

NEWS

Non-profits learn do's, don'ts

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DESOTO COUNTY — Learning the ins and outs of operating a non-profit can be a confusing proposition.

Having an article of incorporation, the right by-laws, a good accounting system, and a conflict of interest provision among other items is crucial to getting a non-profit up and running correctly.

On Tuesday, a one-day workshop aimed at helping individuals start and operate a non-profit was sponsored by the Community Foundation of Northwest Mississippi and the four chambers of commerce in DeSoto County at the Gale Center in Hernando.

The workshop was hosted by Caldwell Management Services of Olive Branch.

Tonja Caldwell, co-owner, said many people begin with good intentions but don't realize the effort and time it takes to establish and operate a non-profit correctly.

"Don't even think about applying to the IRS without taking the proper steps," Caldwell admonished a group of about 40 participants. "Bylaws are also very important. They are your operational guidelines."

Caldwell also told seminar participants it's important that an evaluation of board members be conducted every six months.

"You may find out there are people on your board who do not need to be there," Caldwell said.

Caldwell said non-profits can help change lives so she's not "trying to scare anybody."

"It takes time, commitment and some reading," Caldwell said.

Caldwell said there are some things which are absolutely critical in ensuring that a non-profit is operated legally.

"At the end of the day, if you haven't paid your payroll taxes, the board of directors is responsible," Caldwell advised. "You have to file those reports on time or the IRS will come and padlock your doors."

Caldwell said the State of Mississippi sets the term limits for a board of directors at five years.

"They want to see some change and some turnover to bring in some fresh new ideas," Caldwell said.

Caldwell also said every non-profit organization should have a conflict of interest policy so that any one business over another is not given favored status.

"You also want to make sure you have a clean audit with the IRS," Caldwell said. "You want to cover yourself in every area."

Rosie Becker plans to fulfill a dream of opening a therapeutic riding school for disabled children.

As a non-profit she knows there are several important steps to follow.

As a nanny in Memphis who has charge over three children, Becker said she loves making a difference in the lives of children.

The riding school idea was suggested to her after she learned two other therapeutic riding schools had shut their doors.

"It's what I'm supposed to do," Becker said. "I'm knocking on 40s door and have been a nanny. I gave my two-year notice at work. There's such a need for this."

Gary Kieffner, a financial consultant, said he has been involved with non-profits in the past and wanted to get an update.

"The key part in the failure of non-profits and the reason they often fall apart is because of lack of structure," Kieffner said.

Community Foundation of Northwest Mississippi officials hope the non-profit seminar strengthens existing non-profits in the region and helps "give a good foundation" to other brand new non-profits.

"I get calls all the time from people wanting to start non-profits," said Peggy Linton, community development director for the Community Foundation of Northwest Mississippi. "This event is helping us be a resource to non-profits and make sure they organize in the legal and correct way. We also had people who were already with non-profits who wanted to make sure that they were doing things correctly. We also have to do our due diligence so that we know firsthand these non-profits are doing things correctly."

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