the part of the sender



# 10 Tips for Engaging Foundations

6. Make grant-seeking part of your agency's strategy— don't put all your eggs in one basket
7. Be specific in your budget, most funders have generous allowances for budget length
8. Don't include materials other than those specifically requested by the funder
9. Have an outsider edit your proposal before you submit it
10. Follow directions