



Sound investment Book's proceeds help finance museum

BY DAVID E. BROWN

MOREHEAD CITY

Many people in the fishing villages strung along U.S. 70 east of Beaufort can look at a duck decoy and tell you who carved it. It's not so easy, however, to trace the history of carvers who no longer are alive.

The rich history of the Down East region — the boat builders and fishermen and hunting guides and others whose business it was to know the shallow waters and shifting sands of North Carolina's coastal sounds and rivers — is dying with the people who made it. Jack Dudley

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Vigilance key to avoiding misuse of funds

Incidents at two Charlotte nonprofits may prompt other organizations to review their accounting procedures. Experts say boards should be engaged and involved as stewards of their assets.

BY BEA QUIRK

CHARLOTTE

As the staff, board and volunteers at the Charlotte-based Metrolina AIDS Project discovered, if somebody wants to embezzle funds from your nonprofit organization, there's no way you can stop it.

But they also discovered that a system of controls will enable you inevitably to catch up with the embezzler.

"If you have a clever embezzler, any system of controls can be defeated," says John Quillen, director of allocations for United Way of Central Carolinas. "That's why even big businesses get embezzled."

Ward Simmons, a certified public accountant and past president and former treasurer of MAP, says that "if someone is hell-bent on stealing, they will."

"What you need is a system to bring it to your attention — and promptly. Our system brought it to our attention, but it wasn't promptly."

Stephen O'Shields, MAP's volunteer treasurer, has been charged with embezzling \$118,000 from the nonprofit over a 13-month period beginning in September 1992. He is also accused of embezzling funds from Hackberry Homeowners Association, of which he also was treasurer.

The existence of the missing money at MAP came to light in November because MAP followed one of the basic rules of every nonprofit: Have an independent audit conducted every year.

"That outside audit is a real important control," Simmons says. "The auditor started asking the trea-

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surer questions, and when the answers weren't forthcoming over time, it was apparent there was a problem."

MAP also had in place a system of financial controls that was annually reviewed by an outside auditor who identified areas of concern.

"The best thing you can do is have a good internal accounting system," says Quillen. "If you don't have one, you must have one. An auditor can help you set one up, and many will do it for nonprofits at a reduced rate."

And MAP followed the basic rule for financial controls with a dual-signature check system and segregation of duties. Two signatures — any combination of the executive director's, treasurer's and president's — were required for any checks written over \$2,000. Monthly statements from the bank were sent to the treasurer for review as an oversight for the staff.

"The person who signs checks

shouldn't reconcile the checkbook," Quillen says. "Every financial transfer that touches upon the organization's assets should include two people, and the appropriate documentation should be attached before the check is signed."

"To give the staff flexibility in its day-to-day operations, most groups follow this procedure only for checks over a certain amount of money," Quillen says, for example, that the threshold is \$5,000 at the United Way, but that smaller groups may limit it at \$500.

"This enables the staff to function without having to run down a volunteer every time a check has to be written."

At MAP, says Simmons, the second signature allegedly was forged on the checks that were being used to embezzle funds, and those checks were deleted from the monthly bank statements to the bookkeepers. The bookkeepers were told that the miss-

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Southern hospitality Durham church volunteers shelter homeless families

A group of Durham churches are the first in North Carolina to join a national Interfaith Hospitality Network that provides help to homeless families. Since January, nine congregations in the Bull City have been offering shelter to needy families.

BY BARBARA SOLOW

DURHAM

A decade ago, a chance meeting in Grand Central Station in New York City turned Karen Olson's life around.

She had passed a homeless woman every day on her commuting route. Then one day, a conversation with the woman dissolved the stereotypes that Olson had kept in her mind.

"I ran across the street to give her a sandwich and she took my hand," Olson says. "We ended up talking for 20 minutes and I realized that this person that I had wanted to walk by so quickly was a human being who was hurting."

In 1988, Olson founded the Interfaith Hospitality Network, a national organization of 32 church

networks in nine states that provide shelter to homeless families.

In January, Durham became the first city in North Carolina to join the national network, with nine congregations acting as hosts to the homeless.

Similar networks are in the planning stages in Raleigh and Fayetteville.

For one week at a time, host congregations provide overnight lodging, meals and transportation to homeless families that are referred by police, hospitals, emergency shelters and social service agencies.

During the day, children go to school, parents go to their jobs and those without employment are housed at day centers such as those at YMCAs.

Participating families can stay in the network for a maximum of 45 days, after which time they will be referred to other agencies. People with communicable diseases or untreated substance-abuse problems are not eligible for the church program.

In Durham, St. Paul's Lutheran Church was the first to open its doors to homeless families. Other network members are: St. Phillip's Episcopal, McMannen United Metho-

dist, Duke Memorial United Methodist, Pilgrim United Church of Christ, Resurrection United Methodist, Epworth United Methodist, Trinity United Methodist and Glendale Heights United Methodist.

Eleven other congregations are acting as support organizations, including Judea Reform synagogue and Holy Cross Catholic church.

Jens Hemmingsen, a volunteer coordinator of the hospitality program at St. Paul's, says the network does a lot more than offer people shelter.

"It also brings community awareness of the homeless problem. Families stay in congregational buildings and interact with about 50 different volunteers each week. That brings a lot of exposure of the problem to the community and a better understanding of what homelessness is like."

Alice Mooney, a church member who has been an overnight host for families staying at St. Paul's, says barriers come down easily.

"It wasn't hard to break the ice. We started talking right away. The only thing that's hard is knowing when to leave them alone and when

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Bill Rollins, left, and Jens Hemmingsen unload supplies for the homeless.

Photo by John Fletcher Jr.

BRIEFLY

Hospice opens children's program

Hospice of Wake County has launched a new program, "Reflections: A Caring Program for Children" that will provide specialized care for seriously ill children and their families. Children will meet in two groups: one for 8- to 10-year-olds and one for 11- to 13-year-olds. For details, call (919) 782-3959.

Sierra Club reports on Tar Heel growth

A report by the Sierra Club's North Carolina chapter says that urban sprawl is threatening the state's natural resources. The 47-page report uses Raleigh as an example of how urban areas have spread, using up land, water and wildlife habitats. For a copy, call (919) 286-2141.

United Way launches television talk show

United Way of Wake County is launching a half-hour talk show on Raleigh Cable Vision's Community Access Channel 10, beginning Wednesday, May 4, at 6:30 p.m. The show, "Along the Way," will feature local experts discussing issues and proposing solutions to community problems.

Arts council recertified

The Arts Council of Winston-Salem and Forsyth County was recently recertified as a Grassroots Arts Program Local Distributing Agency through 1997 by the N.C. Carolina Arts Council. The council was also commended for the high percentage of people of color on its board.

Teen health project launched

Wake Teen Medical Services is launching the At Risk Adolescent Health Care Project with a \$91,000 grant from the state's Division of Maternal and Child Health. Through the project, the organization will provide physical and mental health services to 600 teens who don't get regular health care.

Correction

In April, the *Philanthropy Journal* incorrectly identified Marc Rotterman, president of the John Locke Foundation, as a political consultant. Rotterman, a former political consultant, is a partner in Rotterman and Associates, a public relations consulting firm. The firm handles political consulting, but he is not involved in that work.