How can nonprofits reduce risk and increase donor trust? With better compliance management.

Focusing on compliance doesn’t take away from mission—it helps fulfill it

Compliance—meeting ever-changing business, HR, and data regulations—is a fact of life for *every organization*, large or small, for-profit or nonprofit. *Yet not every organization has the same resources to invest in or manage compliance efficiently.* Nonprofits are nearly always under-resourced while working toward achievement of their mission, so they need to be able to do more with less.

Thus, for organizations more committed to improving communities than increasing dividends, it can be tempting to temporarily sideline compliance needs, especially in the face of shrinking budgets and increased competition for funding.

However, mission and compliance are not competing concerns but connected ones. And *fulfilling compliance* is absolutely crucial to a nonprofit’s *ongoing ability to fulfill its mission.*

Allocating funds toward compliance doesn’t take away from mission. In contrast, it helps nonprofits achieve and sustain mission by increasing donor trust, protecting donor funds, and improving staff confidence

How meeting compliance helps nonprofits achieve mission

Falling afoul of state, federal, or foreign regulations is dangerous for any organization but especially so for those that depend on both donor dollars and continued goodwill. For nonprofits, not meeting compliance training or reporting requirements can result in fines, the inability to apply for certain grants, and/or loss of 501©(3) status. Noncompliance can also damage reputation, which in turn hampers fundraising. The ability to successfully raise money and create long-term partnerships depends on impeccable stewardship of existing donor dollars.

But while every nonprofit understands the risk of noncompliance, few realize that meeting compliance requirements does more than mitigate risk. And maintaining compliance—be it specific to job-related skills and certifications, diversity or sexual harassment training, or member and board requirements—can actually help nonprofits more effectively achieve and sustain mission.

A nonprofit that prioritizes compliance:

Builds trust. Making the effort to be in compliance demonstrates that the nonprofit is invested in abiding by federal, state, and local rules of conduct—and by extension, those of the community-at-large. By "playing by the rules," especially in the areas of HR compliance, the nonprofit nurtures a reputation as an organization that doesn't just care about its mission but its status as a good citizen and as a trusted member of the community.

Demonstrates wise stewardship of donor dollars. Keeping up with compliance requirements protects donor investments. Meeting regulations consistently and on time ensures donor gifts go toward mission, not fines or lawsuits. Additionally, the increased transparency necessary to meet many requirements further demonstrates that a nonprofit has nothing to hide from regulatory bodies or potential donors.

Improves employee and volunteer confidence. Investment in compliance training is also an investment in employees and volunteers. Compliance training establishes a framework for appropriate conduct. For employees, understanding the boundaries of and how to navigate harassment, violence, or discrimination can also reduce anxiety and increase focus and productivity at work. In addition, compliance training, when done right, can do double duty as continuous learning, a key component in driving engagement and retention.

How can nonprofits balance the demands of compliance and mission? With better tools.

Reaping the benefits—and eliminating the risks—of compliance training and tracking can be challenging for nonprofits still relying on antiquated systems. Using spreadsheets, Word documents or plain-old paper for tracking and reporting hampers both efficiency and transparency. While outdated, boring training curriculum and delivery methods make it more difficult to drive completion rates.

In contrast, a software solution that automates compliance tracking, streamlines training delivery, and enables real-time visibility and reporting enables organizations with limited resources to meet regulations efficiently and cost effectively.

Software solutions such as Cornerstone's Learning suite provides nonprofit organizations with an easy-to-use training solution, complete with configurability and automation, to ensure the proper training is deployed to the correct audience.

With the right learning platform, nonprofit organizations can

- **Save time.** Easily generate up-to-date compliance reports for federal, state, and local regulators.
- **Increase visibility.** Track compliance training completions and generate automatic reminders for those who are not yet in compliance
- **Target training.** Deliver targeted compliance training to employees, volunteers, members, boards, and other stakeholders
- **Accommodate growth.** Scale compliance tracking and training automatically to keep up with nonprofit expansion
- **Engage employees.** Make compliance training engaging and align it with organizational mission with new content and delivery methods
- **Simplify administration.** Configure Cornerstone Learning to your nonprofit's unique compliance tracking and reporting needs