

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 re 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

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)