# Forming, Sustaining & Growing a Bicycle Advocacy Organization

1. **DEFINE THE PURPOSE OF ORGANIZATION**
   What are the issues the organization wants to tackle? What do you need to get the job done?

   To start a successful bicycle advocacy organization, you need the following:

   - a clear, agreed-upon mission statement
   - a strong, competent executive director
   - a dynamic board of directors
   - an organization-wide commitment to fundraising

2. **DEVELOP YOUR BOARD OF DIRECTORS**
   What is the role of the Board of Directors?

   Duties of the Board of Directors include the following:

   - selecting the Executive Director
   - assessing his or her performance
   - reviewing and authorizing goals and direction
   - ensuring compliance with legal and contract requirements
   - evaluating the organization's work
   - developing resources through fundraising and membership development

3. **CREATE BYLAWS**
   What is the purpose of bylaws? What should they include?

   Bylaws – the operating rule of the organization – should be drafted and approved by the board early in the organization's development. Seek an attorney experienced in non-profit law for help. Key sections should include the following:

   - Membership - its composition, how/when membership meetings occur, special events
   - Board of Directors - election process, meetings, length of term, officers, committees
   - Financial Management - fiscal year, dues
   - Amendments - how to amend Bylaws

4. **DEVELOP A STRATEGIC PLAN**
   What is involved in developing a strategic plan?

   Steps to develop a strategic plan should include the following:

- Formulate the advocacy organization's mission statement considering the short term and long term issues the organization aims to tackle. Do some of those issues include facilities, safety and education, and/or increased government relations? How do you accomplish these goals? Who are the beneficiaries of your work?
- Develop a strategy to achieve the mission. Make a list of critical issues that demand a response from the organization, prioritizing the most important issues.
- Create a structure for the organization that will successfully use its resources to carry out this strategy.

5. **DEVELOP MEMBERSHIP AND RETENTION STRATEGIES**
How should an organization acquire new members? How does it keep them?

For a successful membership campaign, you need the following elements:

- a positive attitude toward direct mail, the only way to significantly grow your donor base
- a compelling recruitment package, including a carrier envelope, a personalized 4-page letter that's easy to read, a reply form, and a return address envelope
- a source of good mailing lists by asking board members and volunteers to give names and addresses of those whom they think might want to become involved, by trading lists for one-time use with similar organizations, renting/exchanging lists from other organizations in your area, and renting local portions of national lists which support causes similar to what your group does.
- a systematic way to test what motivates donors to give money to your cause, such as which lists you are mailing and the price you are asking
- a reasonable budget. Most organizations budget to make no profit from new membership acquisition through direct mail. In fact, most organizations budget to lose money on acquisition. Answer the following questions to determine how much money you should budget to lose in acquisition:
  - what does is cost you now to acquire a new member?
  - how much does the average member give over three years?
  - what is the average number of gifts per member each year?
  - how much is the average gift?
  - what is the average number of total gifts per member's lifetime?
  - what does it cost to maintain your member?
  - how many members do you want next year?
  - is the answer to the first question too low?

For a successful retention campaign, you need the following elements:

- a 1-page renewal letter that reminds membership that their membership is about to expire
- a 1-page renewal letter that reminds members of their benefits
- a 1-page renewal letter that reminds members of their previous gifts

- a mailing schedule of 5-9 mailings that include those letters set 5-8 weeks apart

6. **DON'T BE AFRAID TO ASK FOR MONEY**
   Why do people give money to an organization? What are ways I can use to bring money into this organization?

   Some of the reasons people give to organizations consist of the following:

   - feels good
   - 'gives back' to society
   - admires the person or the organization asking for the money
   - believes in the cause
   - gets something in return for the money
   - receives a tax-deduction for a 501(c)(3) organization
   - is generous
   - knows the money will be well used

   Some different ways to raise funds consist of the following:

   - direct mail
   - members of the Board of Directors
   - major donor programs
   - planned giving programs
   - grants from foundations
   - corporate sponsorships
   - government grants
   - special bicycling events
   - employer matching gift programs
   - join a friend campaign
   - stocks and mutual funds
   - online

7. **ESTABLISH FINANCIAL MANAGEMENT**
   How do I instill sound financial management in my organization?

   The following are ways to establish sound financial management within your organization:

   - Keep good records. Establish a record keeping system for the organization's official records including corporate documents, board meeting minutes, financial reports, other official records that must be preserved for the life of the organization.

- Find someone with expertise. Hire a CPA with experience in non-profit financial management to establish an accounting system that meets both current and anticipated needs.
- Prepare a budget. Important steps in budgeting include the following:
  - reviewing program and management achievements and fiscal performance over the year ending
  - reviewing objectives achieved
  - comparing budget to actual figures
  - looking at the number of people served in each program
  - estimating the costs required to achieve your objectives, including staff, supplies, and other resources.
  - estimating revenues with some degree of accuracy based on past experience
  - comparing and balancing revenue and expense projections
- Perform an audit. Have your CPA test the accuracy and completeness of information presented in an organization's financial statements. Some nonprofits are legally required to obtain audits.
- Charitable Registration Requirements. You should contact the Secretary of State or Office of the Attorney General for regulations in those states where you raise money.

8. **OBTAIN A FEDERAL ID NUMBER AND GET YOUR NON-PROFIT STATUS**

- File for an IRS determination of federal tax exempt status, 501(c)(3) or 501(c)(4). To apply for recognition of tax exempt status, obtain form 1023 (application) and publication 557 (detailed instructions) from the local Internal Revenue Services office.
- File for state and local tax exemptions in accordance with state, county, and municipal law. Apply for exemption from income, sales, and property taxes.
- Obtain a Federal Employer Identification Number (EIN) by filing an "Application for Federal Employer Identification umber," (form SS-4) with the Federal Internal Revenue Service.
- File articles of incorporation. Each state has its own regulation and procedures for doing so; your state's Secretary of State Office has all of the necessary documents for this procedure.

Other legal matter you may want to consider doing at this time:

- Register with the state unemployment insurance bureau
- Apply for a nonprofit mailing permit from the US Postal Service

9. **PURCHASE INSURANCE AND MANAGE RISK**
What kind of insurance should I buy? What should I do if an accident occurs during an event?

Typical bicycling advocacy organization policy includes the following coverages:

- General Liability
- Participant Accident
- Non-Owned/Hired Auto Liability
- Workers' Compensation/Employers' Liability
- Property/Electronic Data Processing/Crime
- Directors and Officers Coverage

If/when an accident occurs at one of your bicycling events, you should take the following steps:

- Seek appropriate medical attention immediately
- Designate a spokesperson and direct all inquiries to that person
- Record names and telephone numbers of witnesses
- Document what occurred including the name, injury, how it happened and the actions taken in response
- Report the incident to your insurer

10. **START A VOLUNTEER PROGRAM**
How can you solicit help from volunteers?

Follow these steps to start a successful volunteer program:

- Assess all current program needs and create a list of volunteer opportunities
- Write job descriptions for each of these opportunities, stating the following:
    - dates and time commitment
    - what needs to be done, as well as what skills, resources, knowledge or abilities that would be helpful
    - number of volunteers
    - location and the resources needed for the project
    - benefits for volunteers who choose to participate
- Recruit members through newsletter ads, website listings, a hotline, announcements during events and rides, personal requests for member participation from those who have expressed interest in the past, e-mail announcements
- Show appreciation by regularly recognizing volunteers in public and private ways. This may include a volunteer of the month column in the newsletter, a verbal or written "thank you," a certificate of appreciation, and/or a round of applause. You may consider taking a volunteer out for coffee or throwing an annual banquet that recognizes their efforts.

Note: Should I ever guilt someone into volunteering?

- No. While it may be tempting at times, never twist someone's arm into doing a volunteer project. If volunteers feel forced to work on a project in which they are not interested, the chance they will return later is greatly reduced. Accept that people will decline when asked to volunteer for reasons they may not wish to share. Eventually they will participate when they are free to give of their time and talents.

11. **CREATE A TECHNOLOGY PLAN**
What is a technology plan and how do I budget for it?

The following are elements to budget and plan for:

- Hire an information technology (IT) consultant who will plan, implement and support all your IT needs.
- Work with an Internet Service Provider to establish your domain name, website and email addresses, as well as your Internet connection.
- Have a volunteer or someone on staff create and reliably maintain your website. If you don't have anyone, seek training for yourself. Frequent maintenance of your website is crucial.
- Set up a secure server on your website to enable your organization to accept credit card donations over the Internet.
- Establish a local area network (LAN). Even the smallest two-person office derives benefits from being on a network. Printing is easier, editing documents is easier and viewing and sharing data is greatly simplified.
- Invest in your workstations. Buy a Pentium-level processor with the fastest speed you can afford, the largest RAM you can afford, and the largest hard disk you can buy.
- Establish a back-up system. You never know when your mother board will decide to stop working for no apparent reason.
- Find quality membership database/fundraising software. You will need to use this software for data entry, coding, indexing, sorting and queries, mail merges, generating reports, etc.

Some items to consider when purchasing database software are the following:

- Total cost including software purchase price, user-licenses, data conversion, technical support, and staff training
- Options you can use to code a member
- Processes for importing/exporting data and performing mail merges
- Search features using single or multiple criteria
- Processes for indexing and segmenting any group of members
- Capacities to capture, manage, and report data for special events
- Ease of data entry
- Find quality accounting software. The following factors often play an important role in the final selection of accounting software for nonprofits:
  - Reporting features like the following:
    - general ledger, detailing each transaction posted to each account

        - consolidated general ledger, not displaying detail
        - bank reconciliation format, showing monthly receipts and disbursements
        - income and expense statements for each program and a consolidated statement of income and expenses for the year to date
        - balance sheet information for the organization
        - a budget to actual comparison for the organization
    - Ease of exporting data into spreadsheet software for more flexible reporting
    - Cost, noting the higher price you pay the more features you will receive -- the lower the cost, the more limited functions.
    - Capability to easily handle the payroll function, including W-2s and 1099s
    - Security features that prevent unauthorized personnel from accessing and/or manipulating data in the accounting system
    - Availability of technical support

Note: Can we keep the books on spreadsheet software?

- This is not a good idea since there are so few controls for spreadsheet software. Numbers can be easily changed, damaging the integrity of financial reports.