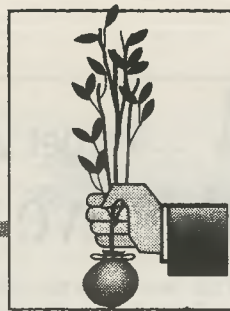


Corporate Giving

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Online shopping
Montgomery Asset Management set up a holiday gift program at its Web site <<http://www.montgomeryfunds.com>>. A portion of proceeds generated by online sales of the firm's investment books will be donated to the United Way throughout the year.

JANUARY 1998

Nonprofit teaches art of public relations Ramada sponsorship of Childreach a two-way street

The hotel chain helps Childreach enlist more sponsors, while Childreach helps franchise owners reach out to the community.

By KELLY PRELIPP LOJK

When the nonprofit Childreach announced in 1994 that Ramada Franchise Systems Inc. would be its "Founding Corporate Sponsor," the staff at the child-sponsorship organization was thrilled, but realized its work had just begun.

But the decision by Ramada's corporate headquarters to support Childreach didn't automatically translate into support from the individual franchise owners of the chain's 900 hotels.

Instead of viewing the company's franchise structure as an obstacle, however, Childreach used it as an opportunity to form mutually beneficial partnerships with individual Ramada franchises that had little experience in public relations, says Steven R. Sookikian, public relations manager at Childreach.

"We walk on the scene and say, 'We can help you reach out to your community,'" he says, "and then we help them incorporate Childreach and the value of child sponsorship into their corporate identity."

To date, 197 hotels have become involved with Childreach, and Ramada's

owners, managers and employees sponsor 624 children throughout the world. Sponsorship is \$22 a month and on average lasts for seven years, Sookikian says. Ramada sponsorships total more than \$1 million in pledges.

Staff at the Ramada Plaza Hotel in New York City sponsors 120 children alone.

Last spring, Whit Kenney, who owns Ramada Inn Blue Ridge and Ramada Inn Crabtree, both in Raleigh, and a Comfort Inn in Pinehurst, decided to get involved.

Kenney says that at a Ramada Inn National Association in Las Vegas, as he and his wife walked by a Childreach booth, his wife picked up a child's picture and told him that he was going to become that child's sponsor.

"That's where we got started," Kenney says. "Then I got talking to [representatives] at Childreach and thought about introducing a payroll deduction plan for employees who want to participate."

The Kenneys now sponsor two children and the hotels' staffs sponsor 11.

Last February, a Childreach representative visited the staff at the Ramada Inn in Goldsboro and, after explaining the sponsorship program, signed up several staff members "right on the spot," says Kat Crews, the hotel's assistant manager.



When a Ramada franchise signs up to sponsor more than two children, as Raleigh's Ramada Inn Blue Ridge and Ramada Inn Crabtree did last year, Childreach places a promotional ad in a local newspaper to thank the hotel.

Crews and her husband now sponsor a couple of children — one from Vietnam and a four-year-old from Peru who "looks like he's going to grow up to be a rock star," she says.

The housekeeping staff in Goldsboro also pooled its money and sponsors a child.

Ramada franchises in Kill Devil Hills, New Bern, Asheville and Thomasville also sponsor children through Childreach.

Whit Kenney, owner of the Raleigh

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Congress to mull new giving rules

By KELLY PRELIPP LOJK

When the House of Representatives reconvenes this month, it will consider two bills that may require some businesses to significantly restructure their corporate giving programs.

Both bills, introduced by Rep. Paul Gillmor (R-Ohio) last March, would apply to corporations registered with the Securities and Exchange Commission.

H.R. 944 would amend the Securities and Exchange Act of 1934 to require public corporations to disclose to shareholders prior to shareholder meetings a list of who received charitable contributions and the amounts given to each organization in the preceding fiscal year. Disclosure would apply only to corporate charitable contributions and not to lobbying expenses or political contributions.

H.R. 945 would amend the same act to require a corporation to provide its shareholders the opportunity to designate recipients of the corporation's charitable giving. The bill, as currently written, does not preclude corporations from funding additional nonprofits not designated by shareholders. Exactly how shareholders would vote on which nonprofits would receive funding is unclear, although the bill states a shareholder's participation would be "proportional to the number of shares owned or controlled by such shareholder."

Both bills allow the SEC to exempt from the requirements property gifts, gifts to public or private nonprofit educational institutions and gifts to "local charities consistent with the public interest."

Upon request by Congress, the SEC is studying the feasibility of these proposals and plans to submit a report to Congress within the next couple of months.

OMB Watch, a nonprofit research and advocacy organization, supports corporations disclosing their charitable gifts, but questions why the requirement is limited to charities.

"For one major U.S. corporation, this legislation would force management to disclose how it spends less than one penny of every dollar it pockets in profits," writes Gary Bass, OMB Watch's executive director, in a letter to the SEC. "If the intent of the disclosure bill was to increase corporate accountability, it is interesting that disclosure would only apply to corporate charitable contributions."

Of more concern, says Rick Blum, OMB's public affairs liaison, is the vague language and unclear intent of the bill requiring shareholders to designate which nonprofits receive a corporation's charity. While the SEC could put the bill into effect in a variety of ways, virtually any approach would require significant changes in corporate philanthropy, Blum says.

H.R. 944
Would require public corporations to disclose to shareholders a list of its charitable donations.

H.R. 945
Would require corporations to provide shareholders the opportunity to designate recipients of charitable donations.



Reconnecting with employees

IBM boosts United Way campaign

Big Blue worked hard to educate employees about the United Way. The effort paid off in the Triangle.

Research Triangle Park

IBM Corp. employees in the Triangle this year gave \$2,043,506 to the Triangle United Way — the biggest employee contribution ever to the United Way from a single IBM location.

That contribution, which helped the United Way campaign post a record-high total of \$20,007,000, was the result of a concerted effort by IBM to generate employee support in the face of recent rapid and large-scale turnover among the company's Triangle workforce, says David Benevides, IBM's community relations and public

affairs manager for the Triangle.

The Triangle is home to the North American headquarters for IBM's personal computer company, and houses a big operation for IBM's networking hardware and software development.

As a result of transfers and people leaving the business, nearly half of Big Blue's 13,000 employees in the region have worked for the company for only a few years. As a result, many have little connection with or awareness of the United Way, Benevides says.

"We went back to educating folks about the United Way," he says.

IBM offered better training sessions for its United Way canvassers and conducted more extensive communications with employees than it had in the past, Benevides

says. The company, for example, made better use of its online capabilities, distributing notices about the campaign to employees over the company's electronic bulletin board.

"We really took advantage of our own technology," he says.

IBM's campaign was headed by retiree Ernie Hand, who received a lot of assistance from Barry Eveland, IBM's state executive for North Carolina. Eveland, for example, hosted breakfasts for IBM executives to talk about the campaign and encourage them to participate.

Bill Kress, IBM's retired state executive, was chairman of the overall Triangle United Way campaign.

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BRIEFLY

Hospice gets \$1,000 from RJR for ramp

R.J. Reynolds Tobacco Company awarded Hospice of Winston-Salem/Forsyth County a \$1,000 community involvement plan grant, which will be used to buy materials to build a portable ramp to access patients' homes.

New tax break for computer donations

Starting this month, companies that donate personal computers less than two years old to schools can deduct the full cost of the systems. The 21st Century Classrooms Act, a provision in the Taxpayer Relief Act of 1997, is designed to trigger donations and to encourage businesses to upgrade their systems quickly.

Lowe's Home Centers gives \$1.5 million to YMCA camp for teens in western North Carolina

Lowe's Home Centers Inc., based in North Wilkesboro, made its single-largest charitable donation ever to The Ridge, a new YMCA teen adventure and family camp. The \$1.5 million gift, announced in early December, was made from the company's Charitable and Educational Foundation.

Construction on the camp, the first of its kind in North Carolina, begins this year, with the first phase scheduled to open in the fall of 1999. It will be located on 1,438 acres between North Wilkesboro and Lenoir. When it is finished, the camp is expected to serve 25,000 campers a year.

SAS employees make gifts

Employees of software developer SAS Institute in Cary provided more than 1,000 gifts of toys or clothing to more than 650 youngsters through the Christmas Angels program of the Salvation Army. SAS employees also worked with A Growing Place, which provides a

kindergarten-through-third-grade classroom for children of homeless parents, to buy gifts for 12 students, their siblings and parents. Golden Corral, Honey Baked Ham and McDonald's restaurants also donated meal certificates to the families.