Rural Service Bureau Structure:
Nebraska Community Foundation

Presented by:

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Introduction

- Nebraska Community Foundation uses the Service Bureau Structure
- Foundation currently has 165 affiliated funds located in 146 Nebraska communities in 69 counties
- Very few affiliated funds have their own corporate or 501(c)3 status

Primary Initiators

- Desire to maintain maximum local control within economy-of-scale
- Limited and unsophisticated non-profit infrastructure in most of rural Nebraska
- Effort to find right balance to empower local volunteer leadership to fundraise
- Take advantage of hometown giving ethic

Rationale for Nebraska Developing the Service Bureau Structure

- Providing statewide coverage to 77,000 square miles
- Providing statewide coverage for 532 communities (90% of communities less than 2,500 population; 65% less than 500 population)
- Building more governmental partnerships/Public-Private partnerships
- Financial and operational realities: NCF has not been able to identify a major funder to allow for our more activist mission and structure

Details of the Nebraska Service Bureau Structure

- Key goals/values
  1. Empower local volunteer leadership to lead community reinvestment efforts
  2. Retain a significant percentage of estimated transfer of wealth in communities where that wealth was generated

- Governance Issues/Local fund advisory committees
  1. Nebraska Community Foundation serves as umbrella 501(c)3
  2. NCF is fiduciary/trustee for all assets
3. All financial management (deposits, receipting, disbursements, reporting, audits, investments, etc.) handled by NCF
4. NCF allows affiliated funds to raise/reinvest both non-permanent and permanently endowed monies
5. Assets can be reinvested in local banks at the request of fund advisory committees
6. Fund advisory committee members determine local priorities, development/fundraising strategies, grant-making priorities
7. Fund advisory committee members have no legal authority, but have substantial moral authority, as they are directly responsible to other community members and donors

- Management and Staffing

1. **Value-Added Emphasis** — Evolved NCF structure to now provide value-added services to affiliated funds, including personnel/payroll management, for-fee fundraising/development/planned giving and education/training services, and sophisticated financial management services (such as management and pooling of federal grants)

2. **NCF budget/finances** — In FY2001-2002 (July 1st to June 30th fiscal year), NCF has a budget of $550,000. The NCF budget is growing about 20% annually. Of the $550,000, $350,000 is operational revenue, and $200,000 is development revenue (including $90,000 of consulting fees). Operations is currently able to subsidize development $35,000/year, and that amount is continuing to grow substantially.

3. **Cost-Benefit Analysis** — Certain activities, such as in-person community-based technical assistance will continue to be emphasized to accomplish the overall NCF mission.

More details and information, including a model affiliated fund agreement, investment options/policies, fundraising tools and models, and planned giving resources can all be found on the Nebraska Community Foundation website at [www.nebcommfound.org](http://www.nebcommfound.org)

How is it working?
• **Challenges of Service Bureau Structure**
  
  1. Motivating local volunteer leadership  
  2. Controlling local volunteer leadership  
  3. Slower to evolve affiliated fund vision/goals  
  4. Slower to capitalize endowments  

• **Benefits of Service Bureau Structure**
  
  1. Local control and therefore local buy-in  
  2. Empowerment/education of local leadership  
  3. Take advantage of existing long-term trusting relationships at community level  
  4. Ultimately sustainable through fee income  

• **Key Advice**
  
  1. Keep staff client/community focused/empathy with local leaders very important  
  2. Quality assurance and cash flow are highly correlated  
  3. Service Bureau structure is probably the right model if significant up-front funding not available (the structure can always be evolved later if funding becomes available)