TOP 10 WAYS TO GET INVESTIGATED BY A STATE REGULATOR
1. BOARD GOVERNANCE . . .

Directors and Senior leadership failing to be sufficiently active and informed.
2. SAFEGUARDING ASSETS . . .

e.g., fraud and embezzlement, also failure to adequately protect donor information.
3. CONFLICTS OF INTEREST . . .

Would the media and your Mom understand?
4. EXCESSIVE COMPENSATION AND/OR EXECUTIVE DIRECTOR WITH TOO MUCH POWER
5. CLEAR FAILURE TO FOLLOW THE MISSION OF THE NONPROFIT . . .

Board cannot be asleep at the wheel.
6. MEMBERSHIP ISSUES/MANAGING BOARD CONFLICT . . .

If you don’t resolve the conflicts – we will.
7. MISUSING YOUR ENDOWMENT OR RESTRICTED ASSETS/DE FACTO APPLICATION OF CY PRES . . .

Must follow restrictions on donations
Duty to prudently invest
Duty to supervise all investments and investors/advisors
8. FUNDRAISING ISSUES . . .
9. PUBLIC ACCOUNTABILITY AND TRANSPARENCY . . .

Failure to comply with federal and state reporting requirements
Failure to keep adequate and timely records
10. IGNORE THE ATTORNEY GENERAL’S OFFICE . . .

NEED WE SAY MORE?