



How Can You Get Rid of a Bad Board Chair?

Is there a way to get someone to step down without blood on the wall?

Q: How can we get rid of a board chair who is doing a disservice to the organization? He has been on the board for 20 plus years, the bylaws don't limit his term, and he doesn't even know the mission of the organization!

Janet via e-mail

A: I would suggest a committee of the board meet with him to discuss their concern and ask him to consider stepping aside for the good of the organization. One way to approach it is, "We value all you've done in the past 20 years. We would like to see continuity of leadership and hope you'll remain in an advisory capacity while someone else takes the reins."

If this doesn't work, you'll have a fight on your hands. You might want to bring in an outside advisor. Most United Ways have management assistance centers that could provide help. Good luck! ■

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How Should You Report Rental Income?

Don't make this mistake.

Q: We include the rental income from our low-income apartment house on line 6 of our Form 990 tax return under gross rents. Is that correct?

A: Probably not. If one of your charitable purposes is to provide low-income housing, you should report income from this activity on line 2 as program service revenue.

Many organizations that receive rent from related activities, or interest from

program-related loans, make the mistake of reporting the income on the form's rental or interest lines when they should report it under program service revenue. This error makes the organization look like it's doing less charitable work than it is. ■

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*Don Kramer
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