

## SENATE

CONTINUED FROM PAGE 16

But not everyone is convinced that the new law will work to curb fundraising abuses.

"I think it just adds to the administrative burden of nonprofits rather than helping to deter people from illegal activities," says Jack McGee, governmental affairs consultant for the state March of Dimes.

To address public concerns about charities, McGee favors beefing up fundraising laws already on the books and hiring more staff for the state's Solicitation Licensing division, which grants licenses to nonprofits and professional fundraisers.

The state currently has two people to regulate the roughly 1,280 nonprofits and 190 professional fundraisers that have applied for licenses in North Carolina.

Others had more specific worries about the proposed new law.

Winston-Salem fundraiser Whitney Jones objects to a section of the bill that would require charities to

inform prospective donors that fundraising licenses are available for inspection from the state.

"The impact that has on potential donors is to make them think twice about the appeal itself," says Jones, who is president of the Triad chapter of the National Society of Fundraising Executives. "It looks like the government is warning them that there is something to be careful of."

Despite these concerns, groups such as NSFRE have not opposed Sands' bill. Instead, they are focusing on making sure that final versions of SB 940 are sensitive to the needs of nonprofits.

Lionel Randolph, chief of the state solicitation and licensing division, is confident that a final bill will meet with broad public approval. He says that earlier attempts in North Carolina to rewrite the Charitable Solicitations Act were overturned by the United States Supreme Court as unconstitutional because of interference with First Amendment protections of free speech.

By contrast, "this [new version] should be a very fair bill for all concerned," Randolph said.

## REGULATING CHARITABLE SOLICITATIONS

This version of SB 940, which is designed to strengthen North Carolina's two-decade-old Charitable Solicitations Act, passed the state Senate in July:

- **INTENT:** "To protect the public by requiring full public disclosure of the identity of persons who solicit contributions from the public, and of the purposes for which the contributions are solicited and the manner in which contributions are actually used."
- **REQUIRES:** Charitable organizations and sponsors to apply for licenses to raise funds and to provide information on tax-exempt status, names of officers, board members and other financial information.
- **FEES:** Raises the minimum licensing fee from \$25 to \$50 and the maximum from \$100 to \$200, depending on the amount raised for charity. Also increases bonding levels for fundraisers from a \$20,000 maximum to \$20,000, \$30,000 or \$50,000, depending on the amount raised.
- **PENALTIES:** Makes failure to apply for a license or follow rules a felony, rather than a misdemeanor.
- **EXEMPTIONS:** Fundraisers seeking contributions for religious purposes; local, state or federal government agencies; accredited educational institutions; licensed hospitals; noncommercial radio or television stations; groups that received contributions of less than \$10,000 per year and did not pay officers, trustees or professional fundraisers.

**For information** on fundraising licenses or to see files on licensed nonprofits and fundraisers, contact the NC Department of Human Resources Solicitation and Licensing division, (919) 733-4510.

Charity grows in hard times

## National survey shows 6.8 percent rise in contributions to nonprofits

The annual Giving USA report by the American Association of Fund-Raising Counsel shows individuals gave 82 cents of every dollar contributed to tax-exempt organizations in 1992. Giving by individuals and foundations increased over 1991 levels, while giving by corporations remained static.

Despite lingering concerns about the national economy, giving to charity remains a popular American pastime.

A new survey by the American Association of Fund-Raising Counsel Inc. in New York City shows individuals donated more of their income to nonprofits in 1992 than at any time during the past 20 years.

The just-released Giving USA survey shows giving by individuals reached \$101.8 billion last year - an increase of 6.8 percent over 1991.

Eight-five to 90 cents of every charitable dollar came from individuals. Funds donated by individuals to nonprofits added up to as much money as the country spent on gas and oil last year, the survey says.

Giving by foundations rose to

\$8.33 billion in 1992 - an increase of 7.9 percent - while giving by corporations remained at \$6 billion.

Among the most popular causes were organizations dealing with the environment and wildlife. Giving to those organizations rose by 6.5 percent in 1992 to \$3.1 billion - the largest rate of increase found by the survey.

In other areas, giving increased 5.2 percent to \$56.7 billion for religious organizations; 5.9 percent to \$9.3 billion for arts and humanities; and 4.2 percent to \$14 billion for education.

The survey shows health-related programs also received more money, with giving up 5.8 percent over 1991 to \$10.2 billion last year.

A trend toward fewer donations for human service organizations was reversed, with giving climbing by 4.2 percent to \$11.6 billion in 1992.

The opposite pattern occurred in giving to international affairs. After rising in 1991, donations to international charities fell by 2.3 percent to \$1.7 billion in 1992.

In addition to tracking giving patterns, the survey also reflects the growing influence of the nonprofit sector.

According to U.S. Census data used in Giving USA, the sector employed 6.7 percent of the nation's workforce in 1990, or 3.1 percent of the total population.

North Carolina ranked 17th among the states in the number of residents employed by nonprofits, and 45th in the percentage working for nonprofits. The survey shows 50,279 Tar Heel residents - or 2.3 percent of the state's population - are working in the not-for-profit sector.

New York was first in the number of people, and Washington, D.C., was first in the percentage of people working for nonprofits.

Giving USA shows the smallest nonprofits - those with assets of less than \$100,000 - are the most reliant on contributions. Such organizations derive about half their total revenues from gifts and grants, the survey shows.

By contrast, contributions make up only about 15 percent of revenues for nonprofits with assets of more than \$50 million.

Copies of Giving USA cost \$45 and can be ordered by calling (212) 354-5799.

Barbara Solow

## WILLIAM L. BONDURANT

**BORN:** Winston-Salem

**EDUCATION:** Davidson College, A.B., economics, 1958; Duke University School of Law, 1961; admitted to North Carolina Bar, 1961.

**PROFESSIONAL:**

1962: U.S. Army

1962-67: Davidson College, director of alumni activities and legal adviser

1976-68: Davidson college, administrative assistant to the president and legal adviser to the college

1968-1972: executive associate, Mary Reynolds Babcock Foundation

1973-1974: Secretary of Administration, North Carolina Department of Administration (leave of absence from Foundation)

1974-1993: Executive director, Mary Reynolds Babcock Foundation.

## BONDURANT

CONTINUED FROM PAGE 17

as dealing with major problems in society and making a difference by attacking the roots of those problems.

He learned from his parents that even a small sum of money can do a lot to help make the world a better place.

"If you've got \$10," he says, "you can become a philanthropist."

His experience at Babcock showed him that with wealth comes the ability - and, he'd add, the responsibility - to help rectify societal ills.

He believes that an investment of \$5 million to \$10 million can make a difference in the lives of the countless thousands of people helped by nonprofits for years to come.

Historically the Southeast, especially North Carolina, hasn't been home to lots of people with large pools of wealth. But the demographics of income distribution have changed.

"I believe today, because of the inflow of capital and industry into North Carolina and into the Southeast, there are now many more individuals and families who do have surplus wealth in amounts large enough to create a significant trust or foundation," Bondurant says.

Yet many of these people don't have a clear idea of how they want that money spent.

"They wisely are concerned about the wisdom of leaving all of their estate to their children or the desirability of leaving it all to the IRS," Bondurant says. "You can corrupt both that way."

But they aren't necessarily sure of what to do with their money.

Bondurant's solution is to use the money to help reshape the landscape of society.

Foundations are "social venture capital," he says. "They provide the money to help society get around a roadblock."

And he is acutely aware of just how many roadblocks there are.

"I'm driven so much to do this work, having read 2,000 grant proposals for 25 years" for programs whose sole purpose is to meet social needs.

Bondurant wants to use that drive to show the wealthy how they can help solve these problems by setting up their own foundations to give away money.

His challenge is to help each family or individual donor create a foundation that will be flexible and effective while honoring the donor's intentions and dreams now and for years to come.

Bondurant believes setting up and running a foundation is the most rewarding endeavor one can undertake with surplus income.

He hopes to persuade two to three wealthy individuals a year that the greatest purpose for having earned surplus wealth in the first place is to give it away. Indeed, he says he was recently talking with a family about the creation of a foundation with roughly \$30 million in assets.

"The more money you give away wisely, the more you will be stimulated to earn even more so that you can enjoy giving it away wisely," he says.

And with Bill Bondurant around, wealthy individuals across the Southeast have someone to call upon to help them do just that.

To reach Bondurant, call him in Raleigh at (919) 571-7050.

CONGRATULATIONS

to  
THE NEWS AND OBSERVER FOUNDATION  
and the staff of the  
PHILANTHROPY JOURNAL OF NORTH CAROLINA  
on an excellent publication

## O'HERRON &amp; COMPANY

INVESTMENT COUNSEL

1300 St. Mary's Street, Suite 210

Raleigh, NC 27605

PHONE (919) 834-9224

FAX (919) 828-7911