



*Netlinks*, January 2008

## **CONTENTS**

- Former NACD President Joins Ruotolo Associates' Staff
- Accountability: What Donors Expect—And What We Should Deliver
- Board Visioning: Strategic Thinking
- Staff Highlights
- Upcoming Events
- Current Client Listing

## **FORMER NACD PRESIDENT JOINS RUOTOLO ASSOCIATES' STAFF**



Roger W. Raber, senior advisor and former president and chief executive officer of the National Association of Corporate Directors (NACD), joined Ruotolo Associates in December as senior counsel. Roger joined NACD in 1999, and during his tenure paid membership grew from 1,800 to 10,000 and annual revenues and reserves tripled. Additionally, NACD began an annual survey—focusing on governance issues—of the largest not-for-profits in the United States.

“I am delighted to have Roger working with us,” said George C. Ruotolo, Jr., CFRE, chairman and chief executive officer of the firm and vice-chair of the Non-Profit Advisory Council of NACD. “His work with corporate boards will be a tremendous value to our clients when counseling on important governance issues many non-profits face.”

Founded in 1977, NACD is the only non-profit professional organization devoted exclusively to providing information, research and education for corporate directors and leading non-profit boards. NACD members serve as CEOs and directors of private and public companies, ranging in size from family businesses to Fortune 500 companies.

As the chief spokesman for corporate boards, Roger has testified before Congress on the recent corporate governance legislation and reforms and has provided commentary on board governance principles and policies to a variety of policymakers, including the Securities and Exchange Commission, NASDAQ and the New York Stock Exchange. He has also advised professional organizations representing corporate counsels, internal auditors and institutional investors, among others. Roger has provided board advisory

services for public, private and non-profit boards. His governance views appear regularly in professional publications, national press and media.

Roger also has served on corporate boards and audit committees in the financial services industry. He was a board member of a private college and was elected chairman of the board for a public school district. He was appointed by the U.S. Secretary of Commerce to serve on the Board of Overseers of the Malcolm Baldrige Award Program. He speaks frequently to national and international groups, including the American Red Cross, Japanese Management Association and the World Bank Group. He has been influential in shaping the founding of new governance institutes in a variety of regions, including Asia, Central Europe and Latin America.

### **ACCOUNTABILITY: WHAT DONORS EXPECT—AND WHAT WE SHOULD DELIVER**

By Douglas Held, Associate

*Editor’s Note: The following is an excerpt of an article that appeared in the December issue of Dimensions, published by the National Catholic Development Conference.*



**Accountability:** The responsibility to justify money spent, decisions made, and activities performed by an individual or an organization. (*Non-Profit Good Practice*)

Earlier in my career I went through a phase with my own philanthropy where instead of making a few annual donations to the standard recipients (alma mater, favorite previous non-profit employer, most-listened-to public radio station), I instead budgeted the dollars on a monthly basis and wrote more smaller checks to different organizations. I knew very little substantively about most of these non-profits beyond their mission and mailing address (or Web site), but I enjoyed scattering my charity across a wider spectrum of social issues that caught my attention.

As a professional in the field of fund-raising I knew what to expect in response to my relatively modest gifts. I would receive a standard thank you letter that, for tax purposes, acknowledged the amount of my gift and included a sentence or two that described the program or services I helped make possible. The note from an animal shelter included a poor quality black and white photo of two cats (Abe and Arizona) “in their new home and happily adopted.” I probably wouldn’t qualify for a copy of the annual report if there was one, and I certainly didn’t expect a personal phone call or an invitation for a tour and lunch.

In the world of business, the concept of accountability is more easily understood. Our new car comes with a warranty (which we can extend for more money), the plumber fixes what is broken at an hourly rate and corporate executives are expected (and scrutinized

much more closely these days) to deliver profits and increasing returns on our investments.

Despite the clear and concise definition offered above, “accountability” in the non-profit world is a broader concept that influences—or should influence—nearly all of our planning, implementation and management decisions and actions.

Because of my development background, I understood that the organizations that received my donations had practiced standard levels of accountability in direct relation to the dollar amount of my gift. Had I given more, their demonstrated accountability would have probably increased.

Still, I sometimes felt as if my checks (and hard-earned dollars) were disappearing into a sea without a ripple. Where exactly did my gift go? Was I really making a difference? Because the gift was so small was it the one office staff used to buy pizza on Friday as part of an “entertainment account”? I could have done more research before giving, but some of these organizations didn’t even have a Web site.

Several factors—including the continued fall-out from corporate accounting scandals, the trend of non-profits venturing into revenue-generating endeavors and the fact that some organizations seem to remain in a capital campaign/major gift drive mode—will ensure that accountability remains a primary concern of non-profit management, development offices and the donors they serve.

In addition to basic compliance with IRS regulations and any applicable federal, state and local requirements, a first step in accountability for most non-profits is to track the number of programs conducted or the number of individuals served as well as to capture various demographics that describe their constituency. They might also devise a system to regularly evaluate programs and services according to predetermined measures of quality. Once this data is accumulated and synthesized, they can then report these findings to their donors, constituents and the general public as an expression of effectiveness and, thus, accountability.

It’s certainly a step beyond a photo of Abe and Arizona napping in their new home. But . . . is that enough?

A recent study by *Independent Sector* shows varying rates of even this baseline practice among non-profits.

- Fifty-eight percent of nonprofits report on the quality of services they provide;
- Sixty-eight percent of nonprofits track client satisfaction with service; and
- Sixty-one percent of nonprofits use outside parties to evaluate their activities.

Non-profit organizations that contract with public agencies are often more subject to outside evaluation than religious organizations. It’s also true that doing comprehensive

evaluation means data collection, analysis and reporting, and that means time and money, two commodities in short supply at churches and smaller non-profits.

Yet in our work with Catholic churches, schools and diocesan offices, we find that, as in the rest of the non-profit sector, to shortcut accountability is to risk losing your donors and not inspiring new ones. Looked at another way, when you make a serious and sustained attempt at accountability it can lead to greater confidence among your donor base, yielding a better response to your solicitation and increased generosity in the future.

Prior to engaging in a capital campaign with a client, we always conduct a planning/feasibility study that includes individual interviews and focus group sessions with leading constituents of the organization. We find that when we ask the question, “What factors do you consider essential for a successful campaign at . . . ?,” two of the most common answers, similar in nature and both relating to accountability, are:

1. Communication. Tell us specifically what the money is needed for and why it is important. Show us that this has been well thought out and tell us about any changes as you proceed. Show us, for example, architectural renderings of the new building, the brands of the computers or research supporting projected growth in enrollment.
2. Information. How will the money be managed and by whom? (e.g., will the school control the finances or the diocese?) What happens if we don't reach the goal? Where will the money go then? Will this drive meet all of our needs, or will we need to run a campaign again in two years?

Recognizing what is known as the “evaluation imperative,” that is, the inherent requirement that because they rely on the generosity of others to exist and that instead of exchanging a commodity, they fulfill a mission, many non-profit organizations evaluate (and make public) their activities. This too is an area in which most can do more.

In addition to regular program evaluation, non-profit organizations typically disclose their financial position through:

1. Regular financial statements.
2. Independent audits.
3. Annual financial reporting form (Form 990) required for non-profits with expenditures greater than \$25,000.

The regular financial statements can be published in an annual report that includes a statement from the executive director or board chair, a detailed accounting of revenue and expenses and a general program description. Some larger organizations choose to take this opportunity to produce a glossy piece with photographs of program participants and color charts of financial information. Even if an organization is unable to afford such a production or chooses not to, it could still communicate the same information within a regularly scheduled newsletter or as a simpler, factual document.

Besides regular program evaluation and financial disclosure, non-profit organizations, including Catholic churches and schools, demonstrate accountability through the practice of their values and the often-public witness that provides.

Again, from the study by *Independent Sector*:

- Seventy-three percent of religious congregations and 48 percent of nonprofits have a formal statement of moral and ethical beliefs; and
- Fifty-nine percent of nonprofits and 39 percent of religious congregations develop strategic plans.

For any Catholic high school, the varied and successful careers of its graduates and their roles as leaders in their communities and parishes speak directly (and clearly) to the accountability of that institution. I was recently impressed by the general information folder for a high school that included on the cover, in bold bullets, the number of students enrolled, the amount of scholarships awarded and a listing of numerous, active clubs. So too, a parish that can publicize the activities of many ministries addresses accountability in a most productive way.

Accountability should be the concern of administration, staff and even volunteers at any non-profit, but ultimately primary responsibility resides with the board, chief executive and development office.

Priorities for the board and chief executive in this regard would be to:

1. Provide full transparency for critical activities and decisions, especially budget preparation and execution.
2. Adopt and maintain strict conflict-of-interest policies.
3. Set measurable strategic goals that promote your mission and then measure your accomplishment against those goals on a regular basis.

I sometimes wonder what I would find if I dropped in to visit one of the organizations that received my financial support. As a donor, such a visit would be appropriate, and my vigilance could benefit the non-profit. Would the shelter where Abe and Arizona once lived be clean, and the staff kind to the animals? Will the clients at the workshop for adults with disabilities be sleeping in front of a TV or engaged in some meaningful work?

We were helping an organization conduct a search for a director of development, and after an exhaustive interviewing process I knew that the lead candidate had the right experience, skills and personality to be a success. But I knew it for certain when, shortly after taking the position, she encouraged staff to dress more businesslike, asked them to cut down on personal calls and made certain that each was well versed in current information about development and institutional operations. Unexpected visitors would arrive to meet an engaging staff and leave impressed that their donation was well

managed. She understood that accountability is something we must demonstrate in every interaction.

## **BOARD VISIONING: STRATEGIC THINKING**

By Jay Caporale, CFRE, President and Chief Operating Officer

During the past year, Ruotolo Associates has facilitated a number of half- and full-day “Strategic Thinking Sessions” designed to assist board members in formulating action steps to enhance board visioning, governance and performance.

Session topics are customized for each individual organization. The role of the board in philanthropic efforts is frequently on the agenda, as board members are often unclear as to what role they should play in fundraising. For one client, Ruotolo Associates helped create appropriate board committees; for another, it revised the existing committee structure and helped each committee develop short- and long-term measurable objectives. In another case, RA worked with a performing arts center to craft an action plan to explore the feasibility of expanding its facilities and programs.

In a relaxed atmosphere, these sessions allow board members to think expansively about goals and objectives and then create an action plan to accomplish these mutually agreed-upon goals. Ruotolo Associates facilitates these sessions in a way that encourages creative thinking and problem solving, and our role is one of initiating and steering open and candid dialogue in an unbiased and objective fashion.

“The team at Ruotolo helped us put structure around the board activities and vision,” said Audrey Sullivan, board president, Bishop Fenwick High School, Peabody, MA. “It helped us to navigate the components of strategic thinking and accomplished in one session what we struggled with for some time. Do not undertake this process without RA! We left the session poised for action and are now moving forward to accomplish great things for our school!”

For more information about the dynamics of a strategic thinking session and the impact it can have on your organization, contact me via e-mail at [jay@ruotoloassoc.com](mailto:jay@ruotoloassoc.com).

## **STAFF HIGHLIGHTS**

### **Pamela DeLuca Named Church Division Director**

Pamela DeLuca, CFRE, was named director of the Church Division of Ruotolo Associates Inc. by George C. Ruotolo, Jr., CFRE, chairman and chief executive officer, on November 1.

“Over the past 6 ½ years, Pam has demonstrated leadership, perseverance and creativity with a wide variety of clients,” said George. “I am very confident that Pam's commitment to



Christian philanthropy and stewardship, along with her passion for the work of Ruotolo Associates, will allow her to succeed and continue to grow this important component and mission of our firm.”

The Church Division of Ruotolo Associates serves the philanthropic and stewardship needs of the firm’s religious clients, including individual churches, dioceses, religious orders and church organizations. Ruotolo Associates’ distinct brand of high-level, hands-on professional service is applied in the unique setting of religious institutions, whether in the context of a capital campaign or major gifts effort, enhancing stewardship or advancing ministries and programs.

Pam brings a broad scope of fundraising and executive experience to her new role. She spent 10 years on Wall Street as a vice president for Bankers Trust Company. There, she developed her philanthropic acumen by managing a volunteer program that provided Christmas experiences for children in New York City, growing the program from 300 children and 150 volunteers to more than 3000 children and 800 volunteers. She formally entered the development field in 2000, working as a consultant and volunteer with several non-profits. Pam joined Ruotolo Associates in 2001 and received the “Tim Manning Culture of Excellence Award” in 2003. She received her Certified Fund Raising Executive (CFRE) certification in 2007.

“I joined Ruotolo Associates because of its commitment to serve faith-based organizations,” Pam said. “I look forward to expanding our presence in this particular area of philanthropy.”

Pam’s dedication to philanthropy extends beyond her day-to-day responsibilities at Ruotolo Associates. She has conducted training sessions for Partners for Sacred Places, New Partners/New Dollars, throughout the Mid-Atlantic and Midwest areas. She is active in her parish, serving as a member of the Stewardship Committee and a lay reader and Eucharistic minister. She is also active in her sons’ elementary school parent association, serving on a number of fundraising event committees.

Pam lives in Glen Ridge, NJ, with her husband, Steve, and their three children.

### **Milissa Else Celebrates Decade of Working For RA**



In 2007, Milissa Else, associate, celebrated her 10-year anniversary with Ruotolo Associates. "I was first attracted to the firm because of its mission, values and excellent reputation," said Milissa, who lives in Rutherford, NJ, with her husband and their two children. "During these past 10 years, I have continued to appreciate these aspects of the firm while also valuing the team spirit, dedication, professionalism and depth of knowledge demonstrated by my colleagues. I am looking forward to another 10 years with the firm and the opportunity to continue to serve

the non-profit community."

During her tenure, Milissa has worked with a number of clients conducting planning studies, consulting on capital campaigns and directing strategic planning efforts. Recent work has included planning studies for St. Aloysius Parish, Pottstown, PA, and Guardian Angel Parish, Allendale, NJ, and campaigns for Our Lady of Perpetual Help Parish, Oakland, NJ, and St. Helena Parish, Edison, NJ. In addition, Milissa has designed and installed campaign database software programs for many of Ruotolo Associates' clients. Milissa was presented with the firm's "Tim Manning Culture of Excellence Award" in 2004.

"Milissa is an extraordinary person and professional," said Senior Vice President Theresa Shubeck. "Her dedication is unparalleled, and she seeks every opportunity to serve each client and each project to the fullest. Ruotolo Associates is proud of Milissa's achievements and grateful for her commitment to our firm."

### **Other Staff News**

Congratulations to Senior Associate Audrey DeLoffi, who earned her Certified Fund Raising Executive designation in November!

President Jay Caporale presented a seminar on capital campaigns and the major gifts process at the Association of Catholic Admission and Advancement Professionals of New England Fall Conference in October.

Chairman and Chief Executive Officer George Ruotolo was the keynote speaker for the Rockland Development Council's Philanthropy Day breakfast on Nov. 15 in Nyack, NY. He spoke about "The New Golden Age of Philanthropy."

### **UPCOMING EVENTS**

**Episcopal Diocese of Newark Convention 2008**  
Parsippany Hilton, Parsippany, NJ  
January 25-26, 2008

**Episcopal Diocese of New Jersey Conference**  
Wildwoods Convention Center, Wildwood, NJ  
February 29-March 1, 2008

**Association of Catholic Admission and Advancement  
Professionals of New England Spring Conference**  
Stonehill College, Easton, MA  
March 6, 2008

**National Catholic Educational Association (NCEA) National Convention**  
Indianapolis, IN  
March 25-28, 2008



**AFP 45<sup>th</sup> International Conference**  
San Diego Convention Center, San Diego, CA  
March 30-April 2, 2008

**CURRENT CLIENT LISTING AND SERVICES PROVIDED**

- Archbishop Stepinac High School, White Plains, NY: *Capital Campaign Counsel*
- Archdiocese of Newark/Sacred Heart Parish, Jersey City, NJ: *Feasibility Study*
- Arlington Catholic High School, Arlington, MA: *Planning Study*
- Auburn Public Library, Auburn, MA: *Planning Study*
- Bedford Youth Performing Co., Bedford, NH: *Board Retreat*
- Bishop Fenwick High School, Peabody, MA: *Advancement Office Management*
- Carmel of the Incarnation, Beacon, NY: *Development Counsel*
- Casita Maria, Inc., Bronx, NY: *Development Counsel*
- Cathedral High School, Springfield, MA: *Feasibility Study*
- The Children's Home, Cromwell, CT: *Capital Campaign Counsel*
- Christ Church, Andover, MA: *Planning Study*
- Christ the King Parish, Fort Smith, AR: *Capital Campaign Counsel*
- Dominican Fathers, Province of St. Joseph, NY, NY: *Advancement Program Counsel*
- Dominican Nuns of Summit, NJ: *Feasibility Study*
- Dominican Sisters of Hope, Ossining, NY: *Development Program Assessment/Search for Director of Development*
- Elizabeth Seton Pediatric Center, NY, NY: *Creation of Case Statement/Development Package*
- Flint Public Library, Middleton, MA: *Capital Campaign Counsel*
- Freedom House Foundation, Glen Gardner, NJ: *Comprehensive Development Program*
- The Friendship Service Center, New Britain, CT: *Capital Campaign Counsel*
- Great Falls Central Catholic High School, Great Falls, MT: *Campaign Counsel*
- Guardian Angel Parish, Allendale, NJ: *Capital Campaign Counsel*
- Immaculate Conception Parish, Annandale, NJ: *Planning Study*
- Lawrence Woodmere Academy, Woodmere, NY: *Board Retreat*
- Mercy Hospital of Tiffin, Tiffin, OH: *Capital Campaign Counsel*
- Merrimack Valley Hospice, Lawrence, MA: *Capital Campaign Counsel*
- National Center for Energy Management and Building Technologies, Alexandria, VA: *Development Program Counsel*
- Niagara Catholic High School, Niagara Falls, NY: *Planning Study/Institutional Advancement Office and Marketing/Student Recruitment Assessment*
- Niagara University, Niagara, NY: *Campaign Counsel*
- Notre Dame High School, Easton, PA: *Development Program Counsel*
- Our Lady of the Holy Souls Parish, Little Rock, AR: *Planning Study and Capital Campaign Counsel*
- Palisades Medical Center Foundation, North Bergen, NJ: *Capital Campaign Counsel*
- Passionist Missionaries, St. Paul of the Cross Province, Union City, NJ: *Planning Study*

- ☐ Phillips Park Committee, Swampscott, MA: *Feasibility Study*
- ☐ St. Aloysius Parish, Pottstown, PA: *Planning Study and Capital Campaign Counsel*
- ☐ Franciscan Monastery of St. Clare, Greenville, SC: *Capital Campaign*
- ☐ St. Helena's Parish, Edison, NJ: *Capital Campaign Counsel*
- ☐ St. Joseph's Parish, Medford, MA: *Planning Study*
- ☐ St. Joseph's Parish, Medway, MA: *Planning Study and Capital Campaign Counsel*
- ☐ St. Michael's Parish, Bedford, MA: *Capital Campaign Counsel*
- ☐ St. Raymond's High School for Boys, Bronx, NY: *Planning Study and Development Program Assessment*
- ☐ St. Theresa of Lisieux Parish, Sherborn, MA: *Planning Study*
- ☐ The Thursday Morning Club, Madison, NJ: *Feasibility Study*
- ☐ Villa Maria Academy, Bronx, NY: *Major Gifts Program*
- ☐ VNA Care Network, Inc., Worcester, MA: *Feasibility Study*
- ☐ Warren County Community College Foundation, Washington, NJ: *Creation of Case Statement*
- ☐ Wellesley Free Library, Wellesley, MA: *Capital Campaign Counsel*
- ☐ West Bergen Mental Healthcare, Ridgewood, NJ: *Capital Campaign Counsel*
- ☐ West Hartford United Methodist Church, West Hartford, CT: *Capital Campaign Counsel*
- ☐ Westwood Public Library, Westwood, MA: *Feasibility Study*
- ☐ Woods Services Foundation, Langhorne, PA: *Campaign Counsel*
- ☐ Zion Episcopal Church, Wappingers Falls, NY: *Planning Study*

*Netlinks* is published quarterly by George C. Ruotolo, Jr., CFRE, chairman and chief executive officer of Ruotolo Associates Inc. The newsletter is edited by Liz Campbell, associate. Reproduction of *Netlinks* is permitted only with attribution to *Netlinks*, a publication of Ruotolo Associates Inc. To learn more about the firm, visit our website at [www.ruotoloassoc.com](http://www.ruotoloassoc.com).

Ruotolo Associates Inc. Headquarters  
 Horizon Square  
 29 Broadway, Suite 210  
 Cresskill, NJ 07626  
 (201) 568-3898  
[www.ruotoloassoc.com](http://www.ruotoloassoc.com)