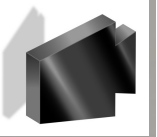


Pennsylvania Association of Nonprofit Organizations 2006 Annual Report



PAMNO

Many Missions

One Voice

***Advancing the Goals
of the Nonprofit Congress***



Message from PANO'S Executive Director



2006 was a time of loss at the PANO offices between losing close friends and family members. It reminds us here of the reason why we choose to work in the nonprofit sector when we consider it is this sector that keeps us focused on quality of life and what is important. Even so, we have to remember to take care of ourselves and spend time with our loved ones.

Jim Collins hit the mark in his nonprofit monolith for nonprofit organizations relative to his research in Good to Great and his supervisory role on the book 7 Measures of Success. Our time has come for real research and quantifiable measures for the way we conduct ourselves in doing business.

Public Policy became the big focus for PANO this year and the legislature in Harrisburg and Washington did not let us down. We have rarely seen more activity in regards to ways elected officials are viewing charities. We've seen a rapid trending of the attitude that there is a lot of bad behavior that happens in the nonprofit sector. That is bad for us on all fronts. David Ross has done a nice job for us in monitoring the legislation and regulations and digesting the information for PANO members. We are delighted with PANO's successes enjoyed in 2006 lobbying.

I would like to thank the organizations and businesses that continue to support PANO by enlisting as members. We had a couple of flat years of growth until 2005. Last year we experienced a significant spike in the number of new organizations while retention also went up. Please go to www.pano.org to view the list of your fellow members. Membership is our life blood. PANO is owned by its members and we don't take that for granted. You will have to travel far to find someone that cares more about members than Jennifer Ross.

PANO program has also ballooned in terms of the quantity and quality of presentations. Amy Palmer, along with Grace Gilbert, work hard to serve you by providing great programs in convenient locations.

Tish Mogan and Tony Karantonis have worked extremely hard id providing the best in programming concerned with ethics and best practices. Tony is also to be congratulated for enrolling in Eastern University's graduate program for Nonprofit Management.

Lastly, I want to thank the PANO Board for all that it does for you. This is the finest board under which I have worked. There is wisdom and enthusiasm and commitment to make PANO a great organization for you. I hope you will take time to know this Board and use their talents.

Best wishes to you for a prosperous 2007!

Joe Geiger



Message from PANO'S Board Chair



Since Joe Geiger writes about other PANO activities and accomplishments, I will highlight PANO's involvement, emphasis, and achievement with regard to the Standards for Excellence (Standards) program. On October 16-17, 2006, more than 400 nonprofit leaders from across the country gathered in Washington, D.C. to establish priorities and plan strategies to strengthen the nonprofit sector. These Nonprofit Congress delegates voted to make nonprofit organizational effectiveness the number one priority for the sector at large, with three key focuses: *Best Practices, Accountability, and Leadership*. The Standards ethics and accountability program is a proactive course of action for nonprofit organizations to improve operational efficiency and strengthen policies and procedures while assessing areas of improvement through self-regulation. Implementation of Standards also improves credibility and increases capacity building.

Standards provides guidelines built on the foundation and implementation of 56 standards which recommend how nonprofit organizations should proceed in increasing their operational effectiveness and accountability. These Standards raise the bar above minimum legal requirements and include extensive educational resources, training sessions and a voluntary certification process to help nonprofit organizations increase organizational effectiveness, credibility with the public and operational strength. The Program provides training and tools that nonprofits can use to be proactive in achieving "best practices" in all areas of operations, including program services, governing board, finance, fundraising, public policy and more.



PA Nonprofit Congress Delegation hard at work determining priorities for our state.

In 2006 PANO provided Standards Intro Sessions, Clinic Series workshops and other modified training programs to more than 1,100 nonprofit administrators, board members and staff throughout Pennsylvania. Nine organizations displayed their commitment to ethics and accountability by achieving Standards Certification, bringing the total of certified organizations in Pennsylvania to 33 out of 150 certified nationally. Most recent collective data obtained through surveys sent to certified organizations reveal that 90% report an improvement in policies and procedures that augment effective operations, 84% of respondents report increased organizational strength and self confidence as a direct result of going through the certification process, and 81% of Standards for Excellence certified organizations report that their Boards are more aware of their governing responsibilities.



Standards for Excellence recipients at our 2006 Annual Conference

PANO is licensed to offer the Standards in Pennsylvania by the Maryland Association of Nonprofit Organizations. Standards is now replicated nationally in order to strengthen nonprofit organization operations to better serve our constituents and communities, while at the same time improving transparency, accountability, capacity and effectiveness in the nonprofit sector. PANO is proud to offer the Standards for Excellence Ethics and Accountability Program in promoting the goals of the Nonprofit Congress.

James Kroh

through leadership, advocacy, education and services in order to improve the quality of life in Pennsylvania.

Standards for Excellence

Nonprofit Organizational Effectiveness: Accountability and Best Practices

The Standards for Excellence Program grew significantly in 2006 by increasing program exposure through the following:

- 269 nonprofit administrators, Board members and staff attended Standards for Excellence Intro Sessions.
- 755 participants attended other modified Standards related training programs.
- 81 nonprofit organizations attended Clinic Training Sessions or 1-on-1 Standards training.
- An additional 15 trained and approved nonprofit professionals joined our Peer Review Team.
- Partnerships were formed with the Nonprofit Center at La Salle University and the Nonprofit Leadership Institute at Duquesne University to expand Standards for Excellence training in their respective serving areas.
- A partnership was formed with Eastern University to offer Board and staff members of our Standards for Excellence Certified Organizations a \$1500 Scholarship toward enrollment in Eastern University's MS in Nonprofit Management Program.
- 9 organizations displayed their commitment to ethics and accountability by achieving Standards for Excellence Certification. Those organizations are:

**Arc of Chester County
Community Education Council of Elk and
Cameron Counties
Elk County Council on the Arts
Greater Pittsburgh Community Food Bank
Pennsylvania Family Support Alliance**

**Pittsburgh Action Against Rape (PAAR)
Westmoreland Casemanagement and
Supports, Inc.
Westmoreland Human Opportunities
YWCA of York**

We commend these Standards for Excellence Certified Organizations for voluntarily opening themselves up for review by a jury of their peers. The Peer Reviewer teams examined these organizations for compliance with the criteria as set forth in the Standards for Excellence Code. The Standards for Excellence certification review process has provided these organizations the opportunity to confirm current practices and to educate their staff, board and volunteers in areas that need strengthening.

We want to thank all of our Peer Reviewers for providing their time and expertise to the Standards for Excellence certification process; their contributions are crucial to the Standards for Excellence Program and in increasing the strength and efficiency of the nonprofit sector.

2006 Support: PANO does not charge organizations for the actual cost of certification. While nonprofit organizations do pay fees for trainings and certification, these fees are far below the cost of services and training provided. Therefore, the Standards for Excellence Program must continuously be subsidized by contributions from foundations, corporations and individuals that value the impact that the program has on the nonprofit sector. Please see the back page for these supporters.

Nonfinancial support was provided in many ways. The following individuals and companies provided in-kind and/or pro-bono space: Justine Green, Antonio Karantonis, Penn National Insurance, Nulton Diagnostic Training Lab, Duquesne University Capital Region Campus, Clemens Family Markets Headquarters, Mt. Nittany Medical Center, Green Tree Public Library, United Way of the Capital Region, YWCA of Carlisle, Chester County Economic Development Council, Duquesne University Pittsburgh, Eastern University, and Nonprofit Center at LaSalle University. We received pro bono technical assistance from Gary Dubas, CPA, Patti Schwartz, Jim Kroh, Deb Bacon, CPA, Don Kramer, Esq., and Jack Owen, Esq. Our Advisory Board, Standards Committee and Peer reviewers' names can be found at www.pano.org/standards/standards.php.

Tish Mogan and Tony Karantonis

PANO Events

Nonprofit Organizational Effectiveness: Increasing Capacity

This year PANO events broke many records. In 2006, we offered a record 71 programs to members. Attendance was also record breaking for 2006, topping out at almost 500 individual registered attendees. 65% of PANO's members attended a training program throughout the year. There was a 46% increase in attendance compared to 2005. Trainings offered in 2006 were Budgeting and Financial Management, Grant Writing, Board Management, Fundraising, How to Become an Effective Nonprofit, plus many more. PANO trainers in 2006 had an average of 4.25 out of 5 on their evaluations. Collaborations between PANO and PCCE, PASAE, PARF, Mt. Lebanon Public Library, NCAC, Bloomsburg University, Main Line Chamber of Commerce, and many other area nonprofit organizations helped to spread the word about PANO programming. We thank in-kind space donors Main Line Chamber of Commerce, Mt. Lebanon Public Library, NCAC and Monroeville Chamber of Commerce and Eichelberger Performing Arts Center.

PANO celebrated its 11th Anniversary with our Annual Conference: *Nonprofits...the Hearts of our Communities* on June 7, 2006. The morning plenary session started the day with discussion of the Nonprofit Congress in a Town Hall meeting forum. This was followed by three workshops focusing on the Standards for Excellence program, "Humor in the Workplace," and "From Adequate to Outstanding Performance." Our day ended with Keynote Speaker Gregg Behr (pictured on the right), then President of The Forbes Funds. He addressed the audience on the challenges the nonprofit sector is facing and how collaboration is essential to our survival.



For more information on PANO programs in your area, please contact Amy Palmer (amy@pano.org) or Grace Gilbert (grace@pano.org). A full list of upcoming programs is available online at www.pano.org/events.php.

PANO's Board of Directors- Advancing Leadership

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President: Jim Kroh
VP- Alden Lanphear
Treasurer: Lisa Myers
Secretary: Jack Owen

Officers June 2006-2007

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The Huston Foundation

Edward Trask

DELTA Communities

Public Policy-Advocacy and Grassroots Community Activities

I was able to offer more services to members when I was promoted to PANO's new full-time position of Public Policy Officer January 2.

State Legislative Activities

January 4: Joe Geiger testified at a Senate Committee hearing regarding SB854, a bill that would have broadened the State sales and use tax base to include membership dues and services that businesses consume, such as board training. This version of the bill was prevented from moving forward due in part to the effort of the nonprofit community. We coordinated with legislative staff, charities and associations to ensure that nonprofits had the opportunity to testify and submit written statements for the record. PANO assisted with the submission of numerous written statements by both charities and trade associations.

February 10: SB595 was signed into law by the Governor. This bill allowed teens to sit on certain nonprofit boards in an advisory capacity only. Prior version of the bill would have permitted teens full voting rights on nonprofit boards. PANO provided language for an amendment that limited teens to an advisory role, helping teens avoid the unresolved liability issues that could result if minors were permitted full voting rights on nonprofit boards.

April 26: PANO submitted written hearing testimony for the record to the PA Senate Finance Committee opposing SB930. This bill and its companion House bill would have prohibited state funding of nonprofits that compete with for-profit businesses. PANO identified this bill as a priority and coordinated an effort to oppose it. Due in-part to the efforts of PANO and the State YMCA, neither bill was reported out of Committee.

October 27: PANO achieved the passage of HB632, which raised the charitable audit triggering threshold for charities. This Act enables smaller charities to direct more of their charitable dollars to programs and services, while preserving significant protections for the donor public. This law will save thousands of dollars for charities.

David Ross

Federal Legislative Activities

August 4: the Congress passed the Pension Protection Act of 2006 which included a significant package of charitable reforms and incentives. PANO worked with the office of US Senator Santorum and a sector-wide coalition including Independent Sector, the Panel on the Nonprofit Sector, NCNA and Pew Charitable Trusts, to offer feedback, provide comments, and garner grassroots support, to help guide these reforms in a positive direction.

November 16: The Treasury Department announced a complicated formula requiring charities to submit 41 months of bills in order to receive a refund of the amount paid under the Federal telephone excise tax. Few charities took advantage of the refund because it was too complicated. PANO worked with the office of US Senator Santorum to negotiate the approval of a formula permitting them to use a snapshot of a single month.

Town Hall Meetings and Legislative Updates

January 6: PANO hosted a Pennsylvania Town Hall Meeting in conjunction with the visit of 12 Delegates of the nonprofit community of Niigata Japan. Yoji Kaneko presented on the differences between the nonprofit sector in the US and in Japan. Also participating was Karl Emerson, Pedro Cortez, and Mark McNaughton and board member Stuart Weiser.

January 26: Nonprofit Town Hall Meeting in Pittston in coordination with the Northeastern PA Nonprofit and Community Assistance Center.

May 17: Town Hall Meeting in Hanover, hosted by the Eichelberger Performing Arts Center.

August 23: PANO conducted a legislative roundtable with key US Senate Staffer Melanie Looney regarding charitable incentives and reforms in the Pension Protection Act.

Other Activities

January 4-10: PANO hosted a delegation of Japanese NGO leaders. PANO received 12 representatives in the spirit of academic and cultural exchange.

June 7: PANO hosted a Plenary Session of the Nonprofit Congress in Harrisburg. Audrey Alvarado, National Leader for the Nonprofit Congress, led the session. In an effort to establish a baseline for needs, solutions and a vision for the sector, PANO hosted this as a Plenary Session at our Annual Conference.

In the summer of 2006, PANO added CapwizXC to its website. This enhanced PANO capabilities to track and provide updates on Federal and State bills.

October 16 and 17: Joe, Jenn and David joined nearly 400 nonprofit delegates in Washington DC for the 2006 National Nonprofit Congress. The goal of the Congress was to identify and prioritize actionable goals for the sector after determining priorities such as the themes represented in this report. The Congress was an unprecedented effort to unite nonprofits and strengthen the sector.

PANO also held member training sessions on advocacy and lobbying, participated in numerous coalitions and sign-on letters, issued a number of action alerts, added much web content, and helped boost PANO membership. We established new relationships and reinforced existing ones with Federal and State legislators, regulators and staff, members of the media, and coalitions from the broader nonprofit sector.



PA Nonprofit Congress Delegation

PANO's Staff

Joe Geiger

Executive Director

Grace Gilbert

*Special Projects Officer/
Administrative Assistant*

Tony Karantonis

Standards for Excellence Associate

Tish Mogan

Standards for Excellence Officer

Amy Palmer

Event Manager

David Ross

Public Policy Officer

Jennifer Ross

Chief Information Officer



David, Tony, Jennifer, Grace, Amy, Joe, Tish

Interns: Spring- Ashley Kerns (Elizabethtown College), Carrie Wokatie (Messiah College) ; *Fall-* Marisa Rimi (Messiah College), Gauri Ghandbhir (Dickinson College), Mike Hershey (Penn State Harrisburg Masters Program)

Membership- Increasing Capacity

As I completed my 10th year of service to the PANO membership, I was pleased that we reached a membership count of 659. Thanks for joining and continuing your membership with us. We are here to serve you and the sector at large. One way we helped accomplish that was by sending three staff (Joe Geiger, David Ross and I) to participate as delegates of the Nonprofit Congress in Washington, D.C. in October.. I strongly believe that as leaders of the sector, we should pave the road we are traveling instead of the media or our elected officials. Please join us as we implement these priorities.

We hope to assist you with these goals. Benefit from our Standards for Excellence education and voluntary certification, regional Programming, new and existing money saving benefits, advocating on behalf of the sector and encouraging your participation, informational member publications (“Keynotes,” “PANO enews,” and Public Policy Updates), and by being your one call away from the information you need. Please let us know how we can help you further your goals.

We were honored to receive the “Network Booster Award” from the National Council of Nonprofit Associations (NCNA) in recognition of “our entire staff for our active participation, valuable contributions, collaborative spirit, and true dedication to the state association network.” NCNA is our national association. They spearheaded the Nonprofit Congress and help us serve you better.

Members had access to some new services in 2006. Association health insurance became available to members in the 29 counties of Western Pennsylvania. A broker at our business insurance now assists members in other regions of the state. Discounted Giftworks fundraising and volunteer management software is available through Mission Research. New publications were released at a discount to members. We will continue to offer new services in upcoming years.

Thanks again for being a part of PANO. I look forward to serving you in 2007.

Jennifer Ross



PANO member Lark Enterprises

PANO's Contributors

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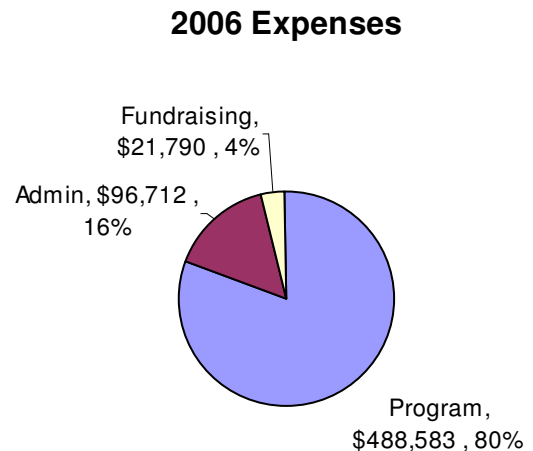
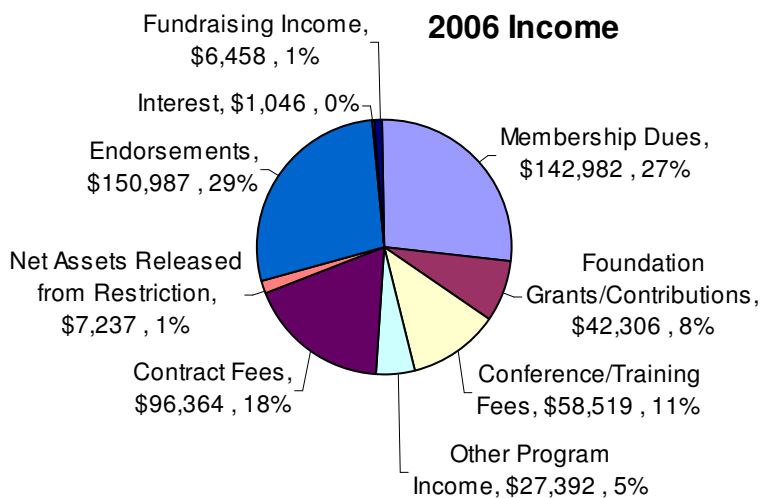
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Pennsylvania Association of Nonprofit Organizations
777 East Park Drive, Suite 300 Harrisburg, PA 17111
(717) 236-8584, Fax: (717) 236-8767
www.pano.org