

BakerHostetler



## Changes: How Nonprofits “Turn and Face the Strange”

*December 8, 2021*

*Alexander Reid and Ed Spitzberg*

# Agenda

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- I. Introduction
- II. Changes at each stage in lifecycle
  - a) Startup (founder)
  - b) Leadership transitions (succeeding founder, succeeding subsequent EDs)
  - c) Board evolution from founding board to governing/fundraising
- III. External changes
  - a) Legal controversies
  - b) Managing crises
  - c) Seizing opportunities
- IV. Conclusion



# Presenters

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## Alexander Reid

Leader of the Tax-Exempt Organizations  
and Charitable Giving Team

BakerHostetler

Alexander Reid has practiced tax law for nearly 20 years and has a broad-based tax practice that includes tax controversy, tax planning and tax transactional matters. He previously served as legislation counsel to the Joint Committee on Taxation, United States Congress, and as a Fellow at the Office of Tax Policy, United States Department of Treasury. Alex represents taxpayers of all types under audit and at IRS Appeals, and counsels taxpayers seeking administrative guidance from the Internal Revenue Service and United States Department of the Treasury. He also provides advice to clients under investigation and advice regarding legislative tax matters being considered by Congress.

# Presenters

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**Ed Spitzberg**  
President  
Spitzberg Advisors

Ed Spitzberg, President, is a nonprofit executive, fundraiser and strategic advisor with almost two decades' experience in nonprofit leadership. Spitzberg Advisors, a strategic advisory firm serving nonprofit organizations and leaders, brings a team of experts to draw upon for each project. With experience in board development, strategic planning, fundraising and implementation, Ed has helped a variety of organizations and leaders plan and execute their future. He understands the day-to-day needs of running a nonprofit and engaging with the staff and board to get alignment on the best path forward for an organization through planning and retreat facilitation.

# Introduction

- Changes in nonprofits
  - Lifecycle changes
  - Personnel changes
  - Financial changes
  - Other external changes
  - Investigations and legal controversies
  
- Lifecycles
  - Formation and startup
  - Mature organizations: board evolution
  - Organizations seeking renewed focus
  
- Governance
  - Corporate formalities
  - Levels of responsibility: members, directors, officers, employees
  - Governing documents
  - Fiduciary responsibilities
  - Documenting change: the importance of minutes



# Startups

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- Launching a nonprofit
- Founder's syndrome
- Founding boards
- Board recruitment
- Succession planning
- Hiring/onboarding

# Leadership Transitions

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- How involved should the founder be in the transition?
- Interim executives
  - Benefits of interims
  - Structures
  - Transitioning to new ED
- Sudden transitions
- Relationship between management and board
- Hiring strategies



# Board Evolution

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- Founding board
- Governing board
- Fundraising board
- Specialists and division of labor
  - Financial and investment expertise
  - Mission expertise
  - Legal expertise





# External Changes

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- Legal controversies
  - Misconduct allegations
  - Tax controversies
  - Attorney general investigations
- Press and public relations
- Changing public perceptions



# Managing Crises

- COVID-19 pandemic
  - Emergency
  - Contingency
    - “The best laid schemes o' mice an' men / Gang aft a-gley.” R. Burns
  - Adaptive change
    - “The true creator is necessity, who is the mother of our invention.” Plato
  - What worked? What didn't?
  - Choosing what to keep or lose
- Happy surprises
- Seizing opportunities



# Conclusion

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- Planning vs. flexibility
- Instability can reveal systemic issues
- It can also provide opportunities to correct
- How we can help
  - Spitzberg Advisors
  - BakerHostetler



# Questions?

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