

# 10 rules of the road for nonprofit centers

BY CHARLES LEWIS

We are witnessing nothing less than the dawn of a new investigative journalism ecosystem in the United States, in which the most ambitious reporting projects will increasingly emanate from the public realm, not from private, commercial outlets.

In these frustrating times of shrinking commercial newsrooms, unprecedented numbers of talented investigative journalists have nowhere to work. For the sake of our lonely profession – and indeed for democracy itself – we need to preserve and enlarge the public space for high quality investigative journalism. The only way to do that is to create new economic models to enable this hugely important work.

Muckrakers are not generally known for their business entrepreneurialism, personnel management skills or financial acumen. However, we are all necessarily practical and pragmatic. That may partly explain why the two oldest investigative reporting nonprofits in the United States – the Center for Investigative Reporting and the Center for Public Integrity – were separately created by investigative reporters in 1977 and 1989, respectively. In both cases, their founders needed jobs.

Lowell Bergman, Dan Noyes and David Weir in northern California, and myself in Washington, under different individual circumstances, sought a safe haven to do quality investigative reporting about the powers that be, unfettered by time, space, editorial or commercial limitations. CIR began from Bergman's house; CPI began from mine. The rest, as they say, is history.

Nonprofit journalism is hardly new. Some of our most venerable media institutions have operated that way, including The Associated Press, National Public Radio, the Public Broadcasting System, *National Geographic*, *Consumer Reports*, *Mother Jones*, *Foreign Affairs*, *Harper's*, the *Christian Science Monitor* and numerous other newspapers. But now, more broadly and in direct response to the commercial news media meltdown, something historically stunning has been occurring. Nonprofit investigative reporting centers are proliferating throughout the nation. We are witnessing nothing less than the dawn of a new investigative journalism ecosystem in the United States, in which the most ambitious reporting projects will increasingly emanate from the public realm, not from private, commercial outlets.

In just the past couple of years, we have seen the emergence of ProPublica, MinnPost and the VoiceofSanDiego. Meanwhile, several campus-based, "hybrid" efforts have begun in which college students collaborate with veteran journalists, and the work is published in commercial or noncommercial outlets. Piggybacking on existing public infrastructure and mentoring tomorrow's journalism professionals with today's premier practitioners make sense.

As a result, substantive investigative reporting is being published online and in tandem with existing outlets, including the American University School of Communication Investigative

Reporting Workshop, which is led by myself and former IRE board member Wendell Cochran.

In the past few months, we've seen the creation of the New England Center for Investigative Reporting at Boston University's College of Communication, which will partner with *The Boston Globe*, New England Cable News and *WBUR*. The Wisconsin Center for Investigative Journalism at the University of Wisconsin School of Journalism and Mass Communication will partner with Wisconsin Public Radio and Wisconsin Public Television. And Kaiser Health News, a project of the Kaiser Health Foundation, is a new, independent news service covering U.S. health care policy issues that has begun partnering with major commercial news organizations. [Full disclosure: I am on the board or advisory boards of these three new entities]. More university-based, stand alone and niche subject reporting centers are likely to continue to emerge throughout the nation. All of these new enterprises will help fill the gaping local, state and national vacuum in accountability, watchdog journalism created by the recent commercial newsroom carnage.

A.J. Lieblich once wrote that "freedom of the press is guaranteed only to those who own one." Not having some soulless, spineless suit shut your investigative project down or eviscerate your meticulously worded copy is a modern media miracle these days and something to be truly savored. The editorial freedom, excitement and sublime satisfaction of creating and running your own news organization are palpable. But so too are the awesome responsibilities the creator uniquely bears from the onset. Imagine being the founder, lead reporter, editor and publisher all at once. Having founded or cofounded four nonprofit investigative journalistic enterprises and having served on half a dozen nonprofit boards of directors throughout the past 20 years, there are some logical, basic best practices – at least through my own idiosyncratic prism of experience – for starting your own nonprofit investigative reporting news organization:

## Iron out the idea

This sounds obvious, and it is. What exactly are you creating and why? What exactly do you envision you will be investigating and publishing, and where and how will it appear? What do you intend to call your new organization? What geographic area or audience group(s) are you trying to reach? What is your journalistic competition, and how is your imagined enterprise different from other relevant news operations? How great is the public need for such public service journalism? What is your mission? What are the realistic prospects for earned revenue and donated financial support, initially and throughout time, and broadly speaking, from whom? Do not pass go if you cannot answer these questions.

## Designate a leader

No committee ever started anything. People commit and exert their own personal leadership, and others rally around their ideas, exuberance and charisma. A committee is not going to be lying awake at 3 a.m. worrying about the enterprise, weekdays and weekends. There must be an alpha female or male willing to assume personal, hourly responsibility for the entire venture and who is also able to play well in the sandbox with others. Organizations, including news ventures, can and do have co-directors or co-editors, but power and authority-sharing are neither easy nor ideal. Consequently, a founder's vision and messianic zeal

usually resides in one necessarily driven person. By the way, if we've learned anything in recent years, it's that a journalistic enterprise must have a journalist at the helm.

## Create a governing structure

How is it governed and by whom? Ideally, the overseer of all daily operations certainly should not also chair the board of directors, which is charged with the legal and fiduciary oversight and responsibility for the incorporated entity. However, if the founder intends also to run the new enterprise day-to-day, he or she must be able to execute and implement his or her vision. That requires an occupationally, ethnically and gender diverse, mutually respectful and trustworthy board of directors, who share values and a common purpose. It must also include the executive director/editor as a member. Without that, you invite chaos, clashing egos, negativity and dissipated energy. Nonprofit corporations have governing instruments, such as bylaws and articles of incorporation, which must be formulated and submitted within the state of choice at the onset and stipulate everything from organizational purpose to board officer positions to length of board director terms, etc. Lawyers prepare these routinely, but don't ever forget: The substance, including every comma, rules.

If the new organization is created within a larger nonprofit corporation, then there should still be a mission statement and a fundamental underlying clarity about who wields the day-to-day decision-making authority. Also, you can also create an invaluable, multipurpose advisory board.

## Determine autonomy

A decision must be made at the beginning: Is this a 501 (c)(3) nonprofit corporation, and if so, where is it incorporated? Is it a project of a larger already existing incorporated entity, such as a university or foundation? If it is the latter, then day-to-day editorial independence and authority must be absolutely clear. If it is not, then nothing notable will be produced, including perhaps public credibility, and it will likely fail. In either 501 (c) (3) or nonincorporated cases, if all of the funding and even the original idea and impetus for the entire reporting venture come from a single source, or almost entirely from one source, then there will be debilitating questions of credibility. Funding from multiple and diverse disclosed sources is not just ideal, it is also essential to the growth, longevity and institutionalization of the organization.

## Get tax-exempt status

All nonprofit investigative reporting centers in the United States to date are supported by private contributions from foundations, individuals or both. No one will make a charitable donation to them if the organization has not received its exemption from federal taxation. Although state incorporation can happen within hours, obtaining your new organization's tax-exempt status generally takes three to six months or longer. The paperwork ideally should be prepared by an experienced attorney.

## Get to investigating

In the earliest weeks and months of the new venture's evolution, it is important and useful to have some potential initial areas of focus or actual investigative reporting projects in mind. Put differently, if there are no specific exciting investigative journal-

ism projects, then honestly, why the hell are you doing this? An investigative reporting center without original, substantive enterprise projects has no reason to exist. If there is no editorial vision, then there will be no investigative reporting center. The founding executive editor must plan and lead the organization's editorial direction and balance the possible with the realistic regarding actual internal capacities. That same executive editor must hire the best available, affordable reporters with the chops to do great work. Of course, he or she also must have final approval authority prior to publication regarding all content.

## Find allies and an audience

An investigative reporting center must have a public presence as soon as possible to survive. There is a direct correlation between quality reporting, Web traffic, media coverage and buzz over the investigative findings and financial contributions to the nonprofit news organization. Generally, the greater the public interest in the work of the organization, the greater the extent of public monetary support for it. Not only is a multimedia, interactive, visually engaging Web site essential, but also partnerships with major news media outlets, which happen to be desperately seeking content, are also advisable. They increase the audience for your work. Communications outreach is not only acceptable, but it is also essential. And the public visibility of the executive editor or others on the staff in public speaking and media interviews only further showcases the public momentum of your organization.

## Identify money sources

Follow the money. The famous "All the President's Men" line written by William Goldman did not pertain to fundraising for an investigative reporting center. However, before asking anyone for a dime to support your public muckraking, there is some reconnaissance that must be first completed. Really following the money refers to the prospecting research needed to determine precisely who the potentially interested foundation donors are, what and who they support, what their average size of gift is, the timing of their board meetings, application deadlines and giving cycles, etc.

Who are the most likely prospects to become donors to your enterprise? What is your precise strategy to approach and to enlist their general or project support? There is an entire science to fundraising, which is too intricate to outline here, that has been made easier by the Foundation Center and the Foundation Directory Online. Equally intricate but more difficult to concretely resolve is establishing your new organization's policies regarding philanthropic support. Will it accept contributions from corporations, labor unions, political parties, advocacy groups or the government? During my years at the Center for Public Integrity, we settled on accepting only foundation and individual support; however, every board meeting for 15 years had a debate about this and other fundraising-related ethics questions.

## Manage finances efficiently

Startup organizations by definition almost never have enough initial resources to hire a development director; it took me four years to hire a young development researcher. During that initial period of the Center for Public Integrity, I simultaneously raised

Fact-checking, multiple eyeballs on the copy and a thorough libel review are essential for every investigative story.

The timeline includes the founding years of many nonprofit journalism and research organizations operating in the United States today.

- 1846 - The Associated Press
- 1908 - *Christian Science Monitor*
- 1922 - *Foreign Affairs*
- 1936 - *Consumer Reports* (Originally Consumers Union)
- 1969 - Public Broadcasting System
- 1970 - National Public Radio
- 1974 - *Mother Jones*
- 1977 - Center for Investigative Reporting
- 1980 - Harper's Magazine Foundation
- 1983 - Center for Responsive Politics
- 1985 - National Security Archive
- 1989 - Center for Public Integrity
- 1989 - Transactional Records Access Clearinghouse
- 1999 - Medill Innocence Project
- 1999 - Stateline
- 2003 - Fund for Independence in Journalism
- 2004 - Schuster Institute for Investigative Journalism
- 2005 - Global Integrity
- 2005 - voiceofsandiego.org (One of several online-only, local news organizations now operating)
- 2006 - Stabile Center for Investigative Journalism
- 2008 - ProPublica
- 2008 - Investigative Reporting Workshop
- 2009 - New England Center for Investigative Reporting
- 2009 - Wisconsin Center for Investigative Journalism

continued on page 39

---

# Nonprofits

continued from page 37

the money and wrote the checks for all expenses, in addition to hiring and overseeing all personnel, directing all research, and reporting and co-authoring nearly all of first reports. I had never raised money or managed people before, but I began to learn. Most nonprofit investigative reporting centers, like most new companies, are a brick-by-brick, slow-growth enterprise. Also, foundation program officers and individual donors want to meet the face of the organization, which is the founder and/or executive editor. They invest in people as much or more than the organizations. Without the personal contact and bonding, there will be no money. I never received a grant from an unsolicited letter or proposal to a foundation official.

The degree of sophistication in fundraising and in financial management necessarily improves throughout time, with the addition of more staff, more policies and more specialized personnel. Nothing is worse than wasting hard-earned money through mismanagement or misspending.

The Center's operating principle was simple and often repeated like a mantra internally: Quality begets quality. Good people – with good working conditions, enough time and resources, good office morale and financial remuneration, including full benefits and generous paid vacation – produce good work.

## Watch your back

It is the nature of our work as investigative reporters that the subjects of our stories become angry. We are accustomed to buttoning up our stories prior to publication and preparing for the worst. But individual nonprofit investigative reporting centers inherently are smaller and more fragile financially and institutionally than are large metropolitan newspapers or television networks, which means that bullet-proofing the enterprise is important. Fact-checking, multiple eyeballs on the copy and a thorough libel review are essential for every investigative story.

I believe any nonprofit investigative reporting center ought to post on its Web site an ethical standards and practices section, the annual IRS 990 report of revenues, expenditures and staff salaries, a list of disclosed donors and staff, board and advisory board biographies.

Starting a new investigative reporting center is not for the faint of heart. It requires infinite patience, stamina and adaptability while retaining your principles and guts in the face of formidable odds and adversities.

At the end of each staff meeting, I would say to my editors, reporters, researchers and support personnel: May the force be with you!

*Charles Lewis founded the Investigative Reporting Workshop at American University in Washington, D.C., where he is the executive editor. He founded and was director of the Center for Public Integrity.*

# IRE SERVICES

INVESTIGATIVE REPORTERS AND EDITORS, INC. is a grassroots nonprofit organization dedicated to improving the quality of investigative reporting within the field of journalism. IRE was formed in 1975 with the intent of creating a networking tool and a forum in which journalists from across the country could raise questions and exchange ideas. IRE provides educational services to reporters, editors and others interested in investigative reporting and works to maintain high professional standards.

## Programs and Services:

**IRE RESOURCE CENTER** – A rich reserve of print and broadcast stories, tipsheets and guides to help you start and complete the best work of your career. This unique library is the starting point of any piece you're working on. You can search through abstracts of more than 20,000 investigative reporting stories through our Web site. Contact: Beth Kopine, [beth@ire.org](mailto:beth@ire.org), 573-882-3364

**IRE AND NICAR DATABASE LIBRARY** – Administered by IRE and the National Institute for Computer-Assisted Reporting. The library has copies of many government databases, and makes them available to news organizations at or below actual cost. Analysis services are available on these databases, as is help in deciphering records you obtain yourself. Contact: Jaimi Dowdell, [jaimi@ire.org](mailto:jaimi@ire.org), 314-402-3281; David Herzog, [dherzog@ire.org](mailto:dherzog@ire.org), 573-882-2127. To order data, call 573-884-7711.

**ON-THE-ROAD TRAINING** – As a top promoter of journalism education, IRE offers loads of training opportunities throughout the year. Possibilities range from national conferences and regional workshops to weeklong boot camps and on-site newsroom training. Costs are on a sliding scale and fellowships are available to many of the events. Contact: Jaimi Dowdell, [jaimi@ire.org](mailto:jaimi@ire.org), 314-402-3281; or Doug Haddix, [doug@ire.org](mailto:doug@ire.org), 614-205-5420

## Publications:

**THE IRE JOURNAL** – Published four times a year. Contains journalist profiles, how-to stories, reviews, investigative ideas and backgrounding tips. The Journal also provides members with the latest news on upcoming events and training opportunities from IRE and NICAR. Contact: Doug Haddix, [doug@ire.org](mailto:doug@ire.org), 614-205-5420

**UPLINK** – Electronic newsletter by IRE and NICAR on computer-assisted reporting. Uplink stories are written after reporters have had particular success using data to investigate stories. The columns include valuable information on advanced database techniques as well as success stories written by newly trained CAR reporters. Contact: David Herzog, [dherzog@ire.org](mailto:dherzog@ire.org), 573-882-2127

**REPORTER.ORG** – A collection of Web-based resources for journalists, journalism educators and others. Discounted Web hosting and services such as mailing list management and site development are provided to other nonprofit journalism organizations. Contact: Mark Horvit, [mhorvit@ire.org](mailto:mhorvit@ire.org), 573-882-1984.

## For information on:

**ADVERTISING** – Mark Stanley, [mstanley@ire.org](mailto:mstanley@ire.org), 573-882-3570

**MEMBERSHIP AND SUBSCRIPTIONS** – John Green, [jgreen@ire.org](mailto:jgreen@ire.org), 573-882-2772

**CONFERENCES AND BOOT CAMPS** – Stephanie Sinn, [stephanie@ire.org](mailto:stephanie@ire.org), 573-882-8969

**LISTSERVS** – Amy Johnston, [amy@ire.org](mailto:amy@ire.org), 573-884-1444

## Mailing Address:

IRE, 141 Neff Annex, Missouri School of Journalism, Columbia, MO 65211