



**GUIDEBOOK FOR  
NEW HAMPSHIRE  
CHARITABLE  
NONPROFIT  
ORGANIZATIONS**

**Office of the NH Attorney General  
Charitable Trust Unit  
Concord, New Hampshire**

# ***Excellence in Nonprofit Governance***

**I**n the fall of 2004, while national leaders were debating the need to enact greater regulatory oversight on nonprofit organizations, a group of New Hampshire community leaders, convened by the New Hampshire Charitable Foundation and the New Hampshire Attorney General's office, came together to discuss how to proactively maintain public confidence in New Hampshire nonprofits without creating new legislation. A group representing nonprofits, regulators, legislators and funders met to suggest some voluntary steps towards greater accountability to the public for New Hampshire nonprofits, which they then tested with community leaders in 6 areas of the state. Both this guidebook, and the nonprofit checklist for meeting legal requirements (found in the appendix section), are part of this plan.

## **Committee Members**

### ***Committee Co-Chairs:***

**Michael DeLucia**, Sr. Assistant Attorney General, Director-Charitable Trusts

**Lewis Feldstein**, New Hampshire Charitable Foundation

### ***Members:***

**Susan Bunting**, Foundation for Seacoast Health

**Bob Coates**, Student Conservation Association

**Elizabeth Hager**, United Way of Merrimack County/United Ways of NH

**Mike Hill**, NH Hospital Association

**Tom Horgan**, NH College and University Council

**John Hunt**, NH Legislature

**Peggy Keischnick**, Consultant

**Ann McLane Kuster**, Rath, Young and Pignatelli P.A.

**Ovide Lamontagne**, Devine, Millimet P.A.

**Mary Ann Leon**, Concord Area Red Cross

**Effie Malley**, Families First Health and Support Center

**Doug McIninch-McIninch Foundation/Samuel P. Hunt Foundation**

**Richard Ober**, Monadnock Conservancy/NH Writers Project

**Thomas D. O'Rourke**, Fidelity Investments/The Corporate Fund

**Mike Ostrowski**, Child and Family Services

**Linda Quinn**, NH Center for Nonprofits

**Jim Squires**, Endowment for Health

**Racheal Stuart**, New Hampshire Charitable Foundation

**Jeffrey Walla**, Berry, Dunn McNeil & Parker



**JOHN H. LYNCH**  
Governor

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Dear Friends:

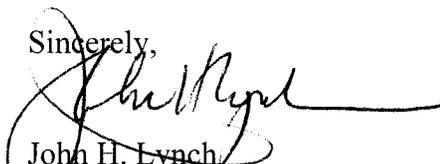
New Hampshire nonprofit organizations provide substantial and vital support for our citizens and our state in providing health care and human services, improving education, protecting our environment, and promoting arts and culture.

New Hampshire citizens who volunteer their time, effort and money to our nonprofit organizations have made a difference on so many different levels in our state. These volunteers deserve our respect, admiration and thanks. This Guidebook provides an easy reference for volunteers to help them understand the nature of their responsibilities.

Because the charitable sector depends heavily upon citizen support, avoiding conflicts of interest are an important part of this Guidebook and an important part of the nonprofit vocabulary. I commend everyone who has worked with the New Hampshire Attorney General's Office to produce this Guidebook. It is one more example of the type of joint venture and collaborative process that has always served New Hampshire well.

Integrity, accountability, and openness are the standards we have set for all of New Hampshire's nonprofits. This Guidebook is an important tool to help our nonprofits achieve this goal and assist New Hampshire citizens in their dedicated public service.

Sincerely,



John H. Lynch  
Governor

# INTRODUCTION

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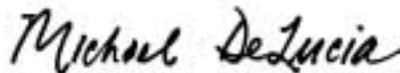
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This Guidebook has been prepared by the New Hampshire Attorney General's Office as a quick reference tool for those individuals serving as directors, trustees, officers, and executive directors of New Hampshire charitable non-profit organizations. It describes in brief terms some of your rights and duties and the conflicts-of-interest issues which you may encounter. Your service as a director, officer, trustee or executive director of a charitable organization should be among the most satisfying and rewarding activities you undertake. This Guidebook attempts to help make your service rewarding.

We have made available on our webpage [www.doj.nh.gov/charitable](http://www.doj.nh.gov/charitable) the major statutes that regulate charitable organizations in New Hampshire, as well as additional resource materials intended to be helpful to charities. This Guidebook is intended to help you understand your rights and responsibilities. It is not intended to be a complete summary of the laws governing charitable organizations in New Hampshire and is not intended to be a substitute for legal advice.

The statute creating the Charitable Trust Unit was enacted in 1943 and was the first of its kind in the United States. The authority of the Attorney General in the charitable trust area traces back into English common law to Elizabeth I, who established the Statute of Uses in 1601. The Attorney General's Office exercises all the common law and statutory rights, duties and powers in supervising and enforcing charitable trust law.

If you have any questions regarding nonprofit organizations, please contact the Charitable Trust Unit at the Attorney General's Office.



Michael S. DeLucia, Esquire  
Director of Charitable Trusts  
Attorney General's Office  
33 Capitol Street  
Concord, NH 03301  
603-271-3591

# YOUR DUTIES AS A BOARD MEMBER

If you serve as a member of the governing board of a charitable organization in the State of New Hampshire, you have definite legal duties and responsibilities for the management and oversight of that charitable organization. New Hampshire law imposes upon you a number of duties, including (a) the duty of loyalty and (b) the duty of care. Although board members do not manage the day-to-day activities of the charitable entity, board members do act as stewards of their charitable entity and have fiduciary duties. Briefly, board members must act in good faith and in the best interests of their organization.

The duty of loyalty means that you must act with undivided loyalty and in the best interests of the charity and not seek to derive private gain from the business transactions of the nonprofit that you serve. In the event that you have a conflict-of-interest between the best interests of the charity and your own interests, you must comply with New Hampshire law in resolving this conflict. Acts of self-dealing are a breach of the fiduciary duty that you owe the nonprofit entity.

The duty of care means that you must act reasonably, as a prudent person in similar circumstances would, that you are familiar with the charity's activities and financial condition, and that you participate regularly in board meetings. It means that you act in good faith and make informed decisions. It is the job of the governing board to oversee the work of the executive director or the chief executive officer of the charity and to see that the charity is faithfully carrying out its charitable purpose without extravagance or waste.

## **In practice, this means:**

- You should attend board meetings and meetings of committees on which you serve. You should make certain that you receive detailed information beforehand about matters that are going to be discussed and voted on at a meeting, especially the financial reports and financial statements of the charity.
- You should carefully read all the material that you receive and prepare yourself to ask questions and be active in board discussions. You must have knowledge of how the organization is functioning and about the specific purposes and mission of the charity. You should be informed about every major action that the charity takes.
- You should use your own judgment in voting and not simply follow the lead of the executive director, chairperson of the board or fellow board members. A responsible board member will ask about the reasons for a particular action being recommended and will ask about the consequences such action will bring.

*Continued on page 4.*

- You should participate in strategic planning activities that assess and plan for the charity's future. You should ask about the status of the charity's internal controls and about written policies and procedures that safeguard and protect the charity from error, fraud and embezzlement.
- You should inquire about whether the charity has a directors and officers liability policy and whether the charity indemnifies its directors and officers from liability.
- You should review copies of any board or committee minutes to make certain that the meetings were properly recorded. You should also make certain that your votes were properly recorded. If there are errors in the minutes, you should ask for clarifications or changes.
- You should make certain that the annual information filing for the IRS Form 990 (or 990PF or 990EZ) is properly and timely filed with both the Internal Revenue Service and the NH Attorney General's Office, as well as all other filings that must be made.

## **BE WELL-INFORMED AND PROACTIVE**

The governing board of the charity must be well-informed, hold regular board and committee meetings, maintain accurate minutes of those meetings, encourage open discussion, and pursue the charity's mission and best interests with determination. One of the responsibilities of a board member is to make certain that the charity operates in a fiscally sound manner, has mechanisms in place to keep it fiscally sound, and is properly using any restricted funds it may have. (For example, the organization cannot use restricted funds designated for specific purposes as operating funds.)

Of additional concern to you as a board member is whether the charity has filed the required annual federal and state reports and tax returns. The charity's contractual relationships with paid fundraisers also need to be filed with the Attorney General's Office. Again, if you do not have adequate information, you have the right to get it.

### **In practice, this means:**

- The board should make certain that a realistic annual budget is developed. The budget should be developed early enough so that the entire board can be involved in its review and approval before the beginning of the fiscal year. Board members should expect management to produce timely and accurate income and expense statements, balance sheets and budget status reports. Board members should also expect to receive and review these in advance of board meetings.
- The board should require periodic confirmation from management that all required filings (such as the Form 990 and New Hampshire's annual report) are up-to-date and that employee withholding taxes and insurance premiums are being paid when due.
- The board should consider the value of creating standing audit and finance committees and also pay special attention to where and how the funds of the charity are being held and invested. The board should confirm that restricted gifts are being accounted for separately and that they are being used in accordance with the restrictions applying to them.
- The board must make certain that fundraising is done honestly and with integrity. Contracts with professional fundraisers, who are empowered to solicit charitable donations from the public in the charity's name, should be read carefully and the board should inquire into the fundraiser's track record. The board should make sure that any contract with an outside professional fundraiser is fair and reasonable, and that the fundraiser's performance is monitored.

# **YOUR BOARD MUST BE DIVERSE**

As a board member, you have the responsibility to ensure that the first priority of your organization is to operate your charity in a manner that is most beneficial to the community. A nominating process that invites openness, variety, and change is important in achieving this goal. You should make sure that your board's process of selecting new members assures that various viewpoints are recognized through thoughtful discussion. New Hampshire law provides as follows: "In the interest of encouraging diversity of discussion, connection with the public, and public confidence, the board of directors of a charitable nonprofit corporation shall have at least 5 voting members, who are not of the same immediate family or related by blood or marriage. The provisions of this section may be waived with the approval of the director of charitable trusts after application for such waiver." (RSA 292:6-a)

## **In practice, this means:**

- The nominating process should reach out for candidates, actively recruiting individuals whose commitment, skills, life experience, background, perspective or other characteristics will serve the charity and its needs.
- Term limits for board members can be an effective way to ensure board vitality. If your board does not have term limits, board members should be reviewed periodically to confirm that they remain interested in and suitable for the board. Rotation off the board and designation as honorary director or director emeritus are useful in this regard. In short, avoid becoming a closed club with a narrow range of insiders on the board.
- Financial skills are among the most important qualities found on a diverse board, and governing boards are encouraged to recruit board members with these skills.

## **RESPONSIBILITY FOR THE EXECUTIVE DIRECTOR'S SELECTION AND COMPENSATION**

A major responsibility of the board of directors is the selection of a qualified executive director, the establishment of that person's compensation, review of that person's performance on an annual basis, and offering positive criticism, where appropriate. In establishing compensation, you should be aware that the public, which supports the charity and uses its services, is interested in knowing how their charitable donations are being used and what compensation levels are being paid. This information is public in New Hampshire and in other states. The Form 990 is on file at the Attorney General's Office in Concord; and the Form 990s are also available on [www.guidestar.com](http://www.guidestar.com).

In addition, the Internal Revenue Service is concerned about the payment of excessive compensation and has established penalties to deal with excessive compensation. Under federal law, board members who knowingly approve excessive compensation and benefits for certain officers could also be subject to penalties.

### **In practice, this means:**

- Every board member should know what the executive director or the chief executive officer is paid, including fringe benefits. If the board has a formal compensation committee that recommends a specific salary, you are still responsible as a board member for reviewing and approving that salary level and for asking questions about how the salary level was determined. In addition, the IRS asks governing boards to review comparable salary data and specific performance measures to determine appropriate compensation levels.
- You should remember that compensation of the executive director is important to those who donate funds to the charity, to those who are beneficiaries of the charity, and to the community at large.
- You should be involved in the selection and review of the charity's executive director and chief financial officer and make certain these individuals have the appropriate skills, education and experience to carry out their responsibilities.

# CONFLICTS OF INTEREST

Directors and officers have a duty to act in the best interests of the charity. Prior to joining the board, a director must disclose any personal or business relationship that is in conflict with this duty of undivided loyalty, whether actual or potential. If a transaction is presented to the board and a director has a personal or business interest in the matter, he must disclose that conflict of interest to the board, remove himself from any board discussion and not vote on the matter. Boards should circulate conflicts of interest questionnaires to board members at the start of each new year in order to document existing or potential conflicts of interest.

## **GUIDELINES**

The following guidelines are summaries of New Hampshire laws on conflicts of interest (RSA 7:19-a and RSA 292:6-a). It is the obligation of each governing board to review the law in this area:

### **1. Under no circumstances should a charity that you serve do the following:**

- lend money or property to a board member;
- sell, purchase or lease land from an officer, board member or trustee without prior court approval;
- do business with the charity that is unfair to the charity or impairs its ability to perform its' mission.

### **2. Transactions Under \$500.**

If the total value of a board member's transactions with the charity is less than \$500 in any fiscal year, the transactions are permitted, if they are in the charity's best interest.

### **3. Transactions in Excess of \$500.**

If the total value of a board member's transactions are in excess of \$500 in a fiscal year:

- you must sell goods or services that are purchased only in the ordinary course of the charity's business and charge only the actual reasonable or discounted cost.
- you must disclose the details of the transaction to the board and you may not take part in the discussion or vote on the transaction.
- a two-thirds majority of the board of directors, who have not themselves sold goods or services to the charity in the last fiscal year, must find that the transaction is in the charity's best interest; and
- the board must keep written minutes regarding its' actions and must keep a list of all directors with whom the charity does business.

### **4. Transactions in Excess of \$5,000.**

If the total value of a board member's transactions with the charity exceeds \$5,000 in one fiscal year:

- The charity must comply with the above requirements and also publish a notice in the newspaper of general circulation in the community where the charity has its' headquarters; and
- The charity must give notice to the Attorney General before consummating the transaction.

# CONFLICTS OF INTEREST POLICY

Because non-profit organizations differ in size, mission and complexity, no one conflict of interest policy is suitable for all non-profit entities. A working committee of your board, or the executive director, might be the appropriate group or person to draft the conflict-of-interest policy required by the New Hampshire statute (RSA 7:19-a). The two conflict of interest policies set forth below are should be regarded as samples and not be adopted without first reviewing the statutory requirements in their entirety.

## **A. SAMPLE POLICY #1:**

### **1. Duty to Disclose**

Each Director, prior to taking his position on the Board, and all present Directors shall submit in writing to the Chair of the Board a list of all businesses or other organizations of which the director is an officer, director, trustee, member, owner (either as a sole proprietor or partner), shareholder, employee or agent, with which the [charity] has or might reasonably in the future enter into, a relationship or a transaction in which the Director would have conflicting interests. The Chair of the Board shall become familiar with the statements of all Directors in order to guide his conduct should a conflict arise.

### **2. Voting**

At such time as any matter comes before the Board in such a way to give rise to a conflict of interest, the affected Director shall make known the potential conflict, whether disclosed by his written statement or not, and after answering any questions that might be asked of him, shall withdraw from the meeting for so long as the matter shall continue under discussion. In addition, other Directors who themselves have had pecuniary benefit transactions with the [charity] within the same fiscal year, should also not be present and not participate in the discussion. Should the matter be brought to a vote, neither the affected Director nor any other Director with a pecuniary benefit transaction with the [charity] in the same fiscal year shall vote on it. The Board will comply with all the requirements of New Hampshire law where conflicts of interest are involved, including but not limited to the requirement of a two-thirds vote and, if the financial benefit exceeds \$5,000 in a fiscal year, publication in the required newspaper.

### **3. Statutory Requirements**

The New Hampshire statutory requirements dealing with pecuniary benefits (RSA 7:19-a and RSA 292: 6-a) are hereby incorporated in full into and made an integral part of this conflict of interest policy; and a copy of the relevant New Hampshire statutes are attached hereto so that every Board member is aware of the statutory requirements. These requirements include, but are not limited to, absolute prohibitions on loans from a charitable trust to a director, officer, or trustee and prohibition of any sale or lease (for a term greater than five years) or conveyance of real estate from an officer, director, or trustee without the prior approval of the probate court. These requirements extend to both direct and indirect financial interests, as defined by the attached statutes.

## **B. SAMPLE POLICY # 2:**

### **1. Duty to Disclose and Voting Requirements**

Any possible conflict of interest on the part of any member of the Board, officer or trustee of the [charity], shall be disclosed in writing to the Board and made a matter of record through an annual procedure and also when the interest involves a specific issue or transaction before the Board. Where the transaction involving a board member, trustee or officer exceeds five hundred dollars (\$500) but is less than five thousand (\$5,000) in a fiscal year, a two-thirds vote approving the transaction is required. Where the transaction involved exceeds five thousand dollars (\$5,000) in a fiscal year, then a two-thirds vote approving the transaction and publication of a legal notice in the required newspaper is required, together with written notice to the Director of Charitable Trust, Attorney General's Office. The minutes of the meeting shall reflect that a disclosure was made; that the interested Director and all other Directors with a pecuniary transaction with the [charity] during the fiscal year were absent during both the discussion and the voting on the transaction. Every new member of the Board will be advised of this policy upon entering the duties of his or her office and shall sign a statement acknowledging, understanding of and agreement to this policy.

### **2. Other Statutory Requirements**

The Board will comply with all requirements of New Hampshire laws dealing with pecuniary benefit transactions (RSA 7:19-a and RSA 292: 6-a) and all such laws are incorporated in full into and made a part of this policy statement. These requirements include, but are not limited to, absolute prohibition on any loans to any director, officer or trustee of the charitable trust, and prohibition of any sale or lease (for a term greater than five years) or conveyance of real estate from an officer, director, or trustee without the prior approval of the probate court. These requirements extend to both direct and indirect financial interests, as defined by the attached statutes.

# KNOW YOUR RIGHTS

In order to carry out your legal responsibilities as a board member or trustee, you must be able to make informed judgments about important matters affecting the daily operation of the charity and how it affects the community it serves. The law permits you to reasonably rely on information from the charity's staff, its lawyer, its accountant, outside advisors, and board committees in making those judgments. If you don't have adequate information, you have the right to request and obtain it.

## **In practice, this means:**

- You should have a copy of the Articles of Incorporation and Bylaws of the charity and other documents that may be necessary to understand its operations.
- You should inquire about an orientation session for new board members and about a board manual containing the charity's written policies and procedures.
- You have the right to have reasonable access to management and reasonable access to internal information about the organization.
- You have the right to have reasonable access to the organization's principal advisors, such as its auditors and consultants on executive compensation.
- The board has the right, if necessary, to engage the services of outside advisors at the charity's expense to assist it with a particular matter.

# FREQUENTLY ASKED QUESTIONS

## **1. What is a charity?**

Under New Hampshire law, charities include private foundations, public charities, town trusts, library trusts, cemetery trusts, and any other entity soliciting funds for a charitable purpose, whether or not they are a 501(c)(3) organization. Charitable purposes are very broadly defined and include, but are not limited to, relief of poverty, advancement of education or religion, promotion of health, science, sports and other purposes beneficial to the community. Charitable entities may receive special privileges in recognition of the public benefits that they provide. Religious organizations are not required to register with either the Internal Revenue Service or the New Hampshire Attorney General's Office.

## **2. How many charitable trusts are there in New Hampshire?**

As of January 2005, there were approximately 5,600 organized charitable trusts reporting to the Attorney General's Office in New Hampshire, both national charities and New Hampshire-based charities. Of this number, 1,700 were national charities and 3,900 were New Hampshire organizations. These numbers do not include testamentary trusts or the municipal boards of trustees. The estimated value of the charitable sector in NH for 2003 was \$12.5 billion, as determined by the Urban Institute.

## **3. Reporting Requirements in New Hampshire.**

Charitable trusts must file a financial report with the Attorney General's Office annually, within 120 days of the end of their fiscal year. The forms required to be filed are found at the website for the Charitable Trusts Unit [www.doj.nh.gov/charitable](http://www.doj.nh.gov/charitable). In addition, all charitable trusts that have revenue of \$1,000,000 or more must file their audited financial statements with the Attorney General's Office at the time they file their annual reports. All charitable trusts that have revenue between \$500,000 and \$1,000,000 must file a financial statement that complies with GAAP. Private foundations are not required to file either the audited financial statements or the financial statements in compliance with GAAP. Finally, "health care charitable trusts" are required to file community benefits reports with the Attorney General's Office. (See the charitable trust webpage for more information.)

## **4. What is a 990?**

Form 990 and Form 990-EZ are used by tax-exempt organizations and nonexempt charitable trusts to provide the IRS with financial data on the organization. An organization's completed Form 990, or Form 990-EZ, is available for public inspection. Members of the public rely on Form 990, or Form 990-EZ, as the primary or sole source of information about a particular organization. How the public perceives an organization may be determined by the information presented on its return. Therefore, it is advisable to make sure the return is complete and accurate and fully describes the organization's programs and accomplishments. For further information on the 990 or 990-EZ, go to the IRS website at [www.irs.gov](http://www.irs.gov).

## **5. What is stewardship?**

Stewardship means protecting the charitable assets that you have been entrusted with as a member of the board of directors. Charitable assets are funds impressed with a public purpose and, consequently, must be accounted for. Stewardship and fiduciary duties are intimately related; and fiduciary duties (the duties of loyalty and care) are discussed in the body of the Guidebook.

## **6. How do I start a charity?**

For specific information on how to organize a charitable nonprofit organization, please see [www.doj.nh.gov](http://www.doj.nh.gov).

# **APPENDICES**

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# NEW HAMPSHIRE NONPROFIT CHECKLIST

## Legal Requirements for NH Nonprofit Organizations

(defined as all IRS 501(c)(3) entities, except religious organizations)

### For All Nonprofits

#### Annually

- Filing of Annual Report with NH Director of Charitable Trusts\*
- Filing of Form 990 with NH Director of Charitable Trusts and with the IRS\*  
(If annual revenue is under \$25,000 a 990 is NOT required. Form NHCT-2A should be substituted.)
- Conflict of Interest Policy and filing of annual conflict of interest statement with the NH Director of Charitable Trusts

### When nonprofit is established

- Registration with NH Secretary of State\* (must be renewed every five years)
- Minimum of five independent directors (see RSA 292:6-a)
- IRS 501(c)(3) tax exempt status confirmed by IRS Exemption Letter  
Date of Determination \_\_\_\_\_
- Employer Identification Number (EIN) received from IRS  
EIN \_\_\_\_\_

\*Some NH nonprofit organizations are affiliates of regional or national organizations and are not required to be registered with the State of NH, provided the national organization has registered. In such cases a letter of explanation should be supplied.

### For Nonprofits with revenues over \$500,000 - to be filed with the NH Director of Charitable Trusts

- Nonprofits with annual revenues of \$500,000-\$1,000,000 must file financial statements prepared in accordance with Generally Accepted Accounting Principals
- Nonprofits with annual revenues over \$1,000,000 must file an audited financial statement
- Note: Nonprofits with endowment funds have additional requirements  
( See reverse side for resources)

This organization (print name of org.) \_\_\_\_\_  
is in compliance with all of the requirements of the NH Director of Charitable Trusts, the IRS and the NH Secretary of State, as listed above.

\_\_\_\_\_  
Board President/Chair - Print Name

\_\_\_\_\_  
Executive Director/CEO - Print Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

This form needs to be originally signed on an annual basis. Photocopies of the original are perfectly acceptable.  
DO NOT submit copies of all the documents listed here.

## RESOURCES

**The Director of Charitable Trusts has a very helpful website: [www.doj.nh.gov/charitable](http://www.doj.nh.gov/charitable). And has also created a helpful guidebook. This guidebook may be downloaded from the above website under publications.**

### References for requirements for all nonprofits

*Copies of statutes and forms may be found at [www.doj.nh.gov/charitable](http://www.doj.nh.gov/charitable)*

- Registration with NH Director of Charitable Trusts - RSA 7:19 through 7:32-l
- Conflict of Interest Policy that complies with 1997 Statute - RSA 7:19-a
- Annual Report filed with Director of Charitable Trust - RSA 7:28

*Copies of statutes and forms may be found at [www.sos.nh.gov/corporate/forms](http://www.sos.nh.gov/corporate/forms)*

- Registration with NH Secretary of State – RSA 292:25
- Minimum of five independent directors - RSA 292: 6-a

### References for additional requirements for nonprofits, where applicable (Copies of statutes may be found at [www.state.nh.us](http://www.state.nh.us))

- Annual spending policy in compliance with Uniform Management of Institutional Funds Act - RSA 292-B
- Investment Policy that complies with Uniform Prudent Investor Act - RSA 564-B
- Uniform Trust Code - RSA 564-B

### *Other useful websites:*

[www.state.nh.us](http://www.state.nh.us) – click on Laws and NH Statutes for full text of New Hampshire laws

[www.guidestar.org](http://www.guidestar.org) – all IRS Form 990's in searchable format

[www.irs.gov](http://www.irs.gov) – additional information on Federal tax laws relating to charities

[www.nhnonprofits.org](http://www.nhnonprofits.org) – information on workshops, upcoming events, and other issues of interest to New Hampshire nonprofits

[www.independentsector.org](http://www.independentsector.org) – a national coalition of leading nonprofits, foundations and corporations strengthening not-for-profit initiatives, philanthropy and citizen action

[www.boardsource.org](http://www.boardsource.org) – a national organization dedicated to building effective nonprofit boards

3/14/05

Office of the New Hampshire Attorney General Charitable Trusts Unit  
33 Capitol Street, Concord, NH 03301-6397

**ANNUAL FILING FEE: \$75.00**

Make check payable to:  
State of New Hampshire

**ANNUAL REPORT CERTIFICATE**

_____ Organization Name		_____ Fiscal Year End	
_____ In Care of		_____ State Registration #	
_____ Address	_____ City	_____ State	_____ Zip

Under the penalties of perjury set forth in RSA 641:1-3, I declare that I have examined the attached report, including accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct and complete.

_____ <b>Signature of</b> PRESIDENT, TREASURER OR TRUSTEE	_____ Date
_____ <b>(Print or Type) Name of Officer/Trustee</b>	_____ Title

**THE SIGNATURE OF THE EXECUTIVE DIRECTOR IS NOT ACCEPTABLE.** (If the organization does not have the office of "President" or "Treasurer", please attach an explanation or definition of the authority vested in the signator.)

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

On this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ before me personally appeared the above-named officer or trustee who acknowledged himself/herself to be the officer/trustee, President, Treasurer of the above-named organization and took oath or affirmed that the attached report including accompanying schedules and statements is to the best of his/her knowledge and belief true, correct and complete.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: \_\_\_\_\_  
Notary Public



# State of New Hampshire 2005 NON PROFIT REPORT

REPORT DUE BY December 31, 2005

NEW HAMPSHIRE CHARITABLE FOUNDATION

37 PLEASANT ST  
CONCORD, NH 03301

ADDRESS OF PRINCIPAL OFFICE:

37 PLEASANT ST  
CONCORD, NH 03301

REGISTERED AGENT AND OFFICE: (foreign only)

ENTITY TYPE:	NONPROFIT
BUSINESS ID:	63822
STATE OF DOMICILE:	NEW HAMPSHIRE
FEDERAL ID:	000000000

If changing the mailing or principal office address, please check the appropriate box and fill in the necessary information.

- The new mailing address \_\_\_\_\_
- The new principal office address \_\_\_\_\_

PO Box is acceptable.

### OFFICERS

NAME AND OFFICERS ADDRESS (P.O. BOX ACCEPTABLE).  
(MUST LIST AT LEAST ONE OFFICER BELOW)

**A**

NAME \_\_\_\_\_

STREET \_\_\_\_\_

CITY/STATE/ZIP \_\_\_\_\_

### BOARD OF DIRECTORS

NAME AND OFFICERS ADDRESS (P.O. BOX ACCEPTABLE).  
(MUST LIST AT LEAST ONE DIRECTOR BELOW)

**B**

NAME \_\_\_\_\_

STREET \_\_\_\_\_

CITY/STATE/ZIP \_\_\_\_\_

NAMES AND ADDRESSES OF ADDITIONAL OFFICERS AND DIRECTORS ARE ATTACHED

To be signed by president or other officer.  
I, the undersigned do hereby Certify that the statements on this report are true to the best of my information, knowledge and belief.

Sign here: \_\_\_\_\_

Please print name and title of signer: \_\_\_\_\_

NAME

TITLE

FEE DUE: \$25.00

E-MAIL ADDRESS (OPTIONAL): \_\_\_\_\_



WHEN THIS FORM IS ACCEPTED BY THE SECRETARY OF STATE, BY LAW IT WILL BECOME A PUBLIC DOCUMENT AND ALL INFORMATION PROVIDED IS SUBJECT TO PUBLIC DISCLOSURE  
REQUIRED INFORMATION MUST BE COMPLETE OR THE REGISTRATION REPORT WILL BE REJECTED

MAKE CHECK PAYABLE TO SECRETARY OF STATE  
RETURN COMPLETED REPORT AND PAYMENT TO:

New Hampshire Department of State, Annual Reports, P.O. Box 9529, Manchester, NH 03108-9529



# APPENDIX TO THE ANNUAL REPORT AT [www.doj.nh.gov/charitable](http://www.doj.nh.gov/charitable)

OFFICE OF THE NEW HAMPSHIRE ATTORNEY GENERAL  
CHARITABLE TRUSTS UNIT  
33 Capitol Street, Concord, NH 03301-6397

## **MUST BE COMPLETED** **AND ATTACHED TO FILING**

### **APPENDIX TO ANNUAL REPORT**

Name of Organization: \_\_\_\_\_

1. Is there currently a conflict of interest policy in effect? Yes \_\_\_\_\_ No \_\_\_\_\_  
**A Conflict of Interest Policy is required by law (see RSA 7:19 II)**

2. Did any officer, Director, Trustee or member of the immediate family obtain a pecuniary benefit from the organization in the last year other than reasonable compensation for services rendered and expenses incurred in connection with their official duties?  
Yes \_\_\_\_\_ No \_\_\_\_\_

#### **If yes, complete the following:**

A. Was any real estate transaction involved? Yes \_\_\_\_\_ No \_\_\_\_\_

B. Was a loan made to any director, officer or trustee? Yes \_\_\_\_\_ No \_\_\_\_\_

C. Was a pecuniary benefit paid in excess of \$500? Yes \_\_\_\_\_ No \_\_\_\_\_  
**If yes, attach copy of meeting minutes.**

D. Was a pecuniary benefit paid in excess of \$5,000? Yes \_\_\_\_\_ No \_\_\_\_\_  
**If yes, attach a copy of:**

- Public Notice
- Meeting Minutes
- Employment Contract

E. Provide a **list** of each pecuniary benefit transaction involving a director, officer, trustee or member of the immediate family. Include names of recipient(s) and amount(s) of benefit as required under RSA 7:28.

**NOTE:** The Director of Charitable Trusts may request **copies** of all contracts, payment records, vouchers and financial records or documents involving a director, officer, trustee or member of the immediate family as required under RSA 7:24.

# THE BOARDSOURCE TEN BASIC RESPONSIBILITIES



1. **Determine the organization's mission and purpose.** It is the board's responsibility to create and review a statement of mission and purpose that articulates the organization's goals, means, and primary constituents served.
2. **Select the chief executive.** Boards must reach consensus on the chief executive's responsibilities and undertake a careful search to find the most qualified individual for the position.
3. **Provide proper financial oversight.** The board must assist in developing the annual budget and ensuring that proper financial controls are in place.
4. **Ensure adequate resources.** One of the board's foremost responsibilities is to provide adequate resources for the organization to fulfill its mission.
5. **Ensure legal and ethical integrity and maintain accountability.** The board is ultimately responsible for ensuring adherence to legal standards and ethical norms.
6. **Ensure effective organizational planning.** Boards must actively participate in an overall planning process and assist in implementing and monitoring the plan's goals.
7. **Recruit and orient new board members and assess board performance.** All boards have a responsibility to articulate prerequisites for candidates, orient new members, and periodically and comprehensively evaluate its own performance.
8. **Enhance the organization's public standing.** The board should clearly articulate the organization's mission, accomplishments, and goals to the public and garner support from the community.
9. **Determine, monitor, and strengthen the organization's programs and services.** The board's responsibility is to determine which programs are consistent with the organization's mission and to monitor their effectiveness.
10. **Support the chief executive and assess his or her performance.** The board should ensure that the chief executive has the moral and professional support he or she needs to further the goals of the organization.

*This guidebook was produced with support from:*



*Y*our service as a director, officer, trustee or executive director of a charitable organization should be among the most satisfying activities you undertake. This Guidebook will help you to understand your responsibilities in this role, and help to make your service more rewarding.

State of New Hampshire  
Office of the Attorney General  
Charitable Trust Unit  
33 Capitol Street  
Concord, NH 03301  
603-271-3591  
[www.doj.nh.gov/charitable](http://www.doj.nh.gov/charitable)