



Message to our Constituents

The successes of the Council in 2008 gave us great reason to celebrate, and were due in large part to the support of people with a shared commitment to helping donors make informed giving decisions that help improve the accountability and transparency of our vibrant nonprofit sector.

More users than ever are using the tools and resources on the Council's Web site (www.SmartGivers.org) to make informed giving decisions. Web usage increased by 51% in 2008. We will continually strive to stimulate charitable giving by motivating and educating each generation of donors to be smart givers. We are also focusing on providing grantmakers with detailed information that can assist in their due diligence.

Last year we began building relationships in North and South Dakota as a means of pursuing regional expansion of our services. The North Dakota Association of Nonprofits as well as major grantmakers in the Dakotas have shown great interest in working with us to improve philanthropy – we will continue advancing these relationships as well as exploring national partners in 2009.

Also in 2008, we completed a comprehensive internal assessment of our current organizational cultural competence, resulting in a variety of “sustainable solutions” we are implementing in 2009. Notably, we have significantly increased the diversity of our board and committees, which will help us with these efforts.

Another key initiative of the Council is revisiting our Accountability Standards, ensuring they are up-to-date, but also considering ways they can be more inclusive and educational. That effort began last year, and in 2009 we will complete the process, including seeking outside input from a wide variety of communities.

Additionally, in 2009 we will work to earn and maintain public and nonprofit trust by modeling excellence in our recommended practices. In addition to verifying that the Council continues to meet all of our standards, the board is engaged in determining whether any action is needed to meet other major sets of principles.

Thank you for your help in strengthening the bond between nonprofits and donors in Minnesota through increased public trust in accountable charities. You can further help achieve this vision by spreading the word of our services to the nonprofits you support and to your friends and neighbors. We look forward to working with you to mobilize informed donors and accountable nonprofits for the greater good now and into the future.

With our thanks and good wishes,

Steve Joul
Board Chair

Rich Cowles
Executive Director

Accomplishments by Program

Accountability Reviews

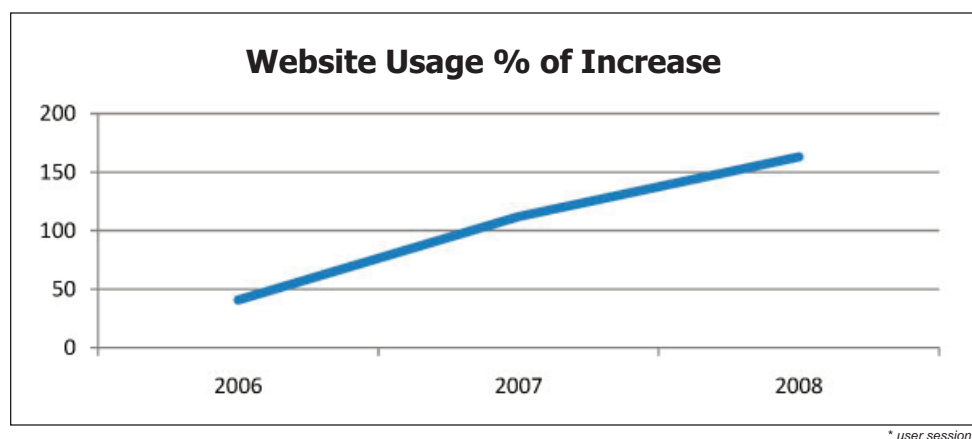
- 50 nonprofits enrolled in the Accountability Wizard in 2008.
- The following survey results illustrate how our nonprofit services are strengthening nonprofits to better fulfill their missions. The survey participants are all of the nonprofits who have current reviews. Of the 397 nonprofits participating in the review process:
 - 60% (or 239) identified a need for change and/or growth in at least one of the following areas: Public Disclosure, Governance, Financial Activity, Fundraising, or Other.
 - 57% (or 229) now have a better understanding of the accountability standards.
 - 72% (or 285) have improved their commitment to accountability.
 - 83% (or 331) indicate the Accountability Wizard was a useful experience for their organization.

Nonprofit Services

- Provided tools and resources for organizations to meet and sustain accountability. Where standards weren't fully met, technical assistance was provided to help organizations make structural, policy or procedural changes.
- Developed model "Whistleblower" and "Records Retention" policies for nonprofits in conjunction with new IRS Form 990 recommendations; presented policies and 990 changes to nonprofits around the state.
- Hosted record attendance of more than 260 sector leaders and donors at our Annual Forum featuring nationally renowned nonprofit sector expert, Paul C. Light, who spoke on "Restoring Confidence in Charities."
- With the guidance of a broad, representative committee of experts comprised of donors, nonprofit and community leaders, the Council began researching current regulatory demands on nonprofits, emerging best practices and other trends, and will develop a draft set of revised Accountability Standards in the first half of 2009.

Donor Services

- More users than ever are using the tools and resources on the Council's Web site to make informed giving decisions. Web usage increased 51% in 2008. This number includes donors who use our on-line Giving Guide as well as nonprofits using the Wizard. Since 2006, website usage has increase by a total of 163%.



- The number of My Smart Giver account subscribers increased by 81% in 2008. 70 percent of registered My Smart Givers users have requested a review of a charity.
- Developed and launched detailed charity review reports for grant makers that can assist in their due diligence.
- Provided information and services to donors on social media channels such as blogs and Facebook.
- Provided disaster giving information to donors in response to disasters such as summer tornados in Minnesota, Mississippi, Arkansas, Tennessee, Kentucky and Alabama and the Myanmar cyclone.
- Co-hosted the "Public Perception Forum: What Minnesotans think of the Charitable Sector (and what to do about it)" with Thrivent Financial for Lutherans. Presented results of the Council's Public Trust survey, followed by a panel of experts addressing the implications of survey results showing fragile trust; strong beliefs that charities are ethical but they waste money.

Our Contributors

LEADERS' CIRCLE

\$10,000 and above

The 3M Company
The 3M Foundation
ADC Foundation
Ameriprise Financial
Fred C. and Katherine B. Andersen Foundation
Hugh J. Andersen Foundation
Fieldstone Alliance
General Mills Foundation
Greater Twin Cities United Way
Mayo Foundation for Medical Education and Research
The Minneapolis Foundation
Otto Bremer Foundation
The Rathmann Family Foundation
Surdna Foundation
Target
Travelers Foundation
Tunheim Partners

AMBASSADORS' CIRCLE

\$5,000-\$9,999

The Athwin Foundation
The Cargill Foundation
The Charlson Foundation
Margaret Rivers Fund
Western National Mutual Insurance Company

VISIONARIES' CIRCLE

\$1,000-\$4,999

Andersen Corporate Foundation
Bill Beim
Blandin Foundation
Bremer Bank
Suzanne Busta
The Curtis L. Carlson Family Foundation
Gregg Larson & Robert Carlson
Central Minnesota Community Foundation
Rich Cowles
Deluxe Corporation Foundation
The Dorsey & Whitney Foundation
Mike Ducar
Ecolab Foundation
Faegre & Benson Foundation
Fredrikson & Byron Foundation
The Graco Foundation
Greater Mankato Area United Way
Joul Family Fund of the Central Minnesota Community Foundation
Barbara & David Koch
MAHADH Fund of HRK Foundation
Medica Foundation
Harold C Meissner Fund of the St. Paul Foundation
Onan Family Foundation
Craig Ordal
The Jay & Rose Phillips Family Foundation
The Elizabeth C. Quinlan Foundation, Inc.
RBC Foundation - USA
Rosemount, Inc. Emerson Process Management
Securian Foundation
Tankenoff Families Foundation
Keith Tanski
Toro Foundation
Jim Toscano
United Way of Central Minnesota
UnitedHealth Group
H.E. & Helen R. Warren Foundation
Ron Zweber & Peter Scott

CHAMPIONS' CIRCLE

\$500-\$999

CBIZ/MHM
CDF Foundation
Dodge County United Way
Ann Gilsdorf
H.B. Fuller Company
Diane Hansen
Lorraine Hart
Stuart Henderson

Audrey Kintzi
Mary Marble
Justin Palecek
Dan Rodriguez
Hugh Schilling
Thomas Schroeder
David Schumacher
Judith Schuster
Susan Stewart
Thrivent Financial For Lutherans Foundation
Claire Topp
United Way of Washington County - East
Michael Vinyon
The Whitney Foundation

BUILDERS' CIRCLE

\$100-\$499

John Albers
Judy Alnes
Sarah Andersen
Roger & Sharon Roe Anderson
John E. Andrus III
Gordon Bailey, Jr.
JoAnne Baker
Letita Basford
Jim Beaton
Harley Bergren
Vincent & Karen Bezdicek
James & Phyllis Bjork
Dan Brick
Marilyn Broussard
Terrance Brueck
Buffalo Lake Community Fund
Richard & Mary Burnham
Therese Cain
Martin & Esther Capp Family Fund of The Saint Paul Foundation
Robert & Mary Jane Carlson
Mary Carson Johnson
Heidi Neff Christianson
Glenn & Nan Corliss
Leigh & Sally Countryman
Hans Courant
John Cowles, Jr.
Terry Crowley
Edward & Joanne Dandanell
Harry L. Davis
Chris Dovolis
Sylvianne Downing
Nathan Dungan
Brad Dunn
Gloria Contreras Edin
Shirley Edmonson
Corinne Engstrand
Henry & Betty Ernst
Irene Fernando
Kevin Filter & Rosemary Kessler
Joy Fisher
Jim & Judy Fitzhugh
Mary Ella Galbraith
Glencoe Area United Fund
Doris Graf
Hazen & Kathy Graves
Kristie Greve
Mary Livingston Griggs & Mary Griggs Burke Fnd.
Betty Gunnary
Arline Hagen
Dick Hanson
Laurie Hanson
Lori Happel-Jarratt
Zainab Hassan
HBH Consultants
The Head Foundation
Elizabeth & William Heegaard
Peter & Anne Heegaard
Elayne Hengler
Gene & Pat Hetland
R. Lee Hickerson
Sheryl Homan
Dave & Michelle Horan
Shelley Rae Jacobson
LaVern Johnson

Marion Johnson
Orville & Kathy Johnson
Mary & Douglas Jones
Charles & Sally Jorgensen
Stanley Jurgensen
Cleo Kasten
Ron & Marcia Kircher
Cindy Kleven
Brad Kruse & Kimberly Faurot
Laird Norton Company LLC
Le Center United Fund
Vivita Leonard
Sheldon Levin
Andre Lewis
Gloria Lewis
William & Harriet Ludwick
Joe Luoma
Patricia M. McAllister
Margaret McCubbin
Marlene McKeown
Paul McRoberts
Viola & Vernon Michaelson
Alice Mikel
Vernon & Shirley Moore
Marlene Mulrooney
Charles F. Murphy
Kenneth Neitzel
Frances Nelson
Vee Phan Nelson
Julie Nester
Dick & Joan Niemiec
Josephine Nunn
Ernest Olson
Dave Oster
Bob & Mary Otnes
Sylvia Ann Ott
Jerome Paquin
Jerome Paulson
Joy Persall
Brian Peterson
Mr. R. Poole
Walter & Harriet Pratt
Daniel Quackenbush
G.M. & Gladys Reynolds
Joan & James Rhude
Riehle Family Charities
Kristin Rigg & James Ronald
Philip Roe
Larry Rother
Kelly Rowan
Debra & Ronald Ruegg
Mac Ryerse
Amy Sanchez
David Sanders
Louise Schmid
Rick Scott
Charles & Anna Silverman
Thomas & Adine Skoog
Kim Snyder
Cynthia Sorenson
SRI
Stephen Civic And Commerce
John Sullivan
Patricia & Melvin Swanson
Evelyn Swenson
Tom Teigen
Jeff & Cindy Thom
Terrance Tomann
Donna Tomczak
George & Shirley Torrey
United Fund Of Kenyon
United Fund Of Spring Valley
Warren One Fund
Ruth & David Waterbury
Wells Greater United Fund
Elizabeth & Emma E.J. Wexler Gift Fund, The
Minneapolis Foundation
Mark & Muriel Wexler Foundation
Callie Whelan
Tom Whelan
Winnebago United Fund
John & Eleanor Yackel
Bob Zartner

2008 Audited Financial Statements

BALANCE SHEET

December 31, 2008

ASSETS	
CURRENT ASSETS	
Cash & Investments	295,125
Promises to Give Receivable	110,255
Accounts Receivable	50
Prepaid Expenses	12,761
Total Current Assets	418,191
FIXED ASSETS	
Property & Equipment (net)	56,176
Website Development	86,100
Accumulated Depreciation/Amortization	-114,270
Total Other Assets	28,006
TOTAL ASSETS	446,197
LIABILITIES	
CURRENT LIABILITIES	
Deferred Rent	407
Accounts Payable	4,194
Accrued Expenses	7,458
Total Current Liabilities	12,059
LONG TERM LIABILITIES	
Long-Term Deferred Rent	0
Capital Lease	5,569
Total Long Term Liabilities	5,569
TOTAL LIABILITIES	17,628
Beginning Unrestricted Net Assets	187,393
Current Year Unrestricted Net Income	-46,474
Ending Unrestricted Net Assets	140,919
Beginning Temporarily Restricted Net Assets	165,410
Current Year Temporarily Restricted Net Income	122,240
Ending Temporarily Restricted Net Assets	287,650
TOTAL NET ASSETS	428,569
TOTAL LIABILITIES & NET ASSETS	446,197

STATEMENT OF INCOME AND EXPENSE 2008

	Unrestricted	Restricted	TOTAL	% of Total
SUPPORT & REVENUE				
Support				
United Way	85,464	-	85,464	13%
Individuals	70,128	2,850	72,978	11%
Corporations & Foundations	190,521	240,000	430,521	66%
Contributed Goods & Services	26,162	-	26,162	4%
Satisfaction of Restriction	120,610	-120,610	-	0
Revenue				
Annual Forum	13,199	-	13,199	2%
Fee for Service	21,689	-	21,689	3%
Interest Income	1,020	-	1,020	<1%
Other Income	720	-	720	<1%
TOTAL SUPPORT & REVENUE	529,513	122,240	651,753	100%
EXPENSE				
Programs				
Donor Information & Education	196,452	-	196,452	34%
Research & Review	52,073	-	52,073	9%
Nonprofit Services	172,255	-	172,255	30%
Total Programs	420,780	-	420,780	73%
Supporting				
Management & General	95,334	-	95,334	17%
Fundraising	59,873	-	59,873	10%
Total Supporting	155,207	-	155,207	27%
TOTAL EXPENSE	575,987	-	575,987	100%
CHANGE IN NET ASSETS	-46,474	122,240	38,733	-

Our mission

Mobilize informed donors and accountable nonprofits for the greater good. We do this by:

- Engaging people in informed charitable giving to promote effective generosity.
- Encouraging and assisting accountability and transparency in nonprofits.
- Enabling thoughtful and responsible use of philanthropic resources.

Our vision

We envision vibrant and healthy communities for all, benefiting from effective and trustworthy nonprofits that are supported by a well-informed public's generosity.

Our values

Generosity – The spirit of generosity that results from increased public trust in nonprofits;

Informed Giving – People making informed giving decisions that promote the common good;

Diversity - The contribution of all cultures in the mosaic of healthy, vibrant communities;

Accountable Nonprofits – The significant accomplishments that result from accountable and transparent nonprofits;

Integrity – Uncompromising integrity in ourselves and others.

2009 Board of Directors

Heidi Neff Christianson

Moore, Costello & Hart, PLLP

Gloria Contreras Edin

Edin Consulting

Irene Fernando

Students Today Leaders Forever

Diane Hansen

Travelers

Zainab Hassan

The Minneapolis Foundation

Steve Joul, Chair

Central Minnesota Community Foundation

Audrey Kintzi

Courage Center

Cindy Kleven

3M Community Affairs

Barbara Koch

Make-A-Wish Foundation of Minnesota

Gloria Lewis, Secretary

Big Brothers Big Sisters of the Greater Twin Cities

Khanh Nguyen

Ramsey County Department of Public Health

Daniel A. Rodriguez

Saint Paul Public Schools

Amy Sanchez

Casa de Esperanza

Rick Scott

McKnight Foundation

Claire H. Topp, Vice-Chair

Dorsey & Whitney, LLP

James V. Toscano

Minneapolis Heart Institute Foundation

Michael Vinyon, Treasurer

Charitable Management Group, Wells Fargo

Travis Zimmerman

Minnesota Historical Society

Ronald J. Zweber

Nonprofit Banking, Bremer Bank

2009 Strategic Goals

Growth

Establish the Council as a national or regional force with a distinctive voice for advancing the public's trust in charities.

Cultural Competence

Transform the Council to a more culturally affirming, inclusive organization that will effectively serve donors and nonprofits of all cultures and communities.

Nonprofit Services

Champion nonprofit accountability by identifying and defining sound practices and vigorously engaging the nonprofit sector in those practices.

Donor Services

Stimulate charitable giving by motivating and educating each generation of donors to be smart givers.

Lead by Example

Earn public and nonprofit trust by modeling excellence in our recommended practices.

Geographic Area of focus

Upper Midwest

Staff

Rich Cowles, Executive Director

Jenna Forner, Nonprofit Services Assistant

Helen S. Ng, Marketing Communications Manager

Kelly Rowan, Outreach & Resource Manager

Amy Sinykin, Special Projects & Operations Manager

Martin Wera, Nonprofit Services Manager