



Annual Report letter from the CalNonprofits Board and CEO

Spring 2013

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Report on Recent Policy Work

Please see our new Policy Framework at www.calnonprofits.org that outlines our strategy, philosophy, and priorities. Here are some specific actions we've taken recently that reflect this approach:

Charitable tax deduction

- CEO Jan Masaoka testified by invitation at the U.S. House Ways & Means Committee
- Took stand supporting comprehensive changes in taxation including changes to the charitable deduction
- Held debate and discussion with Kim Klein, Danielle Brazell, Charmine Jefferson, Ashley McCumber and Cara Underwood
- Supported efforts of national nonprofit leadership organizations.

— continued on page 6



Jan Masaoka
CalNonprofits, CEO

Dear Friends,

What a year! In the past year since Jan Masaoka joined the California Association of Nonprofits (CalNonprofits) as CEO, we are pleased to report:



Linda Davis
CalNonprofits, Chair Board of Directors

We're back. After four years of near-dormancy, we've burst back onto the scene with a new mission statement, new branding, a new website, new services, and most of all: a newly powerful voice for California nonprofits.

We've opened our first-ever Sacramento office, led by our new Policy Director and lobbyist Kris Lev-Twombly, who came to us from the Ella Baker Center for Human Rights and a great track record in lobbying for community nonprofits.

After four years of no office at all, we also opened our headquarters in San Francisco.

Our first statewide convention in four years was a smash success in Los Angeles with unusual perspectives and topics, such as a debate on the charitable tax deduction, a session on the new "hybrid" corporations, and former State Senator Sheila Kuhl on how to influence the state budget.

Our new CEO Jan Masaoka held "meet-ups" with nonprofits in 22 locations across California to hear about the issues concerning them and getting feedback on our tentative plans.

The Vote with Your Mission campaign challenged nonprofits to get 100% of their staff and volunteers to vote, resulting in hundreds of nonprofits finding a pathway to advocacy, and a re-framing of the nonprofit workforce as a voting bloc. — continued on page 3

We connect you to our community

Sign up for our email newsletter.
www.calnonprofits.org/newsletter



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STAFF

Jan Masaoka, CEO
Christina Dragonetti, Membership and Communications Manager
Edan Enriquez, Executive Assistant/Project Manager
Kris Lev-Twombly, Director of Public Policy

BOARD OF DIRECTORS

NOTE ABOUT EXPANDED BOARD
Meet our board members and let them know what you are thinking. Send your comments to our board chair ldavis@cvnl.org and she'll forward them to the appropriate board member.

Linda Davis, Chair
Center for Volunteer and Nonprofit Leadership
San Rafael

Jaime Alvarado
Somos Mayfair
San Jose

Geoff Green, Treasurer
Fund for Santa Barbara
Santa Barbara

Yezdyar Kaoosji, Secretary
YSK Consulting
Fresno

Kim Klein, Chair, Policy Committee
Klein & Roth, Nonprofits Talking Taxes
Oakland

Pete Manzo
United Ways of California
Los Angeles & Sacramento

Ashley McCumber, Vice Chair
Meals on Wheels of San Francisco
San Francisco

Sarah Pillsbury
California Participation Project
Los Angeles

Kris Sinclair
Association of California Symphony Orchestras
Sacramento

Latonya Slack
Slack Consulting
Los Angeles

Terry Supahan
Supahan Consulting Group and
Humboldt Area Foundation
Humboldt County

Ellen Wu
California Pan-Ethnic Health Network
Oakland and Sacramento

TraversoSantana.com design

An Agenda with Philanthropy

The word “policy” tends to make people think about the legislature. But we’d like to expand that definition. First, influencing state government must mean influencing not only the legislature, but the executive/administrative and the judicial branches as well. Many policies are enacted as regulations and practices that never get to the legislature.

Second, within our nonprofit sector, we have a policy agenda with philanthropy. Collectively, California’s foundations have an impact far beyond their dollars as they champion or require management practices and as their individual grantmaking choices unintentionally have far-reaching impacts on the nonprofit ecosystem.

In particular, we will be working this year to generate dialog and call on philanthropy to:

- **Make more unrestricted, multi-year, core support grants**, to reduce transactional costs and so that the most important work can get done.
- **Pay the full costs of programs:** When funding a significant project or program, pay for a fair share of salaries and in-common costs such as rent and insurance.
- **Scale paperwork to funding amounts:** it’s neither efficient nor reasonable to have the same amount of paperwork required for a \$5,000 grant as for a \$5 million grant.
- **Support nonprofit advocacy:** Nonprofits don’t just serve communities; we represent communities. By supporting advocacy you support funding and policies that allow your grant dollars to be leveraged one hundredfold.
- **Take responsibility for building a healthy nonprofit ecosystem, not just funding a few standouts.** (In order to have healthy elk we also need healthy mountain lions, fieldmice, meadows and bats.) In particular, we believe that under-funded and overlooked segments include all-volunteer organizations and nonprofits embedded in marginalized communities: low-income communities, communities of color, and rural communities.

I love the new nickname and am impressed with the new look!

— Nisha M. Gnanamuthu,
California League of Conservation Voters

Annual Report letter, *continued from page 1*

With new member benefits and new ways to participate in policy, our membership numbers grew for the first time in four years... if you aren't a member, let us tell you about why you should be. ☺

With 100% new staff and eight new board members, we have new, impressive leadership in place and putting their shoulders to the wheel.

If you are reading this, you are part of our community: the community of people who work, volunteer through, donate to, sit on the boards of, benefit from and appreciate the important work of California's nonprofits. About 750,000 of us are nonprofit staff; about 7 million of us are volunteers, and 100% of us benefit from the achievements of California nonprofits.

Thus our new mission statement: To bring the full power of California's nonprofits to strengthening communities.

We look forward to hearing your ideas, your suggestions, your complaints and criticisms, your hopes and dreams. Hang on tight; this coming year looks even more intense.



Jan Masaoka
CEO



Linda Davis
Chair, Board of Directors

P.S. Reach us at janm@calnonprofits.org and ldavis@cvnl.org respectively. And we'll see you at one of our three Regional Town Halls or our statewide convention this year!



CalNonprofits members by region

Region	Count
Central Sierra	20
Northern Sacramento Valley	20
Out of state	24
San Joaquin Valley	41
Central Coast	63
Southern Border	64
Northern California	68
Greater Sacramento Valley	88
Southern California	471
Bay Area	611
Total	1470

Nonprofits obtaining their insurance through CAN Insurance Services (CIS): **1,244**
Nonprofit staff who get their health insurance through CIS: **12,500**



Assemblymember Holly Mitchell (*left*) is just one of the incoming class of California legislators with nonprofit backgrounds. In her keynote at the CalNonprofits convention, she challenged nonprofit leaders to run for office: “What if the person you were lobbying in Sacramento used to work for your organization? Wouldn't that be great? So . . . that person should be YOU two years from now!”



Funders

Thank you to our 1,500 members, funders and Sustaining Members who made it possible to raise California nonprofit voices over this last year:

FOUNDATION FUNDERS

We are especially grateful to foundations that provided core, unrestricted support, marked with a star ★

California Consumer Protection Foundation

★ The California Wellness Foundation
The California Endowment

David and Lucile Packard Foundation

★ Evelyn and Walter Haas, Jr. Fund

★ James Irvine Foundation

★ Philanthropic Ventures Foundation

★ Wallace Alexander Gerbode Foundation

★ Weingart Foundation

★ William and Flora Hewlett Foundation

SUSTAINING MEMBERS 2012

ABC Learn, Inc.

California Chamber of Commerce (CalChamber)

California State Parks Foundation

The California Wellness Foundation

Cars 4 Causes

City of Santa Monica

Frank H. and Eva B. Buck Foundation

Humboldt Area Foundation

Irvine Health Foundation

Josephine S. Gumbiner Foundation

Kidango

Kings Community Action

Organization Inc.

MoveOn.org

Provident Credit Union

rbz, LLP

TechSoup Global

Turning Point Community Programs

UNUM Group

Valic

Wallace Alexander Gerbode Foundation

Walter and Elise Haas Fund

Wells Fargo Foundation

Our staff team



Jan Masaoka
CEO

Jan Masaoka, CEO: In early 2012, Jan started as our first CEO in four years, and she has been sprinting ever since. Her background includes founder & publisher of the online magazine Blue Avocado, 14-year executive director of CompassPoint Nonprofit Services, and an 8-time designee as one of the “Fifty Most Influential People” in the nonprofit sector nationwide. Jan is an award-winning author of several books on nonprofit management and is a frequent contributor to nonprofit journals. Jan is currently a board member of American Nonprofits, a member of Independent Sector’s national Policy Committee and of Bridgespan’s Knowledge Advisory Board. She puts a lot of miles on her car driving through the beautiful landscapes of California.



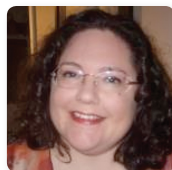
Kris Lev-Twombly
Director of Public Policy

Kris Lev-Twombly is Director of Public Policy and lobbyist for CalNonprofits. His background includes running his own lobbying firm, serving as Program Director for the Ella Baker Center for Human Rights, and being on the staffs of Friends of the River and the Planning & Conservation League. He works out of our Sacramento office which we share with the California League of Women Voters. Kris also taught 7th grade special education in Sacramento, and coincidentally, his stepfather Michael Twombly served as CalNonprofits Policy Director in the early 1990’s. Kris is a board member of the California Wilderness Coalition.



Edan Enriquez
Project Manager

Edan Enriquez is a Project Manager at CalNonprofits; his responsibilities include our annual convention, regional town halls, the California Policy Forum, and general operations. His background includes a Masters in Public Affairs from USF and work at the California Budget Project, Project Homeless Connect, Valley Medical Center, and T-Mobile Corporate Giving. Edan is a competitive volleyball player and a volunteer volleyball instructor for the YMCA.



Christina Dragonetti
Membership & Communications Manager

Christina Dragonetti is CalNonprofits’ newest staffmember: our Membership and Communications Manager. Christina’s background includes stints at TechSoup, the Center for Voluntary and Nonprofit Leadership, and the Berlitz Language Center. Christina can help you with accessing member benefits, understanding whether and why to become a member, and more. She’s also an active member in the Young Nonprofit Professionals Network (YNPN).

Four of our staff are shared with CalNonprofits Insurance Services (CIS):

Deborah Connors is CFO of CalNonprofits and its for-profit subsidiary, CAN Insurance Services, and has worked with the organizations since 1985. She oversees the annual budget and financial statements including the audit and tax form preparation. Prior to joining CalNonprofits, she worked in finance for the Santa Cruz Community Counseling Center.

Kim Patterson, receptionist, serves as the first point of contact for CalNonprofits’ general phone lines. Kim is an active volunteer for the San Lorenzo Valley schools and community.

Shannon Smith, membership services: Shannon answers questions about member benefits and everything else. Before joining CalNonprofits, she worked for Head Start of California and Home Support Services, and volunteers for the Muscular Dystrophy Association.

Cheryl Thompson, accountant, manages both financial transactions and our membership database. Prior to joining CalNonprofits, she worked for O’Neill Sea Odyssey, a nonprofit providing marine education programs in grade schools; she is a student of Odissi, a classical dance form from India.

Our vision



People come to the nonprofit sector to express and to act on their values. As a result, nonprofits are the vehicles through which communities care for one another, innovate for social change, thrash out and achieve acceptance for new ideas, and inspire us to be more than we are both individually and collectively.

We envision a regulatory, tax, civic, and philanthropic climate in which nonprofits can emerge, compete for leadership, thrive, fail, succeed, and change the world. Our vision is about nonprofits individually and collectively engaging their full missions: not just serving communities, but representing the interests and values of those communities.

We want California's nonprofit community to have the clout it deserves and needs. We want cities to court nonprofits the way they court industry because they know nonprofits create jobs. When an idea comes up in Sacramento, we want the first question to be, "What will the nonprofit community think?" the same way people ask "What will the Chamber think?" We want candidates to seek out nonprofits because they know not only that nonprofit work is crucial to civic success, but because voters care about which candidates support nonprofits.

Why do we want clout? Because when nonprofits have clout, we use it to strengthen our communities. Nonprofits not only create jobs; we create communities people want to live in. Nonprofits represent the underdogs and the visionaries and we fight for legislation that reduces economic disparities, inspires the spirit, and drives social change.

Thus our mission: **to bring the full power of California's nonprofits to strengthening communities.**

In memoriam: Flo Green

Flo Green, long-time executive director and board chair of the California Association of Nonprofits, passed away in 2012 at the age of 71. She served as board chair from 1988 to 1994, as executive director from 1995 to 2008, and under her leadership the organization was influential in a large number of policy and capacity-building matters. Flo was known for her fiery championship of community nonprofits, her biting humor and her generous heart. In addition to her contributions to CalNonprofits, she was the first woman elected to the Ridgecrest City Council; she was a founding member and a play director of the Community Light Opera and Theatre Association, and on the national stage, she was a co-founder of the National Council of Nonprofits and the Alliance for Nonprofit Management. We miss you, and we carry on your work, Flo. Rest in peace.



why do nonprofits join CalNonprofits?

- ✓ To be part of a voice for California's nonprofit community
- ✓ To stay connected to statewide nonprofit advocacy issues
- ✓ To get health insurance and other insurances
- ✓ To get Office Depot and other discounts
- ✓ To use CalCPA (Calif Assn of CPAs) educational resources
- ✓ To get discounts on CalChamber HR resources
- ✓ To make use of the CalNonprofits platform for convening and advocacy

Won't you join us today?

calnonprofits.org



State requirements for nonprofits

- Worked with Assemblymember Nancy Skinner on development, passage, and implementation of AB 2641 to place compliance requirements for California nonprofits on a single webpage
- Published free *How to Start a Nonprofit Organization in California* by attorneys Gene Takagi and Emily Chan

“Hybrid” corporations

- Held a panel at our annual convention with authors of the legislation Todd Johnson and Rob Wexler
- Spoke on a panel at the Independent Sector’s national conference
- Testified before the San Francisco County Board of Supervisors
- Testified by invitation before the California State Senate Finance Committee

Unreasonable take-aways of exempt status from small nonprofits

- Worked with State Senator Lois Wolk to pass a bill that ensures that nonprofits will first be notified and then have 90 days to comply with paperwork completion rules before their exempt status is taken away

California state finances

- Held free webinar with 148 participants on implications of the fiscal cliff deal for California nonprofits
- Held a forum on “How to Influence the State Budget” with former state senator Sheila Kuehl
- Analyzed issues for our e- and print newsletters

Nonprofit voter mobilization and education

- Launched successful Vote with Your Mission campaign
 - Supported efforts of California Participation Project, California Calls, Latino Votes, and the California League of Women Voters
 - Published explanations and analysis of ballot propositions affecting nonprofits
 - Took and advocated for positions on six state ballot propositions affecting nonprofits
 - Held free, neutral webinar for nonprofits explaining “5 most confusing” ballot propositions, attended by 66 people
- Supporting legislation to inform former prisoners of their right to vote upon completing their sentences and paroles.

State regulation of nonprofit earned income streams

- Worked with State Working Group to prevent unfair doubling of licensing fees to nonprofit fireworks sellers

Healthcare Reform

- Supporting nonprofit coalitions on MediCal expansion
- Monitoring and publishing regular updates on what nonprofits need to know about developments with the Affordable Care Act and the California healthcare Exchange

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Where is CalNonprofits?

Main office: San Francisco
180 Howard St., Suite 300
San Francisco, CA 94105
Phone: (800) 776-4226
Fax: (831) 462-8529

Sacramento
1107 Ninth St., Suite 300
Sacramento, CA 95814
Phone: (916) 207-2737

CAN Insurance Services (CIS)
Main office:
1500 41st Ave., Suite 280
Capitola, CA 95010
Phone: (800) 776-4226

CAN Insurance Services (CIS)
Southern California office:
3435 Wilshire Blvd., Suite 1930
Los Angeles, CA 90010
Phone: (800) 776-4226

Everywhere via the web:

www.calnonprofits.org



Report on Recent Policy Work — from page 6

- Developing 3-pronged initiative to launch mid-2013 with direct Exchange enrollment, educational materials, and advocacy campaign

Look for these in 2013:

- **California Policy Forum:** monthly webinars with elected officials, foundation leaders, policy advocates and more. Free, and co-sponsored by CalNonprofits, Northern California Grantmakers, San Diego Grantmakers, and Southern California Grantmakers. The first Forum -- a pilot with White House Social Innovation Office Director Jonathan Greenblatt, California Finance Director Ana Matosantos, and National Council of Nonprofits' Tim Delaney -- drew 148 participants to a discussion implications of the fiscal cliff deal for California nonprofits and philanthropy.
- **CalNonprofits Healthcare Reform Initiative:** Using our legislative advocacy work, our educational reach, our insurance arm and our bully pulpit, we will be challenging California nonprofits to get 100% of their staff *and their dependents* onto health insurance in 2014. And helping them do so by serving as an Navigator/Assistor/Broker as well.
- **Nonprofit Advocates Caucus:** Our Public Policy Director and lobbyist Kris Lev-Twombly is working with with other statewide coalitions to convene a caucus of all the statewide nonprofit coalitions to provide a vehicle for information sharing and joint action.
- **Statewide convention and three Regional Town Halls:** Join us in San Francisco for our statewide convention. But California is a big state. If you can't make it there, join one of the Regional Town Halls, this year to be held in
 - San Diego, with San Diego Nonprofits and San Diego Grantmakers
 - Fresno, with AFP Central Valley, Central Valley Coalition for Human Services, and the Fresno Regional Foundation
 - Fortuna/Eureka, with the Northern California Association of Nonprofits
- **Economic impact of California's nonprofits:** we're working with University of San Diego researchers to conduct this first-ever study documenting and profiling the scope and impact of our sector statewide.

Finances 2012

STATEMENT OF ACTIVITIES

Year Ended December 31, 2012

Estimated - Pre-audit

Revenue	
Memberships	387,377
Grants and contributions	481,541
Earnings from Investment in Wholly-Owned Subsidiary	200,000
Other	86,824
Total	1,155,742
Expenses	
Program Services	545,749
Management & Administrative	182,826
Fundraising	6,812
Total	735,387

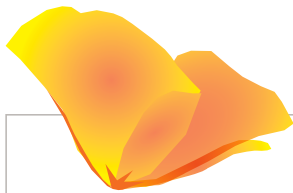
BALANCE SHEET

December 31, 2012

Estimated - Pre-audit

Assets	
Cash & cash equivalents	661,344
Grants receivable	200,000
Dividend Receivable from Wholly-Owned Subsidiary	200,000
Other assets	11,973
Investment in CIS	2,020,262
Total assets	3,093,579
Liabilities	
Accounts payable	38,523
Accrued vacation	10,464
Deferred revenue	736
Total liabilities	49,723
Net assets	
Restricted	332,292
Investment in Wholly-Owned Subsidiary	2,020,262
Unrestricted	691,302
Total net assets	3,043,856
Total liabilities & net assets	3,093,579





California
nonprofits
need a voice.

*You can be part
of that voice.*

By joining CalNonprofits,
you're part of a leadership
network of nonprofits
advocating for nonprofits
and our communities in
Sacramento, to philanthropy,
and to the public at large.

join now at

www.calnonprofits.org/membership



**Let's
Talk!**

2013 CalNonprofits Conventions

Join us at one of these locations near you
to hear prominent leaders from the sector
provide their thoughts, points of view, and
insight into the current wave of issues
impacting our state's nonprofits:

Fresno Regional Town Hall - June 26

San Francisco Statewide Convention - Nov 14

San Diego Regional Town Hall - Sept (TBD)

Eureka/Fortuna Regional Town Hall - Oct. 10

> check calnonprofits.org for updates

*Because capacity is limited to 300, registration
will be limited to 2 attendees per organization*