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Hello, everybody! I hope you're here for nonprofit compliance. Navigate with confidence, excited to have you here today. This is a really important topic, and one that sometimes gets overlooked. And in the nonprofit world, you know, it's it's especially important to be compliant with all the Regs. And so we're gonna we're gonna walk you through those today before I get started. Officially, I just wanted to welcome

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all of you. Thank you for being here and applaud you for being here, and thank Brady Ware for hosting this and providing this great education on to all of you. So thank you, Brady, wear, and with that I'll go ahead and get started, because this presentation is chock full of good information at the end we will have time for Q. And A. So if you could just jot down your questions.

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Then be ready to ask them later.

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Alright, I am Libby Villa Vasencio. I go by Libby. D so. I am, have been in the nonprofit field. My whole career, which has been long and I've had lots of different roles, and my favorite role is helping nonprofits to be more effective and more efficient and

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fulfill their mission. And so that is my passion. And that's why I do things like this today. So if you want to get in touch with me afterwards, my information was there. You'll get this presentation after. And let's get rolling.

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So today's agenda is we're gonna talk about the compliance around and the steps to establishing a nonprofit. So if you already have a nonprofit, you can kinda just ignore that part. It's just takes us a few minutes to walk through that. But it's especially an important, and we know that we have some folks on here that are considering starting a nonprofit. So and then we'll move into ongoing compliance. We'll talk about Irs requirements and state requirements.

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then we'll get into the things, the processes that you should have in place to make sure that you are sustainable, and also that you're accountable to the public, because as a nonprofit. You really are owned by the the your nonprofits owned by the public. And so you're accountable to the public, and it's important to have everything in order.

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So that'll be corporate processes, fundraising requirements, insurance and em indemnification, intellectual property, financial practices and then human resource processes. So

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with that, we'll get going.

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Compliance really is a crucial pillar for organizational success and sustainability. And I love that Brady wear. Put this out in the marketing materials. It is spot on when we think about sustainability and as nonprofits, I mean, that's what we're really aiming for. Right is that we can sustain our work for into perpetuity as long as we're needed to help with social needs. And so sustainability. The 3 pillars of sustainability are people

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money, and then systems and processes and compliance really fits into that systems and process buckets. So it's important that you have those in place.

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You'll walk away with a comprehensive understanding of the regulatory landscape that governs nonprofits, empowering them to safeguard their organizations against risk and pitfalls. So it's really not just about well, we have to be compliant. So nobody takes away our fiber one c. 3, or incorporation, or whatever. But it's really about risk

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avoiding risk, legal risk and also running into issues that are regulatory in nature, but also could be other things as well. So legal obligations. We're gonna cover financial reporting requirements and best practices for maintaining that transparency and accountability and all those are super important. So

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so you'll get. I'm happy to share some a compliance checklist with you after this, and so at the end I could tell you how you can get that from me, and it has all this information in it, so you don't have to feel like

you have to take, you know, lots of notes while you're on here. Just kind of

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soak it in, and take the notes that you want. But you'll get all this information afterwards. So

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okay, to establish a nonprofit. People get this wrong all the time. They go directly to the irs first, and and apply for their 501 c. 3, or at least attempt to apply for their 501 c. 3. But there are a few steps that you have to do first, and if you go to the Irs first, you find that out. You find out. Oh, I need to incorporate first at my with my state. So that's the first phase. So you have to register as a nonprofit corporation with the your State authority.

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And that step typically triggers that you need to establish at least 3 board members. You need to get at least 3 people who will commit to being officers and and those 3 positions are the board chair, the board secretary, and the treasurer. So you need 3 people, names and contact information who commit to being that initial governing board.

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Then you contact the Irs not to get your 5 0 one c. 3, but to secure your employee identification number, you have to have that

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to go back and register with your Attorney General.

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So, after getting your ein, you go back to your State Attorney General, or other State authority where you register

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and you register with the State. Then you want to make sure that you are registered with the State Department of Taxation in Ohio, where we are. That happens automatically when you register with the Attorney General. But in some States I think it does not.

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So you might have to take that extra step of going to your State Department of Taxation and making sure that they recognize you as a nonprofit. So they're not trying to tax you?

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And then, you know, there are other State registrations that you might have to comply with. You. Just wanna make sure that you understand. What are all the regulations for registering with your State, and we're gonna talk a little bit more about State State registrations and that are ongoing in a minute.

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and then you can go to the Irs and submit that application to become designated as a 501 c. 3, or whatever designation you're going after

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That is, you're gonna do that by submitting and submitting form 1023 irs form 1023. And so I've linked the instructions for that make sure you keep a copy of your 1023. That's gonna come back around in the presentation today, and you need to have a copy of it on file, so make sure you keep a copy of that, and you know where it is.

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and then you need to

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create your bylaws, and so bylaws are not legally mandated. But bylaws are highly recommended, because really what these are.

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they're also known as code of regulations. They're really the governing document for your board, for your organization structure, for the board structure, for the operations of the board, and that kind of stuff. So make sure that you have those in place. It's a good practice to have an attorney, at least look at them. When you pull them together you can find templates.

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and I'm happy to share by last template with you if you need it, but you want to make sure that an attorney has looked at them to make sure that they're all in order legally.

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one. When you get to this phase phase 2, you wanna go ahead and start developing a more fully functioning board of directors

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so often when we find 3 people when we're starting the nonprofit. And you know they aren't really the ones that we want to necessarily have in place long term, or maybe they are. And you just need to add a few more

board members. But really, this is where you need to start developing a fully functioning board.

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and then you want to have some policies and procedures in place. And this is really important. In fact, in your 501 c. 3. In your 9 90 every year. When you have to, we'll talk about that more later. You have to submit a 9 90 every year with the Irs. They ask you if you have the first 3 policies in place, whistleblower conflict of interest and code of ethics you have to have at least those.

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But it's good to have other policies in place, too. Document, retention and destruction, a confidentiality, agreement, or a non-disclosure agreement, social media policy code of contact conduct. Those kinds of things can be good to have in place, too. So you might want to consider some other. Some other policies besides the 3 that are legally

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required by the Irs. And then you're going to want to set up your financial records. So you want to make sure that you're setting up

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an accounting system to to really maintain accurate records of your finances. This is something that could come back to haunt you if you don't have in place, because if there's ever a question about anything that you're doing with the finances, you've gotta have all that in place to make sure that you don't end up in legal trouble.

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That's really really important. And we'll talk more about that, too. So just know that that's critical. So then.

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as far as ongoing compliance goes.

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there are Irs requirements that are state requirements. There are even municipal requirements, and we'll talk about those a little bit. And we're going to talk about some other processes that are important to have in place. And again, we're going to touch on your financial practices more in detail. So

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so, Irs, first, when you do your 9 90, they are always going to ask you, has your structure purposes or activities changed substantively since receiving your 5 0 one c. 3. Tax exempt recognition. And

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those things you put in your 1023, when you applied for tax exempt status. And you need you'll you need to have that 1023, and it's a good practice to at least annually, especially around 9 90. Review that and make sure that you're not veering off of what you said was your purpose in your application. If you do change your purpose, that's okay. You just need to submit that to the Irs. So they're gonna ask you that.

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And you can put it in your 9 90

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if you do change your purposes. And you put that. Yes, your purposes have changed in your 9 90. That is gonna probably trigger the Irs to interact with you around getting that corrected so. And I'm sure there's another form that needs to be filled out for that. So

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you know again, I said earlier you have to. And I've said it a couple times. You have to submit a form 9 90 every year when you're a nonprofit organization, just like you do. If you're a for-profit organization.

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and the requirement is that you submit that 5 months after your fiscal year ends within 5 months. You want to make sure that you know when your filing deadline is, and put it in your calendar, and you want to make sure you're filing the correct form. So there are some.

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There are some guidelines from the Irs, and I put a link here that takes you to the page. Irs Page, that spells out how to decide. If you can do the short postcard form, or if you have to do the full long form, 9, 90.

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And it's it's related to the amount of money that you raise and bring into your organization. So I you know there are guidelines around that usually, when you're a startup nonprofit, you have a few years where you're

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allow to just submit the postcard, which is a gift, because the going from the postcard

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to the long form is is it's a big difference.

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The post postcard literally is just what can fit on a postcard, and the long for form is several pages long, and you'll likely want an accountant, or at least somebody who is a good bookkeeper to complete that form for you or help you with it. You can do it yourself. But it's often good to have somebody outside the organization doing that on your behalf, and then

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you need to review it as a board. The Board has to review and vote to approve the 9 90, and the Board chair has to sign it.

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You should have a written procedure for the review and approval of form 9 90 before it goes to the Irs. So if if there's nothing, if there, if if you don't get anything else from this presentation. Get this document everything, write down your processes, write down your procedures, really document, because if you ever run into a problem.

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you'll need to have that documentation, and it does happen it does happen where the Irs excuse me.

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or the State Attorney General, or whatever gets a complaint about your organization, even if it's not a legitimate complaint they still have to investigate. And that means that they're gonna dig into your records. And so you wanna make sure that you have your records in order, and that you're documenting everything and keeping everything. And we're we're gonna talk more about that in a minute, as far as documents and stuff like that. So.

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but this one is important that there needs to be a written procedure meaning that you know a lot of times nonprofits.

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I've seen this happen a lot of experience to the nonprofits I worked in

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00:17:21.720 --> 00:17:46.930

where the 9 90 is, you know, right up against the deadline of needing, needing to be submitted, and you know, and it just doesn't get the attention that it should. And the Board really needs to understand that this is a really important form that they need to review and feel comfortable with and talk about in a board meeting, and push on and question, and all those things before it's approved and then submitted.

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If you are, have in your organization a a paid executive director or CEO whatever their title is. Director manager. Make sure that your organization is in compliance with the Irs's guidelines around

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pay for that person. There are guidelines. And basically, it it comes down to that. It needs to be, you know, and it needs to be compensation that makes sense for the area that your organization is in meaning region, you know part of address essentially. So what is the what are the wages? Typical compensation for executives in that area? And you want to make sure you stay within that

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you wanna make sure that you're in compliance with Irs prohibitions on political activity. So make sure you understand that nonprofits tend to err on the side of being too cautious about that. So ultimately, if if you're not endorsing a one politician, or any particular you know person running for office. You just

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you can't do that. You can't endorse, and any candidates or anything. And so you want to be careful about doing that. But other than that, you know you can. You can lobby you can advocate with around laws or or whatever, as long as it is not a huge part of your budget. It needs to be something like 5,

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5 to 10% of your budget is spent on advocacy or lobbying. And and that's about the most that you can get by with. So th, that's also a link, so that you can read up on that and make sure you're in compliance with that. Advocacy is important as a nonprofit. I I once heard an attorney that I have a lot of respect for who's a nonprofit attorney, and say, if if a nonprofit isn't advocating, they aren't fulfilling their mission

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completely, so

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so think so. Read up on that, and understand.

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Have an attorney weigh in. If you're worried that you're spending too much on advocacy or lobbying, and they will give you guidance on that.

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and then make sure that your if you have a revenue stream, if you're producing income other than fundraising other than charitable income, make sure that it's directly related to the mission that it's it's contributing to you achieving your mission.

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If it's not directly related, then you run into unrelated business income tax, and that is, you know, it's not illegal or anything for you to have an income producing activity as long as it's legal and ethical.

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However, if it's not directly related to your mission, then you will have to pay taxes on that income. Okay, so the 501 c. 3,

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you know only the the. It only applies to stuff to income that's directly related to mission and activities, that is, that are directly related to your mission. So just know that.

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So state requirements. You're gonna see some overlap here which is helpful, because if you've done it for the fed, you'll be able to to provide it for the State.

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so the State, you know, is going to want to see your articles of incorporation. They may or may not ask for a copy of your bylaws.

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I find that that's usually not the case, but just in case. And so you'll want to make sure, like, what does your State require? So the State is going to require.

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Typically I'm an annual report. Sometimes they ha! Ask for other reports, too. So, for example, in Ohio, every 5 years you have to complete a report that is, states that you're still in existent, that your non, your nonprofit organization is is still existing.

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We also have a charitable solicitation, application that has to be completed, registration rather, that has to be completed every year.

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So also for the State typically States require you to check off that you have those 3 key policies in place, but especially the whistleblower and conflict of interest. They're always interested in those. You'll want to have a written procedure for

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actually putting the conflict of interest into practice. So there should be, you know, a written procedure for how you have. You know your your board officers or directors or trustees, whatever you call them, any key employees that at least annually they are

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disclosing any potential conflicts of interest. So you know, we could go down a rabbit hole talking about conflicts of interest. But ultimately it's you know you can't, as in a nonprofit, whether you're a staff or a board. You can't do things that will favor you or favor somebody who's close to you, or you're

78
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place of business, or whatever. So it's important just to disclose those, and you know there are lots of conflicts of interest that arise. The important thing is disclosing it in in a board meeting, discussing it, and then taking a board vote. As to whether you know the conflict is enough that the person needs to step off the board or get rid of the conflict somehow. So

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make sure that you're consistently, at least, annually, asking everybody to complete that conflict of interest disclosure.

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and you'll have to do a little training with people. So they understand what it is that they're you know. What is a conflict of interest, what would be something that they would need to document

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document retention and destruction. Policy is important confidentiality, agreement. You know your board and staff are seeing lots of confidential information, and you just need to make sure that they know that they they just can't talk about it anywhere else. You should have a code of ethics, policy, social media policy, code of contact.

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00:24:28.010 --> 00:24:49.780
There are lots of policies that you could enact, you know. There's, you know it, policies and security, and all those kinds of things, too. So I I think it's worth really kind of taking a look at at. You know, what policies do we really need? And and you'll you'll start out with with some, and then you'll add them as you go. And that's okay.

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Again, I said, for our state, and probably for a lot of other states. You have to have. You have to do a charitable solicitation, risk registration so that you're licensed to go after contributions, charitable contributions.

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and again, make sure that your. You know, sales tax exemption is up to date. If you have to do that.

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Sometimes the State reports require you to submit. You know your financial reports. So usually they're going to look for if they want them, and they're going to ask for the profit, loss, statement, balance, sheet cash flow for a whole year for the previous the last completed year.

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It's good practice to have those, anyway, even if you're a small nonprofit.

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00:25:40.370 --> 00:26:08.600
you wanna make sure that your bylaws are accurately describing your current purposes, organization, and procedures it. You need to at least every 2 years revisit your bylaws and see if they need to be amended. To make sure they're still accurate to make sure they make sense. And so that's something that I would calendars just like every 2 years. Your board takes the time to really review, dig into the bylaws.

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00:26:09.640 --> 00:26:37.029
so when you register with your state, you have to give them what our State calls a registered agent, which means they're the primary contact person for the organization. Sometimes that changes. Sometimes people move. Sometimes when you start a nonprofit, you know, you put down somebody's name, whoever it is, and often it's their home address. And so then, if you get an office, you need to make sure that

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the Secretary of State, or whoever is the State Agent

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agency that keeps track of your stuff. That they have your updated information, because if that registered agent is no longer affiliated with the organization which happens a lot. They may be getting the mail or email from the State, and you may not be getting it. So you want to make sure that that is accurate.

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And then

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again, you know, typically there's an annual report due in States, I know, in Ohio, and I've got that here again. We absolutely nonprofits have to have to do an annual report every year. It's brief, it's not hard to fill out. It's easy, but it's just one of those things that's easy to miss. So again, Calendar, that

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here in Ohio, the I have to say that the State does a good job of notifying people that they need to complete that report. But you can't rely on that

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00:27:38.760 --> 00:27:47.249
And then, you know, make sure. Make sure, you know. Find out if you're required in your State to apply for a charitable solicitation

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00:27:47.400 --> 00:27:48.510
license.

96
00:27:50.630 --> 00:28:01.490
and then just local municipal requirements. So you know, just check with your local municipality. So that's either the you know the city town, village.

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00:28:01.980 --> 00:28:30.360
county. You know where your organization it resides. Is established. And see if they have any requirements. So here in Columbus, Ohio, the city of Columbus does have a charitable solicitation registration, and most people don't know that here a lot of people don't know that here. So you wanna make sure that you've got all that in in order. And you know.

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00:28:30.590 --> 00:28:36.109

calendar so that you know, when you need to do all that stuff, it's important.

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00:28:37.850 --> 00:28:47.135
Okay? So that was a lot. But let's move to just corporate processes. The the rest of this is

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is important for you to have. It's important for you to have in place and have it documented and pulled together so that you can find it. Because, you know, if anybody ever does question anything, you've got to have that documentation. So meeting minutes are really important and committee. Notes

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00:29:08.870 --> 00:29:33.850
are important. Committee notes don't have to be as formal as board meeting minutes. But you wanna make sure that you have all of your meeting minutes in some place where you can put your fingers on them right where you can put your hands on them and find them. And so make sure you're keeping minutes at every meeting. That they are official that you are absolutely

102
00:29:33.850 --> 00:29:51.909
documenting, you know, who was present, who was absent? Was there a quorum, and any actions taken, any votes taken? So who made the motion? Who seconded it? What was the vote? Was it unanimous? Did anybody abstain from voting because they had a conflict of interest. If anybody vote. No, you want to document all that.

103
00:29:52.391 --> 00:29:54.620
So make sure you have that

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00:29:55.148 --> 00:30:09.789
and share them with your board members. Usually. That's a pretty standard practice that at every board meeting you approve the minutes from the previous meeting, and it's important for those board minutes to be approved by the board. It's really critical.

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00:30:09.800 --> 00:30:15.199
and that should be signed off on, too. So once they're approved, the board chair should sign off on them.

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You should have a current list of names, addresses, and terms of office for your board members someplace where you can put your hands on it.

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And then, do you? You know you should save lists of members for a while. You should save your annual reports. You should save all correspondence with board members for at least 3 years. So yeah, you can. You know you should have a board return retention or sorry a document, retention and destruction policy, and you want to make sure that that policy lays out when document

108
00:30:51.750 --> 00:31:10.435
can be destroyed or not. Some documents can never be destroyed. I hate to tell you that if you don't already, if you're not, aren't already connected with and and using the National Council of on Nonprofits National Council of nonprofits something like that.

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00:31:11.110 --> 00:31:20.459
That is an incredible resource. And one of the things that I did find on there was a document, retention and destruction policy, which is very good.

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00:31:21.940 --> 00:31:27.179
So I would use that web that source a lot. National Council of Nonprofits.

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00:31:27.740 --> 00:31:30.670
lots of free resources on all kinds of topics.

112
00:31:32.400 --> 00:31:50.980
Do you prepare an annual financial statement? So you might not be big enough to have an audit. Usually organizations don't need an audit until they get above $100,000 in annual revenue. But it's a really good practice to have those annual financial statements in place.

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00:31:51.922 --> 00:32:21.409
You need to save your financial records for at least 7 years. I've heard some people say that you should keep financial, some financial records forever. That seems a little extreme to me. But again, you can find that document, retention and destruction policy and put that into place. Make sure it's legal. Make sure it abides by all the you know State Federal all that requirements, but it's good to have that in place.

114
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So you know the

115
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you're going to get asked in your

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00:32:30.650 --> 00:32:54.759
9 90, and maybe your state report about you know, if anybody has, it doesn't, has had their check signing authority revoked. Or you know, we're not doing as many checks anymore. But you know anybody that's approving financial expenditures. Have they been removed from that that permission? That that's a red flag?

117
00:32:55.123 --> 00:33:03.120
Because you had to remove them from that for so for a reason so you wanna make sure that you are.

118
00:33:03.390 --> 00:33:15.370
you know, are doing the right thing when it comes to. If anything seems strange or off that you're, you know, taking the right steps to not allow that person to have access to money.

119
00:33:17.160 --> 00:33:25.929
Does the Board of directors conduct a periodic evaluation of the performance of the organization's executive director. This one nonprofits fall down on a lot

120
00:33:26.381 --> 00:33:35.229
A lot of executive directors just never have an annual evaluation. And it's really important that you know the the

121
00:33:35.260 --> 00:33:51.700
executive director get an annual evaluation. But before they get that. Annual evaluation. You know you need the board needs to work with the executive directors to set goals, and then you can evaluate them based on on goals and things like that. So.

122
00:33:52.587 --> 00:33:57.839
you need to have job descriptions for the board of directors, so

123
00:33:57.840 --> 00:34:23.109
there should be a separate job description for each officer, and then, just for general members of the Board Committee chairs should have a job description. You should use those for recruitment. People should understand what they're getting into when you recruit board members. It's like you're recruiting a new employee. You go through the same process. The vetting process of hiring a a board member.

124
00:34:26.100 --> 00:34:30.790
So let's talk a little bit about excuse me, that was a

125
00:34:31.210 --> 00:34:33.610
bad mess up. Sorry about that.

126
00:34:34.340 --> 00:34:35.639
Get back to my

127
00:34:35.909 --> 00:34:37.420
presentation

128
00:34:38.980 --> 00:34:41.239
fundraising requirements. So

129
00:34:42.350 --> 00:35:02.080
fundrais fundraising and financials are probably the place HR. 2, where you can get into some legal trouble if you're not careful. And I've known some of these instances in real life, like some actual nonprofit

130
00:35:02.110 --> 00:35:16.639
executive directors that got into trouble for their fundraising, for their lack of of having all the the practices and processes and systems in place with their fundraising. So

131
00:35:17.570 --> 00:35:33.609
first one. And this is a checklist, which is why these are questions. So you know. Are you acknowledging in writing gifts over $250? So you should be acknowledging all gifts? That's what I'll say as a development as a fundraising consultant.

132
00:35:33.900 --> 00:35:50.950
Every donor needs to get an acknowledgement or a receipt is the other way to put that so at minimum, you know, legally, you need to send everybody an an acknowledgement, a receipt for their donations, over $250.

133
00:35:51.160 --> 00:36:15.902
I know somebody who and this is a good illustration of why you need to do this kind of stuff. This woman I know started this nonprofit. It's a wonderful nonprofit. She provides a lot of of help for people. She's amazing. She's passionate about it. You know I don't. I don't doubt that she's just that. She's not honest. I don't. You know. I have no reason to believe she's not honest.

134
00:36:16.370 --> 00:36:31.940

She. Unfortunately somebody reported her to our state because they thought that she used the her donations for her organization to buy herself a new car.

135
00:36:32.916 --> 00:36:53.730
She did not. She used inheritance from her father when he died, to buy a new car. She hadn't had a new car in like 20 years. It doesn't matter, anyway. Somebody reported her to the State Attorney General here in Ohio and said, You know, I think she's used some of the nonprofit donations to buy this new car.

136
00:36:53.870 --> 00:37:06.110
So now the State is required to investigate. And so they sent an investigator to talk with her, and the first thing they asked was, You know, how much money did you

137
00:37:06.460 --> 00:37:07.679
bring in.

138
00:37:07.750 --> 00:37:21.614
and charitable dollars, and what they discovered was the way that she was getting almost all of her donations was going to these events. She was adopted by

139
00:37:22.230 --> 00:37:27.739
by this organization that puts on these conferences all over the country.

140
00:37:27.890 --> 00:37:57.549
And so they took her on as a cause, and she would go to those conferences, and at some point during the conference, when everybody was in one room for a meal, they would kind of pass a hat almost like a church, like, you know. Let's help her raise money so she can help more people right. And people were throwing cash in cash cash, and she was leaving these conferences and traveling home with all this cash.

141
00:37:57.951 --> 00:38:07.609
She was not giving anybody receipt. There was no records of where the money was coming from. There was no record of how much was raised, and, you know, brought in at each one of these events.

142
00:38:08.440 --> 00:38:15.029
and so she could not prove where the money was. She couldn't prove how much she brought in.

143
00:38:15.411 --> 00:38:36.030

She couldn't, you know she could. They couldn't. Then follow a line of okay. This much money came in. Now. Where did it go? There was no tracking of the money, and so she. I haven't talked to her about it probably in a year, but when I last talked to her. She was on year 3

144
00:38:36.140 --> 00:38:46.430
of working with the State Attorney General on, you know, trying to get things in order so that she could keep her nonprofit status in the State.

145
00:38:49.020 --> 00:38:59.820
and I I assume it's all worked out because her organization is still going. But what a pain! You know what a hassle! And so she had to learn the really hard way.

146
00:39:00.186 --> 00:39:04.750
And unfortunately that happens. And it happens more and more these days with just.

147
00:39:04.940 --> 00:39:08.910
you know our atmosphere, our environment. Okay, moving along.

148
00:39:09.720 --> 00:39:34.680
If you receive gifts of vehicles. You know, there are special regulations about that. You know. Make sure you're registered to solicit donations, track and document all donations, track and document, all donations, everything, including, like, you know, agreements with with foundations for grants or whatever it is, track everything

149
00:39:36.991 --> 00:39:40.048
just insurance and and indemnification.

150
00:39:40.910 --> 00:39:55.769
you know. Really, look at what insurance you need. I really love the the nonprofit insurance alliance, and that's the website for it. They have some great advice. Their insurance is enough for is good, the cost is good, they keep the cost

151
00:39:55.900 --> 00:39:58.809
good, well, low.

152
00:39:58.960 --> 00:40:22.090
and they also provide a lot of resources. So that is a source that I highly recommend that you go check out if you get your insurance from them. They just they provide lots of stuff for nonprofits. At least

consider really directors and officers. Insurance and indemnification is probably the Mo. The important piece.

153
00:40:22.090 --> 00:40:31.930
You need to have a statement in your bylaws that says that you know that you provide that, and that directors and officers are indemnified from being legally.

154
00:40:31.930 --> 00:40:49.319
you know, responsible for the nonprofit. So directors and officers insurance protects your your board members and your your officers of your organization from being personally liable for something that happens with the nonprofit.

155
00:40:49.350 --> 00:40:52.469
And that's really important. Because if you don't have that.

156
00:40:52.990 --> 00:41:18.069
if somebody sues your organization, they're really suing every single board member and every single person that works there, and those people can be personal, personally responsible with their own finances. Other liability insure insurance. Excuse me, I would think about that, and study it pretty carefully before you decide what you should have, and the National or the Nonprofit Insurance Alliance can help with that, too.

157
00:41:20.162 --> 00:41:24.590
So, you know. Do you have any

158
00:41:24.790 --> 00:41:40.109
patents, trademarks, service marks, copyrights? If so, keep track of those, and when they were, you know. Keep keep track of them like, keep the documentation. Make sure that you are renewing those when you need to. That's really important.

159
00:41:42.070 --> 00:41:44.089
So financial practices.

160
00:41:46.450 --> 00:42:01.589
you. Your board needs to approve an annual budget. You need to have policies and procedures for internal controls of financials. So, in other words, you don't want any one person to have all the responsibilities of the finances. That's when people can.

161
00:42:01.590 --> 00:42:30.900

you know, borrow money from the organization because they're in a bad place and it. It's just you need to make sure that you've got separation of duties, and so that nobody has all the control over the finances. So make sure that, you know if somebody somebody opens bank statements, they're not the same person as the person who pays the bills. You know. So make sure that you have policies and procedures in place that protect the finances of the organization.

162
00:42:34.760 --> 00:42:37.250
You want to make sure that

163
00:42:37.340 --> 00:42:55.240
you have. If you, if you have audits you need to make sure that you have an audit committee. They are responsible for selecting the auditor, and that can be really helpful, and you want to make sure that you've got definitely a written policy for your accounting records

164
00:42:55.990 --> 00:43:20.810
and make sure that your board members are regularly reviewing the 4 key financial statements. I have to say. I came across this Brady article the 4 pillars of nonprofit financial transparency, and it is so good. It's very like straightforward layman's terms, easy to understand. I would share it with your board members and probably cover it in a board meeting and train your board members using that document.

165
00:43:20.810 --> 00:43:26.539
How do you look at these statements? What are they for? Why do I need to look at them? What am I looking for?

166
00:43:29.090 --> 00:43:31.770
And then, you know, if you have.

167
00:43:31.790 --> 00:43:46.999
if you have people, whether they're contractors or employees that you're paying, you want to make sure that you're following Hr processes. So I'm gonna rush through this because we're our time is getting to the end here. But,

168
00:43:47.600 --> 00:44:04.870
the most important thing is, be careful how you're classifying people who do work for you as independent contractors or as employees, and make sure you understand the Irs guidelines on that. Essentially

169
00:44:05.212 --> 00:44:28.879
it's it's in the word independent. So when you think of contractors, they have to be independent, meaning that you're not telling them. You know

what to do, how to do it. What time to do it when you know where? You know they have their own computer? You know, things like that, because if they're doing stuff that looks like they're an employee. They are an employee.

170
00:44:28.930 --> 00:44:39.759
and you know you have to pay payroll taxes, and that is where you get into trouble. The Irs wants people to pay employment taxes when they need to. So

171
00:44:40.460 --> 00:44:49.094
you know what's your process for determining staff salaries. You need to have some guideline, someplace that some process that you use to determine that

172
00:44:49.740 --> 00:45:18.749
you know. Make sure that payroll taxes are being paid for. Employees. Report all your new hires to the State make your unemployment insurance payments. You know, know what the workers compensation laws are. The the easiest way to to to get. Make sure that you're in compliance with all this is to have a payroll company that does all this for you, and that is the best way. It costs a little bit of money, but there's there's a lot of affordable options out there. So

173
00:45:20.160 --> 00:45:21.590
So

174
00:45:22.000 --> 00:45:47.819
you want to make sure that you, you know, have personnel files for each employee an employee handbook, even if it's short and simple, an employment contract or written terms of employment that can be a job description you need to have in writing the the disciplinary procedures and the evaluation and appraisal procedures, and then have a document that has standards of an unacceptable behavior.

175
00:45:48.640 --> 00:45:55.820
have Hr policies in place and use them and stick with them, and they can be part of your employee handbook.

176
00:45:56.420 --> 00:45:57.989
These are a list of

177
00:45:58.340 --> 00:46:00.170
the real important ones.

178

00:46:03.680 --> 00:46:14.659
and stay tuned for just a few minutes. That's it for the presentation we're gonna go into. QA. So get your questions ready and we'll get started here in just a minute and thank you.

179
00:46:39.170 --> 00:47:01.240
Libby V: Hello, everybody again. I'm Libby Dee, and I wanted to introduce Thomas Wilson, who is a Cpa. And senior manager with Brady ware so he has deep knowledge about financial management of nonprofits. So so glad to have you here with us, Thomas. And we're gonna

180
00:47:01.240 --> 00:47:09.420
Libby V: go through the questions and respond to those. And so what's our first question on this.

181
00:47:09.910 --> 00:47:13.130
Thomas Wilson: Thank you, Libby. That was a great presentation lot of lot of.

182
00:47:13.130 --> 00:47:13.650
Libby V: Thanks.

183
00:47:13.650 --> 00:47:15.629
Thomas Wilson: Valuable information. There.

184
00:47:15.740 --> 00:47:20.300
Thomas Wilson: Got a lot of good questions out there, and I'll I'll start with.

185
00:47:20.580 --> 00:47:28.160
Thomas Wilson: The first is I would love to to have a list of attorneys who can review nonprofit bylaws?

186
00:47:28.650 --> 00:47:32.069
Thomas Wilson: Do those attorneys need to have this specialty.

187
00:47:33.158 --> 00:47:55.841
Libby V: That's a great question. So I have one attorney here in Columbus that I I have people utilize, and I'm happy if you're in this area. I'm think she does things virtually, too, that I really trust, cause she she's got a lot of knowledge about nonprofits. But I would say, yes, you want somebody who has non nonprofit knowledge. That's real important, actually, because

188

00:47:56.180 --> 00:48:15.840
Libby V: there are just some nuances with with nonprofits that are, you know, have to do with the tax law and state requirements and stuff. So absolutely, I would look for that. And usually you can. You know, you can find on their websites if if they do have that knowledge. But let me know if you want the attorney. That, I know if you want her information, she's fantastic.

189
00:48:15.840 --> 00:48:28.320
Libby V: and I'm sure she'll I don't know where she's licensed. But you know that that's always the way that you end up, you know, not being able to use an attorney. But let me let me know if you want that information.

190
00:48:30.420 --> 00:48:31.110
Thomas Wilson: Living.

191
00:48:31.842 --> 00:48:37.729
Thomas Wilson: Here's the next one. If the organization is located in Ohio. But outside of Columbus.

192
00:48:37.910 --> 00:48:44.140
Thomas Wilson: do they need to register with Columbus to solicit people online who live in Columbus.

193
00:48:45.160 --> 00:48:50.980
Libby V: That's a really good question. So excuse me. You know

194
00:48:51.050 --> 00:48:58.829
Libby V: I'm not sure that the municipalities and and state have caught up to

195
00:48:58.910 --> 00:49:02.519
Libby V: all the virtual stuff that's going on and online giving.

196
00:49:03.765 --> 00:49:28.279
Libby V: I believe. And I, I I would like you to, you know, really check this. But I don't think so. And I I don't wanna give you, you know, the advice without the caveat of I but don't take my word for it. It! I believe that they want those folks who are actually, you know, doing fundraising activities beyond just

197
00:49:28.280 --> 00:49:49.979
Libby V: just putting blasting your stuff out to people and asking them to donate. I think it's more about, you know, holding events, you know. More like for those organizations that you might see with a bucket, you

know. Standing out in the in the in the middle of the road, you know, collecting donations and that kind of thing.

198
00:49:50.622 --> 00:50:12.265
Libby V: because if you think about it. We we don't, you know. You all would have to kind of register with every municipality and state, because you don't know where your donations are gonna come from when you put them out on social media. You could always go ahead and register just to be safe. If you do a lot of activities, you know, in in the area, but outside of Columbus. But

199
00:50:12.850 --> 00:50:27.459
Libby V: But I don't want you to do that if you don't have to. So I looked. I tried to look for that information, and and I didn't find it. And so, Thomas, I don't know if you happen to know that or not, but it's kind of a a you know. Pretty niche

200
00:50:27.460 --> 00:50:29.590
Libby V: question. Actually, so.

201
00:50:29.590 --> 00:50:35.130
Thomas Wilson: Yeah, most definitely. And and it, yeah, it comes down to, yeah, you're looking at.

202
00:50:36.322 --> 00:50:44.349
Thomas Wilson: you know, state versus municipalities. And yeah, it's I think it's probably gonna be specific to that

203
00:50:45.290 --> 00:50:47.409
Thomas Wilson: to Columbus, I guess.

204
00:50:47.840 --> 00:50:48.460
Thomas Wilson: Yep.

205
00:50:48.460 --> 00:51:05.110
Libby V: I think if you're located, if you're you know nonprofit is located in Columbus, I would definitely register then. Outside of that I would make sure I register with the State, which is what Thomas was suggesting. And likely you don't have to register with the city. So.

206
00:51:05.610 --> 00:51:06.230
Thomas Wilson: Yep.

207
00:51:07.510 --> 00:51:18.310

Thomas Wilson: okay, we've got a good. Here's here's a board question. Alright. So I've all always struggled with the line between having open doors and transparency with boards

208
00:51:18.350 --> 00:51:20.360
Thomas Wilson: and executive committees

209
00:51:20.540 --> 00:51:24.109
Thomas Wilson: while maintaining confidentiality when appropriate.

210
00:51:24.590 --> 00:51:27.540
Thomas Wilson: So any thoughts on that.

211
00:51:27.820 --> 00:51:36.302
Libby V: Yeah, I I actually do have some thoughts about that really good question again. Yeah, these are great. So keep them coming.

212
00:51:37.530 --> 00:51:51.921
Libby V: so I like to tell people. I advise people to err on the side of only telling the people that need to know when it's confidential information. But I would have every year every board member

213
00:51:52.903 --> 00:52:20.156
Libby V: sign a confident confidentiality agreement just that. They're gonna keep things confidential to cover your basis, and you should be able to have, you know, very open conversations with your executive committee and or board when you need to, but really always ask yourself, like, who has to know this information. If it's confidential. Your board or members are running into confidential information all the time, staff definitely, if you have staff

214
00:52:20.720 --> 00:52:34.870
Libby V: but anything that you have to kind of disclose. You know, I'd start with your executive committee and let them make the decision as to whether or not, it needs to go to the board. If there's some kind of decision being made, or something.

215
00:52:35.140 --> 00:52:40.549
Libby V: So that's my advice is err on the side of only telling the people that you need to.

216
00:52:41.900 --> 00:52:45.890
Thomas Wilson: Yeah, that that kind of comes with the territory. I mean, if you're gonna serve on a board.

217
00:52:46.020 --> 00:52:53.059
Thomas Wilson: you you have a responsibility to maintain that confidentiality. Because you're going to.

218
00:52:53.190 --> 00:52:54.949
Thomas Wilson: you're going to be privy to

219
00:52:55.070 --> 00:52:59.230
Thomas Wilson: sensitive information. And that's, you know, part of the role. So.

220
00:52:59.745 --> 00:53:00.375
Libby V: That is.

221
00:53:00.690 --> 00:53:01.530
Thomas Wilson: Years.

222
00:53:02.720 --> 00:53:08.000
Thomas Wilson: Okay, we've got a document, retention and destruction policy question. So

223
00:53:08.140 --> 00:53:17.039
Thomas Wilson: did these in in our policy, do they need to include electronic documents? Or must all of those documents be hard copied.

224
00:53:17.040 --> 00:53:30.690
Libby V: Yeah, no, they can be electronic. And it does cover those as well. So it's in the documents, whether they're, you know, printed out or hard copy or electronic copies. So, yes, that includes electronics, too.

225
00:53:31.180 --> 00:53:31.910
Thomas Wilson: Perfect.

226
00:53:32.230 --> 00:53:32.950
Libby V: Which will.

227
00:53:34.470 --> 00:53:36.650
Thomas Wilson: See here. Okay, we've got.

228
00:53:37.540 --> 00:53:42.590
Thomas Wilson: Here's another board question. So during the presentation you mentioned.

229
00:53:42.760 --> 00:53:47.740
Thomas Wilson: the board needs to approve the minutes from the last from the previous meeting.

230
00:53:48.340 --> 00:53:51.680
Thomas Wilson: Usually that's at the beginning of the subsequent meeting.

231
00:53:52.340 --> 00:53:56.110
Thomas Wilson: So the Board President should sign off on

232
00:53:56.270 --> 00:54:00.100
Thomas Wilson: on those minutes. So signing off this is, gonna be your question. So

233
00:54:00.420 --> 00:54:06.080
Thomas Wilson: wouldn't that just be that they are at the board meeting and part of the vote? So.

234
00:54:06.250 --> 00:54:15.329
Thomas Wilson: and if that's true, and the Board President is not in attendance at a meeting. Does that board President need to actually physically

235
00:54:15.590 --> 00:54:21.310
Thomas Wilson: sign off? Or this can can this be? Maybe maybe let's talk about how what's meant by

236
00:54:21.450 --> 00:54:22.699
Thomas Wilson: signing our fellows.

237
00:54:22.700 --> 00:54:23.510
Libby V: Yeah.

238
00:54:23.750 --> 00:54:25.229
Libby V: So I

239
00:54:26.020 --> 00:54:32.489
Libby V: I think it's a best practice to have your board secretary sign the minutes

240
00:54:32.540 --> 00:54:36.523

Libby V: just at the very end of the minutes. Just put a signature line.

241
00:54:37.290 --> 00:55:06.529
Libby V: I would have them the secretary sign. And you know, these days an electronic signatures acceptable. So if they that that works and then, after the you know, after the board minutes are approved and a board meeting have the board president or board chair sign as well, so there's a line for the secretary and a line for the the board, president or chair, whatever their title is. If the Board President or chairs absent who acted

242
00:55:06.530 --> 00:55:22.169
Libby V: in their place, so whoever acted in their place should should sign them so. That can be, you know. The if you have a vice president or a vice chair? Or whoever stepped in and ran the meeting. So

243
00:55:23.065 --> 00:55:30.695
Libby V: you know, legally, would you be okay if there's no signature. Maybe I again,

244
00:55:31.776 --> 00:55:54.763
Libby V: some. Some institutions are a little behind with electronic, you know. Stuff. Right? So I I like to have that process and that make sure that there's an extra layer of sort of accountability, and you know the the board chair will really look at the minutes and pay closer attention to them if they're signing off on them.

245
00:55:55.220 --> 00:56:02.766
Libby V: And you know, board minutes, or something that do get looked at. If you ever get audited, you know, for some reason.

246
00:56:03.230 --> 00:56:30.729
Libby V: So there, you know, they don't have to. We could go down a a rabbit hole to about minutes. But the important thing is capturing, you know, who's in attendance? Who's not in in attendance? Who was absent? Any guests that were there, and the votes, you know, who made the motion? Who seconded it, and what the results of the vote? If it was unanimous if somebody abstained, if you know somebody voted no so you just wanna make sure those things are documented in

247
00:56:31.414 --> 00:56:41.759
Libby V: and your minutes are important. They are legally binding documents. So you wanna give them the utmost, you know. Care. And so that's why I like the signatures on them.

248
00:56:42.100 --> 00:56:49.810

Thomas Wilson: Yeah, very good information there. And you know, documenting those those motions to approve the previous meetings, minutes, or

249
00:56:50.190 --> 00:56:52.020
Thomas Wilson: any revisions needed

250
00:56:52.540 --> 00:56:54.569
Thomas Wilson: that that needs to be there.

251
00:56:55.810 --> 00:56:56.600
Libby V: Yes.

252
00:56:56.600 --> 00:57:00.040
Thomas Wilson: So got a few. Got a few more questions here.

253
00:57:00.220 --> 00:57:01.230
Thomas Wilson: Speed.

254
00:57:03.090 --> 00:57:11.049
Thomas Wilson: Alright! Here's here's a 9 90 question. So what are the Irs guidelines for which 9 90 form. So that'd be

255
00:57:11.330 --> 00:57:14.609
Thomas Wilson: full 9, 90, easy, etc.

256
00:57:15.074 --> 00:57:20.259
Thomas Wilson: What are the what are the Rms guidelines? For which form are we required to submit.

257
00:57:20.480 --> 00:57:42.979
Libby V: Yes, so I will put. I'm chuckling because, you know, when you read irs guidelines, there's a bit of, you know, trying to decipher the legalese and everything. And so I like to let other people read what the Irs has, and

258
00:57:43.490 --> 00:57:46.780
Libby V: and decide for themselves. This one is

259
00:57:46.830 --> 00:57:52.809
Libby V: a little bit clearer than some of the Regs. But I put the link to that in the chat.

260
00:57:53.573 --> 00:58:06.289
Libby V: And so, you know, I'm happy to pull those up. But ultimately, you know, I recommend that you go in and look. They have a they have a table, and just to give you the

261
00:58:06.450 --> 00:58:16.359
Libby V: quick version of it. If your if your gross receipts of revenue normally less than $50,000, you can do the postcard

262
00:58:17.760 --> 00:58:27.150
Libby V: you know, at any point you can choose to do the longer form. And it it is a it's actually a really good form to fill out. It's pretty involved.

263
00:58:27.625 --> 00:58:50.920
Libby V: When you're when you start bringing in, you know, revenue that gets to be, you know, about $200,000. You're gonna need to start looking at the the form. The 9 90 form the bigger form, easy form, too. And but when you get to the point where you're having, you know, gross

264
00:58:50.920 --> 00:59:09.969
Libby V: revenue of about $200,000 a year, and you have some assets. You absolutely have to do the long form. So you know, pay attention to those, and and they do change occasionally. But I've shared the link, and hopefully, that helps.

265
00:59:12.510 --> 00:59:14.169
Thomas Wilson: Yeah, very good. So it sounds like.

266
00:59:14.480 --> 00:59:23.610
Thomas Wilson: sounds like this is gonna be, you know, based on as as your organization is growing, you're you know that you're gonna progress through

267
00:59:23.850 --> 00:59:28.350
Thomas Wilson: the the simple 9 90 reporting the postcard through

268
00:59:28.520 --> 00:59:30.199
Thomas Wilson: all the way up to the full.

269
00:59:30.330 --> 00:59:32.400
Thomas Wilson: depending on your revenue size.

270

00:59:33.200 --> 00:59:34.800
Libby V: Yes. Yes.

271
00:59:35.770 --> 00:59:44.089
Thomas Wilson: Here's an if we have a couple of minutes here, we've got a here's an audit related question. So when does my organization have to get an audit.

272
00:59:44.270 --> 00:59:46.459
Thomas Wilson: And what does that typically cost.

273
00:59:47.770 --> 00:59:50.316
Libby V: Yeah. Do you wanna answer that one.

274
00:59:52.306 --> 01:00:00.760
Thomas Wilson: Yeah, it's the the cost is very difficult. I mean, it's always, you know. There, there's a ballpark, and that's that's always the tricky part.

275
01:00:01.403 --> 01:00:04.020
Thomas Wilson: You know, the first year

276
01:00:04.240 --> 01:00:07.360
Thomas Wilson: jumping into an audit can be daunting.

277
01:00:07.440 --> 01:00:17.359
Thomas Wilson: If you think you're gonna you know, get to that point. I mean, most of most of our charities here in Georgia. They they're not required to have an audit. It's just.

278
01:00:17.370 --> 01:00:21.160
Thomas Wilson: you know, it's it's demonstrating to the donor base.

279
01:00:21.470 --> 01:00:25.429
Thomas Wilson: you know, we're demonstrating our fiduciary responsibility by

280
01:00:25.640 --> 01:00:30.099
Thomas Wilson: having an independent auditor auditor financials. We can post those

281
01:00:30.170 --> 01:00:31.200
Thomas Wilson: website.

282
01:00:33.130 --> 01:00:34.790
Thomas Wilson: it. Yeah, it.

283
01:00:35.470 --> 01:00:43.320
Thomas Wilson: And maybe I don't know. Maybe the easy answer is, well, it may depend on where you are, because I think there's certain states that require

284
01:00:43.480 --> 01:00:46.609
Thomas Wilson: nonprofits. Do you have audited financials.

285
01:00:46.983 --> 01:00:51.836
Libby V: Yeah. And I'll add to that. That was a great answer. And

286
01:00:52.290 --> 01:00:53.460
Libby V: you know.

287
01:00:53.930 --> 01:00:55.190
Libby V: you

288
01:00:55.410 --> 01:01:04.083
Libby V: you will need one like Thomas, you said. You know, when you get over like $100,000 annually and revenue, it's a good practice.

289
01:01:04.450 --> 01:01:22.210
Libby V: but also a lot of granters require it. A lot of funders and grantors. So if you're applying for grants from foundations or corporations, or you know, government entities whether that be Federal state municipal.

290
01:01:22.320 --> 01:01:33.010
Libby V: They often ask for audited financials. You can, but often they'll allow you just to to submit your annual financial reports.

291
01:01:33.760 --> 01:01:36.210
Libby V: so you know, I

292
01:01:36.370 --> 01:02:03.098
Libby V: you can do that for a while and see what it gets you. If you have some kind of a change, I would definitely have an audit. You know a and that is kind of vague. But you know, if you're gonna if you're gonna

engage in a big partnership or something or you know you're going to merge, or you know whatever definitely you want an audit then. But

293
01:02:03.460 --> 01:02:10.739
Libby V: I I would say, you know, if you're going to be cert. If you're going to go after a lot of grants, you might want to consider, audit it and audit

294
01:02:11.113 --> 01:02:30.020
Libby V: and you can get, you know, a review which is less than an audit and less expensive and and that can suffice. Probably for a while, for a long time. If your revenues not real high. So. And you know an audit will cost you what Thomas anywhere from.

295
01:02:30.710 --> 01:02:38.530
Libby V: you know definitely 4 figures, sometimes 5. If you're complex and bigger. Is that accurate still? So, yeah.

296
01:02:38.530 --> 01:02:42.849
Thomas Wilson: Yeah, yeah, if you're in the ballpark, I mean, it's yeah. It's gonna be.

297
01:02:43.020 --> 01:02:46.000
Thomas Wilson: yeah, probably low, low fives.

298
01:02:46.540 --> 01:02:54.220
Thomas Wilson: Let's make starting around, you know, 10,000 depending on the market, you know, for an audit, and I'll tell you what you mentioned with the review was

299
01:02:54.370 --> 01:02:57.430
Thomas Wilson: something we do try to direct

300
01:02:57.540 --> 01:03:06.049
Thomas Wilson: our clients who are growing. If you think you're going going to start applying for grants, let's say in the next couple of years

301
01:03:06.210 --> 01:03:17.639
Thomas Wilson: start off potentially with a compilation or and then progress through to a review, then to an auto that's much, much less painful, and it helps identify areas

302
01:03:17.850 --> 01:03:19.240
Thomas Wilson: of need.

303
01:03:19.260 --> 01:03:21.580
Thomas Wilson: you know, to be audit ready.

304
01:03:22.690 --> 01:03:45.725
Libby V: Yeah. And then audit can be really helpful for you know, guidance on setting up your financial processes and systems, too. Right? A good audit will point out, you know, maybe, where you have a weakness in your systems and or processes. And so it's really valuable to have one done. You'll you'll learn a lot.

305
01:03:46.130 --> 01:03:55.670
Libby V: but you know you might be be too small for one, and that's okay you're not ready for one yet. So hopefully you will be.

306
01:03:57.800 --> 01:04:01.542
Thomas Wilson: Thank you, Libby and I. I don't know. How are we doing your time?

307
01:04:01.810 --> 01:04:02.209
Libby V: I think.

308
01:04:02.710 --> 01:04:03.010
Thomas Wilson: Map.

309
01:04:03.010 --> 01:04:04.850
Libby V: At the end. Yeah.

310
01:04:05.500 --> 01:04:06.160
Thomas Wilson: Okay.

311
01:04:06.160 --> 01:04:07.280
Libby V: This is great.

312
01:04:08.420 --> 01:04:12.909
Libby V: Yeah, thank you all so much for the interaction, too. That's great.

313
01:04:13.550 --> 01:04:18.219
Libby V: Hopefully, you got a lot out of it, and you have a good day. Thank you for being here with us.

314

01:04:18.670 --> 01:04:19.479
Thomas Wilson: Thank you.