

# Philanthropy Journal

OF NORTH CAROLINA

Trolling for dollars

## Solicitors pocket most funds they raise for charities

**Professional solicitors keep more than 60 percent of the charity funds they raise, according to a recent report. State lawmakers hope to curb that with a new law. But officials predict the problem won't go away soon.**

By SUSAN GRAY

**P**rofessional solicitors kept more than 60 percent of the money they raised for chari-

ties between May 1993 and April 1994, a state regulator has reported. Some kept as much as 90 percent to 95 percent.

Retaining that much money is legal. In 1988, the Supreme Court ruled that solicitors can keep as much as they want of the charitable money they raise as long as they disclose the amount to the charity and to the state solicitation and licensing section.

A bill under consideration by state lawmakers would tighten the

### REGULATION

regulation of professional solicitors. It would not limit how much money they can keep, but, it would require solicitors to identify themselves as professionals to donors. It also would require that, if donors ask how much of a donation goes to charity, they disclose that information.

### THE NUMBERS

The State Soliciting and Licensing Section reported on fund-

raising by 47 licensed solicitors operating in North Carolina, although at least twice that number of solicitors probably work in the state, according to people familiar with the solicitation industry.

"Oh, there's more!" says Lionel Randolph, chief of the State Soliciting and Licensing Section. "Absolutely no doubt. We discover them almost everyday."

According to the report, only 10 of the 47 solicitors gave more than half the money they raised to charity.

Only one, Response Dynamics Inc. of Virginia, gave more than 75 percent.

In comparison, United Way affiliates in North Carolina give an average 88 percent of the funds they raise to charity, Randolph says.

"The stats here are very dismal," he says. "First of all, the gross amount raised has decreased by about \$1.5 million. However, they more than made up for that by returning even less to their sponsors."

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## Making choices Food banks harvest software gift

Two companies each offered to donate a software system to connect 185 food banks that are members of the national Second Harvest network. The two offers left Second Harvest with some difficult decisions.

By TODD COHEN

**S**econd Harvest, the national network of 185 food banks, is going high-tech. Thanks to a gift of software from Lotus Development Corp. in Cambridge, Mass., members of the Chicago-based nonprofit soon will be plugged into one another's computers.

Deciding how to divvy up the nearly 900 million pounds of food distributed each year by Second Harvest will be speeded through electronic messages, which are quicker and less costly than phone calls, faxes or mail.

Second Harvest's leap into the

### TECHNOLOGY

electronic frontier, however, did not come without some tough choices. In addition to the offer of cc:Mail from software giant Lotus, Second Harvest had received an offer of software from Xcellenet Remoteware in Atlanta. The two offers were worth an estimated \$100,000 and \$200,000, respectively—for the software itself and technical

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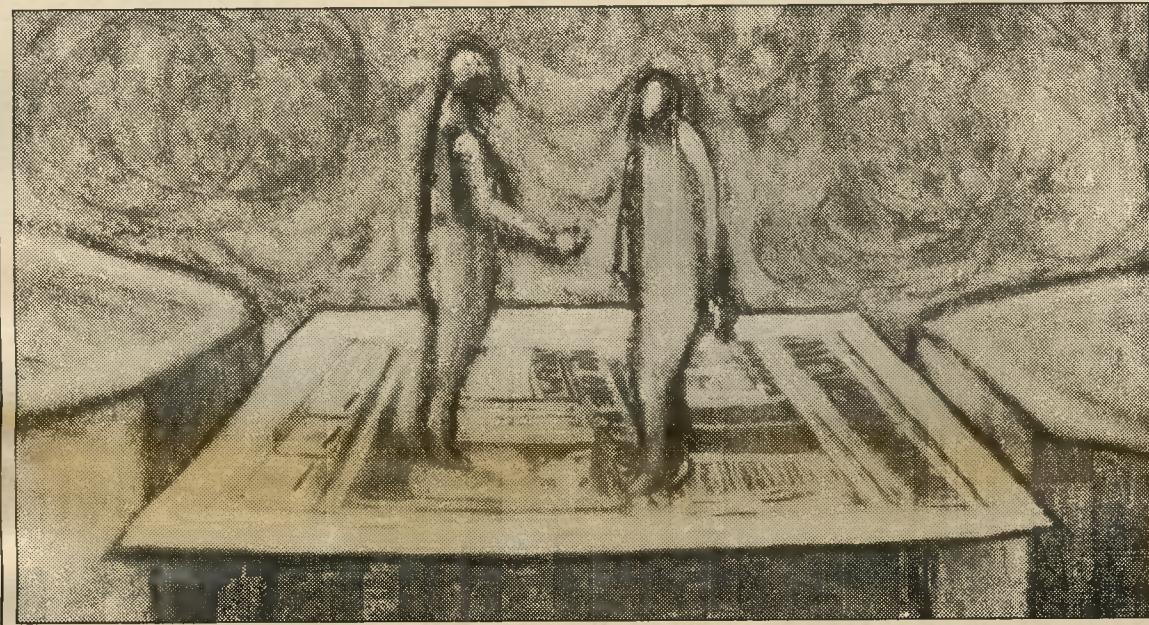


Illustration by Margaret Baxter

## Public journalism Rebuilding communities through media

As newspapers lose readers and the public's trust, and as communities face increasing social problems, some foundations are funding efforts to better plug newspapers into their communities. Advocates of "public journalism" hope that a more engaged media will help reunite communities.

By DAVID E. BROWN

**A** newspaper photographer happens upon two men having a heated argument. One is brandishing a gun. Does the photographer try to mediate? Or play objective observer and fire away with

the camera? And if he does the latter, is he a good journalist or a cop-out?

A Congressional candidate releases a tongue-in-cheek Top 10 list of reasons her opponent is a scoundrel. Is it just too cute for the newspaper not to publish? Or is she leading the public by the nose with a publicity stunt?

Is "Man Bites Dog" enough? Or should the press be helping man and dog work out their differences for the good of the community?

"Traditionally, a newspaper just kicks butt, and there's no obligation beyond that," says Davis "Buzz" Merritt, editor of the *Wichita Eagle*. "I like the idea of the journalist as a fair-minded participant. We need to

see that public life goes well. Clearly, just telling the news doesn't do that."

Says Ferrell Guillory, associate editor of *The News & Observer* in Raleigh, "We live in a society where communication can fracture people as well as bring them together. Newspapers are very good at criticizing, analyzing, holding people to account. But they are not very good at coming up with solutions."

And across the country, they are in trouble. A gradual decline in circulation that began some 30 years ago continues: The news media appear to be going the way of politicians in the public's trust. And advertisers, once dependent on newspapers, have effec-

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From a whisper to a shout

## Nonprofit voices sought on health care

At a meeting sponsored by the North Carolina Center for Nonprofits in Durham last month, experts called on nonprofits to become more involved in the national debate on health-care reform. On the state level, a new initiative to create universal coverage for North Carolinians by 1995 may provide some openings.

By BARBARA SOLOW

**D**urham Although they have much at stake, nonprofit organizations have been slow to involve themselves in the national debate on health care.

So says Donald Tebbe, a health-

### HEALTH

care reform consultant for the Nonprofit Risk Management Center in Washington, D.C.

Tebbe spoke to members of the North Carolina Center for Nonprofits in Durham last month at a special session on health-care reform.

"This issue has a greater impact on nonprofits than any

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### NONPROFITS

#### Closing the loopholes

A proposed update of North Carolina's lobbying law includes stricter reporting requirements for nonprofit and for-profit lobbyists.

### FOUNDATIONS

#### Happy 50th

As the foundation she founded approaches its 50th birthday, Kate Bitting Reynolds would be pleased to know the Kate B. Reynolds Charitable Trust still is serving poor and needy people and funding health care.

### VOLUNTEERS

#### Preventive measures

Like their counterparts across the country, Tar Heel nonprofits are taking steps to avoid potential liability problems for direct service volunteers and board members.

### FUNDRAISING

#### What's in a name?

Naming a building or program after a donor is a well-intentioned move, but fundraisers say there can be pitfalls.

