The Stewardship Academy
Fostering Tomorrow's Stewards
A Nonprofit Business Plan for Community Stewardship

By Cody Nelson

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Advisor: Dr. William (Bill) Scheela

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I.   *Statement of Change*

I don't think there's a shortage of remarkable ideas. Nope, what's missing isn't the ideas. It's the will to execute them."

    -    *Seth Godin, Author "The Purple Cow"*

Introduction to the Stewardship Academy

"It was in October of my senior year at Princeton that I realized I needed a plan. The more I thought about it, the more convinced I became that this simple idea was potentially very powerful.
I had been looking for a topic that would grab me, that would inspire me to spend hours and hours researching and writing. I knew the teacher corps was my answer.....I had made my decision. I would start the teacher corps.
The thesis presented an ambitious plan that attached to the growing idealism and spirit of service among college students, and the interest of the philanthropic sector in improving education." [1]

     ---Wendy Kopp, Founder of Teach For America, on her thesis requirement

Three years ago – a small group of students presented a shaky proposal to the Bemidji State Student Senate that called for the creation of a "Public Service Center". Also included in the proposal was the idea of a required service requirement to be fulfilled before graduation at BSU. That proposal, without intent, changed my life.

To be presented is the culmination of three years of thought, networking, personal growth, and learning built upon the foundational topic of (student) leadership and social change.

The Stewardship Academy is a student-initiated, student-driven, and student-led opportunity center designed to support student dreams through community.

Thesis Statement: *I will build the organizational framework for an independent and sustainable 501(c)(3) community and youth development non-profit that will hire three Bemidji State University students to build a stronger Bemidji by connecting its youth population(s) to community.*

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[1] *Kopp, Wendy, Pg. 9-10*

II. Value Foundation
"Why we are here."
    a. Values
    b. Why Statement
    c. Mission Statement
    d. Vision Statement

"Risk more than others think is safe. Care more than others think is wise. Dream more than others think is practical. Expect more than others think is possible."
    – Howard Schultz, CEO Starbucks Coffee

A. Values

(**) A *value,* or premise, is an underlying concept that is held to be true. The following values will be recognized as 'true' statements. These values represent the foundation upon which the organization, mission, and vision will be built upon. *Many of these statements may not fall under popular opinion.*

(**) *Working Definitions for this Paper*
- The term <u>student</u> defines any individual who attends an education institution in the Bemidji community with the intent to receive credit.
- The term <u>community</u> encompasses all individuals who call Bemidji his/her home.
- The term <u>development</u> defines as guiding towards a common positive future.
- The term <u>community development</u> refers to the guidance of community towards a common positive future.
- The term <u>leadership</u> refers to an individual's ability to affect change. For this paper, leadership will be synonymous with stewardship *(defined below).*
- The term <u>resources</u> refers to *Time, Talent,* and *Treasure.*

Community-Related Values
** *Need for Connection Point*
The community of Bemidji lacks a reliable community development connection center. Students of the educational communities in Bemidji do not have a first contact point to support potential student driven community development initiatives.
Bemidji's current non-profit organizations are not working together to efficiently share time and talent in relation to the education communities (students). Sources of potential funding for student initiatives are removed in their communication to the education communities. The process to complete a successful student generated initiative relies heavily on a "who-you-know" model of leadership and communication.

** *Three Pillars of Community*[2]
The community of Bemidji is separated into three distinct sub-communities: the Bemidji State University community, the Bemidji E-12 education community, and the greater

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[2]*Refer to Exhibit #1*

Bemidji community at-large. While housed under the same umbrella of the Bemidji community, these three separate entities operate with a high degree of autonomy as a large sub-community event may not spill over into the other community. Communications between communities are (generally) funneled through highly networked individuals, commonly called *super-connectors*[3]. Removal of a super-connector greatly impedes the flow of information.

Bemidji State University (BSU) includes all the faculty, staff, students, and individuals who define themselves as a primary member of the Bemidji State University community. The Bemidji E-12 education community includes all faculty, staff, and students who attend or affiliate themselves with the core mission of the institution. This community includes all private and/or charter institutions with an academic mission.

The greater Bemidji community includes all citizens, for-profit enterprises, and all other non-academic organizations that call Bemidji home.

Together these three communities form the common Bemidji community. From an outsider's perspective, these communities must interact as they are blended and viewed as one general community. The image of a three-legged stool is formed, each piece holding its own share of community. Under this analogy, all must work together.

The *Three Pillars of Community* are not entirely separate entities, but loosely intertwined and dependent communities. This is represented in the overlapping segments as seen in *Exhibit #1*. This overlapping portion is referred to as the *integrative leadership* community. Successful stewards thrive in this unique piece of community. It is the goal of the *Stewardship Academy* to integrate with this community.

** *Alignment of Time, Talent, and Treasure*

The three broad terms of *time, talent*, and *treasure* encompass the foundation of the social sector. *Time* is the labor available to an organization. *Talent* defines the quality of labor and skilled expertise available to an organization. *Treasure* involves the quality, quantity, and liquidity of the resources available to an organization. Proper alignment of *time, talent*, and *treasure* will produce the desired end product from an organization/community. An example; a not-for-profit social service organization will deliver its most effective program when it has the right number of contributors, with the right skills, and the appropriate amount of funds to support futures. The community of Bemidji will move into a successful future when it has the right people, in the right place, with the right amount of support.

** *The Power of Relationships*

Successful community development is spearheaded through effective interpersonal relationships. Ideas cannot flow unless a pertinent social network forms the framework to incubate and support.

The *Stewardship Academy* is built around the power of relationships as all internal and external activities will value this power.

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[3] *Ferrazzi, Keith Pg. 128*

**Integrative Leadership*

Successful leadership centers on the concept of integrative leadership. Integrative leadership, in practice, involves the crossing over, or integration of communities in effort to facilitate the alignment of time, talent, and treasure. Integrative leadership sees no boundaries and operates from a broad perspective.

** *Stewardship over Leadership*

"Stewards are more than leaders, they are special leaders committed to the long term well being of their communities. They cross boundaries, take an integrated approach, and build coalitions for action. They have 360 degree vision, recognizing the interdependencies between the economy, the environment and social equity. Stewards operate at the center of tough issues, not on the edges. They are risk takers. They are passionate and energetic. They are people of vision." [4]

Organization/Student-Related Values

** *Student Leadership*

The *Stewardship Academy* is founded upon the foundation of student leadership. The student leadership model shifts a majority of the traditional organizational decisions into the hands of students. Student leadership believes in the student, their ability to make an informed decision, and then holds them accountable for that decision. Student leadership is to propel all decisions made by the Academy. Student leadership, or peer leadership (student-student), is more effective than a staff leadership, or traditional leadership (adult-student) model (as this relates to community development).

** *Student Stereotype*

The stereotype(s) given to students in today's society have become powerful social constructs. The student stereotype has driven everything from national media headlines to the economic incentive that is the 'student discount'.

Seen from the negative perspective, students have become the embodiment of no work and all play. This negative viewpoint has fueled a strong belief that students in Bemidji, MN do not contribute to community and should instead be stripped of their rights[5]. Specifically, transient University students are not seen as contributing members to the tax base and therefore should not receive full right to representation by vote[6][7].

On the positive end, this stereotype provides incredible opportunity for productive leverage as the community readily welcomes and celebrates student leadership. The creation of the Bemidji Youth Advisory Commission[8] by the Bemidji City Council and

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[4] *Hengel, Dave. Personal interview. 22 Mar. 2008.*

[5] *Refer to Exhibit #2*

[6] *Refer to Exhibit #3*

[7] *Refer to Exhibit #4*

[8] *Healthy Community, Healthy Kids*

the observance of student inclusion in community process(es) provides an incredible example of community welcome towards student leadership.

This welcome does have its limitations as it has manifested itself as a reactionary agent. Ideally, this item of community culture would be proactive and dynamic.

** *The Power of No*

Students do not understand the word 'no' as it relates to community development. This comes from a lack of experience in institutional and bureaucratic think where there are more reasons why an action cannot be taken then reasons yes. This lack of comprehension reveals a progressive mindset towards community – a mindset that the *Stewardship Academy* will tap.

Leadership Succession Planning

In the student universe, human resource turnover far exceeds that of the business and not-for-profit communities. Students immerse themselves in the transient experience, constantly creating new opportunities while maintaining the academic experience. In the student universe, one must always plan for the future, and that future is only a year in advance. For an organization that relies heavily upon students, the most effective form of development relies upon the creation of a strong culture of leadership succession planning.

Leadership succession planning builds the framework for succession into every program as new opportunities reveal themselves to entry students the moment they make contact. Support and encouragement for potential leadership exists at all levels of the organization in the form of encouragement, challenge, training, and transparency. Participation, with support, is invited in any facet of the organization at any time.

** *Leadership Spectrum*[9]

Student leadership, as seen from a broad interpretation, can be divided into three general categories. These categories, or 'brackets' are based upon the individual level of leadership development and the correlating base of need.

Leadership development can be defined as; an effort that enhances the learner's capacity to lead people. The more one is 'developed' in their leadership *(refer above for definition of leadership)*, the further up the Leadership Spectrum they ascend, presenting a different assertion of need:

- *Emerging Growth – Desire Involvement*
  Representing an estimated 60%[10] of the BSU student population, emerging leaders carry infinite potential that can be directed an unlimited number of directions. Emerging leaders desire a base level of involvement as they wish to explore their personal passions, individual leadership style, and discover new relationships. Through initial involvement and a desire to develop a personal leadership model, an individual begins to progress.
- *Developed Growth – Desire Relationships*
  A developed leader, having discovered a potential leadership framework,

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[9] *Refer to Exhibit #5*
[10] *Refer to Exhibit #6*

desires to put leadership principles into action. A leader, based upon the above definition, cannot move ahead without the companionship of people. This type of leader yearns for 'people of a different class, not friends or family, but fellow leaders.[11]' The desire for relationships creates a personal demand for followers, supporters, mentors, and motivators. Successful relationships open the door for new relationships and further growth along the leadership spectrum. This group of individuals is estimated to encompass 8%[9] of the BSU student population.

- *Strong Growth – Desire Resources*
Having developed a base of support and guidance through relationships, a strong leader desires the resources to move ideas into reality. Resources, as defined above, are not restricted to financial means, but rather are expanded to include anything that promotes and nurtures an idea as it begins the journey from conception to reality. This group of individuals represents an estimated 1-2%[9] of the BSU student population.

- *Notes*
It should be noted that an estimated 30%[9] of the BSU student population is not represented in this model. The argument for this intentional displacement can be defined through a general sense of student lethargy towards leadership and leadership development. This can be displayed by an examination of the BSU student retention figures as they relate to the college experience and its continuation at Bemidji State University.

**The Right People in the Right Seats*

"The good-to-great leaders understood three simple truths. First, if you begin with "who," rather than "what," you can more easily adapt to a changing world. If people join the bus primarily because of where it is going, what happens if you get ten miles down the road and you need to change direction? You've got a problem. But if people are on the bus because of who else is on the bus, then it's much easier to change direction: "Hey, I got on this bus because of who else is on it; if we need to change direction to be more successful, fine with me." Second, if you have the right people on the bus, the problem of how to motivate and manage people largely goes away. The right people don't need to be tightly managed or fired up; they will be self-motivated by the inner drive to produce the best results and to be part of creating something great. Third, if you have the wrong people, it doesn't matter whether you discover the right direction; you *still* won't have a great company. Great vision without great people is irrelevant."[12]

**Good is the Enemy of Great*

"And that is one of the reasons that we have so little that becomes great. We don't have great schools, principally because we have good schools. We don't have great government, principally because we have good government. Few people attain great lives, precisely because it is easy to settle for a good life. The vast majority of companies

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[11]*Coles, Robert Pg. 111*
[12]*Collins, Jim Pg. 42,*

never become great precisely because they become quite good - and that is their main problem." [13]

B. Why Statement
"Because the community of Bemidji is not a spectator sport."

C. Mission Statement
"To reveal stewardship through relationships, service, and action."

D. Vision Statement
"To become the premier support for the dreams of Bemidji."

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[13]*Collins, Jim Pg. 1,*

III.   *Organizational Structure*
"Who's on the bus, where are they seated?"
>   A. Values
>   B. Introduction
>   C. Community Drivers/Board of Directors
>   D. Stewards
>   E. Fellows
>   F. Catalyst
>   G. Notes

"Never doubt that a small group of thoughtful committed citizens can change the world. Indeed, it's the only thing that ever has."
>   *- Margaret Mead*

A. Values
Prevailing Values
*   *The Right People in the Right Seats*
*   *Student Leadership*
*   *Leadership Succession Planning*
*   *Good is the Enemy of Great*
*   *Leadership Spectrum*
*   *Integrative Leadership*

B. Introduction
The *Stewardship Academy* will be organized around the *Student Leadership* value. The organization will revolve around three core-contributing positions and one 'interim' position:
>   ** *Community Drivers/Board of Directors*
>   ** *Stewards*
>   ** *Fellows and The Fellowship*
>   ***Catalyst*

Support for the students leadership team is to stem from the *Community Drivers/Board of Directors*. Students are to be the primary decision making instruments of the organization, as all support exists to serve students and their decisions.

The board of directors will consist of an identified assembly of key community stakeholders and motivators. Selection of these individuals will derive from the *Three Pillars of Community*.

The *Stewards* and *Fellows* will present themselves through peer-identification and self-selection, as these students will emerge from the BSU and Bemidji E-12 education communities. The *Stewards* will be the primary entities of the organization. The *Stewards* will be the organizational support for the *Fellows*. The *Fellows* will interact with the organization through a support package entitled *The Fellowship*.

The *catalyst* will spearhead the formation of the organization. The *catalyst* will identify the initial board and *Stewards*.

Organizational leadership positions will be revealed, occupied, challenged, and supported by the *'best and the brightest'* individuals from within the *Three Pillars of Community* model. Jim Collins, in his masterpiece *Good to Great*, reveals to us that the great organizations do more than just identification and acquisition of the best and brightest. Rather, the great organizations "first get the right people on the bus (and the wrong people off the bus) and then figured out where to drive it. They said, in essence, "Look, I don't really know where we should take this bus. But I know this much: If we get the right people on the bus, the right people in the right seats, and the wrong people off the bus, then we'll figure out how to take it someplace great". [14]

The future presents a dynamic horizon, one that is difficult to properly plan an organization for, especially when examined through the lens of community development. The following is a listing of expectations, thoughts, and ideas that may or may not be applicable in five years. Appealing to the *"Right People in the Right Seats"* philosophy provides the organization a built in opportunity to steer the "bus" in an effort to become *Great*.

The subsequent organizational design has been created with *Good to Great, Student Leadership,* and *Integrative Leadership* values taken to heart.

⟵ Community Drivers/Board of Directors

⟵ Stewards

⟵ Fellows

Organizational Chart
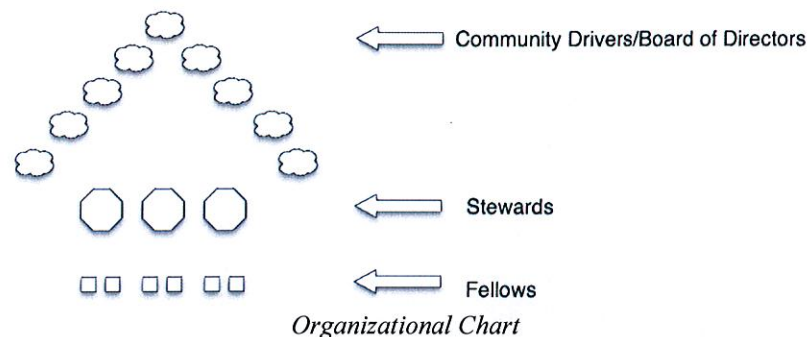
C. Community Drivers/Board of Directors

The *Board of Directors*, also defined as the *Community Drivers*, exist to provide legal validation, organizational support, and community stewardship for the organization. An active, well-informed, well-positioned *Board of Directors* is absolutely essential for success. Board members will accept responsibility for governance and positioning[15] of the organization, an act that requires passion, 360-degree vision, patience, and commitment. Board members are expected to make this investment knowing that, in exchange, they will receive a rewarding experience and gain leadership skills, recognition for their efforts, and an opportunity to build relationships, stewardship, and community."[16]

The *Board of Directors* will abide by the articles of incorporation and the Minnesota Nonprofit Corporation Act (NCA), located in Minnesota Statutes Chapter 317A[17]. The

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[14]*Collins, Jim Pg. 41,*

[15]*Hardy, James. Pg12.,*

[16]*WisconsinRivers.Org, **(Modified from source)*

[17]*Refer to Attachment #1 for the complete text*

NCA provides a legal framework that nonprofits are to follow, unless the organizational articles or bylaws state otherwise.[18]

**Board Membership*
Membership will comprise of 9 peer-identified individuals from the following community constituencies:
- 1 Student from Bemidji State University
- 1 Faculty from Bemidji State University
- 1 Student from Bemidji Youth Advisory Commission
- 1 Faculty from Bemidji High School
- 2 Members from Bemidji Leads!
- 2 Members from Bemidji Community
- 1 Identified Board Chair – At-Large

The breakdown of *Community Driver* constituencies is based upon the *Pillars of Community*. Intentional fostering of stewardship within the *integrative leadership community* is ideal[19] and selection will seek to acquire those that work within the previously mentioned community. The process of identification will be stated in *Part IV Implementation Plan.*

**Membership Management*
The Chairman of the board will grant board seat appointments. Board terms will parallel the organizational fiscal year (FY). Each board seat will be valid for one fiscal year unless reappointed. The board chair will be appointed through an internal election of the board. Details regarding board startup procedure, board member identification, board chair identification, and initial board duties will be illustrated in *Part IV Implementation Plan.*

**Legal Duties/Expectations*
The *Board of Directors* are legally bound to the State of Minnesota's Nonprofit Corporation Act (Chapter 317A) and the *Standard of Conduct*[20] listed therein. Common interpretation restates MN Law into four core legal practices:
- *Duty of Care*[21]

The duty of care describes the level of competence that is expected of a board member, and is commonly expressed as the duty of "care that an ordinarily prudent person would exercise in a like position and under similar circumstances." This means that a board member owes the duty to exercise reasonable care when he or she makes a decision as a steward of the organization.
- *Duty of Loyalty*[18]

The duty of loyalty is a standard of faithfulness; a board member must give undivided allegiance when making decisions affecting the organization. This means that a board

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[18] *Minnesota Council of Non-Profits. Pg. 12*

[19] *Refer to Exhibit #1*

[20] *State of Minnesota, Statute, Chapter 317A.251*

[21] *BoardSource, What are the legal responsibilities of a board?*

member can never use information obtained as a member for personal gain, but must act in the best interests of the organization.

- *Duty of Obedience[18]*

The duty of obedience requires board members to be faithful to the organization's mission. They are not permitted to act in a way that is inconsistent with the central goals of the organization. A basis for this rule lies in the public's trust that the organization will manage donated funds to fulfill the organization's mission.

"The Mission Comes First" [22]

     -- Peter Drucker

- *Conflict of Interest[23][24]*

It is the duty of the Board members to follow the State of Minnesota conflict of interest statement[5] unless otherwise documented in the organizational bylaws.

** *Organizational Stewardship Expectations*
The following is a breakdown of the stewardship expectations of the board of directors:
- *Financial*
  - A. $2,000 one time entry gift[25]
  - B. $100-$150 *Steward* and miscellaneous support expenses

A financial gift of $2,000 will be expected from all *Community Drivers* prior to the acquisition of a board seat. Diversification of the fund origination is highly recommended as 50% is suggested from personal finance and the latter 50% from community outreach/third party contributions. Board members are encouraged acquire third party contributions through personal networks. Board financial gifts will be allocated towards in-firm investment of communication support services for the *Stewards*.
Additional *Steward* and miscellaneous support expenses will also be expected of the *Community Drivers* at an estimated $100-$150 per board term. A typical *Steward* expense may involve a meal for a student. Miscellaneous expenses may include transportation and resource expenses (i.e. trainings).

- *Policy Development and Policy Governance*

The *Community Drivers* will abide by the articles of incorporation, organizational bylaws, and all related policies legally bound to the organization. It is the responsibility of the board to develop, implement, and govern all policy with the best interests of the organization in mind.
A policy is defined as[26]:
     1) A governing principle;
     2) A framework for carrying out work;
     3) A way for the board to delegate authority and still maintain control;
     4) A way to develop plans, solve problems and attain objectives;

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[22] *Drucker, Peter, Pg. 1*
[23] *Refer to Attachment #2*
[24] *State of Minnesota, Statute, Chapter 317A.255*
[25] *Refer to Exhibit #8*
[26] *Hardy, James. Pg. 14*

5) A way to ensure uniformity and consistency throughout the organization;

6) A way to specify service priorities;

7) A way to speed up decisions;

8) A definition of what is to be done and where effort is to go-not how to do it;

9) Always written down;

10) Never a final and absolute product

The board is charged with the development, implementation, and governance of all policy related to the organization. In a typical non-profit setting, the board of directors governs the Executive Director who recommends new policy to the board. That model, while common across the industry, is not applicable in this situation. High student turnover, as well as the high learning curve required to be a successful board member, will place most, if not all, of the policy development and legal governance upon the board. The Chairman of the board will preferably fulfill the role of policy recommendation, however, this is only a recommendation as small boards, coupled with medium turnover, are prone to rely heavily upon certain individual and their skill-sets.

A. Operating Policy

Operating Policy refers to policy governing the flow of organizational action. An organizational action represents a specific event carried out on behalf of the organization. Examples include communication, planning, development, employee relations and accountability, etc.

B. Financial Policy

Financial Policy refers to policy governing the flow of financial resources in the organization. Financial policy dictates the process by which the organization acquires, manages, and depletes financial resources.

C. Legal Policy

Legal Policy refers to policy governing organization futures and protection as they relate to local, state, and federal law. An example of a legal policy is a *Conflict of Interest*[27] statement.

D. Directors Insurance

The Board of Directors will be covered with *Directors Insurance* and will be expected to abide by the guidance and limitations outlined within the insurance policy.

- *Support Expectations*

A. Organizational Planning and Assessment

The board will be charged with the development and implementation of a *strategic plan*. A strategic plan is a statement expressing who an organization wants to be, where it will go, and how it is going to get there. This charge will include the creation of a 3-year strategic plan, as well as a 50-year broad vision plan to be updated as need requires. The board will also be charged the assessment of previous strategic plans and their success.[28]

B. *Steward* Oversight and Evaluation

The board will be charged with direct oversight and governance of the *Stewards*. This includes all behavioral, legal, and financial policies in relation to the *Stewards* and their decisions made on behalf of the organization. The board will formally evaluate the

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[27] *Refer to Attachment #2*

[28] *Refer to Exhibit #9*

Stewards individually, and as a core, at a 3, 6, and 9 month cycle. Evaluations will be written and documented.

C. *Fellow* Oversight and Evaluation

The board will be charged with secondary oversight and direct governance of the *Fellows* and *The Fellowship*. This includes all behavioral, legal, and financial policies in relation to the *Fellows* and their decisions made on behalf of *Steward* support and *The Fellowship*. The board will formally approve of all new *Fellows* and provide a contract for their entry into *The Fellowship*. The board will formally assess *Fellow* success at the completion of every *Fellowship* and make adjustments as the need arises.

D. Financial Oversight

The board will be charged with direct oversight and governance of all organizational financial resources. This includes acquisition, process control, budget preparation, management, and depletion of all financial resources. Financial oversight also includes employee (financial) commitments and appropriate oversight. Financial oversight is backed with a legal responsibility to fiduciary responsibility for all board members.

- *Outreach Expectations*

A. *Pillars of Community* Relationship Building

The board will be expected to be the primary organizational resource in the broader outreach for relationships, relationship support, and relationship facilitation (through the *Stewards*). Successful relationship building involves active outreach by all board members through the *Three Pillars of Community* value. The Chairman of the board will hold the board membership accountable to this expectation. The *Stewards* will hold the chairman accountable to this expectation.

B. *Time, Talent,* and *Treasure* Outreach

The board will be expected to be the primary organizational resource in the broader outreach for *time, talent,* and *treasure*. The board will be expected to individually, collectively, and supportively (through the *Stewards)* deliver contributions in all areas. Successful acquisition of resources involves active outreach by all board members though the *Three Pillars of Community, Integrative Leadership,* the *Power of Relationships,* and the alignment of *time, talent,* and *treasure* values. The chairman will hold the board membership accountable to this expectation. The *Stewards* will hold the chairman accountable to this expectation.

- *Initial Startup Expectations*

The initial board will be placed in the unique situation of startup. The 'first years' board must provide a high level of support and stewardship for the young organization. A failure of this board will be a failure to the future success of the organization and the student leadership team. The initial board will rely heavily upon the *catalyst* for initial support and direction. Further information regarding initial startup procedure can be found in *Section IV Implementation Plan.*

A. Policy

The 'first years board' will be charged with the development and implementation of all appropriate *Operational, Legal,* and *Financial* policy as well as the evaluation and acquisition of the *Directors Insurance.*

B. Support

The 'first years board' will be charged with supporting the start-up organization, the initial student leadership team, as well as the initial board membership. Support, commonly refereed to as organizational stewardship, will focus on the short and long term sustainability of the organization.

C. Identification

The 'first years board' will be charged with the identification of the Chairman of the board, potential board membership replacements, potential *Steward* replacements for the 2nd fiscal year of operation, potential *time, talent,* and *treasure* opportunities, potential *Fellow* partnerships, etc.

D. Adjustment

Organizational stewardship, an expectation of the board, involves a broad and narrow view of the organization and all organizational activities/interactions. The ability to question, justify, and modify the organization, people, policy, *time, talent,* and *treasure* are crucial to adhering to the 50-year strategic plan. Success will be assessed and calibrated at every opportunity.

- *Human Resources Expectations*

The board will be charged with the hiring and removal of the *Stewards.* The board will also be charged with the creation of new positions as the need arises, preferably based off the strategic plan. All human resources decisions will be made within compliance of local, state, and federal law and will be in the best interests of the organization.

** *Thoughts on Board Positioning*

The general premise around the responsibilities and expectations of the *Community Drivers/Board of Directors* is to effectively deal with the 'dirty' work of the organization so that the student leadership team of *Stewards* does not have to. It is without question that successful organizational management carries a high-degree of initial, middle, and extended learning curve(s). In a student turnover environment, where the *Stewards* and *Fellows* are anticipated to remain in contact with the organization for only 6-18 months, it is irresponsible to place specific organizational challenges into student hands. The less a *Steward* has to worry about a new financial policy, and the more time he can spend in the community, the stronger organizational impact.

The board will also be required to think global while acting local. Change will be at the heart of the board and organizational culture, as it must be embraced.

** *Further Thoughts on the Board*

It must be made known that board membership is a commitment, a point that should be clear with the initial financial commitment prior to seat acquisition. All board members are expected to put forth passion, energy, and excitement as they commit themselves to the organization and to building a stronger community. It is one thing to be a *good* board member, but it is another to be a *great* board member.

All board members must also understand that their primary role is to support the students behind the *Stewards* as their personal well being as it relates to the organization is the number one support for all board members.

D. Stewards

The Stewards represent the driving force behind the organization. They are the individuals in the community, developing relationships, building connections, stewarding ideas, supporting student leadership, and engaging communities.

Ruthellen Josselson, in her book *"The Space Between Us"*, inadvertently described the *Stewards* when she said that *"All real living is meeting....and that authentic participation bring about change."* [29]

**Structure

The core of the Stewardship Academy will consist of three (3) stewards. The *Stewards* will be Bemidji State University students, preferably at a sophomore or junior credit level with minimal non-classroom commitments.

**Compensation

Pending board approval, the *Stewards* will receive an annual compensation package of $5,000 per fiscal year. Additional benefits will include a communications support package, expense accounts, and access to community leadership. Further details regarding the financial backbone of the organization can be found in Section V *Financial/Development Plan*.

- *Compensation Rationale*
  Students in today's society lead incredibly busy lives. Today's Bemidji State University students have to balance a class load, extracurricular activities, social activities (the college experience), while working over two jobs[30] to remain financially afloat. Sustainability is the key to generate success in today's student environment. Sustainability requires core student (*Stewards)* buy-in over a consistent period of time. Developing this buy-in is a difficult process as students are tugged in numerous directions. It is crucial that an effective student/*Steward* be able to remove the burden of work and refocus on building community, hence the stipend. By effectively paying the bills with a quality compensation package, organizational buy-in is seamless and efficient. Stipends also allow for a legal contract to hold a student accountable for their actions. Access to communications equipment is equally important, as the *Stewards* must have access to the appropriate tools.

**Expectations

The Stewards will be charged with the following expectations:
- Community Assessment
- Relationship Development
- Community Engagement

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[29] *Josselson, Ruthellen. Pg. 153*
[30] *Erwin, Lisa, 4/10/08*

Community Assessment

The Stewards cannot engage a community they do not understand. Relationships within the community, accompanied by Board support, are to be developed to mentor and guide the Stewards towards an understanding of community through a culture of listening. An understanding of the Bemidji community includes:

   A. Needs assessment

A proper needs assessment is an identification of the total needs of a community of people[31]. This includes current needs (social, political, economic, etc.), the historical processes behind current needs, and a perspective of upcoming community needs.

   B. 'Want' assessment

A 'want' assessment is an identification of the total 'wants' of a community of people[32]. Defined, a want is 'something desired'. A proper 'want' assessment identifies answers to the questions of where a community would like to go and how it is going to get there. There are many 'wants' within a community, and it is highly unlikely that they are in alignment with each other.

   C. Demographic understanding

An identification of community demographics is an understanding of the specifics of a community. This includes the characteristics of economic, ethnic, age, sex, religion, etc. as it relates to a specific community.

   D. Identification of community *time, talent,* and *treasure*

Proper identification of community *time, talent,* and *treasure,* is an understanding of the inner workings of a community. Progress within a community is heavily reliant upon a proper alignment[33] of *time, talent,* and *treasure.* Identification allows for positive community development.

   E. Identification of key relationships/community builders

Proper identification of community 'key relationships/community builders' is an understanding of the "who's who" within community. A loose interpretation places emphasis on individuals with means to align community *time, talent,* and *treasure.*

   F. Broad trend/futures identification of community

Proper identification of the 'broad trend/futures identification of community' is an understanding of where a community is going to be at its current rate of change. Understanding of current community 'futures' aids in developing a stronger future. One cannot understand 'the ideal future' until they understand the 'current future'.

Relationship Development

The Stewards will be charged with the development of relationships based upon the *Three Pillars of Community* and the alignment of *time, talent,* and *treasure* values in an effort to build social/community capital. Social/community capital has been described as *"something of a cure-all"* for the problems of modern society[34] in that appropriate social networks (*three pillars of community*) consisting of individuals/ideas (*time, talent,* and *treasure*) provide leadership for community change (*alignment*). A relationship is

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[31] *Wikipedia, loose definition*

[32] *Wikipedia, loose definition*

[33] *Refer to Part II, value entitled 'Alignment of Time, Talent, and Treasure'*

[34] *Portes, A. Pg. 24*

loosely defined as a measure of social/community capital. Proper relationship development involves the increase of capitol. Capital, as defined within community development, relates to an individuals *power* or *ability to influence.*

** *Thoughts on Relationship Development*

Relationships and their development are at the very core of organizational and *Steward* expectations. Keith Ferrazzi, world renowned 'networker' and social capitalist, recently wrote; [35]

> *"I came to believe that in some very specific ways life, like golf, is a game, and that the people who know the rules, and know them well, play it best and succeed. And the rule in life that has unprecedented power is that the individual who knows the right people, for the right reasons, and utilizes the power of these relationships, can become a member of the "club," whether they started out as a caddy or not..."*

Simply put, "relationships matter". [36]

Community Engagement

The stewards will be charged with engaging community through the *Three Pillars of Community* framework. Community engagement can be broken down into, but not limited to, two specific actions:

- *Community Outreach*

Action through community outreach is focused through the *Three Pillars of Community, integrative leadership communities, relationship development,* and *alignment* of *time, talent,* and *treasure* values.

Community outreach focuses around the sharing of social networks. This generally boils down to a conversation over coffee where ideas and relationships are discussed. Best described in action:

> "A Steward takes a community member out to coffee with the hopes to better understand community, develop a (stronger) relationship, and to engage community. In the conversation, where ideas and relationships are discussed, the Steward recognizes that the individual could benefit from a particular relationship within his/her network. Through a 'sharing of networks', the Steward announces that this new relationship could possibly assist in the acquisition of resources in an effort to move forward an idea."

The *Steward,* through little direct benefit to himself or the organization, shared a relationship in an effort to support a community member not directly affiliated with the organization. The *Steward* most likely worked within the *integrative leadership community,* built a stronger relationship, and assisted in the broad community alignment of *time, talent,* and *treasure,* effectively reaching expectations. Keith Ferrazzi would coin the *Steward* as a "super-connector". [37]

> *"We all know at least one person like this individual, who seems to know everybody and who everybody seems to know."*

- *Community Support*

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[35] *Ferrazzi, Keith Pg. 5*
[36] *Field, John Pg. 5*
[37] *Ferrazzi, Keith Pg. 128*

A. Fellow Support

The *Stewards* will be expected to provide strong support for the *Fellows* through *The Fellowship*. Details relating to this support will be documented in Part III Section E and Section III Part E.

B. Student Support

The *Stewards* will be expected to support general students (from the BSU and Bemidji E-12 educational communities) as they are approached with ideas/passions that relate to community. Support includes outreach (as outlined above) and encouragement to enter *The Fellowship* (detailed below). Broad student support is expected as it directly builds organizational sustainability, visibility, and effectiveness.

C. Community Support

The *Stewards* will be expected to support general community members as they are approached with ideas/passions that relate to community. While not required to position themselves as a primary support, the *Stewards* may encourage student interaction and offer assistance in building the relationship between community members and students. Community support also relates to support of community members through the creation of student relationships on behalf of the community member.

**Steward Core

The *Stewards* will operate as a core. A core is a group of individuals charged with common expectations and tasks who operate together. A core does not have a consistent top or bottom as it is circular in shape and operates by 'rolling'. Cores operate through strong inter-core relationships, trust in each other, and belief in the core. Support for one another is integrated into every aspect of a core. By forming a *Steward* core, the organization is much more effective as duties are not constrained to a single individual but rather to the core where, in a dynamic environment, futures can be carried out with effectiveness.

"More than anything else, cohesive teams are efficient. They arrive at decisions more quickly and with greater buy-in than non-cohesive teams do. One of the best ways to recognize a cohesive team is the nature of its meetings. Passionate. Intense. Exhausting. Never boring."[38]

**Position Process, Terms, and Sustainability

The *Stewards* will be selected/hired by the board of directors. The standard term length of a *Steward* will be one fiscal year unless the board declares otherwise. The board, as provided in Section III, will govern all decisions in relation to the *Stewards* and their direct relationship/employment to the organization.

The *Stewards* will follow all employment/organizational process put forth by the board of directors.

The *Stewards* are also charged with the task to 'groom in' potential *Fellow* replacements. Further thoughts are detailed below.

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[38] *Lencioni, Patrick. Pg. 144*

**First Year Stewards

The 'first years' *Stewards* will be presented with a unique array of organizational challenges and expectations. Some of the initial challenges may focus upon:

      A.   Relationship Building

The 'first years' *Stewards* will be charged with the development of initial 'key' relationships. A 'key' relationship is a relationship that promises to provide long-term support and guidance. The *Stewards* will also be charged with the initial creation of a high quality organizational social network and its early maintenance.

      B.   Resource Acquisition

The 'first years' *Stewards* may be charged with supporting the board in the acquisition of new resources as the organization begins to sustain itself. A study into organizational development and fund-raising may prove beneficial.

      C.   Organizational Adjustments

As with all new start-up organizations, the challenges are often numerous and unforeseen and the *Stewards* will be in the middle of it all. The initial *Stewards* must be prepared for strange and unique situations and be able to adapt themselves and the organization to challenges. A study into organizational behavior may prove beneficial.

      D.   Board Relationship

The 'first years' *Stewards* will be charged with the interpretation of the board relationship and how it relates to daily life. The initial *Stewards* may be asked to distribute organizational decision making between themselves and the board, a dynamic that should be prepared for. A general understanding of the nonprofit organization, the board of directors, and the legal framework behind it all may be beneficial.

**Some Personal Thoughts on the Stewards

The primary focus of my thesis, and the organization, is to support, challenge, and focus the students fulfilling the role of *Steward*. Building a 'job description' for a relationship-based community development position is difficult at best. Identifying potential *Stewards* will prove to be another challenge altogether.

I continually revert back to Jim Collins and his analogy of the bus. Community development is a tedious and difficult task that is thick with challenges and complexities – but it is a task that will be charged to the *Stewards*. In a situation like this, Jim Collins would say that we don't know 100% where these individuals are going to go nor do we know exactly how they are going to get there, but then that isn't the point of my thesis. Rather, I seek to create a dynamic environment where individuals can thrive regardless of their wants, needs, and access.

The *Stewards* will be the ones charged not with driving the community *bus,* but instead they will be the ones guiding community members to their 'proper' seat on the bus. Some people, supported by the *Stewards*, may find one-self driving the *bus*, another may find them-self holding a map and providing direction, while others may just be along for the ride. Regardless, somebody had to support the *bus* and the individuals it comprises of, and that support is to come from a *Steward*.

**Values as they Relate to the Stewards

The values presented in Section II exist to provide support, justification, and broad direction for the *Stewards*. They serve to provide broad definitions and not direct

answers. It is highly recommended that the *Stewards* rely upon the core set of values as they move forward with their work.

E. **Fellows**

The *Fellows* represent the thoughts, hopes, dreams, and passions of all students. *Fellows* are to emerge from the two student communities within the *Three Pillars of Community*. *The Fellowship* exists to guide *Stewards* and *Fellows* to support student (community development) ideas.

**Structure/Definitions*

A *Fellow* is a student that has been accepted into *The Fellowship*. *Fellows* work with and are directly supported by the *Stewards*. The number of active *Fellows* is largely open as it is directly related to the amount of organizational support and resources that the *Stewards* can appropriately allocate.

**Requirements*

Requirements to become a *Fellow* call for enrollment for credit within the Bemidji State University and/or the Bemidji E-12 education communities.

**The Fellowship*

The Fellowship is a student-driven, student-supported, community development program geared to further the hopes, dreams, and passions of students. *The Fellowship* exists to create connections between students and community through a sharing of *time, talent,* and *treasure.*

A. *Ethos*

The student communities of Bemidji do not have access to a strong support organization to launch their ideas and passions as a reliable community development connection center is lacking.

The "adult" communities have numerous connection points in community (HRDC, NWMF, Leads!, etc.) that provide peer support and stewardship. The closest student specific equivalents involve an adult-student relationship, one that is not as effective as that of a student-student relationship.

The Fellowship is modeled to provide a student-student support for student-driven community development initiatives[39] and the student champions behind those initiatives. In the book, *How to Change the World,* David Bornstein quotes Peter Drucker 'who had observed: "Whenever anything is being accomplished, it is being done…by a monomaniac with a mission[40]"…..the same holds true with social change: The way to promote innovation was to nurture idea champions. "Let's find these people," he said. "We should be investing in them now—when they are shaky and lonely." [41]

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[39] *Refer to Section II for definition: Community Development*
[40] *Thomas, Peters Pg. 225*
[41] *Bornstein, David Pg. 64*

The *Stewards* have been designed to identify these *'idea champions'* and *The Fellowship* will provide sustainable support. Through a shared community connection point - support will be designed to nurture the following types of leaders: [42]

a. *Developed Growth* – or *'Emerging Idea Champions'*

The *leadership spectrum* refers to 'developed growth' leadership as 'a leader desiring to put leadership principles into action'[43]. This individual requires the assistance of supportive relationships for nourishment and guidance. These relationships will be developed through *Steward* support and access to resources.

b. *Strong Growth* – or *'Idea Champions'*

The *leadership spectrum* refers to 'strong growth' leadership as a leader who seeks the resources necessary to transition ideas to reality as the appropriate relationships have already been developed. Needed resources will be facilitated through *Steward* support. 'Strong growth' leaders are the champions of social change, they require an alignment of *time, talent*, and *treasure. The Fellowship* will support these 'champions'.

B. *Identification*

The *Stewards* are charged with the task of *Fellow* identification. *Fellows* will be identified through organizational relationships and outreach from/into the Bemidji State University and Bemidji E-12 educational communities.

C. *Enrollment*

Enrollment into *The Fellowship* will provide entering *Fellows* with a customized guidance and support package. Packages are to be developed by the *Stewards* and potential *Fellow* with delivery to the board for approval. Every package of guidance and support will be unique and customized to individual and *'needs'* and *'wants'*.
A support package may include:

a. *Financial Package*

Financial Packages will vary to the situation. The *Stewards,* with board governance, will be expected to be sensitive to individual *'needs'* and *'wants'* while maintaining an ethical culture. All financial packages are to be recommended by the *Stewards* and approved by the board.

i. *Living Stipend*

Similar to the *Stewards, Fellows* may receive a reasonable student living stipend. A living stipend would provide financially so *Fellows* may focus efforts on the successful fulfillment of their passions. Living stipends are to be designed to offset the burden of bills and cost of living -- within reason.

ii. *Expense Account*

Similar to the *Stewards, Fellows* may receive access to expense accounts to offset external expenses incurred while active in *The Fellowship.* Expense accounts may provide for meal/coffee opportunities, large event/forum gatherings, travel expenditures, etc.

iii. *Initiative Account*

Similar to expense accounts, an initiative account is a sum of money earmarked for *Fellow* use in relation to their ideas, initiatives, and projects. An example of an initiative account in action may be the purchase of materials necessary to build a homeless shelter

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[42] *Refer to Exhibit #3 – Leadership Spectrum*
[43] *Refer to Section II, value entitled 'Leadership Spectrum'*

in Bemidji. A typical initiative account would be funded from external sources (grants, gifts, etc.).

b. Relationship Package

Loosely defined, a relationship package is nothing more than *Steward* support in developing the necessary relationships for success. Relationship support may involve the *Stewards* scheduling initial meet-and-greets, *Steward* meeting attendance, network sharing, etc.

c. Other Packages

Not all methods of support can be outlined in this paper, but it should be made clear that other forms of support are open to action. The crucial factor is dependent on the individual situation.

d. Action Plan/Timeline

Wrapped within all packages is the creation of an action plan with a corresponding timeline. An example process will be illustrated to best explain:

A student approaches a *Steward* with an idea related to the creation of a community recycling initiative. The *Steward* and potential *Fellow* sit down and brainstorm on the idea and a statement of success is developed from the conversation. A statement of success is a snapshot of what an ideal result would look like. The *Steward* brings up the possibility of enrolling the student into *The Fellowship* and the two begin to probe into the individual hurdles of the student (financial, time commitments, "who do I go to?", etc.) in an effort to identify potential venues of support.

From the statement of success (want) and identification of individual hurdles (needs), a plan is developed to work from today to the statement of success with an appropriate resource package attached. This action plan is then built into an appropriate timeline with reasonable expectations for completion. This action plan/timeline is developed to best serve the *Fellow, Steward, board,* and *external constituents* through transparent communication. This could possibly be formed into a contract.

e. Program Accountability

The creation and agreement to an action plan and timeline provide the organization with opportunity for accountability. This potential contract could serve as legal support in the event that (financial) packages are released. The formation of a contract/action plan w/timeline also serves the organization and board in the event of the unpredictable situation. Program accountability serves potential donors/contributors as they are provided with reassurance that their funds are used to the fullest.

**Sustainability

Leadership succession planning is a core value that, thanks to *The Fellowship,* is built into the organization. As turnover of the *Stewards* confronts the organization, the *Fellows* provide a strong resource for future talent as they have interacted with the organization and developed key relationships. This interaction limits the handicap that is present in the organizational learning curve. It should be examined that, within all *Fellows*, there lies a possible succession opportunity to become the next *Steward*. This analysis should happen during a candid board/*Steward* conversation.

**Thoughts on The Fellowship
The idea and rationale behind *The Fellowship* emerged from David Bornstein's book entitled, *"How to Change the World"*. From the text, I was introduced to the concept of social entrepreneurship and the social entrepreneur as detailed below (the following taken from Ashoka's ethos):

"Social entrepreneurs are individuals with innovative solutions to society's most pressing social problems. They are ambitious and persistent, tackling major social issues and offering new ideas for wide-scale change.
Rather than leaving societal needs to the government or business sectors, social entrepreneurs find what is not working and solve the problem by changing the system, spreading the solution, and persuading entire societies to take new leaps.
Why "Social" Entrepreneur?
Just as entrepreneurs change the face of business, social entrepreneurs act as the change agents for society, seizing opportunities others miss and improving systems, inventing new approaches, and creating solutions to change society for the better. While a business entrepreneur might create entirely new industries, a social entrepreneur comes up with new solutions to social problems and then implements them on a large scale." [44]

Bill Drayton, the founder of Ashoka: Innovators for the Public, was "looking for people with compelling visions who possessed the creativity and determination to realize their ideas on a large scale: people who would, in his words, leave their "scratch on history". [45] Drayton went out to create an organization that sought out the social entrepreneurs and "helped them grow to create the most "highly leveraged" approach to social change possible". [46] Drayton did nothing more but provide support to those that most needed it.

**Ashoka Vision Statement [47]
Ashoka envisions a world where Everyone is a Changemaker: a world that responds quickly and effectively to social challenges, and where each individual has the freedom, confidence and societal support to address any social problem and drive change.

E. Catalyst
Directly related to Episode I of the *Implementation Plan*[48], the *catalyst* will serve the organization during the initial assessment, filing, incubation and growth, and assist in the transition to long-term stability.
  * Initial Assessment
The *catalyst* will serve the organization during the initial assessment period by developing and positioning initial relationships. These initial relationships will serve as early mentors for the organization. The *catalyst*, with mentor support, will identify the 'first years' board of directors, *Stewards,* and potential initial *Fellows*.

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[44] *http://www.ashoka.org/social_entrepreneur*
[45] *Bornstein, David Pg. 11*
[46] *Bornstein, David Pg. 11*
[47] *http://www.ashoka.org/visionmission*
[48] *Refer to Section IV*

* Filing

The *catalyst* will develop relationships with related nonprofit organizations and nonprofit incubation supports in order to acquire assistance for the filing of the initial articles of incorporation. The *catalyst* will also assist in any further duties required.

* Incubation and Growth

The *catalyst* will assist with the initial incubation and growth phases of the organization. The *catalyst* will actively serve in the development of organizational relationships, work to provide training for the 'first years' board and *Stewards,* assist in refining the organizational framework as needed (this business plan), and actively support the initial phases of *The Fellowship.* The *catalyst* will spearhead the acquisition of financial resources to secure long-term stability.

* Transition to Long-Term Stability

The *catalyst* will assist with the organizational transition to long-term stability. Long-term stability 'mode' is a vastly different style of organizational think than that of the 'start-up'. Where growth, resource acquisition, and relationships are the key to that start-up – quality, sustainability, assessment, and protection are keys to that of the long-term. The *catalyst* will strive to empower those within the organization to specifically manage the transition to long-term stability.

**Commitment

The *catalyst* will forever remain as an organizational asset, however direct contact and support is estimated to remain in place for the 6 months preceding the initial filing. It would be beneficial for the catalyst to remain fully committed to the organization for a minimum of 3 months preceding the initial filing. Financial support would be necessary to maintain that commitment. The remainder 3 months would request that the *catalyst* remain committed on part-time basis to the organization.

**Thoughts on the Catalyst

The *catalyst* is to be the core mover and shaker of the organization during the early phases. The *catalyst* will be charged with developing, maintaining, and position the initial relationships necessary for organizational success. The *catalyst* will be also charged with developing the necessary financial resources for long-term success. The *catalyst* will also play a strong role in the identification of the 'first years' board and *Steward* teams. The ability to walk away "when the time has come" will be expected from the *catalyst.*

F. General Notes

**Executive Director

In my personal opinion, it is very uncommon for a small nonprofit to operate without an 'official' Executive Director (ED).

To attach an Executive Director to the organization would prove detrimental to the integrity of one of the core values behind the organization – *student leadership.* It could be implied that a student could not fill an Executive Director position to satisfaction should the position come to fruition. An ED is typically developed to preserve the organization through consistency and communication. A student, in a high turnover

environment, would not fit this description therefore leading us to the argument that an ED would not be a student.

Instead, as loosely presented within the plan, the Chairman of the Board will be expected to facilitate the role of the ED through the *Stewards* and the rest of the Board. This is beneficial as it encourages organizational buy-in on behalf of all involved as tasks are distributed more equitably (presuming no ED is present) throughout the organization, spreading the knowledge and talent.

IV. *Implementation Plan*
   a. Values
   b. History
   c. Introduction
   d. Episode I
   e. Episode II
   f. Calendar
   g. Epilogue

"Of all the places to go next, choose the most interesting."
   - Paul Graham

A. Values

Prevailing Values
- *Three Pillars of Community*
- *Alignment of Time, Talent,* and *Treasure*
- *Power of Relationships*

B. History

As stated earlier, the two student communities within Bemidji have been without a reliable community development connection center to support broad-based student-generated initiatives. Bemidji State University, in the Fall of 2007, took the initiative, applied for, and received a planning grant to tackle this opportunity. This gift is providing Bemidji State University with the resources necessary to develop an effective, integrated, and sustainable Center for Leadership and Service.

As the conversation progressed, it had become apparent that a new opportunity was opening its doors, an opportunity to expand upon the Center for Leadership and Service and extend community stewardship further into other communities as supported by the *Three Pillars of Community* model. This opportunity is more than just an attachment to the Center, but a package of integration. Hence *The Stewardship Academy* and corresponding business plan. Through shared efforts, Bemidji State will be able to better focus institutional *time, talent,* and *treasure* to support a broader base of students. These two highly focused operations, when integrated, will provide immense possibility for community/social change through student action.

"The best nonprofits understand that they have as much to offer as groups have to offer them. Effective cross-sector alliances create wins for both partners." [49]

As planning for the Center for Leadership and Service progresses, it has become quite clear that the development of *The Stewardship Academy* cannot sit idle during the 18-month planning cycle. To properly organize the future, two 'episodes' have been developed to foster a seamless integration between *The Stewardship Academy* and the

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[49] *Crutchfield, Pg. 80*

Center for Leadership and Service. Episode I focuses on independent growth, autonomous operation, and relationship development as BSU completes its planning cycle. Episode II changes the focus towards integration of the two organizations and the sharing of resources.

C. Introduction

The following is the initial thought process of how the first two years could play out for *The Stewardship Academy*. This includes an outline of general events, a schedule of implementation, and a viewpoint of how integration between the two organizations could happen. It should be stated that the future is incredibly dynamic, and that board will be trusted to make appropriate and timely organizational decisions.

D. Episode I

**Assumption: Start-Date Late May 2008*

Episode I, or the startup period, will encompass all of the early operations of the organization. This includes everything from the initial filing to the implementation of the Center for Leadership and Service. This includes the broad organizational functions of identification, development, autonomy, and growth.

Episode I will be divided into two areas; the *broad* and *specific*. *Broad* items will encompass all of the non-linear action steps including; relationship identification, development, training, etc. whereas the *specific* will focus on the linear details; like incorporation, etc..

Episode I will theoretically play out between May of 2008 and June of 2009, this is parallel to the Bemidji State planning/capacity building timeline for the Center for Leadership and Service. Episode I will terminate with the creation of the Center for Leadership and Service.

Prior to the creation of the Center for Leadership and Service, *The Stewardship Academy* will exist out of backpacks, cars, and coffee shops. The *Stewards* and board will be spending almost all of their time developing relationships and the organization over conversation; hence the expense of maintaining an office is unneeded, initially.

- *Broad Plan*
  a. *Initial Support Relationships*
     Implementation Timeframe: *Initial Start-Up to Steward Identification (Month Two)*

As stated earlier, relationships, and their development, are at the core of the organization. The *catalyst* will spearhead initial relationship development. The *catalyst* will (initially) seek to develop relationships/prospects that have potential to provide immediate returns to the organization in the form organizational support, relationship support, and resource acquisition. These primary relationships will emerge from the general community of Bemidji.

  b. *Identification*
     Implementation Timeframe: *Initial Start-Up to Steward Identification (Month Two)*

The *catalyst* will spearhead the initial identification process related to positions and prospects.

  i. *Positions*

1. *Board Membership*
Implementation Timeframe: *Week One*

The *catalyst* will be charged with the identification of the 'first' Chairman of the board. The Chairman will be expected to provide a high level of support to both the *catalyst* and the board. This includes assistance in *identification*, *assessment*, and *preparation*.

2. *Board Membership*
Implementation Timeframe: *Month One*

The *catalyst* will be charged with the initial identification of the 'first' board of directors. The Chairman of the board will support this identification.

3. *Stewards*
Implementation Timeframe: *Month Two*

The *catalyst* will be charged with the initial identification of the 'first' years *Stewards*. The Chairman of the board and board membership will support this identification.

4. *Fellows*
Implementation Timeframe: *Month Three*

The *Stewards* will be charged with the initial identification of the 'first' years *Fellows*. The Chairman of the board, board membership, and the *catalyst* will support this identification.

ii. *Community Assessment*
*** As per Steward Expectations*
Implementation Timeframe: *Month Three*

The *Stewards* will initially charged with the task of *community assessment* as described in Part III Section D, *Steward Expectations*.

1. *'Want' Identification*
Implementation Timeframe: *Month Three-Four*

On top of the *Steward Expectations*, the 'first years' *Stewards* will be charged with the task of 'want' identification. A 'want' identification is an assessment of the 'wants' or passions within a community. The *Steward* will be charged with identifying and revealing 'wants' within community.

2. *'Needs' Identification*
Implementation Timeframe: *Month Three*

On top of the *Steward Expectations*, the 'first years' *Stewards* will be charged with the task of 'needs' identification. A 'needs' identification is an assessment of the 'needs' or shortfalls within a community. The *Steward* will be charged with identifying and revealing community 'needs' and connecting them to the 'wants', initially. This connection is recommended to include potential *Fellows*.

c. *Preparation*
Implementation Timeframe: *Month Two-Eighteen*

It is one thing to identify individuals and develop relationships, but it is an entirely different task to 'prepare' a community/individual for change. Change 'preparation' is riddled with ambiguity, but it must be managed. Tactics may include ideation sessions, challenge sessions, and future sessions over a cup of Dunn Bros. coffee.

i. *Greater Bemidji Community*

The greater Bemidji community must be geared up for success. This includes the initial identification of opportunities, volunteer projects, internships, etc. The question must be posed to the community – what would happen of every young person in this community

woke up and wanted to make a difference – would the community be ready? The answer is no.

ii. *Bemidji State University*

The Bemidji State University community will be largely 'prepared' through the efforts of the Center for Leadership and Service.

***The Stewardship Academy* will contribute additional focus to the *Developed Growth* and *Strong Growth* leaders of the *leadership spectrum*. The question to be asked; "How are we ready to support these types of leaders?" *The Stewardship Academy* will try to provide an answer.

iii. *Training*

Preparation is more than just asking questions, it is providing support, resources, and the tools necessary to achieve success. Training sessions will be provided for both the *Stewards* and the *Board*. The catalyst will drive these training sessions with anchor support from the chairman. External voices will be utilized at every opportunity.

1. *Training for Board*

Implementation Timeframe: *Month One*

Board training will center on *relationship development, organization responsibilities, strategic plan,* and *support expectations.* Outside speakers and consultants will be made available as directed by the *catalyst*. A one-day retreat (minimal) will be expected.

a. *Relationship Development*

The board will be offered support in the form of a 'how to' develop effective organizational relationships. An action plan of potential relationships to develop will be created.

b. *Organizational Responsibilities*

The *catalyst,* with Chairman support, will invite outside consultants in effort to provide information on all of the legal responsibilities of board membership.

All organizational responsibilities/expectations will be discussed as well.

c. *Strategic Plan*

The *catalyst,* with Chairman support, will facilitate the development of the one, two, and three-month strategic plan. Focus will be on fast growth, organizational and relationship development, and resource acquisition. An action plan will be developed.

d. *Support Expectations*

The *catalyst,* with Chairman support, will facilitate a conversation centered on strategies/methods of support for the incoming *Stewards* and *Fellows*. Mentorship, friendship, personal board of directors, etc. are all potential models for success.

2. *Training for Stewards*

Implementation Timeframe: *Month Two*

The *catalyst,* Chairman, and the board membership will provide a multi-day training package for the *Stewards*. The *Stewards* will receive a bulk of the training resource package. The following is a sample list of topics to include;

     a. *Relationship/Identification Development*
     b. *Organizational Responsibilities*
     c. *Strategic Plan*
     d. *Support/Fellow Development*
     e. *Assessment*
     f. *Community Development Discussion*

g. Further Reading List

- *Specific Plan*
  - a. *Legal Startup Steps*[50]
    - **Implementation Timeframe:** *Required First Event*
      - i. *Nonprofit Corporation Act*

The Minnesota Nonprofit Corporation Act, Section 317A serves as the basis for all Minnesota nonprofit law and all organizational documents should reflect the NCA. The *catalyst* and initial board of directors are to be familiar with this law.

    ii. *Initial Board Members*

The first board members, as mentioned in Part III Section B are charged with the articles of incorporation, bylaws/policy, and approval of initial *Stewards* and *Fellows*. The initial board will also assist the *catalyst* with the development of a financial development plan.

    iii. *Check for Availability and Reserve Name*

A name must be reserved under which the organization can legally operate under. A visit to the Minnesota Secretary of State's Website[51] provides the resources necessary. To reserve the organization's name, the "Request for Reservation of Name Form" is the necessary form.

   Filing Fee: $35
   Mail to: Minnesota Secretary of State, Business Services Division, 180 State Office Bldg., 100 Constitution Ave., St. Paul, 551551299

    iv. *Articles of Incorporation*

The articles of incorporation formally name the organization, its location, and its purpose. This document is the legal record of how the organization is to be managed in compliance with the Minnesota Nonprofit Corporation Act. The articles of incorporation are required to obtain 'tax-exempt' status from the IRS. The articles of incorporation also serve to protect to board of directors through an agreement of limited liability. The articles are to be prepared by the initial board of directors.

   Filing Fee: $70
   Mail to: Minnesota Secretary of State, Business Services Division, 180 State Office Bldg., 100 Constitution Ave., St. Paul, 551551299

    v. *Bylaws*

The bylaws serve as the governing document defining 'rules', policy, and protocols of the organization. The bylaws are unique to the organization. Information relating to specific policy recommendations can be found in Part V. Bylaws are internal to the organization and are to be prepared by the initial board of directors.

    vi. *Initial Meeting of the Board*

The first meeting of the board of directors will serve as the official establishment of the organization. The minutes of the board meeting should reflect approval of the bylaws and attached policies and approval of the Chair of the board. Approval of the *Stewards* would be most ideal.

    vii. *Apply for Federal ID Number (EIN)*

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[50]*Minnesota Council of Nonprofits, Framework*
[51]*http://online.sos.state.mn.us*

The Federal EIN number serves as a pseudo social-security number for the organization. This is required, as the organization will operate with legal employees.

Form: SS-4 Application for Employer Identification Number (EIN)
Filing Fee: None
Mail to: IRS, Attn. Entity Control, Stop 6800, 2306 E Bannister Rd, Kansas City, MO 64999

viii. Obtain Income-Tax Exempt Status from IRS

Form: IRS Publication 557 – To File for Records
Form: IRS Form 1023 and Form 8718
Filing Fee: $750
Mail to: IRS, PO Box 192, Covington, KY 41012-1092

ix. Obtain Sales Tax Extension from State of Minnesota

Form: ST-16 Application for Certificate of Exempt Status
Filing Fee: None
Mail to: MN Department of Revenue, MS 4410, St. Paul, MN 55146

x. Obtain tax identification number

Form: ABR – Application for Business Registration
Filing Fee: None
Mail to: MN Department of Revenue, MS 4410, St. Paul, MN 55146

xi. Register as a Charity

Form: Charitable Organizations Registration Statement
Filing Fee: $25
Mail to: State of Minnesota, Office of the Attorney General, Charities Division, Ste 1200 NCL Tower, 445 Minnesota St., St. Paul, MN 55101

xii. Annual Reporting Commitments

These items are to be reported annually as required by law:

1) **Form:** Charitable Organizations Registration Statement
Filing Fee: $25
Mail to: State of Minnesota, Office of the Attorney General, Charities Division, Ste 1200 NCL Tower, 445 Minnesota St., St. Paul, MN 55101

2) **Form:** IRS Form 990
Filing Fee: None
Mail to: Internal Revenue Service, Ogden, UT 84201-0027

3) **Form:** Nonprofit Corporation Annual Registration
Filing Fee: None ($25 if late)
Mail to: Secretary of State, Records Processing Division, 180 State Office building, 100 Constitution Ave., St. Paul, MN 55155-1299

b. Communication Support Package[52]
Implementation Timeframe: *Initial Start-Up*

The organization will provide the *Stewards* with a communication support package consisting of a laptop, mobile phone w/service plan, and mobile data service. The purpose of this package/investment is to support *Steward* communication capacity, as they will be operating in an social environment. With the lack of a central office to call

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[52]*Refer to Exhibit #10*

home throughout the entirety of Episode I, the need for mobile services is also evident. Simply put, one cannot predict who the *Stewards* will meet nor where they will physically visit, therefore support for all circumstances will be included. More information related to the details of this support can be found within Exhibit #10.

     c. *Financial Operations Plan*[53]

       Implementation Timeframe: *Initial Start-Up*

More information related to the details of financial operations timeline can be found in *Financial/Development Plan* in Part V.

     d. *Liability and Protection*

       Implementation Timeframe: *Initial Start-Up*

The board of directors will be charged with the purchase of directors insurance. The board will also be charged with the task of organizational legal protection and its development.

     e. *Message Outreach*

       Implementation Timeframe: *Initial Start-Up*

From a marketing perspective, the *catalyst* will be charged with the initial branding of the organization. Ideas may involve a website, brochures/pamphlets, posters, unique message 'containers', etc. The initial round of seed money will fund this portion.

E. **Episode II**

As Episode I is anticipated to conclude with the creation of the Center for Leadership and Service, the organization will roll over general operations into the loosely provided framework entitled Episode II. Episode II will focus on two aspects:

- *Integration w/Center for Leadership and Service*

The primary endeavor will be integration with the Center for Leadership and Service. This task is quite impossible to forecast, as the variables are numerous. Ideally, *The Stewardship Academy* will occupy a shared space with shared resources (copier, etc.), collaborate with Center staff/student leadership, integrate further into BSU, and provide further outreach opportunities for BSU. A snapshot of success would integrate the two organizations into one cohesive team. The Center would focus on providing mass opportunity while *The Stewardship Academy* would extend opportunity further for broad-based community development student initiatives. The board of directors would guide integration between the two organizations.

- *Organizational Sustainability*

With Episode I (the initial growth stage) complete, the focus turns to sustainability.

     a. *Assessment*

Episode II will redefine the organization through an assessment of operations. The board of directors will be charged with guiding the conversation.

     i. *Mission/Vision*

How have past/current practices supported the organizational mission and vision? Is the organization really good at something other than the current mission and vision? Does the mission and vision need to be revised?

     ii. *Resource Assessment*

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[53] *Refer to Section V entitled Financial/Development Plan*

How have current resources (*Fellowship* packages, *Steward* packages, etc.) been put to use and did the organization maximize their effectiveness?

      iii. Policy Assessment

Does current policy line up with the mission and vision? Is current policy prohibiting in any way?

    b. Development/Revision of Strategic Plan

The board of directors will spearhead the development of a comprehensive strategic plan based upon the organizational assessment data.

- *Thoughts on Episode II*

Projecting the future of a nonprofit organization from the perspective of a business plan is difficult at best. Taking this into account, general organizational direction will be highly dependent upon the success of the Center for Leadership and Service.

F. Calendar
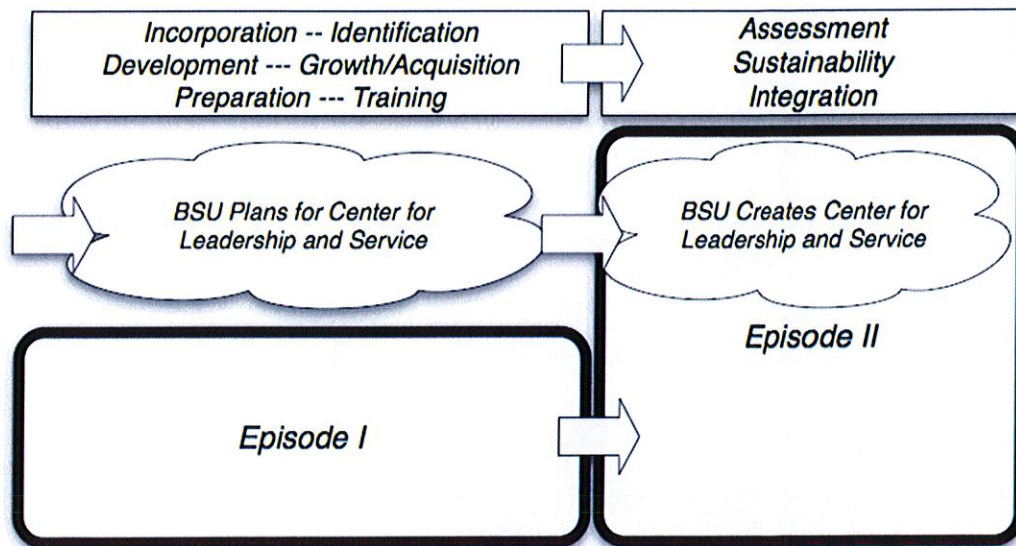
G. Epilogue

It should be noted that the possibility does exist that Bemidji State University will never create the Center for Leadership and Service, effectively nullifying plans for integration. As with all organizational planning, alternative scenarios need to be developed to better prepare.

The reasoning behind the creation of the two 'Episodes' was to build a natural separation into the development of the organization. Episode I must exist regardless of the outcome, but Episode II is highly adaptable and contingent upon the external environment. Should BSU not create the Center, an alternative strategic plan would need to be implemented by the board of directors.

It is a hope that *The Stewardship Academy*'s very existence would provide enough momentum to support BSU and it's planning cycle so that this situation may never arise.

V.   Financial/Development Plan
  a. Episode I Budget
  b. Episode II Budget
  c. Budget Explanations
  d. Development Plan
  e. Financial Policy
  f. Thoughts on Budgeting

"We should all be concerned about the future because we have to spend the rest of our lives there."
  -- Francis Kettering

A. Episode I Budget
**Please refer to Exhibit #11 – Episode I Budget*

B. Episode II Budget
**Please refer to Exhibit #12 – Episode II Budget*

C. Budget Explanations
***Fiscal Year vs. Episode*
For the purposes of start-up, *The Stewardship Academy* will plan using the 'Episode' framework. After the transition into Episode II, and the commitment to sustainability, organizational planning will revert back to the fiscal year framework. Due to a possible uncertainty surrounding the Center for Leadership and Service, it is evident that a flexible 'fiscal year' framework would serve best.
***Explanation of Line Items:*
  INCOME
The general principles surrounding the organizational income structure are sensitive to Episode I and Episode II as many of the income expectations are specific to an episode.
  - *Seed Grant*
    Episode I – moderately inflexible
The seed grant will provide the initial startup funds for the organization. The intent of the seed grant is to prepare the organization for a sustainable endowment gift. The seed grant will provide for the initial start-up, incorporation, *catalyst* support, board and *Steward* identification as well as general organizational needs. The seed fund projection of $60,000 is moderately inflexible in its adjustment.
  - *Board Gift*
    Sustainable – flexible
It is the expectation of the board of directors to gift to the organization. Initial board funds will be used to fund the *Steward* communication package. Later funds will be allocated throughout the organization as necessary. This line is anticipated to generate revenue at the onset of every fiscal year (FY).
  - *Carry Forward*

Sustainable (hopefully) – flexible

Carry forward is the remainder balance from the previous fiscal year. Funds are to be allocated throughout the organization as necessary.

- *Endowment Interest*

Episode II Sustainable – inflexible

An endowment fund, capable of generating a minimum of $25,000 in annual interest is necessary for sustainability. Details on the acquisition plan for this fund will be illustrated below in *Development Plan.* This line will generate the necessary revenue to fund the *Stewards* and *The Fellowship* on a sustainable basis with remainder balance for organizational support. This fund will be the primary financial driver of the organization.

- *Development Gifts*

Development gifts reflect the acquisition of revenue from donors. A donor, under this category, provides a sustainable income through a planned giving plan. Details on the possible sources of these funds will be illustrated below in *Development Plan.* These funds will be largely procured through the board of directors.

- *Misc. Gifts*

A miscellaneous gift reflects the acquisition of one-time-gifts (donations), mini-grants, and potential partnership revenue into the revenue stream. Justification for placing an expectation on this type of revenue falls under the assumption that these types of gifts will be acquired due to amount of social capital that the organization will generate. An effective budget prepares for types of revenue in order to maximize organizational effectiveness in planning. Also, an expectation on this type of gift applies pressure on the board to generate these types of funds.

EXPENSE

Stewards

- *Stipend*

The *Stewards* will be provided with a $5,000 annual stipend.

- *Meal*

The *Stewards* will have access to a meal account to expense meals and coffee. This account will support all relationship development.

- *Travel*

The *Stewards* will have the opportunity to expense travel. This may include visits to other communities, conference attendance, etc.

- *Communication Pkg. – Laptops*

Refer to Exhibit #10

- *Communication Pkg. – Phone*

Refer to Exhibit #10

- *Communication Pkg. – Phone Plan*

Refer to Exhibit #10

- *Communication Pkg. – Warrantee*

Refer to Exhibit #10

Catalyst

- *Stipend*

The *catalyst* will receive a stipend of $5,000. This will cover work time over a 6+ month organizational commitment. 60+ hours a week for 2-3 months will be assumed. Due to the uncertainty of the beginning of Episode II, the commitment will be forecasted to close

after the acquisition of the endowment gift. The remainder balance ($10,000) will be distributed to the Headwaters Regional Development Commission (HRDC) and/or Bemidji Leads! for staff support.

- *Meal*

The *catalyst* will have access to a meal account to expense meals and coffee. This account will support all relationship development.

- *Travel*

The *catalyst* will have the opportunity to expense travel. This may include visits to other communities, conference attendance, etc.

Board

- *Support*

The board will have the opportunity to expense support actions as necessary. This includes training and travel.

- *Development*

The board will have the opportunity to expense actions related to organizational development. This includes donor, relationship, *Steward, Fellow,* and organizational support from the board.

Organizational

- *Operations*

At board discretion, this line will support organizational operations and action. This may possibly include postage, printing, marketing, etc.

- *Filing Fees*

Based on Minnesota Council of Nonprofit information, $880 will be allocated for all incorporation and legal fees.

The Fellowship

- *Fellowship Support*

The Fellowship Support will consist of the financial resources available to the *Fellows* as they interact with *The Fellowship.* Expenses may possibly include *Fellow* stipends, initiative support funds, *Fellow* expense accounts, etc. The board of directors will supervise this line item directly.

- *Program Support*

Program support, as it relates to *The Fellowship*, will generally be in the hands of the *Stewards.* Program support includes events related to *The Fellowship* recruiting, trainings, consultants, etc. Expenses not directly issued through the *Fellows* will generally fall under program support.

Support

- *Contingency Support*

Since this budget is nowhere near perfection, the contingency support line is essentially a reserve fund for the organization. To be tapped at the discretion of the board of directors, contingency support may be used for new initiatives, to subsidize overspent lines, emergency funds, etc.

D. Development Plan
- *Thoughts*

Under this context, the term development refers to the act of raising funds for the organization. Acts of procuring an endowment fund as well as the act of acquiring a yearly gift of $50 are true acts of development.

Truly, in an Internet powered society, <u>everybody</u> is a prospective donor. In an organization fueled by relationships, the possibilities are truly endless.
- *Development Preparation*
  Episode I

The board of directors, with *catalyst* support, will create a development plan using the principles put forward for emerging nonprofits by The Fundraising School. This includes the creation of the philanthropic vision, S.W.O.T. analysis, case for support, constituency identification, donor matrix, constituency model[54], action plan, and evaluation plan[55] as it relates to the organization.
- *Major Gifts*
  Episode II

The organization is designed to operate under the support of an endowment fund. The acquisition of this endowment is crucial to organizational success and sustainability.

* Relationships

Key relationships will need to be developed within the community of Bemidji. These relationships will be leveraged with community support to aid in any foundation bid.

* Strategic Development Plan

A strategic development plan must be developed to focus the future of the organization. The strategic development plan focuses on where the organization could go with donor support.

* Identification and Assessment

The identification of potential (and supportive) Philanthropic Foundations is crucial to the success of process. Many foundations are now carrying focused giving philosophies and that must be analyzed and understood.

In the book *"The Billionaire Who Wasn't"*, Conor O'Cleary follows the creation of a foundation:

"Giving away large amounts of money is difficult, and required the setting up of a specific foundation in a carefully chosen community with a specific purpose." [56]

An understanding of the philanthropic landscape is crucial in securing the appropriate funds.

This fact is taken further by Joel Fleishman in his book *"The Foundation"* as he states that the recent trend in foundation giving and success is *"....tied to focused initiatives. If a foundation initiative prevents or cures a major disease, leads to legislation that benefits millions of Americans, or embodies a new and influential model of social change.....then that foundation, through its initiative, is credited with making an impact – and foundations desire to make an impact."* [57]

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[54]*Refer to Exhibit #7*

[55]*The Fundraising School, Sect-VII*

[56]*Cleary, Conor. Pg. 100*

[57]*Fleishman, Joel. Pg. 92*

Assessment within the community of Bemidji will also be crucial as many other organizations may be competing for the same pot of money, negating many development efforts.

> ** Details*

The initial ask for the endowment will call for the creation of a $500,000 endowment with an anticipated 5% interest minimum. Larger gifts will be graciously accepted.

> • *Gifts*

The catalyst and the chairman will develop an annual giving plan. This plan will be developed early in an effort to maximize returns. This plan will rely upon the initial Strategic Plan.

> • *Return on Investment*

With the recent trend in the social sector learning towards 'return on investment' and the rise of restricted giving, assessment is crucial to development efforts. The ability to report back the return of every dollar is an absolute necessity on retaining donors.

> • *Follow-up, Follow-up, Follow-up*

The organization will remain in constant contact with all donors. This could include an annual report, invitations to coffee with *Fellows*, contribution opportunities within the organization, etc.

> • *Everybody is a Donor*

Every individual in the organization is responsible for ensuring success for future replacements. This places the burden of fundraising on everybody from the board to the *Fellows*.

E. Financial Policy
The following is a recommended financial policy:

Budget and Expenditures

Section 1   The Board of Directors shall be responsible for the supervision of the budget.
   A.   Chairman of the board and the *Stewards* shall be the signature agents on all accounts.
   B.   Two signatures shall be required for each expenditure.
   C.   The *Stewards* and Chairman shall be authorized to make expenditures clearly identified in the approved budget and/or specifically called for by an approved regulation or program.
   D.   The Board of Directors shall be responsible for interpreting all expenditure mandates.

Section 2   The fiscal year shall begin on July 1 and end on June 30.

Section 3   The Board of Directors, in conjunction with the *Stewards*, shall be responsible for preparing a standard line item budget.

Section 4   Alteration of the budget, excluding line-item transfers, can be made only with the approval of three-fourths of the Board of Directors present and voting. Line item transfers may be made by a two-thirds vote of the Board of Directors.

Section 5   *The Stewardship Academy* shall contract with an auditing firm on an annual basis to perform a certified audit at the conclusion of each fiscal year.

F. Thoughts on Budgeting

For organizational safety, income is has been budged low and expenses have been padded to facilitate increased liquidity in the budget.

The *Stewards* are the day-to-day 'spenders' of the budget. They are encouraged to focus organization funds towards *The Fellowship.*

Relationship(s) of Organizational Funds
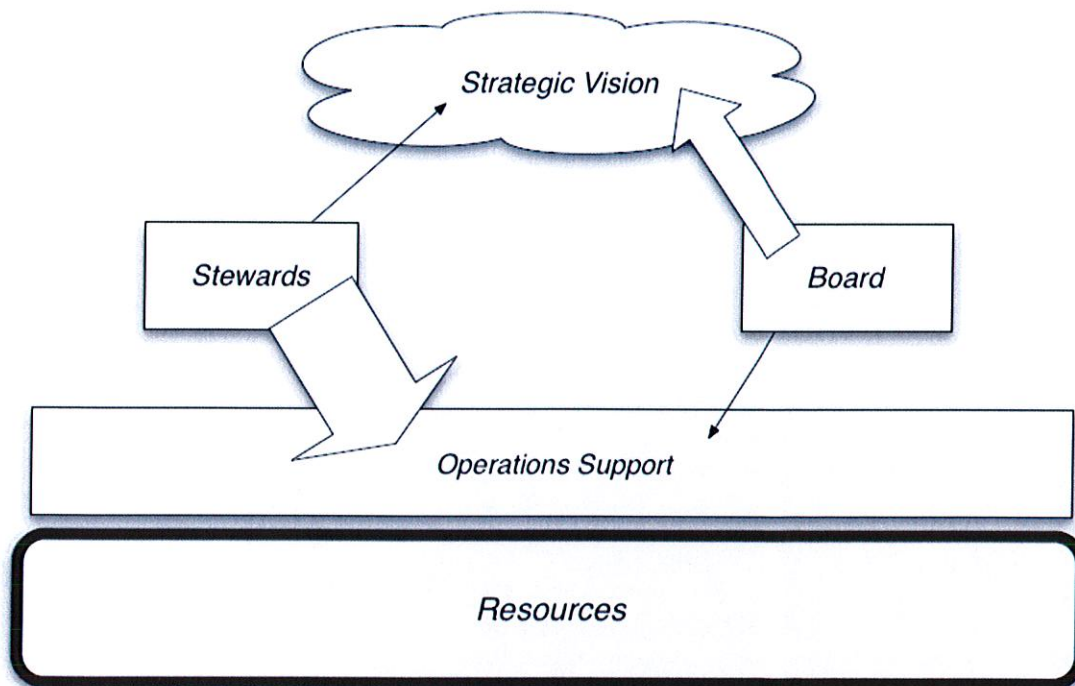
VI. *Network of Support*
   a. *Introduction*
   b. *Bemidji State University*
   c. *Bemidji E-12 Educational Community*
   d. *'Greater' Bemidji Community*

Thou shalt not stand idly by.
When you're in a hole, quit digging!
Think like a person of action, act like a person of thought.
The best minute is the one I invest in people.
-- Howard Schultz, CEO Starbucks Coffee

A. Introduction

A network of support represents the sum total of relationships that have the opportunity to serve in a supporting role. The following is an abbreviated listing of influential relationships that are currently in place.[58]

B. Bemidji State University *(home base)*

* Faculty
* Students
* Administration
* Staff
* Center for Research and Innovation – *Jeanne Edevold Larson*
* Alumni Association and Foundation

C. Bemidji E-12 Educational Community

* Administration – Superintendent Jim Hess, School Board Ann Long-Voelkner
* Faculty – Daniel Bryant, Richard Phelps
* Staff – *Patty Flaa as gatekeeper*

D. 'Greater' Bemidji Community

* Headwaters Regional Development Commission
* Bemidji Leads!
* Shared Visions!
* Center for Community Stewardship
* Chamber of Commerce
* Center for Resource Connections (CRC)
* American Civil Liberties Union (ACLU)

E. Extended Communities

* Students Today Leaders Forever
* Minnesota State University Student Association

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[58] *Refer to Exhibit #13*

* Apple, Inc
* United States Agency for International Development (US AID)
* Voluntourism.org

VII. *Challenges/Opportunities*
      a. Challenges
      b. Opportunities
      c. SWOT Analysis

You are not a cog. You are not an assistant or an administrator. You're not a gofer or middle manager, either. No, you're creative. A valuable asset to your family and your community. A person who can make a difference to an organization. You are capable of having an impact, leaving a legacy, creating things are outstanding. You are not ordinary. In fact, you're remarkable. Now, hurry. Don't let yourself (and the rest of us) down.
      -- Seth Godin, The Big Moo

A. Challenges
"The voyage of the best ship is a zigzag line of a hundred tacks"
      -- Ralph Waldo Emerson
As with any new idea, challenges are present from conception to execution. Some challenges carry legitimate answers while others may never find a solution, that's the world of ideas. Confronting these challenges head-on, is the only path to *great* (not *good*) success.
Jim Collins writes, in his book *Good to Great:*
"One of the dominant themes from our research is that breakthrough results come about by a series of good decisions, diligently executed and accumulated one on top of another...The good-to-great companies displayed [a] distinctive disciplined form of thought...They infused the entire process with the brutal facts of reality. You absolutely cannot make a series of good decisions without confronting the brutal facts."[59]
The following is a snapshot of the 'brutal facts of reality'.
      A. Ambiguity
Community development and ambiguity are one in the same. Ambiguity is defined as: having an unclear meaning.
The organization is designed to empower and support students through their community development ideas/initiatives. Yet, the ambiguity of community development complicates the entire mission.
Even writing a comment on the topic of ambiguity creates ambiguity as the levels of 'murkiness' is significant.
      Potential Solutions
Listening – defining – understanding
The way we see the problem is the problem[60].
      B. Sustainability

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[59]*Collins, Jim Pg. 69-70*
[60]*Hedrick, Smith Pg. 33*

In the student universe, great ideas are sustainable ideas. Preparing for sustainability from the moment of conception is the number one challenge in a high turnover environment.

a. High Student Turnover

Students come and go, it's a characteristic that will never change with students and student leadership, hence the popularity and continuous development of 'programs' (linear operations with a definitive start and end). Programs are important to institutions because they offer a controllable environment in an otherwise sporadic domain. Students start, students work, students finish, and the end result is assessed. Programs are efficient and focused, but contained and rigid, promoting growth in the programmatic function. *The Stewardship Academy* is looking to provide an open environment of opportunity, not a program. True, some elements of 'the program' are in place as the *Fellowship* is geared to operate with a start, middle, and end, but on the whole, this is not the complete offering of *The Stewardship Academy*.

The issue arises over sustainability in a high-turnover, non-programmatic, open environment where a high reliance on individuals is present. This reliance places a strong stress on the organizational core to always be looking into the future. Should the core of the organization disperse, or not properly identify replacements, the organization will be famished. Further issues on assessment, openness to ambiguity, and non-identification are prevalent. The high turnover environment presents a strong concern and challenge.

Potential Solution

Identification, marketing, creating the mystique, and strategic planning are processes that must be used to defend against the environment. *Identification* chases future key players down, *marketing* spreads a mass-market message, *creating the mystique* creates the element of glamour and mystery and paints an image to constituents that 'this is the real deal' and that 'I <u>need</u> to be a part of this' or that 'I'm missing out', and strategic planning focuses all these elements into the future.

b. Catalyst

The *catalyst* presents another strong challenge to the organization. With so much emphasis, energy, and trust in one individual – sustainability must be questioned. Ideas are also constrained and biased when they are under the sole umbrella of one individual. Should the *catalyst* make an early departure, the entire investment is likely to go down in a pile of flames. The *catalyst* has the power to make or break *The Stewardship Academy*.

Potential Solution

There isn't a tangible cure-all solution to the *catalyst*. Rather, a set of recommendations can be introduced to soften the challenge.

The *catalyst* must develop a personal board/core of support – people to bounce ideas, share in passions, and generally fall back upon in hard times.

The *catalyst* <u>must</u> keep key individuals in the process from start to finish. This includes active communication with as <u>many</u> constituents/stakeholders as possible.

The *catalyst* <u>must</u> prepare for sustainability; this includes his/her departure from the organization. Departure will require the identification of replacements, proponents, and visionaries.

The *catalyst* <u>must</u> actively train all stakeholders of the organization. This includes the imparting of organizational knowledge, relationships, and upcoming challenges/opportunities facing the organization.

c. Fellows

The *Fellows* present a strong challenge to the organization on the basis of ambiguity, high level of trust, and identification.

Fellows will be operating in an environment filled with ambiguity. An ambiguous environment is a very difficult element to plan for, much less operate in.

A high level of organizational trust is placed in *The Fellowship* and the accompanying *Fellows.* Trust is just that, trust.

Identification of potential *Fellows* is the very definition of ambiguity. Questions center around the qualities of a potential *Fellow*, where they can be found, and how one is to 'reign' them in.

> *Potential Solutions*

Process needs to be developed begin removing ambiguity. Consultation with management and human resources experts may assist in the development of process.

> C. ~*Engagement*

A lack of student engagement in *The Stewardship Academy* will cripple the entire venture.

> *Potential Solutions*

None.

> D. ~*Executive Director*

The lack of an identified executive director could prove detrimental to the organization. As identified in Part III, Section F – the would-be duties of an executive director are split between the student *Stewards* (high turnover) and the Chairman of the board (possible high turnover). Coupled with the traditional role of the executive director (organizational memory, consistency, etc.) and the high turnover that is present in the individuals that are to fulfill that role, the logic is severely flawed.

This lack of consistency through turnover (and lack of an organizational 'fix') is dangerous at best.

> *Possible Solution*

- Modify/Drop the *student leadership* value.

It should be noted that this modification would force a complete overhaul of the mission, vision, and structure of the organization.

> E. *Identification*

As mentioned earlier, identification in an ambiguous environment is a large hurdle to overcome. The organization relies heavily on *identification* and when a core value of the organization comes wrought with hurdles, issues of sustainability arise.

> *Potential Solutions*

* Consult with third parties
* Be Active in Community

> F. *The Best and the Brightest*

The Stewardship Academy must identify and acquire the *best and the brightest* in order to run at peak efficiency. Due to the nature of nonprofits, the donor (dependent) relationship, and the threat of restricted giving – the *best and the brightest* must be employed to maintain and strengthen that connection by producing social change.

> *Potential Solutions*

Identify and 'acquire' the *best and the brightest* from the day one and mold it into the organizational culture. Show them that dreams can be fulfilled and give them the opportunity and resources to do it.

   G. Financial Support

The organization will never move without an initial financial support. Sustainable financial support (Episode II) is critical to the vitality of the organization and <u>must</u> be acquired.

   Potential Solutions

Focus on fundraising and (relationship) development.

B. Opportunities

The opportunities for *The Stewardship Academy* are nearly infinite. This section provides a chance to think big, create dreams, and change the world!!

   A. Movement

Underneath *The Stewardship Academy*, its relationships, and values, lies this notion of a student movement. In the book, *How to Change the World,* David Bornstein writes that social change agents (nonprofits) have:

 "An idea that's going to change how things are done, that means you're changing how people relate to one another," explains Drayton. "You're changing their power positions. You're threatening to obsolete their knowledge, the 'human capital' of their experience. This is not always welcomed with open arms." And social entrepreneurs need to be prepared." [61]

The student movement is igniting youth, empowering passions, developing relationships, and changing the power dynamics of community. It is the bold statement to the 'adult' community that "you better be ready to keep up with my future". The student movement is initiated by students, developed by students, and driven by students.

The student movement is founded upon the principle of peer-leadership.

The student movement delivers a question to the community of Bemidji: "What would happen if every student in this community woke up this morning and proclaimed that 'I want to drive this community into the future'. Would the community be ready for this?"

   a. *Center for Community Stewardship*

Bemidji Leads! was formed several years ago under the guiding principle to empower community leaders and discover community stewardship. The idea was simple, <u>anybody</u> who believed in Bemidji, MN and a combined shared future was to come together. Since that first event, Bemidji Leads! has been a force for community change through its unique destiny drivers, or Big Hairy Audacious Goals (BHAGS)[62] for the future of the community.

The idea is simple – empower those who believe *(leadership spectrum)* and surround them with fellow motivators.

Bemidji Leads! and the Headwaters Regional Development Commission (HRDC) took it further. Modeling after Bemidji success, the idea was transplanted across the Midwest, nation, and world (I'm hearing stories). The idea of peer-leadership, common vision, and united community is making waves. To support the 'sale' of stewardship, the HRDC created the *Center for Community Stewardship (CCS).*

The CCS is actively seeking a stewardship support for the youth of community. *The Stewardship Academy* and the model of student-student leadership through community

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[61] *Bornstein, David Pg. 141*
[62] *Collins, Jim Pg. 197*

investment is readily transplantable to any community. *The Stewardship Academy* just needs to connect with the CCS framework and the sky is the limit

      b. *Shared Community*

Through the CCS, the potential for *shared community* is great. Imagine a Bemidji, MN *Fellow* developing relationships, sharing ideas, and collaborating initiatives with a Fargo, ND *Fellow*. Not only do the opportunities extend beyond local community, but they become efforts in developing 'larger' regional community. The idea can expand beyond cities, regional areas, states, geographic regions, and even nations - all through one common community of *Fellowship*.

The opportunity for alumni community is also present. The idea of an adult *Fellowship* is very real provided a framework of resources is present. Adult *Fellows* can be connected with each other, youth *Fellows,* and former *Stewards*. The opportunity for collaboration and community is open to growth.

      c. Movement for Change

Community change is a difficult and time-consuming process. So why not change all at once and get it done with?

      i. Community Foundation

Bemidji, MN does not have access to a local level community foundation. The two sources of support are from the Northwest Minnesota Foundation and the United Way. Both service Bemidji, but that service (to Bemidji specifically) is not directly tied to their mission and vision. The opportunity for a true Bemidji community foundation is very real. The need is very great – so why not incorporate a community foundation through the *student movement?*

      ii. STLF Expansion (Pay It Forward)

Alongside community-community growth through the framework of the CCS, the opportunity is present to transplant through Pay It Forward host communities. The Pay It Forward tour sends students out, immerses them in the issues, and then brings them back home and challenges them to give back – except little support post-program is provided. The organization can provide a connection point to empower the 'want' that derives from the Pay It Forward Tour.

      B. *For-Profit Enterprise*

The Stewardship Academy, through conversations with Mary Eaton (The Idea Circle), has opportunity for a for-profit enterprise. The following are some reasons why:

      a. *Deeply rooted in community*

Deep roots in the community equates to one simple thing, social capital.

      b. *Deep connection to students*

Students represent the future, therefore a deep connection to the future is beneficial to any organization.

      c. *Best and the brightest*

Deep connection to student communities brings forward access to the *best and the brightest*. The *best and the brightest* contribute no matter where they are as they are the top hires of any organization. Access to this group of people is worth a significant chunk of organizational HR resources.

Traditionally, a firm approaches a University and attempts to integrate itself into the social networks in search of potential candidates. Why not remove that obstacle and

hire/offer commission to students who are already integrated within the University to search for potential hires through their peer networks?
The *Stewards* already have access to this group of people, why not offer job incentives as well as another source of revenue??

        d. *Can focus on STEM, etc.*

Building further from the previous point, the identification of the *best and the brightest* can be highly focused. Science, technology, engineering, and math (STEM) provides a prime example of a declining workforce that is seeking the *best and the brightest*. Great opportunities for revenue are available.

        e. *Could become a revenue generating arm*

The referral of potential employees could very well emerge into a revenue-generating arm of the organization. Nonprofit coffee shops have become a common spinoff operation for a nonprofit in an attempt to generate additional revenue. The deep connection into the student social networks allows for incredible referrals to organizations, and this action can easily be institutionalized.

C. SWOT Analysis - abbreviated

Strengths

- Value Foundation
    a. Student Leadership/Peer Leadership
    b. Three Pillars of Community
    c. Alignment of Time, Talent, and Treasure
    d. Leadership Spectrum
- Integration w/Bemidji State University
- Community Network of Support
- Relationship based operations
- Integration into student communities
- Community 'based' board of directors
- Student Support
    a. Stipends
    b. Support Packages
    c. Community Relationships

Weaknesses

- Student Leadership
- Funding Plan
    a. Endowment required
    b. Seed Money required
- Heavy reliance on students
- Lack of seamless sustainability model
    a. Lack of built-in organizational memory
- Heavy reliance on individuals
    a. *Heavy* reliance on chairman
    b. *Heavy* reliance on *Stewards*
    c. *Moderate* reliance on *Fellows*

- Lack of professional staff
  a. Lack of Executive Director
- Reliance on Bemidji State University

Opportunities
Broad
- Student Movement (Nonprofit social activism)
- Rise of youth in philanthropy

Local
- Center for Community Stewardship
- Integration into student communities
- Bemidji State University
- Bemidji Public Schools
- Vision
  a. Community Foundation
  b. For-Profit opportunity
- Bemidji as regional hub
- High level of 'need' in Bemidji (social services)

Threats
Broad
- Economic Recession
- Rising Costs
- Rural population decline

Local
- Bemidji State University
- Bemidji Nonprofit Community
- Disengaged Student Base
- Disengaged Community
- Student Stereotype

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Exhibits

Exhibit 1
Three Pillars of Community

Community of Bemidji

Relationship Based
Communication

Bemidji State
University

Bemidji E-12
Educational
Community

*Integrative
Leadership*

Relationship Based
Communication

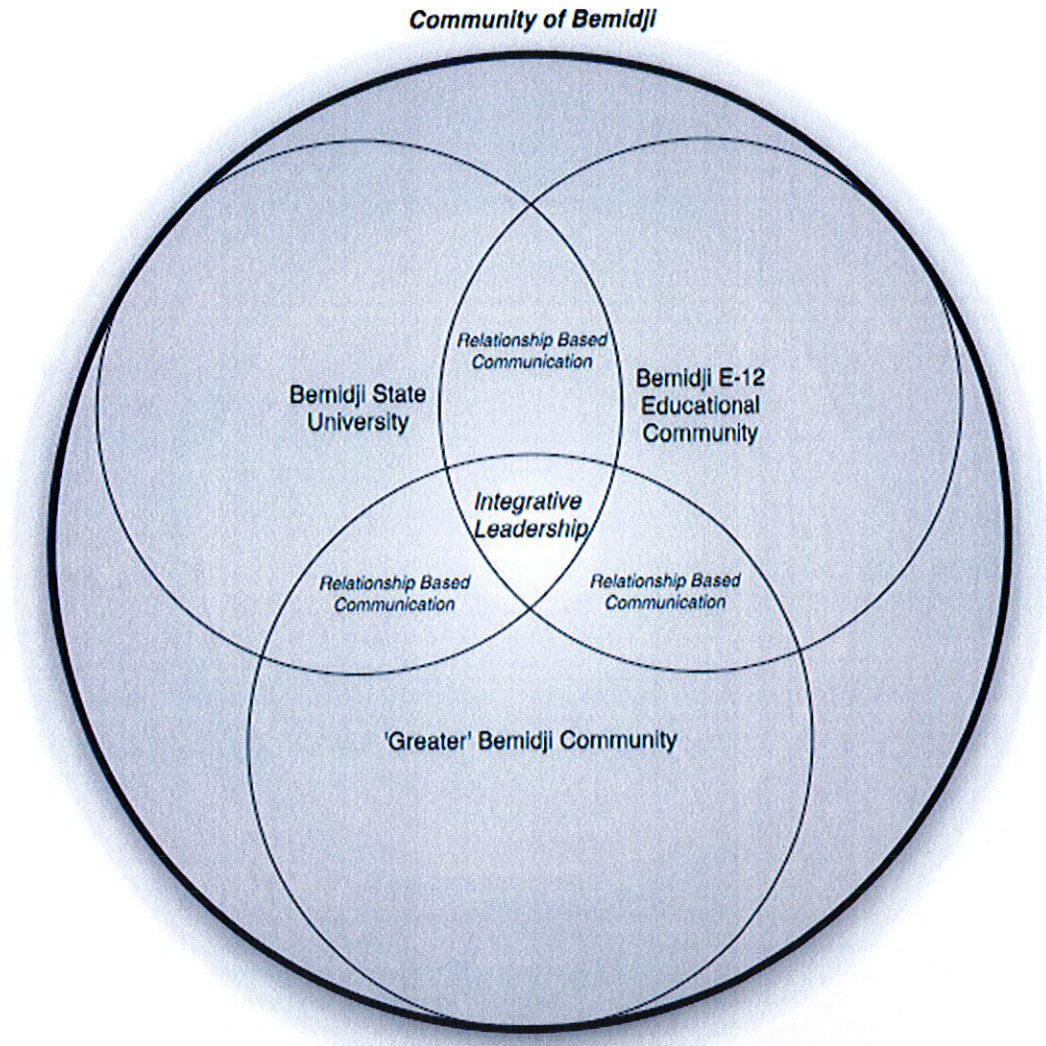Relationship Based
Communication

'Greater' Bemidji Community

Exhibit 2
Comment taken from a BemidjiPioneer.com that ran on the Bemidji High School Pay It Forward Tour – a community service and leadership development program.

The folks crying over the failed referendums just don't get it! Students from former 3rd world countries are diligently studying math, language, science, and history in schools running on a fraction of the funding that allows for "Pay It Forward" type programs while students here in the U.S. fall behind. Why? because they are out washing clean floors & fire trucks in 15 minutes and feeling all warm and fuzzy because they really made a difference in the world. I hope it was bio-degradeable detergent they flushed into Lake Bemidji. I'm sure their next stop at the food shelf will be just as productive. Maybe they will stop at a homeless shelter and hand out sandwiches on their way to the housing projects of Chicago. These students are supposedly being educated on the social issues of the diverse communities they will visit then spend the evening in personal reflection. I suspect they will be paraded by an endless stream of people wallowing in self perceived innocent victimhood who blame all their troubles on the rest of the world. Passion and commitment are great when focused on productivity and results. There are plenty of shining local examples, I question what the students will be exposed to on this trip. I think our students deserve better than the liberal brainwashing the current school systems are giving them. If there are cuts mandated by the failure of the referendums then this looks like a good place to start! There are no doubt many other dollars wasted on teaching self esteem instead of real knowledge. As our students fall further behind the rest of the world the education "community" constantly screams for more money, more money, more money. Whatever they get will never be enough because they spend it foolishly, complain about their results, then want more, to try more of the same. No matter how much gas you pour on a fire it won't go out!
john d
Bemidji, MN
11/09/2007 10:10 AM

Exhibit 3
*Negative comments taken from the BemidjiPioneer.com related to student participation
in the event center referendum:*

I am so sick to hear what the Students want regarding this Event center. The students
polled for the location of this event center will have as much to do with it as the students
who helped vote this White Elephant in, in the first place.
leila b
Bemidji, MN
11/01/2007 7:00 AM

The disaster gets worse. They are thinking of building a hotel too? Didn't a big one just
go out of business. Another Canal Park? Taking valuable real estate off the tax rolls?
And I am glad that we are doing what the BSU students want, now let's slap them with a
$50 per semester fee, so they can help pay for what they voted for. I can't wait to see
who Batch runs against Moe for this!!
johnny b
Bemidji, MN
11/01/2007 6:39 AM

The downtown location was doomed to begin with but the council was blinded by the
facts. The business people need to understand that the downtown is own by Kraus
Anderson and he would be the only one to gain from that location. Too bad, as putting
the center on the lake seems a little better but I will still wait to see if it is going to fly.
Centers have failed in other cities bigger than Bemidji so we will have to see how things
go here. At least the council woke up partly and changed locations. Also, the comment
was made in the paper about asking the BSU students if they approved the change. This
is ironic as the students one sided the vote for the center, then get mentioned in the
article. My question is where is the questions about asking the TAX PAYERS if they
approve???
Kelly N
Location n/a
11/01/2007 1:05 PM

Exhibit 4
Letter From BemidjiPioneer.com Talk Section related to student involvement

Letter: BSU hockey arena should not be on City Council list

Bemidji Pioneer -- Published Thursday, November 22, 2007

There are many things I care about. I care that there are people in my community with no homes, people with no food and people with no health care. I care that children are victims of abuse and violence. That animals are abused, unwanted, killed. That people on fixed income are being taxed out of their homes. That the City Council slaps on every tax they can think of. That block after block of family homes are now rentals. That low-income housing is a joke, and a bad one. That trees are being cut down faster than you can blink and being replaced with more and more strip malls. That you can live trap and kill wildlife in town if you think it's a pest. That fences are going to be put up at the lake because, oh horrors, a tourist might see goose droppings. That, as a Christian, my faith is being attacked and that my rights as a citizen are being chipped away at, that my country is in a no-win war. That BSU wants a new hockey rink isn't on my list. Quite frankly, I don't care. Long after the students who pushed the vote over the line are gone, I'll be stuck paying for a money pit I never wanted. I say next election we vote the City Council members out (including the mayor) and put in some new blood. Like our president, the council does not listen to the public. Throw the bums out!

Terry Henderson
Bemidji

Exhibit 5
Leadership Spectrum

LEADERSHIP SPECTRUM

STRONG GROWTH

DESIRE RESOURCES

DEVELOPED GROWTH

DESIRE RELATIONSHIPS

EMERGING GROWTH

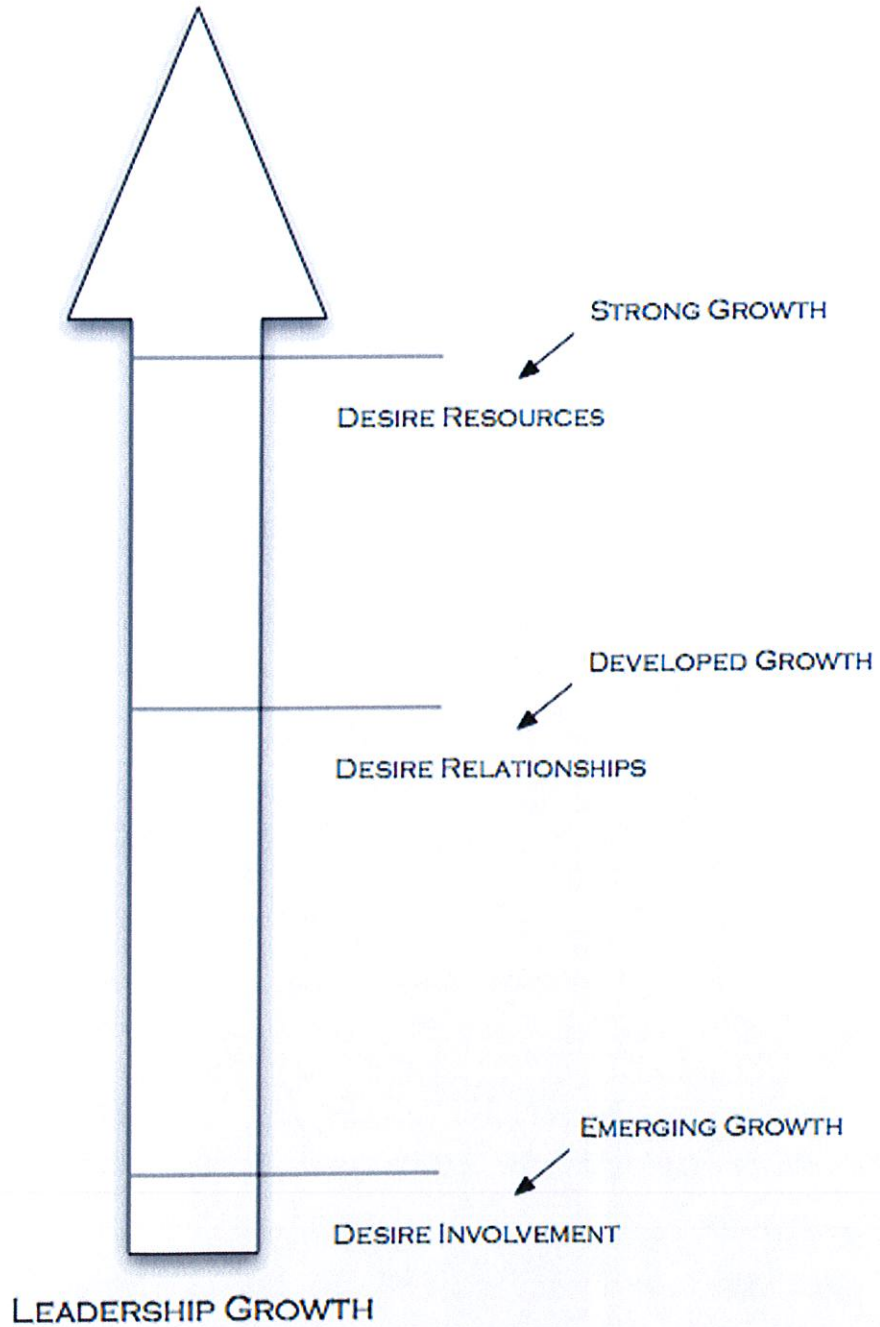DESIRE INVOLVEMENT

LEADERSHIP GROWTH

Exhibit 6
Support for Leadership Spectrum Values

Thoughts on Leadership Spectrum Projections
I have had the incredible opportunity to engage myself in over 13 student organizations as well assist in the creation of 2 new student organizations (Apple Club, Students Today Leaders Forever) in my four years at the University.

As my roles began to shift, I found myself involved in the broader issues affecting the future of student organizations. Conversations surrounding student involvement, campus representation, leadership succession planning, and incoming (freshmen) leadership experience became the core talking points as we sought to support the larger ideals of student engagement.

It was through these conversations that the leadership spectrum was developed. Initially created as a tool to identify ones level of leadership development, it quickly adapted as a quick and easy instrument to identify student needs based upon a single characteristic - individual leadership development, a paradigm shift. As the pre-spectrum conversation ensued, it became apparent that our default (universal) approach was to support students based off of individual leadership development by providing opportunities for growth. Opportunity for leadership positions, creation of new clubs and organizations, and campus programming facilitation were a few of the opportunities that we pushed. These opportunities, while beneficial at first glance, were being provided to all students regardless of their leadership development. We were focusing on a characteristic, and not a support, while trying to provide a blanket solution. Clearly, we needed to delve further.

It was evident within student organizations, that there were contributors and consumers. There was no dispute around this fact. However, there was dispute over how much one contributed and what support was being offered to an individual from the student and institutional communities. Typically, support was based upon a relationship and it was generalized that the more effective the relationship (examples of effective relationship traits: *who one knew, how far that relationship would go for them, etc.*), the more effective the support, and the more the student grew in terms of leadership development. As the student grew, through effective relationships, the support was changing from that of a relationship-connector model to that of a relationship-resource –connector model. It became less of a 'who you should know" and more of a "who you know, what they can offer, and how you should get it" approach. This growth, or rather change in support, is reflected in top two tiers of the *Leadership Spectrum.*

Crystal Middendorf, a junior at Bemidji State majoring in Environmental Studies, is credited with the creation of the BSU Campus Green Fee [1][2] She is a shining example of

[1] *Student Senate Bill SB-08-04, Bemidji State University Student Association,* http://www.codyjnelson.com/media/SB_08_04.doc
[2] *Student Senate Bill SB-08-02, Bemidji State University Student Association,* http://www.codyjnelson.com/media/SB_08_02.doc

this philosophy.

Crystal: [2]

* Came to campus as a true freshmen
* Got *involved* with the student organization Students for the Environment (SFE)
* Got further *involved* and became the chair
* Developed *relationships* with Bill Maki (VP-Finance), Student Senate, SAFAC (Student Activity Fee Allocation Committee), Pat Welle (SFE Advisor), EAC (Environmental Advisory Council), and other environmental activism non-profit organizations outside of campus
* Develop *resources* that were funneled through her relationships and acquired research, best-practices, financial estimates, policy drafts, guidance through the process to propose and implement, and publication

The key to Crystal's success started with her initial involvement and grew to an acquisition of relationships and resources that she used to pursue her passions. The Green Fee, a $5 per/credit student fee, will raise over $40,000 to be used to hire a Sustainability Coordinator and provide a financial resource for student pursuits in Environmental Stewardship. It should be noted that Crystal's experience is not a common one at the University.

Bemidji State University and the broad community of Bemidji benefited from Crystal's passion and success.

With a full-year equivalent enrollment (FYE) of 4,229 'students', Bemidji State University is a thriving institution [1] with a large base of potential. The question must be posed, how many more Crystal-type individuals exist within the University community? The leadership spectrum states that it is only 1-2% of the student body.

The Bemidji State University Student Association Student Senate and the Hobson Union Programming Board (HuPB)represent two of the most powerful student organizations at the University[3]. Combined, they both are currently running at 60% of capacity[4]. Two of the 'most powerful' student organizations, offering 45 student leadership positions, and they are only half filled at a campus of over 4,000 students. True, one could argue marketing, lack of student connection, etc. but that argument carries little clout as together, the two organizations have touched (through programming, presentations, etc.) over 60% of the student body[5]. Within the Student Senate and HuPB, a core (25%) of the membership are credited with 90% of the contribution of the organization.

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[1] *Minnesota State Colleges and Universities, http://www.mnscu.edu/campuses/profiles/bemidjistate.html*

[2] *Middendorf, Crystal. Personal interview. 2 Mar. 2008*

[3] *They both have the largest student fee based budgets*
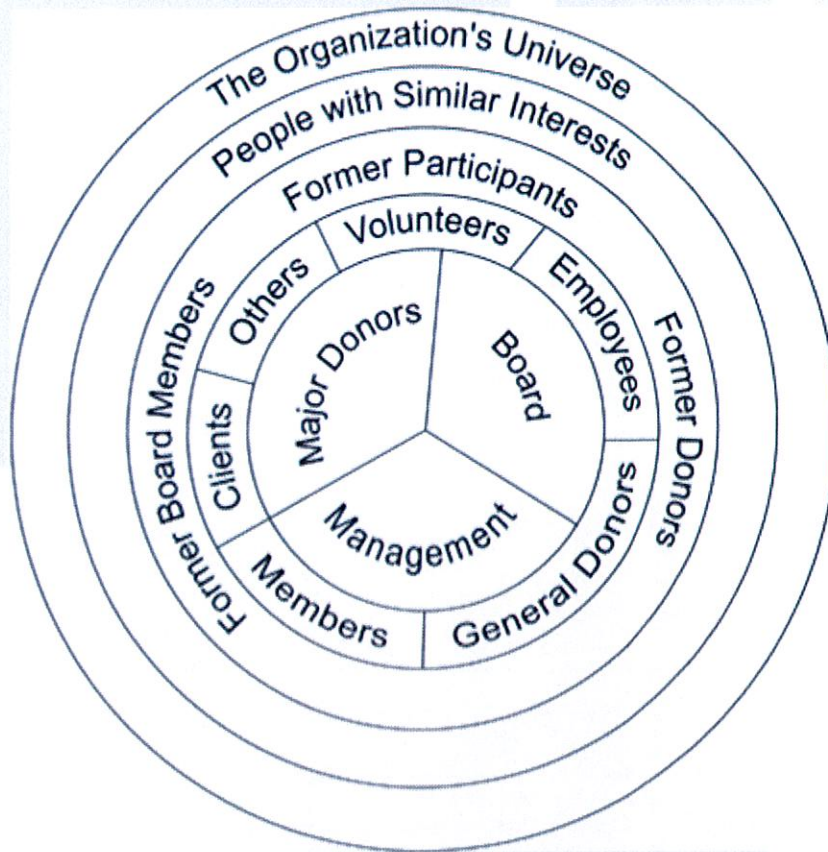
[4] *Observation taken March, 2008*

[5] *Organizational Data*

An examination of the numbers based off Student Senate and HuPB relates back to the leadership spectrum. 4,000 students, 25 active student leaders, and 7 active and contributing members form a reasonable correlation back to the spectrum.

Exhibit 7
The Fundraising School – Donor Constituency Model for donor relations[63]

Constituency Model

The Organization's Universe
People with Similar Interests
Former Participants
Volunteers
Others
Former Board Members
Clients
Major Donors
Board
Employees
Former Donors
Management
Members
General Donors

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[63] *Pg. 125, The Center on Philanthropy*

Exhibit 8
Argument for Board of Director Financial Contribution[64]

III.   Boards and fundraising.

     A.   A major responsibility of the board is fiduciary, assuring that the organization has needed financial resources: earned, contributed, and invested. Board involvement in fundraising is derived from this responsibility.

         1.   Some board members are resistant to participating in fundraising. It is important to point out that there are many things board members can do: write personal notes on mail appeals, provide lists of names, seek donations for special events, seek in-kind gifts from businesses, open the door to prospects for major gifts, accompany another board member on a solicitation call, be involved in cultivation of a major donor, and so on. If board members see that fundraising means to obtain support for the mission and is not just "asking my friends for money," they will be less intimidated.

         2.   Not all board members can be expected to be involved in fundraising to the same degree. Those most enthusiastic should be on the development committee; others can participate in various campaigns and activities.

         3.   It is very important that all board members make their own gift to the organization. They should be encouraged to give at a level that is significant for them. Without giving at a significant level, they will be less effective as fundraisers for the organization, and they will not be setting the proper example for the constituency.

         4.   Fundraising experience and enthusiasm are two characteristics that should be sought in prospective board members. The development officer should have input into the board recruitment process to assure that members with the skills and attitudes necessary for fundraising are invited to join the board. Strengths valued in prospective board members include the capacity to give generously, ability to influence others to give, and time necessary for the work involved.

         5.   Board members can serve as campaign leaders and be visible in endorsing functions of the campaign.

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[64] *Pg. 485, The Center on Philanthropy*

Exhibit 9
The Fund Raising School thoughts on an effective 'futures' board:[65]

V. Hallmarks of an effective board of the future (BoardSource).

 A. Reasseses its role in light of needs.

 B. Reaches clarity/agreement about role of board.

 C. Focuses time and attention on important issues.

 D. Restructures board work to get important things done.

 E. Views board composition as strategic.

 F. Uses evaluation to learn rather than criticize.

 G. Knows its value to the organization.

 H. Has the confidence to take risks.

 I. Has constructive relationship with staff.

VI. Factors that help ensure an effective board (from BoardSource).

 A. Having a shared vision for the organization.

 B. Engaging in planning.

PTF Sec. V - 18   TFRS © 2006-b

 C. Agreeing on mission.

 D. Identifying the critical issues.

 E. Reaching agreement on expectations of board members.

 F. Recruiting new members with strategy in mind.

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[65] *Pg. 488-89, The Center on Philanthropy*

Exhibit 10
Communication Support Package for the Stewards[66]

Mobile Phone
- *Apple iPhone 8GB*
    a. Base Price: $399.00
    b. **4 Unit Price: $1596.00**

Apple's iPhone provides seamless voice, data, and pda service in a thin easy to use device. Synchronization of calendars, contacts, notes, etc. is seamless with that Mac platform. Access to Google Maps, mobile e-mail, and the wireless web are crucial supports that every mobile *Steward* needs.
- *Service Plan*
    a. ATT 1350 minutes, unlimited data, nights, and weekends w/rollover, 200 SMS
    b. Monthly (1 unit): $99.00
    c. Yearly (1 unit): $1188.00
    d. **Yearly (4 unit): $4752.00**

A budget of $5600 has been projected as start-up fees as well as additional costs are to be expected.

Laptop (x4):
- *Apple MacBook Air 1.80GHz Intel Core 2 Duo w/ 64GB Solid State Drive*
    a. Base Price: $2958.00
    b. 4 Unit Purchase: $11832.00
    c. Apple USB Ethernet: $29 – x4 = $116.00
    d. Apple SuperDrive: $99.00
    Total Laptop Cost: $12,047.00

Justification: Apple's MacBook Air is the premiere mobility laptop. Thin, durable, and powerful, the MacBook Air will allow the *Stewards* to stay in have an office, without an office. This laptop, designed for the coffee shop, wireless access, and e-mail will propel the *Stewards* into relationship development. The additional fourth laptop will be provided to the Chairman of the board, pending acceptance.

Warranty
- AppleCare 3 year support plan on laptops and iPhones provides seamless support and repair via mail or at any retail Apple store.
    a. Base Price: $183.00
    b. 4 Unit Purchase $732

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[66] *http://www.apple.com*

Exhibit 11
Episode I – Startup Budget

Episode I - II Budget

Description	Episode I	
INCOME		
Seed Grant	$60,000	
Board Gift	$18,000	
Carry Forward		
Endownment Interest		
Development Gifts		
Misc. Gifts		
TOTAL	$78,000	
EXPENSE		
Stewards		
Stipend		$15,000
Meal		$2,000
Travel		$4,000
Communication Pkg. -- Laptops		$12,047
Communication Pkg. -- Phone		$1,300
Communication Pkg. -- Phone Plan		$5,600
Communication Pkg. -- Warrantee		$1,000
Catalyst		
Stipend		$15,000
Meal		$500
Travel		$2,000
Board		
Support		$4,000
Development		$3,000
Organizational		
Operations		$3,000
Filing Fees		$880
Fellowship		
Fellow Support		$2,000
Program Support		$1,000
Support		
Contingency Support		$4,000
TOTAL	$78,000	$76,327
CARRY FORWARD	$1,673	

Exhibit 12
Episode II – Forecasted Budget

Episode I - II Budget

Account	Description	Episode II	
100-105	**INCOME**		
100	*Seed Grant*		
101	*Board Gift*		
102	*Carry Forward*	$1,673	
103	*Endowment Interest*	$25,000	
104	*Development Gifts*	$10,000	
105	*Misc. Gifts*		
	TOTAL	$36,673	
200-207	**EXPENSE**		
201	*Stewards*		
	Stipend		$15,000
	Meal		$2,000
	Travel		$4,000
	Communication Pkg. -- Laptops		
	Communication Pkg. -- Phone		
	Communication Pkg. -- Phone Plan		$5,600
	Communication Pkg. -- Warrantee		
202	*Catalyst*		
	Stipend		
	Meal		
	Travel		
203	*Board*		
	Support		$4,000
	Development		$1,000
204	*Organizational*		
	Operations		$3,000
	Filing Fees		$25
205	*Fellowship*		
	Fellow Support		
	Program Support		
206	*Support*		
	Contingency Support		$2,000
	TOTAL	$36,673	$36,625
	CARRY FORWARD	$48	

Exhibit 13
Example Network of Support[67]
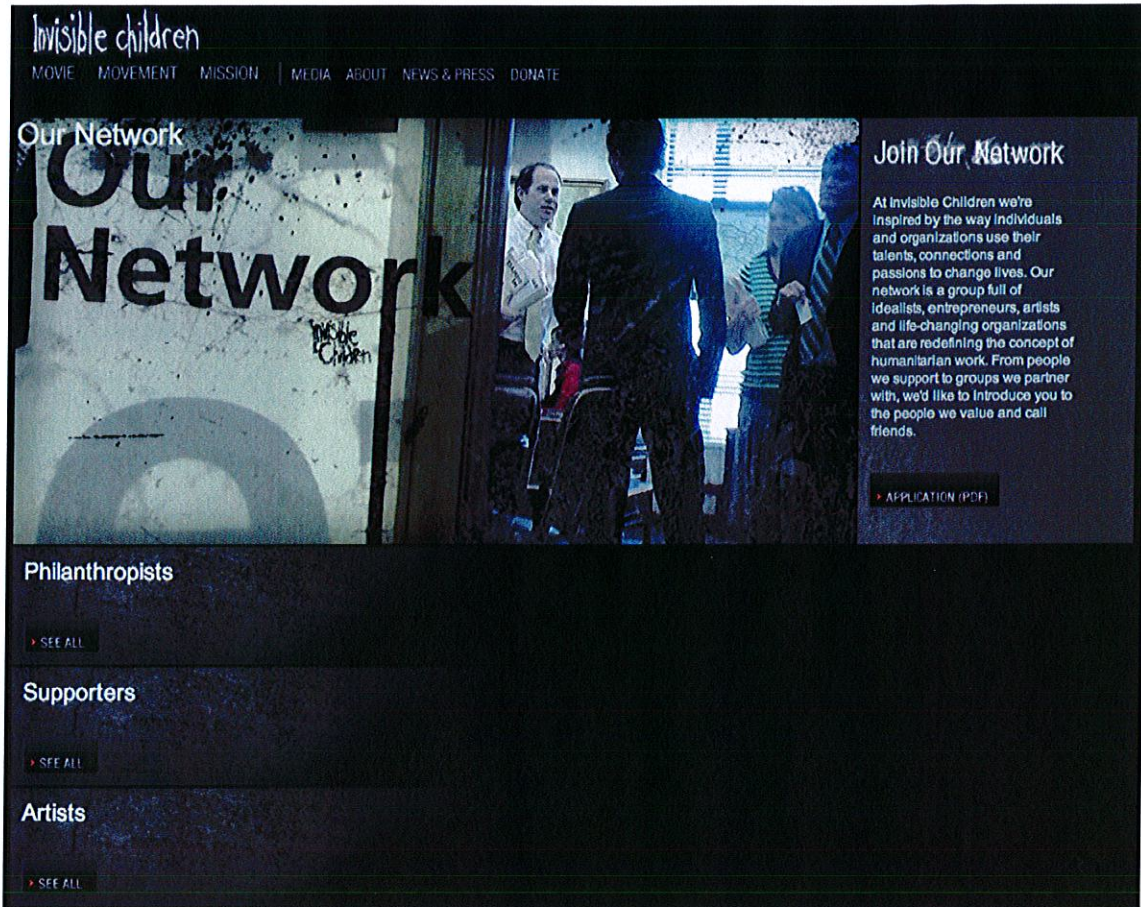
2007 Minnesota Statutes

Chapter 317A. Nonprofit Corporations

317A.001 CITATION.

317A.251 STANDARD OF CONDUCT.

Subdivision 1. **Standard; liability.** A director shall discharge the duties of the position of director in good faith, in a manner the director reasonably believes to be in the best interests of the corporation, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. A person who so performs those duties is not liable by reason of being or having been a director of the corporation.

Subd. 2. **Reliance.** (a) A director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(1) one or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented;

(2) counsel, public accountants, or other persons as to matters that the director reasonably believes are within the person's professional or expert competence; or

(3) a committee of the board upon which the director does not serve, duly established under section 317A.241, as to matters within its designated authority, if the director reasonably believes the committee to merit confidence.

(b) Paragraph (a) does not apply to a director who has actual knowledge concerning the matter in question that makes the reliance otherwise permitted by paragraph (a) unwarranted.

Subd. 3. **Presumption of assent; dissent.** A director who is present at a meeting of the board when an action is approved by the board is presumed to have assented to the action approved, unless the director:

(1) objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate in the meeting, in which case the director is not considered to be present at the meeting for purposes of this chapter;

(2) votes against the action at the meeting; or

(3) is prohibited from voting on the action by the articles or bylaws or as a result of a decision to approve, ratify, or authorize a transaction pursuant to section 317A.255 or a conflict of interest policy adopted by the board.

Subd. 4. **Not considered trustee.** A director, regardless of how identified, is not considered to be a trustee with respect to the corporation or with respect to property held or administered by the corporation, including without limit, property that may be subject to restrictions imposed by the donor or transferor of the property.

CONFLICT OF INTEREST POLICY

REASON FOR STATEMENT:

The Minnesota State University Student Association (MSUSA) as a nonprofit, tax-exempt organization depends on charitable contributions from the public. Maintenance of its tax-exempt status is important both for its continued financial stability and for the receipt of contributions and public support. Therefore, the IRS as well as state corporate and tax officials, view the operations of the MSUSA as a public trust which is subject to scrutiny by and accountability to such governmental authorities as well as to members of the public.

Consequently, there exists between the MSUSA and its board, officers, and management employees a fiduciary duty which carries with it a broad and unbending duty of loyalty and fidelity. The board, officers, and management employees have the responsibility of administering the affairs of the MSUSA honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of the MSUSA. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with the MSUSA or knowledge gained therefrom for their personal benefit. The interests of the organization must have the first priority in all decisions and actions.

PERSONS CONCERNED:

This statement is directed not only to directors and officers, but to all employees who can influence the actions of the MSUSA. For example, this would include all who make purchasing decisions, all other persons who might be described as "management personnel," and all who have proprietary information concerning the MSUSA.

AREAS IN WHICH CONFLICT MAY ARISE:

Conflicts of interest may arise in the relations of directors, officers, and management employees with any of the following third parties:

1. Persons and firms supplying goods and services to the MSUSA.
2. Persons and firms from whom the MSUSA leases property and equipment.
3. Persons and firms with whom the MSUSA is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
4. Competing or affinity organizations.
5. Donors and others supporting the MSUSA.
6. Agencies, organizations, and associations which affect the operations of the MSUSA.
7. Family members, friends, and other employees.

NATURE OF CONFLICTING INTEREST:

A material conflicting interest may be defined as an interest, direct or indirect, with any persons and firms mentioned in Section 3. Such an interest might arise through:

1. Owning stock or holding debt or other proprietary interests in any third party dealing with the MSUSA.
2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) in any third party dealing with the MSUSA.
3. Receiving remuneration for services with respect to individual transactions involving the MSUSA.
4. Using the MSUSA's time, personnel, equipment, supplies, or good will for other than MSUSA approved activities, programs, and purposes.

5. Receiving personal gifts or loans from third parties dealing with the MSUSA. Receipt of any gift is disapproved except gifts of nominal value which could not be refused without discourtesy. No personal gift of money should ever be accepted.

INTERPRETATION OF THIS STATEMENT OF POLICY:
The areas of conflicting interest listed in Section 3, and the relations in those areas which may give rise to conflict, as listed in Section 4, are not exhaustive. Conceivably, conflicts might arise in other areas or through other relations. It is assumed that the trustees, officers, and management employees will recognize such areas and relation by analogy.

The fact that one of the interests described in Section 4 exists does not mean necessarily that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material that upon full disclosure of all relevant facts and circumstances that it is necessarily adverse to the interests of the MSUSA.

However, it is the policy of the board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of board, officers, and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

DISCLOSURE POLICY AND PROCEDURE:
Disclosure should be made according to the MSUSA standards. Transactions with related parties may be undertaken only if all of the following are observed:
1. A material transaction is fully disclosed in the audited financial statements of the organization;
2. The related party is excluded from the discussion and approval of such transaction;
3. A competitive bid or comparable valuation exists; and
4. The organization's board has acted upon and demonstrated that the transaction is in the best interest of the organization.

Disclosure in the organization should be made to the chief executive (or if she or he is the one with the conflict, then to the board chair), who shall determine whether a conflict exists and is material, and if the matters are material, bring them to the attention of the board chair.

Disclosure involving directors should be made to the board chair, who shall bring these matters, if material to the board.

The board shall determine whether a conflict exists and is material, and in the presence of an existing material conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to the MSUSA. The decision of the board on these matters will rest in their sole discretion, and their concern must be the welfare of the MSUSA and the advancement of its purpose.