

DEI, Governance, & Grantmaking

Northern California Planned Giving Council
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Diversity, Equity, and Inclusion = DEI



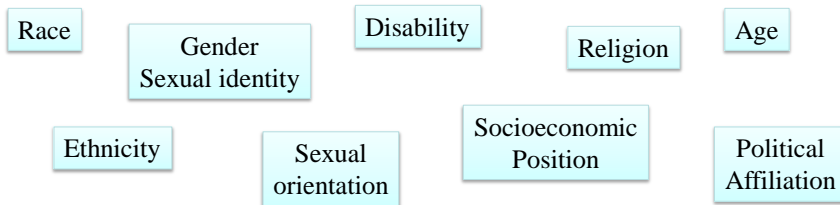
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Definition: Diversity

“the condition of having or being composed of differing elements”

- Merriam-Webster



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Definition: Equity

“Improving equity is to promote justice, impartiality and fairness within the procedures, processes, and distribution of resources by institutions or systems. Tackling equity issues requires an understanding of the underlying or root causes of outcome disparities within our society.”

- D5

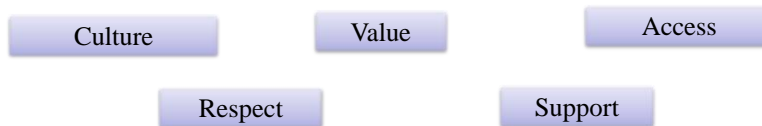
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Definition: Inclusion

“Refers to the degree to which diverse individuals are able to participate fully in the decisionmaking processes within an organization or group.”

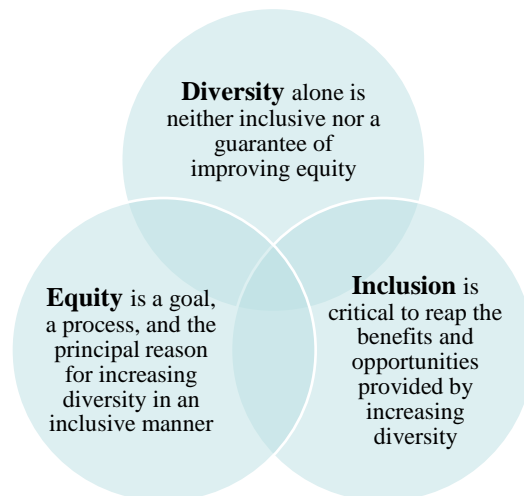
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Diversity, Equity, and Inclusion (DEI)



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Governance

The Board

ultimate authority, ultimately responsible



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A Board Member's Fiduciary Duties

Duty of care

act “with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances”

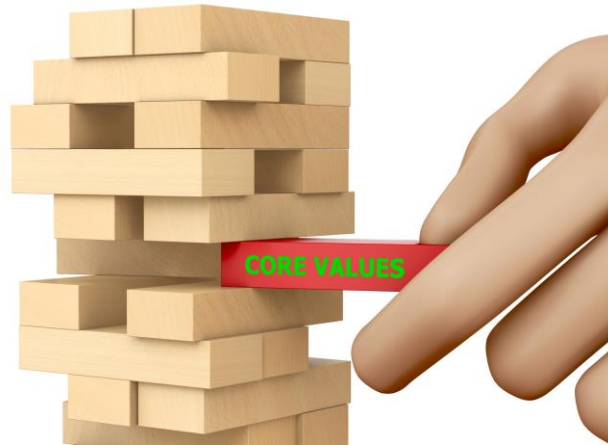
Duty of loyalty

“in the **best interests** of the corporation”

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Mission Without Values



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DEI as a Core Value

Because racism, sexism, and other forms of discrimination –

Are ingrained and institutionalized

&

Will persist without active intervention

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Diversity & Inclusion to Advance Equity



“Diversity is good. Pass it down.”

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(Lack of) Diversity on Nonprofit Boards

Leading With Intent: 2017 National Index of Nonprofit Board Practices - BoardSource

___ % of CEOs & Board Chairs were white

___ % of Board Members were white

___ % of Board Chairs said demographics was a high priority in Board recruitment

Little change since 1994 Survey

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Increasing Diversity on the Board: Planning

What does DEI mean to our organization? To our board?

How are the communities we serve impacted by discrimination and structural racism?

- How are these communities changing?

What barriers must be overcome?

Key: Communication to find areas of agreement

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Increasing Diversity on the Board: Acting

Build relationships and recruit candidates

- LinkedIn Board Member Connect
- Board Match
- Other nonprofits

Integrate/involve on substantive tasks

- Design phase
- Implementation phase

Monitor, measure, and modify

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Very Real Danger of Tokenism

No POC in key officer positions

POC only for “POC” stuff

No desire to focus programs/ grantmaking on equity

Diversity committees



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DEI and Bylaws



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Purpose Statement / Values Statement

Do DEI provisions belong within the purpose statement?

Does a statement of values belong in the Bylaws?

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Selection of Directors

Qualifications

- Revisiting 'Give or Get' amounts

Method of selection

- Using a Designator provision and an allied organization

Quotas: Good or Bad?

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Other Bylaws Provisions

Terms of office

Principal office (location, access)

Executive compensation (approval process, caps)

Meetings

Committees (DEI Committee)

Officers (DEI Officer, Co-Executives)

DEI Audits

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DEI and Governance



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Board Decisions

- Hiring the Executive
- Reviewing the performance of the Executive
- Electing other officers
- Approving (audited) financials (and possibly the Form 990)
- Approving the budget
- Approving the strategic plan and changes to the strategic plan
- Approving/affirming the mission, purpose/vision, and values
- Approving major transactions
- Creating policies that guide management

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DEI and Leadership

Evaluation of board and executive leadership and identification of any undesired gaps or discrepancies in the power structure with respect to particular identity groups

Development of plans to address such unintended gaps or disparities (e.g., succession plans, recruitment plans, collaboration plans, fundraising plans, budgets)

Allocation of resources to implement these plans

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DEI and Workforce

- **Evaluation** of workforce and identification of any undesired gaps or discrepancies reflected in the workforce with respect to particular identity groups
 - Composition
 - Hierarchy
 - Policies, Practices, and Culture
- **Development of plans** to address such unintended gaps or disparities (e.g., trainings, recruitment, distributed/shared leadership)
- **Allocation of resources** to implement these plans

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DEI and Programs

- **Evaluation** of existing programs and identification of any undesired gaps or disparities in the organization's service provision with respect to particular identity groups
- **Development of plans** to modify existing programs or create new programs or collaborative efforts to address such unintended gaps or disparities
- **Allocation of resources** to implement these plans

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Grantmaking Considerations

How can private foundations and other grantmaking organizations employ grantmaking strategies to maximize impact while appropriately incorporating DEI values?

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General Support Grants

Unrestricted as to purpose

Trusts the grantee to use the grant funds as it deems most appropriate

Caution: avoid earmarking

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Supporting Advocacy Organizations

Private foundations make a taxable expenditure if they make a grant that is earmarked for lobbying activities

BUT they may make grants to 501(c)(3) public charities that engage in lobbying

1. General support grants
2. Specific project grants

Grant Agreements to public charities generally do not need to prohibit use for lobbying!

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Specific Project Grants

To fund a specific project of grantee
- involving lobbying or not

- Grant cannot be earmarked for lobbying

If the specific project involves lobbying:

- PF must review a reliable project budget in advance
- May grant up to the amount allocated for the non-lobbying project activities for the year of the grant

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Grants to Non-501(c)(3)s

Private Foundations: Expenditure Responsibility

- Pre-Grant Inquiry
- Written Grant Agreement
- Post-Grant Oversight & Reporting

Public Charities: Controlled Grants

- Expenditure responsibility guidelines as best practice
- Lobbying considerations and controlled grant provisions

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Voter Registration Drive Activities

- Private foundation grants to carry on, directly or indirectly, any voter registration drive = taxable expenditure
 - Unless exception is met:
 - Grantee must be a 501(c)(3)
 - Grantee's activities must be nonpartisan, not confined to a specific election period, and carried on in 5 or more states
 - Grantee must spend substantially all of its income directly for exempt activities
 - Grantee must be publicly supported (with certain additional limits)
 - Grantee may not receive contributions for voter registration drive activities that are limited to be used in a specific geographical area or election period

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Capacity Building Grants

- Support organizations that are exploring DEI internally
 - General capacity-building support
 - DEI consultants
 - DEI assessment tools (e.g., Inclusion Inventory)

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