

Philanthropy Journal

OF NORTH CAROLINA

Margin of excellence

Foundations on UNC campuses control \$700 million

A *Philanthropy Journal* survey of private foundations within the University of North Carolina system finds their number and fundraising power are growing. Their independence and proliferation comes at a time when the campuses are facing increasing financial needs and a conservative state legislature.

BY VIDA FOUBISTER

Chapel Hill

Tucked away on the University of North Carolina system's 16 public

EDUCATION

campuses are 70 private, nonprofit foundations that control more than \$700 million in assets.

Though hardly apparent to the casual campus observer, these independent organizations play ever-larger roles in the growth and direction of the schools they represent.

The publicly supported campuses say they are not getting the funding they need from state government. Increasingly, the schools are relying on the money-raising power of their foundations to fill the

gap between state funding and what university leaders say they need to remain competitive.

In 1993-94, for example, the foundations raised more than \$100 million through gifts and income, and spent about \$73 million to endow professor-

ships, provide academic and athletic scholarships, fund new research initiatives, provide general program support and cover their operating expenses. (See chart, page 25.)

The growth of the foundations raises a number of issues: Can the

universities exercise effective oversight of what essentially are independent foundations? Are universities' missions influenced too much by donors' gifts? How should foundations wisely invest the money they hold for their schools' futures?

OVERSIGHT

As the size and influence of campus foundations have grown, UNC system officials have sought greater oversight and regulation of the foundations. But like the universities they represent, the foundations traditionally have operated with a great deal of freedom and independence from any type of central control.

To fulfill their mission of raising, managing and distributing funds for



UNC administrators are beginning to pay more attention to foundations at the system's 16 schools.

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Bracing for change

State officials eye effects of welfare reform

Welfare reform legislation pending in Raleigh and Washington could mean a cut of \$400 million a year in public assistance programs for North Carolina.

BY BARBARA SOLOW

State officials had some grim news in August for public and nonprofit agencies that work with the poor.

Welfare reform legislation now being considered in Raleigh and Washington could mean a drop of as much as \$400 million a year in funds for assistance to low-income families.

At briefings in Raleigh and Winston-Salem, members of the state's Human Services Task Force reviewed the specifics of proposed welfare block grant programs and their expected impact on North Carolina.

"The potential consequences of these measures could be severe," Peter Leousis, assistant human resources secretary for Children, Families and Youth, told the crowd of about 150 nonprofit and government agency representatives at the Raleigh session. "They could increase homelessness and could lead to less funding for child care.

"The good news is that there will be a lot more flexibility with block

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Turning potential into reality

North Carolina nonprofits gear up for information age

While some Tar Heel nonprofits are making impressive use of new information technology, the sector as a whole has a way to go before the potential of such high-tech tools as the Internet can be fully realized.

BY BARBARA SOLOW

When it comes to new information technology, Jeanne Bonds and her colleagues at the North Carolina Rural Economic Development Center are thinking big.

With the help of a \$225,000 grant from the U.S. Department of Agriculture, the Raleigh-based center is launching a project aimed at helping rural areas of North Carolina link up electronically.

The center, in cooperation with NCexChange - a trail-blazing technology assistance program for Tar Heel nonprofits - will show groups in rural communities how to set up and use "home pages" on the Internet global computer network.

"We found that in rural areas, even for folks who've seen this technology, their problem is they often don't know what they can do with it," says Bonds, who is a senior policy associate at the Rural Center. "We're going to put up a [World Wide] Web page where people can apply for grants and we'll teach them to set up

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their own Web pages" - computer documents that serve as electronic brochures, providing information on a nonprofit's mission and services to Internet users.

The Rural Center project is just one example of how North Carolina nonprofits are moving to take advantage of rapidly expanding information technology. From electronic mail to computerized job listings, nonprofits are finding that technology can be a powerful tool in fulfilling their missions.

But while advanced computer equipment and access to online networks represent vast opportunities for nonprofits, many organizations are struggling to come up with the resources needed to launch them into

cyberspace.

"I think when you get down to the grassroots level where most non-

profits really are, a lot of them are wondering what the hype is all about," says Brian Gullette, a computer consultant and author of a survey on new technology for the North Carolina

Center for Nonprofits. "How can this technology help us do what we do better? The organizations that are most successful are those that sit back and take a look at their mission and use technology as part of that."

CONNECTING IN CYBERSPACE:

In North Carolina, hospitals and universities are among the most active users of advanced computer technology and on-line networks. But foundations and other nonprofits, ranging from the United Way to rural churches, are not far behind.

The number of Tar Heel nonprofits that have joined the HandsNET computer network, for example, has grown to about 150 since it began about eight years ago, says

Terry Grunwald, director of NCexChange, which is creating a model assistance program to identify and support nonprofit "information

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Art by Adam Brill

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