

CCEF LINK

California Consortium of Education Foundations

In This

Issue

[A Governing Board](#)

[Spring Workshops](#)

[Accounting and Internal Controls](#)

[Gladys Thacher](#)

[Meet the Board](#)

[In the News](#)

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We hope that you will contribute to this newsletter. If you have written, or would like to write, an article that would be of interest to the LEF Community please contact CCEF.

We would like to hear from our readers about what you like—and what you would change—about this or any other issue of CCEFLINK. Click [here](#) to send us your comments for publication in the next issue of CCEFLINK.



A GOVERNING BOARD

by *Caroline Boitano, President, CCEF Board of Directors*

Many of you reading this are members of the governing board for your education foundation. I choose those words—governing board—because it is that responsibility you have undertaken. You are governing the organization and you have responsibility for the policies, the planning, the fiscal and the legal integrity of the organization. It's a worthy undertaking but it always comes with challenges.

But there are resources to help you with these challenges, so I want to spend a little time here outlining some of these for you.

If your foundation is well established and has been running smoothly, you may not feel the need to consult with any other group. But it is still important for you to keep informed so that you can be effective in your role. Of course your first area of concern should be the state of affairs in your district and in your school. That means talking to people so you are clearly informed. Bring district personnel into your board meetings. You can always have someone who serves in that capacity as an ex-officio member. That way, if you have a question, you can turn to him or her and ask it. But you can also ask district personnel to talk to the board about, well, pick your topic. You will make better decisions if you are informed.

Education in California is a complicated endeavor and fortunately, CCEF's web site has links to many of the resources that will be helpful to you on the statewide issues:

EdSource explains the intricate financing structure in California in a way that is understandable and also keeps you up to date on facts and figures both at the state and local level.

EdVoice has information about current policy issues that are pending in Sacramento and it gives you an opportunity to voice your opinion on these issues.

For organizational and operational questions, there are a number of resources that can be used. Every part of the state has nonprofit support organizations that are there to help. These groups offer classes and consulting services to other nonprofits. They range from very basic "how-to" courses, to more sophisticated approaches to difficult problems. They also take the work of governance seriously and offer a variety of services. For

NEWSLETTER

Volume 1

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Previous Newsletters

[March 2003](#)

[April 2003](#)

[May 2003](#)

[Summer 2003](#)

[September 2003](#)

[October 2003](#)

[2003 Conference Issue](#)

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example, Compasspoint in the San Francisco Bay Area has the Board Café, a newsletter which talks to board members specifically. And the California Association of Nonprofits helps all nonprofits with policy updates and information. A list of these nonprofit support organizations can be found at www.cceflink.org.

Just remember, as a Board member, you need to be very informed about what is going on in your organization, in your district, and in the community at large so your foundation can truly support the growth and development of a strong public education system for the children in your community and the state of California.



EDUCATION FOUNDATION FUNDAMENTALS SPRING 2004 [\(TOP\)](#)

PLEASE GO TO THE CCEF WEB SITE FOR THE LATEST WORKSHOP INFORMATION AND REGISTRATION FORMS

WWW.CCEFLINK.ORG/ANNOUNCEMENTS.HTM

The California Consortium of Education Foundations (CCEF) has scheduled "Education Foundation Fundamentals," a one-day meeting on Friday, May 7 in Sacramento and on Friday, May 14 in Pomona. You should plan to attend, if you:

- are considering starting a local education foundation (LEF) in your district;
- have a beginning local education foundation;
- have an education foundation that needs to be revitalized.

Our experience shows that districts that send teams of administrators and community leaders are most successful in utilizing the information to jump-start the growth of their foundations.

Participants in the "Education Foundation Fundamentals" workshop will hear from experts on legal, fiscal, political, organizational, and governance issues relating to local education foundations. Leaders from local education foundations are invited to share successes and challenges as well as participate in skill building trainings. Participants will have the opportunity to develop action plans identifying the specific "next steps." Sample materials will be distributed at the workshops and a limited number of partial scholarships are available.

CCEF operates upon the one constant found in all studies of public education – parent and community involvement is a key factor in creating successful schools. We believe local foundations are important educational partners. These local nonprofit entities are in a unique position to mobilize both human and financial resources within a community. And while these foundations are as different in their operation and programs as the communities they serve, they share a common goal – improving public education at the local level. LEF programs range from teacher grants to comprehensive math collaborations, from after school enrichment programs to computers and laboratory science programs. Often LEF programs address community needs in a broader sense, serving as a convener around a community's children.

In addition, CCEF serves as the spokesperson for the education foundation movement in California, maintaining a database of California foundations. Please take a few minutes to review the foundation list and update the information CCEF uses for reporting and communications.

Please attend one of our May meetings. Sites have been chosen that are convenient to travel by air as well as by car. Please contact the CCEF Office or web site for workshop registration details (www.cceflink.org), information on the local education foundation movement in California, and for membership information.

These CCEF workshops are partially funded by the Bank of America Foundation.

PLEASE GO TO THE CCEF WEB SITE FOR THE LATEST WORKSHOP

Fund

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LEF Leaders at the Spring Meetings in 2003



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ACCOUNTING AND INTERNAL CONTROLS [\(TOP\)](#) by Terri A.

Montgomery of Vavrinek, Trine, Day & Co., LLP

OVERVIEW

Initially it is the responsibility of the non-profit board to develop and authorize fiscal policies and procedures for how the organization manages its finances.

Accounting starts with basic record keeping (or bookkeeping). When your organization is just getting started, the bookkeeping system will probably be based on what's called a cash-basis accounting system, rather than accrual-basis system which you may start using as your nonprofit grows. You'll refer to a chart of accounts which will tell you what account number to use when you post an entry. You'll post each entry according to the category, or account, of the transaction. Each account will be associated with an account number. These numbers are referenced when developing your financial statements (more on those later.) You'll have an operating budget (or annual budget), which shows planned revenue and expenses, usually for the coming year.

INTERNAL CONTROLS

The internal controls over the accounting and reporting functions of any organization serve to provide a level of assurance to the governing board, administration, donors and the public that revenues received and expended have been properly accounted for. Internal control is any action taken by management to enhance the likelihood that established objectives and goals would be achieved. The most important aspect of the internal control structure is segregation of duties. No one person should be completely responsible for an entire transaction. Internal controls should not be designed to inhibit the functioning of the organization, but to protect both the individuals working or volunteering for the organization and the assets of the organization.

These internal controls are designed to "**SCARE**" off crooks and demons!!

Safeguard assets: Are you sure all of the items on the balance sheet including cash, accounts receivable, investments, inventories, and fixed assets are safe from theft, loss or damage?

Compliance: Are there formal policies and procedures and are you certain your employees or volunteers are following them?

Accomplish Goals: Have you formally written down the goals of the organization and prepared a plan to accomplish them?

Reliable Information: Have you checked to make sure the financial information you are using is correct in order to properly plan future events and programs?

Efficient & Effective: Are you using your resources as economically and efficiently as possible?

It is difficult to have 100% control over all aspects of financial reporting and be able to operate efficiently and effectively. However, some of the key areas will include:

- **Expenditure approval:** at least two individuals should see and approve each expense of the organization. Additionally the governing board should be provided a listing of all expenditures on a monthly basis. In addition, consideration of a dual signature requirement for checks that are large should be considered.
- **Cash Receipts:** at least two individuals should be involved in the receipting and bank reconciliation process. The same person receiving funds for deposit to the bank should not be the same person posting the transaction to the financial records or reconciling the bank statements.
- **Budgeting:** an annual budget of revenues and expenditures should be

prepared and reviewed periodically during the year to be certain the goals and objectives of the program activities have been met. The budget to actual comparison should be reviewed by the entire board and inquiries initiated into any areas that appear to be significantly over or under budget.

FINANCIAL STATEMENTS

In order to comply with generally accepted accounting standards, all entities, including not-for-profit organizations are charged with maintaining complete and accurate financial records that reflect the activities of the organization. The financial statements of an organization should be designed to communicate to the governing board, administration, potential donors and the public what resources have been received and how those resources were used to benefit the exempt status of the organization.

The Statement of Financial Position (balance sheet) provides a snap shot of the balances held by the organization at a particular point in time. Not-for-profit corporations are to have a plan for the capitalization and depreciation of assets purchased for use by the entity. Generally this will include any office furniture and equipment, computer equipment or other capitalizable items. The expense of these purchases should not be recognized in the year actually purchased, but rather over the useful life of the item.

The Statement of Activity (income statement) reflects the activity of the organization over a period of time. Statements are generated at least annually, however, interim statements will follow the same reporting criteria.

There is no requirement under Generally Accepted Accounting Principles that requires a nonprofit entity to receive an external audit. However, in order to ensure that internal controls are properly in place or to fulfill the requirements of the Bylaws of the organization or to satisfy the requirements of a funder, an external audit may be required.



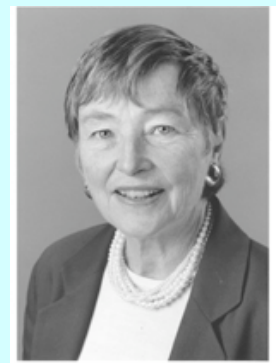
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main site

GLADYS THACHER [\(TOP\)](#)

Gladys Thacher, CCEF founder and current advisory board member, was honored as a founder of the Public Education Fund at the November 2003 annual meeting of the Public Education Network in Washington D.C. As Executive Director of the San Francisco Education Fund (SFEF), Gladys launched the "School Foundation Movement" in 1982 with a conference supported by the Ford Foundation. The meeting introduced the concept of a free standing community based NPO that would convey money & resources directly into the school room, by passing most of the school bureaucracy. Following the conference, The Public Education Fund was created to help large urban districts develop education funds using SFEF's small grants program and independent grant allocations process as a model. The initiative was completed in 1990, and a centralized Public Education Network (PEN) was established in Washington DC. With a mandate to hold conferences, assist local education funds, and serve as an advocate for public education.

The California Consortium of Education Foundation (CCEF) also had its roots in the historic 1982 "School Foundation Movement" Conference. However, unlike the Ford Foundation's incubation of the large urban school district network (PEN) across the country, CCEF evolved out of a spontaneous grass roots response by parents and concerned citizens to the devastating cuts in quality education resulting from the passage of Proposition 13. They were determined to find a vehicle to funnel money and resources directly to the school sites targeted for the gutted enrichment and extra-curricular programs. The San Francisco Education fund spearheaded local and regional meetings that brought together leaders of local education funds in an effort to support one another during the founding process, and to adapt the non profit model to take advantage of the available funding resources in their local community.

From its beginning, CCEF has embraced the diversity of local education foundations in how they secure resources, the programs they undertake, and their internal structure. During the 1990s CCEF grew into its current form



Gladys Thacher

outreaching to local education foundations throughout California. CCEF is the oldest statewide network and works with over 500 local education foundations. From the Inside Out, details the evolution of the San Francisco Education Fund; this publication is available through CCEF.

In her continuing role as a member of the CCEF Advisory Board, Gladys Thacher still provides insight and support to the organization she helped to start more than twenty years ago. Her example of dedication to California's public schools and the children they serve continues as the core of CCEF's efforts to serve existing LEFs and further the development of new LEFs across California.



Click the apple to return to the CCEF main site

MEET THE BOARD—JOAN JOHNSTON [\(TOP\)](#)

"The local education foundation movement is exciting because there is the potential for involving the whole community – not just current parents. A foundation allows community members to give both volunteer and in-kind resources as well as restricted and unrestricted dollars to their schools," explained Joan Johnston, CCEF's newest board member. As a past school board trustee and the founding president of the Palo Alto Foundation for Education (PAFE), Joan has been actively involved in local education issues since the late seventies. Just prior to joining the CCEF board, Joan finished her second term as chair of the Palo Alto Foundation for Education. Under her leadership, the organization transitioned from a successful foundation, focusing on mini grants, to one with a broader mission and reach, more than quadrupling its income.

In addition to CCEF, Joan serves on the board of Foundation for a College Education, a local nonprofit offering college counseling, tutoring, and other services to under-represented minority students both in high school and throughout their college experiences. "Local education foundations need to find ways of reaching out to neighboring districts in terms of funding and collaborative projects," Joan states, reflecting on a joint project that was funded by the Palo Alto Foundation for Education to serve students both in Palo Alto and the Ravenswood School Districts.

Working as a development professional, Joan has focused on alumni relations and individual donors at Stanford University, San Francisco State University, and Hidden Villa, the farm and wilderness preserve in Los Altos Hills. From this perspective, Joan observed personally the importance of CCEF's regional meetings and conferences in helping organizations like PAFE build their capacity and meet new challenges. "The California Consortium of Education Foundations is critical to the development of new leadership in existing foundations. It offers a forum for training and the sharing of new ideas," Joan observes.

When not involved with education issues, Joan enjoys hiking, fly fishing, and her ten grandchildren. CCEF welcomes Joan and the wealth of experiences she brings both in education and fund development.



Click the apple to return to the CCEF main site

IN THE NEWS [\(TOP\)](#)

"How Do We All Work Together for Kids and Education?" was the topic of the fall CCEF Regional Meeting in San Diego. Featured speakers included Brenda Davis, President Elect, California State PTA; Tom Bishop, Superintendent, Del Mar School District; and Kim Tolles, Past President, Coronado Schools Foundation.



"PTAs and Education Foundations -Natural Partners, Not Competitors"- workshop presentation at Partnerships for Success presented by California County Boards of Education, California State Parent Teachers Association and California County Superintendents Educational Services Association. Brenda Davis, President Elect, CA State PTA, Jan Domene, Secretary-

Treasurer, National PTA, and Susan Sweeney, CCEF Executive Director.

Kevin Gordon, Executive Director, of CASBO updated foundation leaders on California budget and policy issues affecting education at the CCEF regional meeting in March 2004. Kevin discussed the important but often misunderstood Proposition 98. When voters approved Proposition 98 as an amendment to the California Constitution in 1988, they guaranteed K–14 education (kindergarten through community college) a minimum amount of state and property tax revenue each year. The calculation of that guaranteed amount is largely based on the health of the state's economy. For more information on Proposition 98 go to http://www.edsource.org/edu_fin.cfm and http://www.edsource.org/pub_update_prop98.cfm

IRS is offering a free workshop in San Diego for tax-exempt small and mid sized tax exempt organizations. It is designed for board members and staff and will cover the procedures NPOs must follow to maintain their tax exemptions and comply with other tax laws. For more information and a PDF brochure go to http://www.irs.gov/pub/irs-tege/invitation_sd.pdf. Online registration is available at <https://www.sylvestermanagement.com/irs/irsworkshop04.htm>. The IRS will be offering the workshop each year in six different cities.

EdVoice headquarters have moved to Sacramento:

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1107 9th Street Suite 730
Sacramento CA 95814

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E-mail: info@edvoice.net

Edvoice is a statewide grassroots organization promoting education reform and support for California's schools.

FROM OUR READERS

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