

NPA Members:

I'm writing to inform you of some important changes at the Nevada Press Association ("NPA") and the Nevada Press Foundation ("the Foundation"). These are the kinds of changes we need to announce but that we hope you barely notice.

First, the Foundation has purchased all of the programs and services owned and operated by NPA, including the awards contest, the annual convention and the Nevada Newspaper Hall of Fame. Looking forward, NPA will focus strictly on lobbying and public policy. A copy of the sales agreement is [included in this package of materials](#), which was distributed at NPA's Annual Meeting held Sept. 18 in Reno.

It's worth noting here that NPA and the Foundation are, in the eyes of the law, two separate and distinct nonprofit corporations. In IRS parlance, NPA is a 501(c)(6) trade association and the Foundation is a 501(c)(3) charitable organization. Although they work together to promote journalism and the non-broadcast media business in Nevada, each has its own board of directors responsible for setting policy and providing oversight of the management of the organization.

NPA was established as a member organization — your company and its employees are among the members — whose members vote on major organizational matters like electing a board of directors. It is also permitted by law to engage in lobbying in support of its members' interests. By contrast, the Foundation has no members and its board is seated by appointment. It is allowed to accept charitable contributions but its lobbying capacity is strictly limited. Both organizations are also required by state and federal law to follow the dictates of their own Articles of Incorporation and Bylaws.

[\[Download the NPA and Foundation Articles and Bylaws\]](#)

The boards of both organizations felt the restructuring was beneficial for at least two reasons:

- Despite doubling its members' dues in 2018, NPA has been losing money for years and has little left to fund operations. As you can see from the financial documents included in the Annual Meeting package (see page five), as of the end of July NPA had less than \$11,000 in the bank.

- As a charitable organization, the Foundation has the ability to raise money via individual and corporate contributions and to fund programs via grants from other foundations.

Moreover, after [selling its headquarters building](#) in Carson City earlier this month, the Foundation now has \$1.25 million in the bank. The Foundation's board decided to place \$1 million of those funds in long-term investments that will generate income to help fund programs and services.

This restructuring means the boards of each organization will have a different focus going forward. The NPA Board of Directors will focus on public policy and advocacy, while the Foundation Board of Trustees will assume responsibility for the contest, convention and the other programs and services it bought from NPA. The current board members of each organization are listed in the Annual Meeting package, which has been updated to include the results of the NPA board election held at the meeting. The Foundation will soon announce a process for considering additional appointments to its board. If you have an interest in serving on either board and would like to know more about what it entails, feel free to contact me anytime.

The management fee paid by each organization to my company — I'm a contractor, not an employee — was also revised as a result of the restructuring. NPA will now pay Karpel Public Affairs an annual management fee of \$25,000 and the Foundation will pay KPA an annual fee of \$60,000. That represents a decrease of \$30,000, or 24 percent, in the combined management fee paid to my company.

The upshot of these changes is that the NPA and Foundation boards have helped to secure the future of both organizations. We look forward to serving you and supporting great journalism in the state of Nevada for years to come.

Warmest regards,
Richard Karpel