



## **New Members Process – Frequently Asked Questions**

Revised January 2018

### **1. How Does Community Shares Work?**

Community Shares is a workplace giving federation founded in 1984. Each year we go out into the community and ask employers to participate in our campaigns. We have over 100 campaign worksites ranging from government agencies, businesses, schools and nonprofits throughout Greater Cleveland. We administer our campaign at these worksites often in cooperation with other federations such as United Way, EarthShare Ohio, United Negro College Fund and Health Charities. Each campaign worksite is unique and tailored to their priorities and needs and is administered by human resources or personal offices.

We market our member nonprofits through a brochure, posters and other materials and make presentations in workplaces to encourage giving. The brochure also lists a brief description of the member charity, a phone number and website, making it an educational resource for the community as well.

Our members consider Community Shares to be an extension of their fundraising efforts, reaching individual donors in workplaces throughout Greater Cleveland for general, unrestricted support. We also give our members access to employees in Federal, State and City workplaces through combined campaigns. Members are not restricted by “blackout” times for raising money, which is a restriction of some federations.

Donors to a Shares campaign can choose where to direct their pledge or donation—our tag line is “your gift, your choice.” They can choose to make a one-time gift or spread it out over several months or payroll periods. Once they decide on how much they want to give and over what time period, they are asked how they want to direct their gift. If they select Community Shares overall, it will be divided equally among members; they can also select one or more specific organizations and designate specific amounts to each one; and/or they can write-in a different non-member 501c3 charity of their choice to receive their gift. Non-member designees can have a wide range of missions, including but not limited to the arts, community development, education, the environment, health and diseases, not just health and human services.

Community Shares offers an easy way for people to divide their gift over a year, which makes it possible to donate at higher levels. It also enables a donor to give to more organizations with greater impact than writing several checks to different charities. We acknowledge all donations regardless of the amount. We

honor any size gift and do not require any minimum amount to be given. Donors who wish may also remain anonymous.

## **2. My organization is interested in joining. When do you accept applications?**

Community Shares has accepted new membership applications each year for the past few years. Generally, the deadline has been in January. An announcement is made in December about the availability of new member applications if there is going to be a new member process in the following year. **The 2018 deadlines are February 16, 2018 for the Letter of Interest (LOI) and Friday, March 9, 2018 for invited full applications.**

## **3. How many members do you accept?**

At the current time, neither the membership nor board has designated a set number of members nor is there such provision in our Code of Regulations (By-Laws). For the 2017 campaign, we had a total of 45 members. In 2017, we received and accepted two new member applications.

Because each application is voted on individually, the number of applications accepted varies from year to year. In 2016 we received one LOI and it did not meet membership criteria. In 2015, all three applications were approved; in 2014, three of the four applications received were accepted into membership. In 2013 the one application submitted was accepted, and in 2012 five of the seven were accepted. We have also had several instances in which an organization is not accepted one year but is accepted in a subsequent year.

Accepting new members is an act of generosity by the membership because it means that their “share” of undesignated campaign funds will most likely be reduced. This is because the undesignated funds for a campaign year are divided equally among members. The only way that the undesignated “share” of funds will grow is if the overall campaign grows, which is why we are interested in what new campaign worksites our new members can bring to Community Shares when they apply for membership.

Once accepted into Shares membership, the nonprofit is eligible for annual renewal based on the submission of an annual member update form. Members can be removed for cause (see Code of Regulations) or may resign of their own accord. Over the past five years, we have had several groups resign.

## **4. What is the process? How can my organization apply for membership?**

Notification of the availability of the new member application process is given in the late fall/early winter by Community Shares. Organizations interested in membership submit an LOI and may be asked to submit a full application and attachments (Form 990, audited financial statements, board lists, etc.) signed by their Board President and their Executive Director/CEO at a later due date.

Once the LOI is received, it will be reviewed by the Community Shares New Member Task Force. If they determine that you meet the membership criteria for social justice work, they will request a full

application. This will then be reviewed by the Task Force for completeness and then they will ask to attend one of your board meetings. You will also have the opportunity to meet the general membership through a Meet & Greet (see schedule-April 27, 2018 this year) where your organization makes a presentation and there is a question and answer period.

A full membership meeting is held in the spring (usually May or early June, it is May 21, 2018 this year) at which time each new member application is presented for a vote. Each application is voted on separately. Each member receives one vote.

## **5. What is the membership criteria?**

New member applicant organizations must have a social justice mission and be primarily based in Cuyahoga County and Greater Cleveland.

Organizations must also have been recognized by the IRS as a 501c3 nonprofit organization for at least two years at the time of the application.

In addition, organizations must:

- Have a dedicated office with a phone, a physical mailing address, operate with regular (posted) office hours, and have at least one paid staff working at least 20 hours a week.
- Be current with all legal requirements (IRS, Attorney General, etc.)
- Participate in Community Shares submission of any federated public campaigns

## **6. What can Shares funds be used for by our organization?**

Funds received by an organization through Community Shares' workplace campaigns are unrestricted, so they can be used for general purposes.

## **7. What fees do you charge?**

Membership dues are required of all members annually, and after the first year of membership is based on the estimated amount of funds that a member is expected to receive in the campaign. This is a sliding scale and ranges from \$325 to over \$5,000. In short, the more campaign revenue you receive from Shares the more you will pay in dues.

In the first year of membership, member groups pay dues of 1.5% of their total expenses for the previous fiscal year. These first year dues will not be less than \$375 or more than \$2,500. Every year thereafter, members' dues are based upon campaign revenues, according to a sliding scale. In that second year it is most likely that your dues will be very modest.

For campaign funds, a straight 15% fee is deducted from each pledge or donation. At least 85 cents of each dollar goes back to the member charity.

## **8. How much might my organization receive from Community Shares?**

After all the campaign pledges and gifts are received, the office calculates an estimate of what the campaign totals will be, and we use those figures to base the calculation of dues (remember that for payroll deduction pledges, those funds are received throughout the year, from January through December). Each campaign year is different, so there is no set amount to predict. Organizations received 2017 distributions ranging from \$2,995 up to \$36,658. Keep in mind that members receive funds from two different “pockets” of money: direct designations to a specific member and an equal portion of the undesignated funds. Generally, the members receiving the higher amounts are those with more direct designations to their charity. The more your organization does to participate in the campaign by making presentations and signing up new campaign worksites, your potential for increased campaign funds is greater.

Community Shares pays out distributions quarterly to members, using the total amount of funds received in the prior quarter. Non-member distributions are distributed once or twice a year depending on the amount, once the charity’s legal paperwork is certified by the office.

## 9. Helpful Hints

- Why are you seeking membership in Community Shares? Think through your intent to apply with your board and staff *before* you submit an application. Shares membership is not a perfect fit for every nonprofit, and it might not be the right time for you to apply.
- Before you apply, make sure that you have commitment throughout your organization for your application. Members are required to participate in the administration of Shares through a volunteer system of points. In 2018, each member is required to participate in the administration of Shares through attending meetings, helping with campaign presentations, serving on the board and on committees, and working on fundraising projects. Furthermore, your organization will be required to run a Shares workplace campaign internally for your employees.
- A key component of the evaluation of your organization is the potential for your organization to bring new workplace campaigns to shares. Please consider workplaces that you might introduce to Community Shares, should you become a member. The campaign is the heart of our success; new workplace campaigns are sought each year.
- If you think you want to be a member of Community Shares only because you want more revenue, we encourage you to think twice. The collective nature of Shares membership can be time consuming for some organizations given the return.
- Make sure your organization has the resources to pay the first time dues, which are based on .10 percent of your annual expense budget, which generally is about \$2,500. This membership fee is billed in June. Distributions from Shares for new members begin with the distribution made the following March 30<sup>th</sup> and will build slowly as your participation in the campaign increases.
- Please do not look to Community Shares to be another funder. We are a workplace giving federation that is based on shared participation for all our members. Collaboration and participation among members is a shared value that is as important as the fundraising we do. Decisions are made for the collective good of our membership and not for individual member agencies.