

# Letter

The *Philanthropy Journal* welcomes letters. Letters must be 250 words or less and signed. Please include a daytime phone number. Letters are subject to editing. Please send your opinions to: *Philanthropy Journal of North Carolina*, P.O. Box 191, Raleigh, N.C. 27602

## Despite Aramony, United Way moves on

To the editor:

The trial of William Aramony got underway in March, three years after stories first surfaced of his wrongdoings while he was president of United Way of America.

We believe the behavior he is accused of is reprehensible, and we are glad this trial is beginning so that justice can proceed.

This trial is the final step in a process begun by us and other local United Ways three years ago when we banded together to demand that United Way of America clean house and develop a new system of governance, a new code of ethics and new measures of accountability.

We want to clarify that the integrity of our local United Way is not under question. In Durham County, we have always had a strong board of directors and a sound system of checks and balances.

United Way of America is the national service training center for

local United Way organizations. Local United Way organizations operate independently. They had nothing to do with the alleged wrongdoing at United Way of America.

Three years ago, when the Aramony stories first surfaced, United Way of Greater Durham withheld payments to United Way of America until Aramony was out and local board members were convinced that the organization had instituted adequate changes to ensure accountability.

What happened by former employees of United Way of America doesn't affect what we are doing in our community. Our local United Way has always been committed to making sure contributions are spent wisely to help local people in need.

Jim Russell  
Executive Director  
United Way of Greater Durham

## Fulfilling the vision Investment policies must be long-term, realistic

As investment advisers, one of our most significant challenges is to maintain proper perspective relative to the investments we make for our clients and the goals and objectives they have established.

The goals and objectives of any investment program should be long-term and far-reaching - in theory and in practice - to reflect the perpetual vision and obligation of most foundations and endowments. This long-term perspective is often displaced by emotional reactions to short-term investment performance or the lack thereof. The result of such displacement is the potential sacrifice of long-term returns and success.

All foundations and endowments should utilize the investment policy as a common, consistent, concrete means of communicating and managing the long-term focus on this visionary perspective. Charles Ellis, author of the insightful and educational "Investment Policy," states, "If a major decision is truly fiduciary in nature, it never needs to be done quickly. Time urgent decisions are never fiduciary."

Board members, trustees, management and advisers are all fiduciaries. Each has been entrusted with a portion of

the responsibility for fulfilling the obligations of the foundations and endowments for which they serve or by which they have been employed.

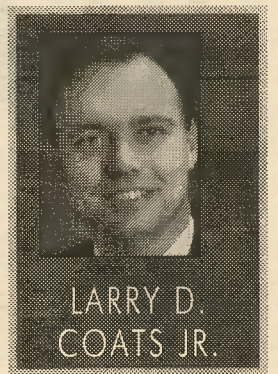
The long-term viability of these organizations and the valuable functions they serve are dependent upon their ability to match the near-term and long-term funding needs with appropriately defined and diligently executed investment programs. The careful formulation of an investment policy should be the first step in the successful definition and execution of such programs.

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The process of formulating an investment policy involves a simultaneous examination of internal and external factors. Internal factors focus on the basic question, "What do we need from our investments?" External factors focus on the basic question, "What can we reasonably expect from our investments?" While there are certainly as many approaches to addressing these questions as there are consultants and advisers, the following guidelines should be helpful in formulating an investment policy:

- The investment policy should be an extension of the long-range programming and budgeting process. It must reflect expected future programming needs and expected sources of additional funding.

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LARRY D. COATS JR.

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at the budget committee meeting in February to restore youth division funding to the budget.

There also is growing sentiment at the top of the organization that the NAACP needs to change how it develops and oversees its national budget. At the February budget meeting, I proposed that we seriously consider utilizing zero-based budgeting starting in 1996. Though not adopting this proposal, the committee did decide to study new ways of preparing and presenting the budget.

In October 1994, the national board mandated that the organization must make its Image Awards profitable- or else. The national board had taken over the awards show from the Beverly Hills Hollywood Branch with a television contract that pretty much guaranteed that the program would have problems until the contract expired.

In 1994, negotiations were begun with Don Cornelius and Don Jackson, the producers of the television show *Soul Train*, to take over production of the program on license from the NAACP. This arrangement would guarantee that the program would produce steady income for the NAACP for the duration of the pro-

ject. An agreement in principal was announced Feb. 16.

Two days later, W.F. Gibson was defeated by Myrlie Evers Williams by a single vote for the position of chairman of the NAACP national board. Dr. Gibson and his principle supporters pledged to cooperate with the new chair to solve the problems of the NAACP.

In one of her earliest public statements Mrs. Evers Williams indicated that her priorities would be to lend leadership to the battle in Congress over the Republican "Contract with America" and to initiate the search for a new executive director of the NAACP.

She starts her term with a firm foundation for success having been laid by the previous chairman. Leadership in a fractious organization like the NAACP is a dynamic process, where each successive leader builds upon the work of his or her predecessors. It is a process in which the lines between the volunteer and staff often blur, and where the only constant is change. It is also a place where all the players agree that the end result should and must be an America where all people have equality of opportunity.

For the NAACP, 1994 was a bad year but a necessary one in order for it to reshape itself for the 90's and beyond.

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## DANIELS

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storm, for their ultimate goal is to inspire and promote public confidence and trust in United Way.

United Way's community problem-solving efforts do not always receive the recognition we seek. The national scandal gave us an opportunity to highlight them more. In a monumental problem-solving effort, the United Way of Greater Orange County formed the Child Care Resources Task Force in the Fall of 1990 because so many families and young children in our community were falling through the cracks. The board allocated \$10,000 to begin a strategic planning process to address this emerging need.

United Way convened representatives from the child-care community, Head Start, mental health, the university system, local school systems, social services, local governments and other community groups to search for solutions to this tremendous community need. In August 1993, this task force became The Orange County Partnership for Young Children and, with volunteer and staff leadership from United Way, applied for and received \$1.2 million in 1994 from Governor Hunt's Smart Start Initiative. To date, \$2.3 million has been awarded to Orange County. We no longer have waiting lists for child-care subsidies, and 46 child-care facilities have been upgraded to appropriate safety and health standards. Because United

Way assumed its leadership role as the community problem-solver, the lives of young children and their families in Orange County are enriched.

Local United Ways look for opportunities to work together as well. In the early 1980s, the United Way of Wake County formed the management assistance program to provide short-term intensive workshops for executives. By 1986, the United Ways of Chatham, Durham, Orange and Wake counties joined forces to establish the Triangle Management Assistance Program (TMAP). The TMAP Committee, consisting of volunteers, staff and agency directors from these local United Ways, conduct 10 low-cost management workshops each year for area nonprofits agencies' staff and volunteers. The committee conducts a management needs assessment annually to determine the types of workshops to facilitate. Workshop presenters are volunteers who have skills and expertise in the topic areas. The workshops are a break-even proposition, and almost 10 years later, the United Ways are still successful in this endeavor.

For the past 18 months, representatives from the United Ways in Durham, Orange and Wake counties have been working collaboratively to determine the appropriateness and effectiveness of combining forces beyond our TMAP efforts - to possibly enhance our capability to address the needs of the Triangle by reinvesting our current resources. On the periphery, the pooling of resources is wise and economical.

Still, the Triangle United Way leaders vow not to lose sight of the agencies' original purpose and mission. The local United Way's capacity to maintain its role as the "objective body" that convenes the appropriate public and private segments of the community cannot be jeopardized or compromised. That capacity is the glue that keeps communities engaged in search of solutions to their health and human care needs.

United Ways still rank very high as the "charity of choice" for many donors. We recognize that we are not perfect, although perfection is a goal for which we will always strive. As we move into the 21st century, local United Ways' in their strategic planning efforts must consider and prepare for the impact that external economic, political and social climates will have on communities.

And so I repeat, we are better because we reexamined ourselves and helped our communities and donors understand that each United Way is an autonomous entity with its own board of directors, by-laws and staff. We are better because, even though our volunteer leaders challenged us, they also trusted us enough to support our efforts when abandonment might have been the safer course to travel.

I have been told that all conflict is not negative. Sometimes it can be positive. I am convinced there is some truth to that statement.

### Correction

The guest opinion column by U.S. Sen. Jesse Helms that appeared in the March issue of the *Journal* contained a typographical error in the first paragraph that may have led readers to misunderstand the point made by the senator's father that anyone can make a mistake. The paragraph should have read: My father taught me long ago that inasmuch as none of us is impossible of error, I should always carefully consider the views of those with whom I disagree and vice versa.

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