

# Our Community **MATTERS**

Your community knowledge bank helping groups survive, improve, grow and innovate



## Resources, News, Innovations and Tips on:

- ✓ Funding, Finance & Membership Management
- ✓ Leadership & Advocacy
- ✓ Management & Training
- ✓ Marketing & Media
- ✓ Boards, Committees & Governance
- ✓ Community & Business Partnerships
- ✓ Insurance & Risk Management

[www.ourcommunity.com.au](http://www.ourcommunity.com.au)

June edition 2005

Welcome to the latest edition of *Our Community Matters*, our regular free community update. It is yet another benefit of membership of [www.ourcommunity.com.au](http://www.ourcommunity.com.au) - the premier destination for Australia's 700,000 community, education and non-profit groups. Ourcommunity.com.au provides community groups with the latest funding and fundraising news as well as practical management, board, marketing and community business partnership information.

Our Community also operates the [Australian Giving Centre](#), the free online donation service that has so far raised almost \$4.5 million for Australian community appeals.

A summary of our services is listed at the end of this newsletter. If you have trouble reading this newsletter or have any comments please let us know at [brianw@ourcommunity.com.au](mailto:brianw@ourcommunity.com.au).

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## 1. Welcome by Rhonda Galbally AO, CEO of [ourcommunity.com.au](http://www.ourcommunity.com.au)

Welcome to Our Community Matters.

I just want to say Thank You to everyone associated with making the Communities in Control conference a huge success. To all those presenters who took part in the Communities in Control conference and the special pre-conference Boards day, to the sponsors and – particularly to the 1500 community representatives who came together to produce a fantastic experience.

It was a wonderful blend of insight, inspiration and innovation with the courage and creativity of community groups to overcome challenges and find a way through – no matter what the obstacles – really shining through.

Nowhere was this more apparent than the Community Idol contest when the three finalists got up to make their presentations. Our whole reason for running this award was the reaction last year when people said they wanted to hear more stories from groups who had best practice examples to share. And these three groups were certainly able to do that.

It was an incredibly powerful session – and one that left many in the audience emotionally moved by their stories. Our congratulations goes to all associated with the winners Sisters Inside and the two runners-up, Horn of Africa Community Network and CERES as well as to all the commendation winners.

I would also like to thank the judging panel, led by Lindsay Gaze, who spent hours poring through the entries. Finally I would like to thank all the delegates who voted. It was difficult to split the groups and although Sisters Inside won the \$3000 first prize, I think all of us were overjoyed when Alcoa agreed to provide \$2000 to each of the runners-up.

The pre-conference Governance Day was also a great success with a hands-on, practical focus and a greater emphasis on finding solutions to the individual experiences of the groups in the workshops. It was a great spirit and a great way to kick off the conference. Given the response we will have a similar day next year.

I would also like to thank the sponsors – the Commonwealth Department of Family and Community Services and Senator Kay Patterson, the Department for Victorian Communities and Deputy Premier John Thwaites, the Municipal Association of Victoria, Westpac Bank, Alcoa, Leader Newspapers as well as John Teare and all at the Moonee Valley Racing Club who were again fantastic.

And special thanks to the Pratt Foundation – and Heloise Waislitz, Sam Lipski and Ian Allen – for their support in bringing out our 2005 Pratt International Fellow in Judy Rogers, the ground-breaking CEO of the City of Vancouver who was an inspiration on the way government and community can work together.

See below for a fuller report of the conference. We are also progressively loading up the speeches from the conference so keep an eye on [http://www.ourcommunity.com.au/control/control\\_main.jsp](http://www.ourcommunity.com.au/control/control_main.jsp) for the speeches as they go up.

For those who didn't get there and want to feel the atmosphere, the video of the Communities in Control conference can be ordered and will be available in the coming weeks. See [http://www.ourcommunity.com.au/control/control\\_main.jsp](http://www.ourcommunity.com.au/control/control_main.jsp) for an order form.

### **Giving at Tax time.**

There is a lot to fit in this newsletter – including the results of your survey on the State of the Community 2005 which follows – but I wanted to congratulate one of our groups that received a \$100,000 donation through their online appeal listed with the Australian Giving Centre on [www.ourcommunity.com.au](http://www.ourcommunity.com.au).

While it is one out of the box, it does show the growing role of online donations in community group fundraising and the greater acceptance of online donations. The other trends we are noticing this month are:

- that more appeals than ever before are receiving donations
- a greater propensity for donors to donate to multiple appeals.

Whether that is because there are more appeals (now over 570) or more publicity around the Australian Giving Centre, we are not sure but it is a really encouraging sign. Again thanks to Westpac for their support in making it possible.

**RHONDA GALBALLY AO**  
Chief Executive Officer

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## 2. Focus turns to Communities taking Control during successful 3rd annual conference.

Community leaders need the gifts of the Wizard of Oz: a heart, courage, and a brain, delegates to the third annual Communities in Control Conference were told earlier this month.

In a stirring and thought-provoking speech, Equal Opportunity Commission chair [Fiona Smith](#) told the 1500 conference-goers that now more than ever before, community leaders needed to exhibit capabilities in addition to those of “vision, drive and dedication”.

“For community leadership, we need hearts. We need hearts to care, to empathise, to feel injustice, and to be passionate about righting wrongs,” she said.

Ms Smith was one of more than dozen high-profile speakers who tackled the conference’s central theme – ***IMAGINE: A Healthy Future. IMAGINE: Where Communities are in Control***, drawing on personal experience and insight, statistical information and policy frameworks.

Founder and chair of global search engine company Looksmart [Evan Thornley](#) emphasised the need for the contribution of community organisations to social and human capital to be “recognised, measured and valued”.

“Changing our understanding of economics, questioning our moral frameworks and making practical changes to our approach to running community organisations are all part of the shift to a world where communities are in control,” he said.

“I like to imagine what our country will look like if we take these issues seriously. If we have a vision of an investing society – or ... a self-actualised nation.”

Case studies and inspirational stories were another popular feature of this year’s conference, with [Dick Estens](#) and [Chris Sarra](#) drawing from their personal experiences in working with indigenous communities in New South Wales and Queensland.

Mr Estens spoke of his experiences in establishing a trailblazing Aboriginal Employment Strategy around the New South Wales town of Moree, while Mr Sarra, principal of Cherbourg State School in Queensland, told delegates of changes at the school which had transformed it into an innovator in educating Aboriginal children.

Mr Sarra told of Cherbourg’s transformation from his arrival in 1998 to a school with major problems into one which now prides itself on being “Strong and Smart; young and black and deadly” through breaking the status quo of student absenteeism and misbehaviour, implementing different educational processes and overcoming a complacency among some staff members.

“We re-established a new team, and I had been on the phone to them before they had even come and said to them: “Look its going to be hard work, but I don’t want you to come here to rescue children – they don’t need rescuing,” he said.

“I don’t want you to come here to save them or feel sorry for them – they don’t need people to feel sorry for them. Come here to do the job you are paid to do – that is effective learning and teaching.”

There was also a lively session with the much-respected political journalist and commentator Michelle Grattan questioning former National Farmers’ Federation CEO [Rick Farley](#) and Professor Robert Manne after they spoke to the topic “Imagine: a Community First Party”.

Other speakers at the June 6 and 7 conference included:

- Broadcaster and journalist Geraldine Doogue, who engaged the audience on a wide range of social, community and journalism-related issues and took a number of questions from delegates as she spoke widely around a theme of “Imagine Communities with Vibrant Hearts and Minds”.
- Federal Family and Community Services Minister, [Senator Kay Patterson](#), who opened the conference, welcomed delegates and announced a \$1.1m funding boost to playgroups associations, as well as to specific playgroups to purchase toys.
- Minister for Victorian Communities, and Deputy Premier, [John Thwaites](#), talked about the ability of community to reduce disadvantage with support of State Government and pledged \$7.5 million to community building and strengthening programs.

- University of Melbourne Economics [Professor Neville Norman](#), Australian Bureau of Statistics CEO [Dennis Trewin](#) and Deakin University researchers Associate Professor Ken Reed and Betsy Blunden, who gave insights into statistics and measurements on:
  - Measuring social capital.
  - The “supply and demand of community”.
  - Factors influencing communities into the future, and.
  - The relationship between individuals’ lives and their communities.
- All three finalists in the inaugural Australian Community Idol Competition – CERES, Sisters Inside and the Horn of Africa Community Network – who “pitched” themselves to delegates before the audience voted on a winner.

Closing the conference in fine style, International Pratt Fellow and City of Vancouver CEO [Judy Rogers](#), talked about the challenges and experiences of local government striving to work with the local community to make a better community.

“We learned that people in the community are an important part of the solution. Governments have to release control. Community development and capacity building can be seen as steps to the goal of achieving a stronger community and improving the quality of life,” she said.

“To empower communities, we need to develop capacity. Physical, economic, social and cultural sustainability depends on it. The health and wellbeing of all our communities depends on it.

“Communities need to be valued and supported in the work they do, through policies and resources that can assist these organisations to grow, to prosper, and to build the community at large.”

**Speeches and PowerPoint presentations, where available, will be posted on the Our Community website at [www.ourcommunity.com.au/control/control\\_article.jsp?articleId=1830](http://www.ourcommunity.com.au/control/control_article.jsp?articleId=1830)**

### **Order the video of the conference!!**

We have had a number of phone calls and emails from both those that were at the conference and also those who couldn’t get there to see if we would again be producing a video as we have the last two years.

The answer is yes. We will be producing a video of the two days of the conference (Monday and Tuesday) for starters.

If you would like to order a copy of the conference video, please download the order form at <http://www.ourcommunity.com.au/files/cic/cicvideoorderweb2005.pdf> or call Samantha Fritz on (03) 9320 6800 or email [samanthaf@ourcommunity.com.au](mailto:samanthaf@ourcommunity.com.au).

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### **3. Blood, sweat and fears laid bare at inaugural Boards and Governance day.**

All the joys and challenges facing modern day not-for-profit Boards and Committees were raised during a special pre-conference Boards and Committees Capacity Building Day held as a curtain-raiser to the Communities in Control conference on Sunday, June 5.

Around 400 delegates took part in the inaugural event, which was designed to help hard-working Board and Committee members “refresh, recharge and revive” and was characterised by a strong interchange of inspiration and ideas.

Internationally-renowned expert in organisational dynamics, Professor Susan Long, kicked the day off with a thought-provoking discussion of how everyday human relationships can help or hinder the smooth operation of a Board or Committee – and steps that could be taken to harness or by-pass these dynamics to achieve greater harmony and effectiveness.

The morning session also featured leading Australian community development practitioner and educator, Dr Jim Cavaye, who tackled the difficult topic of succession and renewal in not-for-profit Boards and Committees.

Dr Cavaye outlined a template for conducting a "health check" to ensure that not-for-profit Boards became the sort of places that would encourage participation, and that discouraging factors – lack of confidence, busy lives, the spectre of having to make a long-term commitment, etc. – were acknowledged and remedied.

Other major speakers included not-for-profit governance expert Professor Myles McGregor-Lowndes and shareholder activist Stephen Mayne.

Prof. McGregor Lowndes' highly informative and interactive presentation helped to demystify the legal duties of modern-day not-for-profit Board and Committee members, while [Crikey.com.au](http://Crikey.com.au) founder Stephen Mayne provided an entertaining account of how Boards and Committees can get caught in the media trap.

The pre-conference day also featured expert workshops on a range of topics of particular interest to not-for-profit Boards and Committees, including fiduciary duties, succession and renewal, Board improvement, overcoming dysfunction and getting and managing the money.

A practical and inspiring panel discussion on making Boards and Committees more representative – The Diversity Challenge: Do it or Die – was another popular feature of the event.

Speeches and PowerPoint presentations, where available, will be posted on the Our Community website with links from the Communities in Control and Board centres. The major themes of the event will be developed further in future editions of [The Board Builder](#). **SUBSCRIBE NOW!**

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#### 4. Australia's inaugural Community Idol wins recognition.

And the winner is ..... Sisters Inside Inc.

The Brisbane-based womens prisoner advocacy group **Sisters Inside Inc** is the winner of the inaugural Australian Community Idol award for the most innovative, hard-working, trail-blazing and unique community group in 2005.

Former Victorian Premier and current chair of the Victorian Communities Ministerial Advisory Committee, Joan Kirner, announced the winners at the final session of the Communities in Control Conference - co-convened by Our Community and Centacare Catholic Family Services.

Over 150 Australian community groups entered the Australian Idol competition - which aimed to find the group with broad levels of participation, excellent board management and innovative services.

Each of the finalists – **Sisters Inside**, **Horn of Africa Community Network (HACN)** and the **Centre for Education and Research in Environmental Strategies (CERES)** – put their case directly to delegates on the first day of the conference under the entertaining guidance of compere Brett de Hoedt from [www.hootville.com](http://www.hootville.com), with delegates voting on the spot for a winner.

The overwhelming reaction from most delegates was that all three groups provided a fantastic showcase of best practice and had inspiring stories to tell of how they had overcome challenges to provide their communities with amazing service.

**Sisters Inside** is an independent community organisation advocating for the human rights of women in the criminal justice system in Queensland. The organisation works alongside women in prison in Queensland's southeast to fill the gaps in services that are available to them

Sisters Inside Director Debbie Kilroy described the win as a "reward" for all the organisation's workers. "Everything we do is for the women inside who do not belong in prisons," she said.

"Our mission is creating a system that treats all women with respect and dignity regardless of race, culture, sexuality or age. This is a just reward for all of our workers who have gone above and beyond the call of duty under the most difficult circumstances."

"We were overwhelmed by the quality of our three finalists. Each of them is a star but there could only be one 2005 Australian Community Idol," enthused Dr Rhonda Galbally AO, Chief Executive of Our Community. "Democracy has spoken and the delegates at the conference have declared Sisters Inside Inc to be the Australian Community Idol 2005."

"Through my work in prisons I have seen first hand the needs of the people inside and the lack of services available to meet those needs," said Fr Joe Caddy, co-convenor of the Communities in Control Conference and the Chaplain to Melbourne's maximum security men's prisons. "The unique work of Sisters Inside is about ensuring the human rights of women in prison are protected."

As winner of the Australian Community Idol 2005 Sisters Inside Inc. will receive \$3000 prize money.

The great news was that after viewing the finalists' presentations, Alcoa was moved to provide \$2000 each to the two runners-up – a move that was supported by the 1500 delegates.

All three finalists will also receive a collection of Our Community publications on fundraising, grants, board building and more plus subscriptions to all Our Community newsletters.

The other two finalists were:

- **Horn of Africa Communities Network Inc.** (HACN) based in Footscray, Victoria offer a range of programs and services in employment, housing and education to ensure a better quality of life for Horn of Africa humanitarian and refugee settlers. The organisation is committed to equality for Horn of Africa minorities and promoting the development of an African-Australian identity for new arrivals.
- **CERES (the Centre for Education and Research in Environmental Strategies)** from Brunswick, Victoria. CERES is a community environment project which aims to encourage community participation in environmental sustainability and social equity in urban areas.

Community Idol Commendations were awarded to the following groups:

- **Helping Hands Volunteer Program** (Shoalhaven, NSW) – which aims to promote integration of mental illness sufferers into the community and to reduce the stigma of mental illness.
- **Milang Progress Association** (Milang, SA) –an organisation which runs a bevy of education, care and intervention programs in the Milang area.
- **Mt Beauty Neighbourhood Centre** (Mt Beauty, VIC) – which runs courses and programs in the Mt Beauty region.
- **Golden Mile Community House Inc.** (Kalgoorlie, WA) – a group based in Boulder which offers family support and community development for those with mental illness and their families.
- **Park for Play**, (Mildura, VIC) – who work with local groups to construct a playground in the area for children with a wide range of disabilities – physical, intellectual and psychiatric.
- **Derwent Valley Economic Renewal Group Inc.** (Derwent Valley, TAS) - a major economic and social stimulator in the Derwent Valley.
- **Melbourne Rainbow Band**, (Melbourne, VIC) - Australia's premier lesbian and gay symphonic concert band.
- **Riverwood Community Centre**, (Riverwood, NSW) – the centre offers a wide number of services for families, children, young people and the aged, as well as counselling, educational, skills development and employment assistance programs.
- **Bairnsdale/Amaroo Branch of the Country Women's Association of Victoria**, (Bairnsdale, VIC) – who have, among a number of activities, recently offered support to victims of high country floods and fires in 2004 and advocated to the State Government on behalf of the area's local transport needs.
- **Northern Migrant Resource Centre**, (Darebin/Banyule/Yarra/Whittlesea/Nillumbik/Moreland VIC) – which looks to promote the wellbeing and successful settlement of migrants and refugees living in the northern region of Melbourne.

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## **5. Biggest online donation boosts giving season –support your groups now!**

A DONATION of \$100,000, the single biggest amount donated online in Australia, has been made through the Australian Giving Centre at **[www.ourcommunity.com.au](http://www.ourcommunity.com.au)**, kicking off the traditional end-of-financial-year giving season.

The one-off donation of \$100,000 was a gift to an appeal launched by a Victorian-based community organisation. The group is expected to publicly announce the donation once their generous benefactor has returned from a mid-year trip.

The \$100,000 donation was both a great reward for the community organisation running the appeal as well as an endorsement of the growing popularity in the community of donating online.

The \$100,000 donation towered over the previous largest amounts (several donations of \$25,000 during the Tsunami appeals) given online through the Australian Giving Centre, which is supported by the Westpac Bank. There's no doubt that in the wake of the tsunami appeals, more Australians are turning to the Internet when they want to donate to a community group (**see research below**). They can read about the group in their own time and at their own pace and then - if they approve of what the group is doing and are motivated to take action - they can do so immediately.

The benefit for the community groups is that people can donate at any time - day or night. Effectively the office door is open 24 hours a day, seven days a week.

With only a couple of days until the end of the financial year many groups have been promoting their appeals to their supporter base or sent out letters as part of a wider acquisition appeals.

If groups haven't yet let their supporters know they are seeking support then you still have time to send a quick email to your supporters letting them know your needs. Visit the [Marketing, Media & Post Centre](#) for more advice.

There are currently over 570 community appeals listed on the Australian Giving Centre's free online donations service at [www.ourcommunity.com.au](http://www.ourcommunity.com.au). Almost \$4.5 million has been raised for community groups since the online services began operation in 2001.

Our Community recently ran a survey of some 350 non-profit groups that showed community groups would rather people get actively involved in the group than just give money - but the survey also showed that funding still presented the biggest challenge to overcome. Groups need support and they need money and all community groups would be grateful for any demonstration of support.

The Australian Giving Centre at [www.ourcommunity.com.au](http://www.ourcommunity.com.au) has received more than 25,000 individual donations since commencing operations. Supported by Westpac Bank, the Giving Centre also provides information and options for people wanting to donate money, time, clothes, furniture and computers as well as signing up to donate organs.

**For those people who are looking to support their own group or another community group at this time of year, visit [www.ourcommunity.com.au/donations](http://www.ourcommunity.com.au/donations) and choose from over 570 appeals.**

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## **6. Community groups seek support over money – State of the Community survey.**

MORE COMMUNITY groups would prefer people to join their group as a member, serve on the Board, contribute to lobbying efforts or sign up as a volunteer than give money, a survey of community organisations has found.

The *State of the Community 2005 survey*, which was run as a lead-in to the Communities in Control conference, found that 33 per cent of respondents would prefer the community help them to lobby for support to achieve their mission compared to just 21 per cent who said they would prefer them to give more money.

A total of 28 per cent of respondents said that helping through volunteering was the best thing the community could do to support its work while the same number nominated offering to join the Board or committee of management as the most useful way people could help.

A further 26 per cent said the community could best help the organisation by becoming a member and 22 per cent said offering pro bono services.

The survey, which was run by [ourcommunity.com.au](http://ourcommunity.com.au), an online resource for Australia's 700,000 community and non-profit groups, also found the vast majority of community groups had been unaffected by the massive \$315 million donated by the Australian public to Tsunami-related appeals.

The survey found 60 per cent of respondents reported the Tsunami had not affected their fundraising, while a

further 27 per cent said they didn't know the impact. Less than 10 per cent of groups said the wave of donations to Tsunami appeals had impacted negatively on their fundraising.

The survey of over 350 community group representatives also found:

- 49 per cent of groups said State/Territory Government grants were their primary source of funding while 27 per cent nominated federal funding. Other major forms of fundraising were local government grants (19 per cent), membership fees (15 per cent), fees and charges (17 per cent) and individual donations (12 per cent). Grants from philanthropic foundations were nominated as the primary source of funding for just 3.4 per cent of groups.
- Lack of funding was nominated by 44 per cent of groups as the biggest challenge facing their organisation while almost 21 per cent nominated the lack of cohesion between various levels of government, 19 per cent nominated difficulties in gaining a public profile and 19 per cent nominated lack of influence over public policy.
- The finances of most respondent groups are in good shape, with 84 per cent of describing them as "OK", "Good" or "Excellent". Worryingly, 16 per cent described their finances as "Weak" or "Awful", with 9 per cent saying they often needed to run emergency fundraising activities and 6 per cent saying they were wondering if they would survive the year.
- Asked what the community group needed to be more effective in their work, 46 per cent of groups nominated more funding while almost 27 per cent said they needed a higher public profile, 20 per cent said they needed more and better partnerships with business and 19 per cent said they needed more political clout.
- While 65 per cent of respondents said they believed their Board or committee of management was fulfilling its fiduciary duties and 63 per cent said the Board was doing a good job of being accountable to stakeholders, 37 per cent said their Board had never conducted a self-evaluation to determine if they were doing a good job.

The CEO of ourcommunity.com.au, Dr Rhonda Galbally AO, thanked all the groups for taking part and said she wasn't surprised that community groups would take volunteers or active participants before a straight one-off donation.

"There's no doubt community groups always need more money but the reality is if they can build support and build memberships, the money will come from that wider network that they have to fundraise into," Dr Galbally said. "The difference is that groups want YOU - not just your money. They want you to be active, to participate in the life of the group and if people love the group and the work it does, they will support it financially."

Dr Galbally said it was pleasing that after showing incredible generosity in their support of the various Tsunami appeals, Australians were continuing to support the groups they love and respect in their own communities.

"It's really encouraging particularly because in the lead-up to the end of financial year, it is traditionally the busiest time for donations to community groups. Hopefully this is a sign that people are prepared to show their support for groups. "

**Groups are free to use the information contained in the survey – please acknowledge ourcommunity.com.au State of the Community 2005 survey as the source for the figures.**

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## **7. United States' Online Donations up 58% in 2004 – Survey finds.**

ONLINE giving in the United States was up 58% in 2004, and has passed the US\$3 billion (AUS\$3.9 billion) mark for the first time, a new survey has found.

And according to the Kintera/Luth Non-profit Trend Report released in mid-June, the increase went far beyond any jump in online donations that could be attributed to last December's Asian tsunami disaster.

Based on more than 3100 responses to two surveys in April and May, the report found that more than US\$3 billion (AUS\$3.90 billion) had been donated online in the United States during 2004; up from US\$1.9 billion (AUS\$2.47 billion) in 2003.

The survey also found that 8.6million US households gave online in 2004, with more than 65% of donors visiting at least one of the websites of the non-profit organisations or fundraising events to which they give – showing the importance of such organisations having a well laid-out and attractive website.

Among other findings from the survey report were:

- On average, online givers donate in total (both online and offline) more than 50 percent more than those donors who do not give online.
- More than 12 percent of all donating households in 2004 made some online donations.
- More than 75 percent of donors who go online before making a donation noted that going online made some impact on their decision whether or not to give, and more than 25 percent said the impact was significant.
- Approximately 35 percent of all online donors gave at least half of their donation amount online; 22 percent of all online donors gave all of their donations online. This means that approximately 3 percent of all donors in 2004 gave all their donations online.

Online donations by Americans to humanitarian agencies after the Asian tsunami disaster accounted for US\$200 million (AUS\$260.3 million) worth of giving. According to Ruth/Kintera, this showed that the jump in online giving went far beyond just the extra donations made after the tsunami.

"The vast majority is due to donors' acceptance of the Internet as an immediate, convenient and safe way to give," said Ephraim Feig, Kintera's Chief Technology Officer and Chief Marketing Officer

According to Roseanne Luth, president and CEO of Luth Research: "The fact that online giving has increased by more than 50 percent this past year confirms that those who experience online giving are finding it a preferred alternative to traditional giving of charitable donations."

The study also confirms what others have consistently shown -- donors who give online give in total (online and offline) more than donors who do not donate online. Online giving is increasing across all sectors of the nonprofit community. And, not surprisingly, the bigger donors are also giving more online.

The report can be downloaded by going to [www.kintera.org/Kintera-LuthReport2005](http://www.kintera.org/Kintera-LuthReport2005).

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## 8. Westpac provides cash flow management advice for not-for-profit organisations.

*Cash flow management is critical to not only for-profit businesses, but also not-for-profit organisations to ensure they have enough money to pay the bills. These bills include day-to-day running expenses and large sums predicted and planned for in your annual budget. As Business Bank of the Year\* Westpac has leveraged their business banking expertise to provide guidance on some of the key cash flow management issues that apply to not-for-profit organisations.*

In cash flow management, timing is critical. You must have money available to pay the bills when they come in. If you run out of cash you can't pay your bills on time - and unless arrangements are made to cover shortfalls, you may end up in financial difficulty. This difficulty could be as trivial as paying the phone bill late, but if you are not in control of your cash flow minor problems can escalate and you may have to lay off staff or, in the worst case scenario, wind up your organisation.

Even profitable organisations have gone under because of cash flow problems. It is the responsibility of every board member (and especially the treasurer) to ensure that systems are in place that will prevent the organisation from trading while insolvent. Any breach of this requirement can create financial risks for individual board members.

### **What exactly is a cash flow forecast (sometimes called a cash budget)?**

A cash flow forecast has the following crucial characteristics:

- It is a numerical picture of your predicted flow of funds for a particular period, usually month-by-month for the year ahead. Some organisations find it helpful to look at shorter periods, such as weeks or fortnights, but although useful this is more time-consuming.
- It allows you to predict what cash you think will come in and how much will go out over that period.
- It is an extension of your budget, and you should do it at the same time as you prepare your budget for the year ahead.
- It is also an extension of your overall budgeting, but income and expenditure are allocated against a timeframe and the forecast does not follow accrual accounting. This means cash is recorded as it comes in and as it goes out, not when the financial commitment was made (e.g. invoices sent or supplies ordered).

Creating a cash flow forecast is not difficult once you've got the figures, but the challenge is to get accurate figures. The easier way to do it is to start with previous budgets, cash flow statements, or cash-flow forecasts to see if they show any clear seasonal patterns of income and expenditure. Then consult your current strategy and budget to see if any major income or expenditure is expected, and when this is likely to occur.

If you have any sections or subcommittees that are responsible for their own budgets, ask them to contribute to your forecast or it will bear little resemblance to reality.

Draft the forecast so that the actual figures can be inserted next to the forecasted figures. This will allow you to analyse the data quickly to identify any significant variations.

If you don't do this, there's a risk you won't notice minor discrepancies and will lose the management value of the forecast. There's the added danger that the forecast may be used as the basis for the following year, so you'll perpetuate your errors. The point of the exercise is to make sure that you know at any time exactly where you stand.

Your cash flow forecast must also include estimated bank balances for easy comparison with your actual bank balances. The closing balance for each period is the opening balance for the next period.

Common elements of a cash flow Forecast are:

**Cash in** – Grants, sale of goods and services, subscriptions, return on investments, donations, fundraising activities, sale of assets, tax refunds.

**Cash out** – Operating activities, such as staff, telephone bills, power bills, rent, travel, stationery, printing and copying, postage, as well as servicing finance, tax, cash used to buy assets, equipment purchases and special project costs.

### How to improve your cash flow management

You can improve your cash flow management by:

- Developing an accurate cash flow forecast linked to your budget and strategic plan
- Separating the recording and handling of cash
- Banking cash promptly
- Paying most expenses by cheque so you have a record
- Having all cheques countersigned
- Keeping cash in a safe place
- Reconciling bank statements regularly
- Collecting money from debtors as quickly as possible
- Centralising payment procedures
- Developing close relationships with suppliers to negotiate mutually beneficial payment policies
- Reviewing your cash situation regularly and analysing significant discrepancies from your budget.
- Having appropriate authorisation and risk management policies.
- Managing cash holdings profitably

### Sample cash flow forecast for one month

Estimated income	Total budget	January		
		Forecast	Actual	Variance
Grants	40,000			
Subscriptions	16,000	2,000	1,300	-700
Interest on investments	6,000	500	515	15
Sales	12,000	500	700	200
Donations	22,000	2,000	1,200	-800
<i>Total income</i>	96,000	5,000	3,715	-1,185
<b>Estimated expenditure</b>				
Rent	12,000	1,000	1,000	0
Supplies	11,000	1,200	1,200	0
Telephone	4,000	400	650	250
Computer equipment	3,000	3,000	2,750	-250
Staff	50,000	4,166	4,166	0
Postage	2,500	200	150	-50
<b>Total expenditure</b>	<b>82,500</b>	<b>9,966</b>	<b>9,916</b>	<b>-50</b>
Net income/Loss	13,500	-4,966	-6,201	-1,235
Cash at start of month	1,200			
Cash at end of month				

## 9. Major international Engaging communities conference coming to Brisbane.

Speakers of national and international standing – including former Irish President Mary Robinson and Timor-Leste's Dr Jose Ramos Horta - will explore the issues of community and governments working in productive partnerships with community stakeholders as part of the inaugural International Conference on Engaging Communities, to be held in Brisbane in August.

The conference, scheduled for August 14-17 at the Brisbane Convention and Exhibition Centre, is a joint initiative of the Queensland State Government and the United Nations.

The main theme of the conference is to provide delegates with the opportunity to hear and share examples of contemporary practice, theories and philosophies in community engagement from around the world.

The program will include keynote speeches as well as a large number of workshops, all of which are aimed at opening dialogue and encouraging the productive relationships between governments/organisations and community sector stakeholders or representatives. Among the objectives of the conference are:

- To promote understanding of the concept of engagement and participative practices and its role in good governance.
- Explore 'what works', showcase innovation and promote good practice.
- Share practice knowledge across the globe, at local, regional and state levels; and promote learning across disciplines and sectors.
- Discuss and develop conceptual and theoretical frameworks and directions for the future and the evidence base which underpins this practice.
- Build understanding and evidence of leadership, capacity and capability issues for citizens/community and government/institutions.
- Create ongoing national and international networks and collaboration creating communities of interest around the issue.

Speakers include:

- Mary Robinson – former Irish president, former UN High Commissioner for Human Rights and current executive director of Realising Rights – the Ethical Global Initiative.
- Dr Jose Ramos Horta – Former East Timorese resistance leader, Nobel Peace Prize Laureate and current Foreign Minister of Timor-Leste.
- **Professor Stephen Coleman** - Cisco Visiting Professor in E-Democracy, University Of Oxford.
- **Professor Robert Putnam** – Author of "Bowling Alone" and Peter and Isabel Malkin Professor of Public Policy, Harvard University.

Senior United Nations officials will also participate in the program.

For more information on the conference, to register, or for up-to-date program details, refer to the website: [www.engagingcommunities2005.org](http://www.engagingcommunities2005.org)

## 10. Price drops for community group insurance scheme.

Close to one thousand community groups will be rewarded with discounts on insurance premiums following three years of positive claims performance.

The discount of five percent will apply to not-for-profit organisations insured under a group-buying scheme established by the Municipal Association of Victoria (MAV) in 2002 to provide affordable protection against public liability.

MAV President, Cr Geoff Lake said the discount maintained the affordability of public liability cover at the same level as when the scheme commenced.

"In 2002 our communities were at a cross roads. The not-for-profit groups that comprise our social fabric were being crippled by skyrocketing insurance premiums. Everything from major festivals to small hobby groups was under threat.

"The MAV responded to the looming death of hundreds of community groups by establishing a group-buying scheme attached to council insurance policies. The result has been much more affordable cover for close to a thousand groups.

"Following three successful years with no claims the MAV is holding to its commitment to ease the financial burden on community groups by reducing premiums for the 2005-06 year by five per cent. It is a credit to the risk management practices of these groups that we are able to reduce premiums going into only our fourth year of operation," Cr Lake said.

The scheme currently provides public liability insurance to 956 not-for-profit groups in Victoria and Tasmania. The product is available to many segments in the community sector including arts and cultural, conservation and heritage, recreational, youth groups, festivals and disability groups.

The MAV will continue to support improvements in risk management through involvement in a series of seminars planned for later in the year. If performance continues to improve savings will be returned to community groups through further reductions in premiums.

**Let us know if your insurance scheme has dropped premiums or if your premium has still risen in the present climate. Contact Patrick Moriarty on [patrickm@ourcommunity.com.au](mailto:patrickm@ourcommunity.com.au).**

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## 11. Community Briefs

**Awards, Awards and more Awards. Make sure your community group applies!**

### 1. Equity Trustees NFP CEO Awards.

Entries are now being accepted for the Equity Trustees NFP CEO awards. The awards recognise outstanding leaders of Not For Profit organisations and acknowledges that the work being done by non-profit CEOs is often just as challenging as that of their colleagues in the corporate sector but that their enormous contribution often goes unheralded.

The purpose of the awards is to redress that balance by giving Not For Profit organisations the profile they deserve. Award nominees are judged on three criteria of service excellence, partnership success and enhanced organisational image. There are awards for overall There are categories for overall Not for Profit CEO of the Year, Significant Innovation Resulting in a quantum leap in performance; First Year Achiever recognising contribution in the first 12 months as CEO and Long Term Achiever recognising contribution over sustained period of years or more.

Only those groups that have an income of over \$500, 000 can enter, which unfortunately eliminates many groups in the sector but if you are eligible visit [http://www.eqt.com.au/ceoawards/forms/2005\\_Brochure\\_Web.pdf](http://www.eqt.com.au/ceoawards/forms/2005_Brochure_Web.pdf) for a copy of the entry form. The winners will be announced at the [Philanthropy Australia](#) conference in October.

### 2. Rewarding Good Governance

Does your organisation make a strong contribution to the community, have open membership, equitable distribution of decision-making powers and good internal governance? If so, you might be in line for a new award designed to recognise good governance in Victorian community groups.

The inaugural Victorian Good Governance Community Award, an initiative of the Lions Club of Melbourne, was launched at the Communities in Control special governance day on June 5.

The winner will be the Victorian community organisation that best demonstrates that it has practised and promoted good governance and good citizenship in its community through:

- Open membership;
- Good internal governance;
- Equitable distribution of decision-making powers amongst members; and
- Contribution beyond its own membership to a wider community.

This year the competition will centre on the theme of community involvement in next year's Commonwealth Games. Entries close on September 1, 2005, with the winner to be announced at a presentation dinner in Melbourne on October 15.

More information about the competition, including an online entry form, is online at [www.ourcommunity.com.au/GoodGovernanceAward](http://www.ourcommunity.com.au/GoodGovernanceAward)

### 3. National Volunteer Awards.

Last days for those groups wanting to enter the 2005 National Volunteer Awards with the deadline closing on Friday, July 1.

To be eligible for a 2005 National Australia Bank Volunteer Award, a group must meet all of the following criteria:

- Able to demonstrate best practice volunteering
- Have not-for-profit status
- Operate within the Australian community during the past 12 months
- Provide a reference letter from a community leader (external to the organisation) supporting the work of the volunteer group.
- The group's activities must fit into one of the [Award categories](#) - Arts and Culture, Community Service & Development, Education & Youth Development, Emergency & Safety, Environment & Wildlife, Health & Wellbeing or Sport and Recreation

For an entry form visit

[http://www.national.com.au/vgnmedia/images/Community/NABS017\\_DL\\_Brochure\\_nomination.pdf](http://www.national.com.au/vgnmedia/images/Community/NABS017_DL_Brochure_nomination.pdf)

### Joan Kirner announced as chair of new Ministerial Advisory Committee on Victorian Communities.

Former Victorian Premier The Hon Joan Kirner AM has been appointed Chair of the new Ministerial Advisory Committee on Victorian Communities.

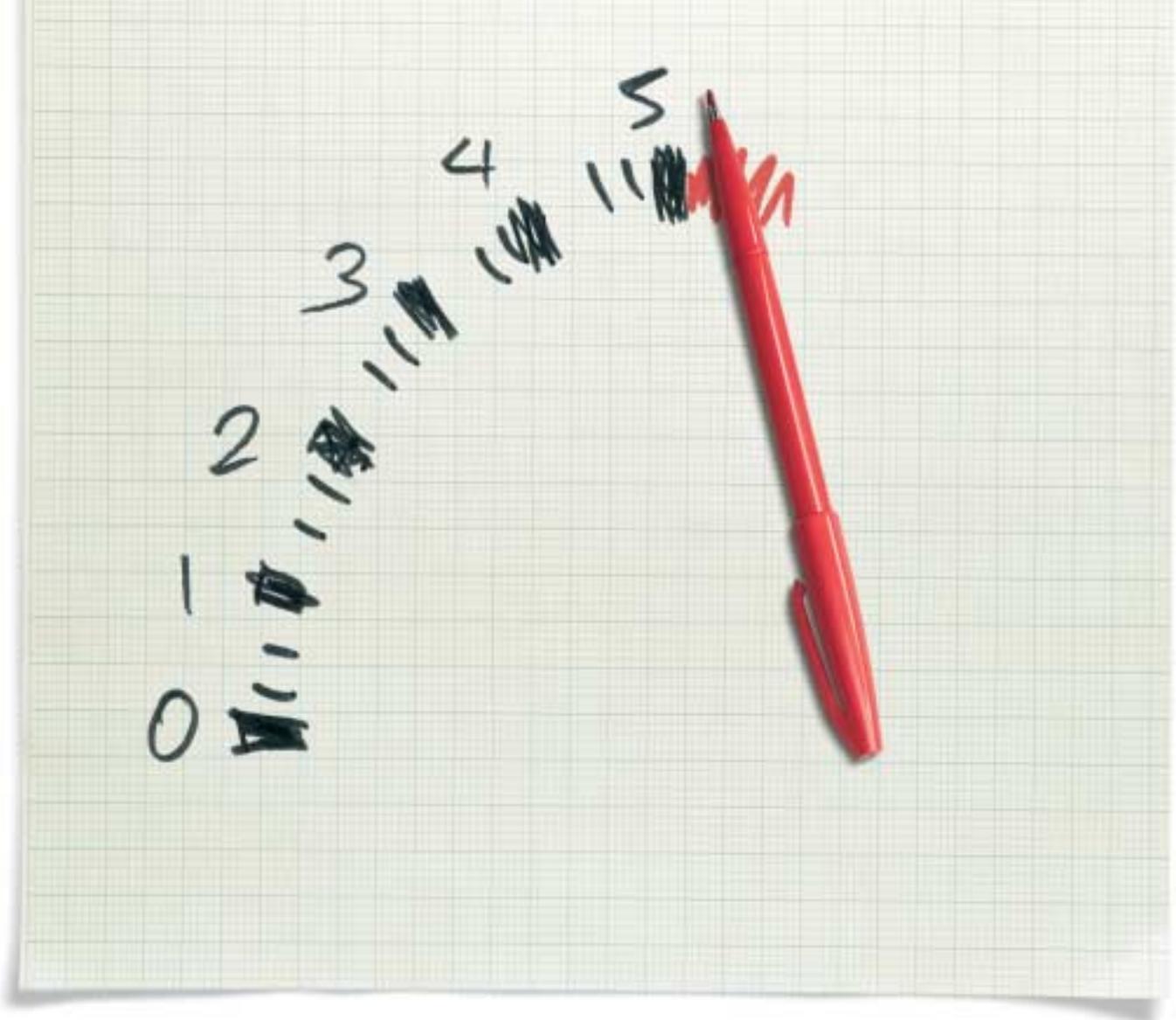
The Committee has been established to advise the Minister for Victorian Communities, John Thwaites on:

- Successful initiatives in community building including volunteering; what works, what are the barriers to success and the lessons that can be applied across projects;
- Ways to build partnerships between business and community strengthening projects,
- Actions needed to foster a whole of government approach to supporting community building initiatives.

The Council, whose membership is drawn from business, community and local government organisations across Victoria, is trying to build on the strengths and knowledge of communities already engaged in effective community development and the need to build on their own identified needs.

The council's members are:

- The Hon. Joan Kirner, AM, (Chairperson) Former Premier of Victoria
- Mr Denis Moriarty, (Deputy Chairperson) Chief Operating Officer and Co-Founder, Ourcommunity
- Mr Paul Briggs, Chief Executive Officer, Rumbalara Aboriginal Corporation
- Fr Joe Caddy, Chief Executive Officer, Centacare Catholic Family Services
- Ms Debbie Coyle, Manager, Wimmera Volunteers Inc
- Ms Carmel Guerra, Director, Centre for Multicultural Youth Issues
- Ms Julie Hansen, Past President, Victorian Local Governance Association
- Ms Janine Kirk, Executive Director, Committee for Melbourne
- Ms Val Lang, National Rural Women's Coalition
- Ms Lyndsay Mason, Community Development Officer, Maribyrnong City Council
- Ms Cath Smith, Chief Executive Officer, Victorian Council of Social Services
- Mr Dave Robson, Director, Industry Training Australia
- Mr Andrew Seagar, Westpac Banking Corporation
- Mr Rob Spence, Chief Executive Officer, Municipal Association of Victoria
- Ms Stella Young, Communications Manager, Arts Access



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With up to 5.40% p.a. and instant access to your money, Westpac's new Max-i Direct online account is a better way to really rev up your organisation's cash.

Interest is calculated daily, and paid monthly. And there's no waiting around for a day to get to your money. Now there's an idea.

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## Don't forget the new updated resources on the Funding Centre

More than 60 new free help sheets are now online offering advice across a variety of fundraising categories. These help sheets set out to provide community groups with access to short, direct – and most importantly, free – tips and information on how to raise money using a variety of methods.

The help sheets on [www.ourcommunity.com.au/funding](http://www.ourcommunity.com.au/funding) fall under a number of categories, including:

- [Grants](#) – which can help your group look more widely for grants, or produce better grant submissions.
- [Donations](#) – aimed at attracting and retaining donors, as well as providing information on online donations and DGR legislation.
- [Appeals](#) – to help your group stage successful appeals and ensure attract people to give to your appeals
- [Special Events](#) – designed to help your group prepare for and run a successful special event.
- [Membership Schemes](#) – to help you gain recurring funds from membership.
- [Community Business Partnerships](#) – aimed at helping you raise funds by working in partnership with business
- [Sponsorship](#) – which can help you find, attract and keep sponsors.
- [Workplace Giving](#) – looking at how your group can receive funds through workplace giving.
- [Wills and Bequests](#) – which can help your group with its approaches for funds through wills and bequests.
- [Fetes and Festivals](#) – aimed at helping your group run a successful fete or festival.

Further improvements and additions are planned for the [Funding Centre](#) in the near future – including more free help sheets, further online resources and even more links to essential funding and fundraising information.

## And don't forget the Marketing, Media & Post Centre

While there is still a few days to go before the end of financial year, already groups are starting to think of their direct mail and marketing campaigns for the next financial year.

Try visiting [www.ourcommunity.com.au/marketingmediapostcentre](http://www.ourcommunity.com.au/marketingmediapostcentre), the home of the Marketing, Media & Post Centre which has been developed with the support and expertise of Australia Post which provides dozens of Help Sheets on preparing, creating, delivering and evaluating a direct mail campaign.

It also contains advice on preparing press releases as well as an extensive contact list of suburban, metropolitan and regional media organisations in each state and territory.

Visit [www.ourcommunity.com.au/marketingmediapostcentre](http://www.ourcommunity.com.au/marketingmediapostcentre) for more details.

## Design help for Perth community groups.

Orange Zucchini is the 'Perth Design Student Community' out to connect Perth not-for-profit organisations like yours with the many student designers willing to volunteer time for organisations who could benefit from free design work.

You are invited to contact Orange Zucchini with details of a project, large or small, in any area of design whether it be a new logo, website, or your building could do with a creative face lift! Students gain priceless real world experience and pieces for their portfolios, but primarily, organisations like yours will benefit from the many great results good design attracts.

For more details and to get the ball rolling visit <http://bigbenefits.orangezucchini.net> or email the Orange Zucchini Team directly at [eam@orangezucchini.net](mailto:eam@orangezucchini.net) and we'll post you out an info pack!

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## 12. Fast Forward

If you found this newsletter helpful, please feel free to send it onto your friends and fellow community groups in your area. We would also like your input into this newsletter.

If you have any thoughts or any issues you would like addressed we would appreciate hearing from you. You can send your comments to [brianw@ourcommunity.com.au](mailto:brianw@ourcommunity.com.au) or call (03) 9320 6813.

We now have button logos for those groups who want to set up links to [www.ourcommunity.com.au](http://www.ourcommunity.com.au) from their own websites. You can find them in the media centre. Just visit [http://www.ourcommunity.com.au/article/view\\_image\\_list.do](http://www.ourcommunity.com.au/article/view_image_list.do) and right click your mouse on the image you want and then click on SAVE to your own computer. If you have any problems just contact [brianw@ourcommunity.com.au](mailto:brianw@ourcommunity.com.au) or call (03) 9320 6813.

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