

GENERAL INFORMATION ABOUT COMMUNITY SHARES

Community Shares is an innovative way for community non-profit organizations to raise much-needed funds for their organizations. CS is a funding federation of progressive social change organizations based in Tennessee. As a federation, CS members work together to raise money for their organizations, tapping resources they otherwise could not effectively tap on their own.

Community Shares is one of about 165 or more federations now established across the nation. Alternative funds are non-United Way umbrella groups raising money primarily from payroll deduction giving in the workplace. Unlike United Way, which raises money from employees for the more traditional charities (Red Cross, YMCA, etc.), CS is a fund for employees to support social and environmental justice work in Tennessee. CS raises money for its operations through direct mail, special events, major donors and phone-a-thons.

The purposes of Community Shares are to:

1. Raise funds for its member groups.
2. Create a strong and viable network of progressive social change organizations in Tennessee.
3. Maintain and strengthen Community Shares member groups through training and technical assistance.

Our aim is not to be the sole funder of any single member organization. Rather is it to encourage each group to seek diversified funding while providing a stable source of income.

Community Shares is a long-term investment for its members. Much like a new machine, the fund requires energy, time and resources to assemble and get started, after which point it only needs good maintenance to keep running smoothly. The front-end investment is time that it takes to gain access into the many workplace campaigns (federal, state, and municipal agencies, as well as private corporations), and then building a high level of name recognition within the workforce.

Currently we distribute about \$350,000 to approximately 40 member groups. About 60% of this money is designated to specific member groups with 40% being divided between the full member groups (see Distribution Policy and Procedures below).

DISTRIBUTION POLICY AND PROCEDURES

Donors may give to Community Shares as a whole (this is called an "undesignated" gift), or they may designate their gift to go to certain Community Shares members.

- All undesignated contributions are divided equally among Full Members only.
- Designated contributions go to the designated group, and are added onto the amount the groups received from the undesignated contributions.
- Associate Members receive only designated contributions.
- An administrative fee of 10% is deducted from each member's allocation to go toward paying the fundraising and administrative expenses.

New members begin receiving their first allocations in the year following their admission. This is because workplace fundraising is based on pledges. Employees pledge in the fall of the year how much they will contribute throughout the following year. Therefore members admitted in January 2015 will be in the fall 2015 workplace campaign and begin receiving distributions in June 2016. (If this is confusing or unclear, please call our office at 865-522-1604.

MEMBERSHIP STATUS AND DUES

All groups are admitted as **Associate Members** (unless they request to be admitted as Adjunct Members) and remain Associate Members for their first two years. Associate members receive funds designated to their group, but do not share in undesignated contributions. After 2 years, groups may choose to remain Associate Members, or they can

become Full Members and receive an equal portion of the undesignated funds. To become a full member, a group must complete the participation requirements of Full Members for one year (see below).

Full Members: Full Members of Community Shares shall receive designated fund and undesignated funds. Undesignated funds will be distributed equally to all Full Member organizations. Full members pay service fees of 10% and dues of \$300 + 15.5% of their estimated net distribution from the previous fall's workplace campaign. Full Members shall fulfill standards set forth by the membership committee and approved by the Board of Directors. The Board of Directors may lower a full member to associate status because of lack of full participation.

Associate Members: Associate member shall receive only designated funds. Associate members pay service fees of 10% and dues of \$150 + 13.5% of their estimated net distribution from the previous fall's workplace campaign. Associate Members shall fulfill standards set forth by the membership committee and approved by the Board of Directors. The Board of Directors may lower an associate member to adjunct status because of lack of full participation.

Adjunct Members: Adjunct Membership is a subset of Associate membership status. Adjunct Members shall receive only designated funds. Adjunct members are not required to fulfill any of the participation requirements. They pay service fees of 10% and dues of \$150 + 15.5% of their estimated net distribution from the previous fall's workplace campaign. Although they don't have to participate they do have to turn in the annual evaluation report and its attachments. Groups cannot move directly from Adjunct status to Full Member status. Any member can choose to be an adjunct member.

MEMBERSHIP EVALUATION PROCESS

In the first quarter of each year, all current members go through an annual evaluation process to insure they are continuing to meet the criteria and standards of membership. It is strongly felt by the Board that the spirit of this process is one of helpful exchange of information, ideas and encouragement from other member groups. Groups fill out an annual report and discuss with the Board their strengths and weaknesses in light of the membership criteria and standards. If the Board thinks a particular group is not meeting all the standards and criteria, they will specifically identify in writing the problems and give a timeline for correction. The Board will also identify, where possible, any resources it thinks could be of some help to the group. If there is a major diversion from the standards and criteria, the Board can remove a group from its membership.

MEMBERSHIP CRITERIA AND STANDARDS

MEMBERSHIP CRITERIA FOR COMMUNITY SHARES MEMBER ORGANIZATIONS:

1. Have a 501(c)(3) tax-exemption letter from the Internal Revenue Service. The 501(c)(3) letter must be in the name of the member group and not that of a "fiscal agent". If a member group is a chapter of a national organization with the same name they may use the national organization's 501(c)(3) letter.
2. Be an organization whose primary purpose is to advocate for progressive social change, provide needed services, and work to change the circumstances that have necessitated those services
3. Serve an identifiable community in Tennessee.
4. Be at least two years old.
5. Meet the Standards of Participation as determined by the Board, and pay dues.
6. Provide financial information to Community Shares and to the public upon reasonable requests for information.
7. Conduct all activities without discrimination regarding race, gender, creed, age, ethnicity, disability or sexual orientation.
8. Maintain generally accepted accounting principles.
9. Not prohibit its employees from collective bargaining.
10. Be subject to the admittance process, as determined by the Board.
11. Have a current state solicitation permit or have a current letter of exemption from the state.

STANDARDS OF PARTICIPATION FOR COMMUNITY SHARES MEMBER ORGANIZATIONS*

1. Pay annual dues set by the membership (Associate: \$150 + 13.5% of estimated net distribution; Full: \$300 + 15.5% of estimated net allocation; Adjunct: \$150 + 15.5% of estimated net allocation).
2. Promote CS among your board and members
3. Provide the necessary paperwork required by Community Shares. EG: financial audits, 501(c)(3) letter, charter, solicitation permits, by-laws, etc.
4. Abide by the distribution procedure established by the Board.
5. Work cooperatively with Community Shares.
6. Meet participation requirements set by the board and membership including (but not limited to) helping with workplace campaigns, helping find new workplace campaigns, attending monthly coordinating meetings, participating in the annual evaluation process, printing CS logo on materials such as brochures, newsletters, letterhead etc., serve on a committee, help raise funds for CS operations budget.

FAQs about membership in Community Shares

WHAT ARE THE BENEFITS OF BEING A MEMBER OF COMMUNITY SHARES?

Fundraising is an essential part of non-profit work, yet it takes time, money and people. Often fundraising takes more resources than one group can afford without cutting into program work. Community Shares provides a low cost way for groups to raise significant amounts of money without having to drain all their resources. The revenues are stable and steady from year to year. Aside from income, Community Shares also provides greater public exposure before a wider audience than just one group would attract. Community Shares gives its members access to employee giving drives, which are very lucrative for non-profit organizations. In addition, Community Shares conducts skills workshops at nominal cost to its members, on such subjects as how to improve your grassroots fundraising, financial planning and management, marketing, board development and public relations.

HOW MUCH TIME IS INVOLVED IN BEING A COMMUNITY SHARES MEMBER?

We estimate that fulfilling all obligations of membership requires an average of 100 hours a year per group. There will be months that won't require that much time, and other months that may require more, depending upon the time of year and the specific work of your representative.

ARE THERE ANY RESTRICTIONS ON OUR OWN FUNDRAISING ACTIVITIES?

No. Community Shares members are encouraged to do their own fundraising. It is helpful if they coordinate their activities with other members, so there are no direct conflicts with Community Shares' member agencies fundraising drives.

HOW ARE THE FUNDS DISTRIBUTED?

All undesignated donations to Community Shares are equally divided among the Full Member groups. Designated donations go to the member(s) specified by the donor in addition to their undesignated share. A 10% fee is taken out of all campaign revenues to put back into Community Shares to help cover fundraising expenses.

HOW MUCH CAN WE EXPECT TO RECEIVE?

Associate members receive only designated funds, ranging from \$300 to \$15,000 a year, depending upon the popularity or attraction to the name and upon the familiarity the public has about the group. Full members will receive approximately \$4,500 each in undesignated funds, in addition to their designations.

ARE ALL COMMUNITY SHARES MEMBERS EXPECTED TO ADOPT ISSUES/STANDS TAKEN BY THE OTHER MEMBERS?

No. Our sole purpose is to fund-raise together, not to be a coalition around issues. However, many times our members will work collaborative on common issues, which we encourage. We also encourage our member groups to network with each other around both issues and common concerns regarding non-profits.

HOW DOES COMMUNITY SHARES PAY FOR ITS EXPENSES?

Currently about 1/3 of the funds raised to cover our costs -- staff, office, phone, materials -- comes from Membership dues and the 10% fee. We get a very small amount of money from grants (less than \$5000) and the rest of our expenses are from "grassroots fundraising" (mail appeals, phone-a-thons, events, etc). That's why, as part of CS, you'll help with our fundraising efforts!

HOW DOES COMMUNITY SHARES DIFFER FROM UNITED WAY?

Both Community Shares and the United Way represent various non-profit organizations in fundraising campaigns in the workplace. The major difference is who runs the fund, how allocations are made, and what sort of non-profit organizations are supported. Community Shares' allocations are based on the donor's wishes, rather than the wishes of an allocations committee. Community Shares members are represented on the Community Shares Board, and have a voice in deciding how the money will be raised, how it is to be allocated, and what other groups will be admitted. Community Shares also specifically seeks to be a resource for self-help grassroots organizations throughout Tennessee, and does not limit its membership to a particular county.