

# INFP

**Congressional Committee  
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**New College Grads:  
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## Does Your Nonprofit Need a Social Media Manager?

With the uptake and influence of social media growing at seemingly exponential rates, not-for-profit organizations of all sizes are finding that Facebook, Twitter, YouTube, WordPress, and a variety of other social media platforms are becoming core elements of their outreach and fundraising efforts. A few social network pages, a blog, and some online videos do not necessarily amount to a social media presence that will, over time, build your brand and generate interest in your organization's programs and fundraising campaigns. As social networking technologies continue to advance rapidly, your group may want to consider hiring a full-time employee whose sole focus

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## Congressional Committee Holds Hearing on Nonprofit Compliance and Structure

On July 25, 2012, the House Ways and Means Oversight Subcommittee held the second hearing in a series on several organizational and compliance issues related to nonprofit, tax-exempt public charities. This hearing focused on the growing complexity of nonprofit organizational structures, the rules governing profit-generating activities giving rise to unrelated business income tax (UBIT), and the extent to which the newly redesigned Form 990 is promoting increased compliance and transparency.

“Over the last several decades, public charities have become increasingly complex organizations,” subcommittee chair, Rep. Charles Boustany, said in his opening statement. “While universities and hospitals are notable examples of this, complexity has not been limited to these types of organizations. A number of factors have driven this trend, including Federal tax law itself and the expansion of the types of exempt and commercial activities that public charities engage in.”

Noting the 2008 redesigned IRS Form 990, which was intended to provide a clearer picture of a tax-exempt organization’s activities, Boustany said the subcommittee would like to know the results of the newly redesigned Form 990, the challenges the IRS faces in compliance areas, such as UBIT, and how the information required on the new form is being used.



Eve Borenstein, a partner in the Borenstein and McVeigh Law Office LLC, praised the redesigned Form 990 saying it “promotes greater transparency and much more fully-fleshed out and relevant information on filing organizations.” At the same time, however, she said the IRS needs to do a better job of educating charities about

Form 990, and recommended including a better explanation of the semantics the form employs, a simplification of the definitions used in Schedule L, and raising the threshold that defines a smaller charity so that somewhat larger nonprofits are permitted to file Form 990-EZ in lieu of Form 990.

Steven T. Miller, deputy commissioner for services and enforcement at the IRS, pointed out that, while the Form 990 took effect after the IRS solicited input from various stakeholders and released a draft version, the redesign is still evolving.

John Colombo, a professor at the University of Illinois College of Law, observed that growing numbers of nonprofit groups, ranging from museums to religious organizations to educational institutions, are engaged in commercial activities, either directly or through for-profit partnerships or subsidiaries. Colombo recommended that Congress or the IRS should clearly define appropriate charitable activities, resurrect the commensurate in scope doctrine, or impose a tax on all commercial activities by charities.

Donald Tobin, associate dean at the Ohio State University Moritz School of Law, warned that “public charities are increasingly using complex arrangements with other tax-exempt organizations to increase the charity’s involvement in certain political activities, including lobbying and campaign advocacy.” He also asserted that the IRS lacks the resources to engage in large-scale audits in the exempt area. Tobin suggested that Congress create a public complaint and resolution process that can be used when exempt organizations are accused of violating their exempt status.

By contrast, Thomas K. Hyatt, a partner at the law firm, SNR Denton, argued that, on balance, corporate complexity is a necessary consequence of the efforts of large public charities to operate effectively and with economic sustainability in the modern nonprofit sector, and their need to comply with multiple Federal and state regulatory schemes and third party standards in their operations. Hyatt asserted, “Nevertheless, continued emphasis on transparency regarding these structures is critical and continued scrutiny is warranted.” ♦

## DOES YOUR NONPROFIT NEED A SOCIAL MEDIA MANAGER?

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is developing and overseeing your organization's social media activities and strategy.

According to a social networking benchmark report released by the Nonprofit Technology Network in 2012, both large and small nonprofits are increasing their investments in social media: 89% of groups surveyed say they have resources dedicated to their commercial social networking efforts; 98% have one or more Facebook pages; 69% have at least one staff member spending one-quarter to one-half of his or her time on social media; while 42% plan to increase their staffing for commercial social networks in 2012.

To build a presence on a range of social media platforms that will attract and hold the attention of potential donors, volunteers, and other stakeholders, your group needs to post fresh visual and written content on these channels regularly.

Blogs and social media pages also have to be closely monitored to ensure that comments and questions from constituents receive a prompt response, and that any negative or offensive postings that could damage your group's reputation are addressed or deleted.

While many nonprofits have assigned additional social media responsibilities to Communications or Development staff, or have given the job of managing their online presence to unpaid interns or volunteers, these arrangements are becoming increasingly precarious. With the scale, complexity, and potential applications of social media accelerating rapidly, it makes sense to consider allocating the funds necessary to hire a dedicated social media manager.

As well as understanding and supporting your organization's mission and activities, a well-rounded social media manager should have specific knowledge of, and experience in, Internet fundraising, know how to build online communities, and manage an organization's reputation on the Web. The social media

manager should understand the differences among the various social media platforms, and apply this knowledge to implement effective cross-functional platform usage.

Any candidate for the position should have a basic understanding of graphic design, HTML, keyword selection, and all relevant software and hardware, and be adept at keeping up with and incorporating new technologies and trends in social media. The ability to track and measure the return on investment of social media cam-

aigns using social metric tools such as Klout and Traackr is also essential.

In addition to having a solid grasp of digital technology, a social media manager must be a competent and enthusiastic communicator, able to identify and post relevant news and information, compose thoughtful comments, and write or edit blog postings and online articles—with a minimum

of errors, and in a "voice" or tone that reflects the image and brand of your organization. A degree of flexibility, including a willingness to monitor your group's social media channels after work hours and on weekends, and to tweet or post news updates in a timely manner is also necessary.

Social media may be growing quickly, but creating and sustaining strong online communities can take time and persistence. Organizations that have established a high-profile brand on the Internet and have attracted a substantial following through a strategic mix of viral videos, status updates, tweets, and blog postings will be well-positioned to capture donations in the future, especially as new technologies make it easier to transfer money online, and younger generations start contributing more to charities. If current trends continue, investing in a staff member who specializes in social media should give your organization a competitive edge as communications and transactions of all kinds migrate to the digital realm. ✧



## New College Grads: Wanting to Make a Difference

Apparently undaunted by challenging economic conditions, more than two-thirds of college students entering the workforce say they would prefer to have a job that allows them to have a positive social and environmental impact, while more than half indicate they would take a pay cut to work for an organization that reflects their values, according to a recent study by the John J. Heldrich Center for Workforce Development at Rutgers University for Net Impact.

The study's findings are based on a survey of 1,726 individuals, including university students about to enter the workforce and currently employed college graduates of working age. The report looked at each group's life goals, job satisfaction, and prioritization for making an impact at work against other key job criteria.

When identifying factors they consider most important to their happiness, 72% cited having "a job where I can make an impact," after financial security (92%) and getting married

(73%), but ahead of having children (54%) and a prestigious career (54%). Further, 65% said they expect to make a positive social or environmental difference through their work at some point in their careers, while 58% would take a 15% pay cut to "work for an organization whose values are like my own."

In addition, when asked to identify the qualities that describe their ideal job, nearly two-thirds (65%) reported having the opportunity to make a better world or to contribute to society, ahead of having opportunities for advancement (53%) and the prestige of the employer (39%), but after work/life balance (88%) and job security (86%).

The study also looked at the types of organizations students wanted to work for, broken down by gender. Women were most likely to want to work at a small company (59%) or a nonprofit (50%), while men tended to prefer a job at a large company (64%) or the government (59%). ✧