

THE NPT 2012

TOP 100

AN IN-DEPTH STUDY OF AMERICA'S LARGEST NONPROFITS



For some nonprofits, investment income spiked, like the Metropolitan Museum of Art in New York City, which jumped to \$218 million from \$78 million the previous year.

Donors Slowly Coming Back

Service fees, investments show real growth at large nonprofits

BY MARK HRYWNA

Public support for the nation's largest charities crawled its way upward last year. However, its size as a piece of the revenue pie shrank as the *NPT Top 100* organizations focused on generating program service revenue. Investment income overall was flat though some of the largest organizations enjoyed a bounce-back due to a rebounding stock market, as more charities braced for government support to continue to decline.

Organizations in this 24th annual *NPT 100* report boasted public support of \$33.374 billion, falling below 50 percent of

their total revenue of \$66.875 billion. The same 100 organizations saw public support of \$33.159 billion amid overall revenue of \$65.43 billion in the prior year, almost 51 percent. *The NPT 100*, an annual study of the largest charities in the nation, covers the fiscal year ending in 2011.

Faced with dwindling support from government and weaker charitable giving from a smaller pool of donors, the nation's largest nonprofits have turned to other revenue streams.

NPT Top 100, page 3

Apogee

The Only Donor Cooperative Built By Fundraising Marketing Experts

Infogroup Nonprofit Solutions invites your organization to participate in Apogee – a multi-functional marketing tool with diverse applications.

Solutions Available to Apogee Members

- ✓ Maximize revenue and lifetime value with high-value custom models
- ✓ Extend your reach with high-performance modeled universe
- ✓ Reactivate your lapsed donor population – no lapsed donor is too old
- ✓ Improve overall performance through merge / purge optimization
- ✓ Upgrade existing donors to mid donor, major donor, and planning giving status
- ✓ Grow streams of steady revenue by converting current donors to monthly givers
- ✓ Utilize package / offer-specific proprietary models
- ✓ Conduct true multichannel marketing campaigns
- ✓ Expand your universe through commercial list optimization
- ✓ Take advantage of highly aggressive pricing and net arrangements

Our proprietary data assets and extensive experience in nonprofit list services as well as building transactional databases for direct marketers, make this a unique product and opportunity for your organization.

For more information, contact:

Matthew Frattura

402.836.5527 | matthew.frattura@infogroup.com

infogroup[®]
NONPROFIT SOLUTIONS
www.infogroup.com/Apogee

Continuing growth in its retail store pickup program drove Feeding America's total revenue numbers past \$1 billion, all the way to No. 11 in the 2012 NPT 100.



Continued from page 1

"Some things cause concern as far as the markets are concerned, and the ability to raise money," said Dan Romano, National Partner-In-Charge, Tax Not-for-Profit and Higher Education Practices, for Grant Thornton, which helped *The NPT* analyze the financial data. "There's a constant need to generate new sources of revenue," he said.

Program service revenue was the second-largest portion of funds for *NPT 100* organizations, comprising about one-quarter of revenues at \$16.767 billion. Government support was \$11.1 billion, up slightly from \$10.745 billion, accounting for more than 16 percent of all revenues. Other revenue and investment income each contributed about 4 percent to the overall revenue pie, at \$2.859 billion and \$2.763 billion, respectively.

On the expense side, *NPT 100* organizations spent \$55.416 billion on program, \$5.257 billion on administration and \$3.138 billion on fundraising -- for a total \$63.711 billion.

Giving has been slow to rebound overall after huge drops in 2008 and 2009. But, chief financial officers are generally upbeat about the industry and it's been a decent year, according to surveys, with investment returns trending upward, said Romano.

In his experience, Romano said organizations with strong balance sheets and diversified revenue sources continue to receive favorable credit ratings and have an easier time finding new financing. "That might be a minority of nonprofits but they comprise a big part of the *NPT 100*," he said.

DIVERSIFYING REVENUE STREAMS

The rebound in the stock market has helped those such as Shriners Hospital for Children and museums with large endowments. "We're seeing more of a turnaround now, because our fiscal-year clients are reporting better investment returns than December 2011 year-ends. Next year, we will see some nice returns," said Romano.

At the same time, museums are enjoying a huge spark in attendance, which means good things for other revenue streams, such as membership dues and earned income from related activities -- from parking and restaurants to gift shops and magazines.

The American Museum of Natural History in New York City reported its highest attendance in history, surpassing record-breaking attendance in 2010, almost half of which was international. Ticket sales

were up slightly, with membership dues about flat, but food sales jumped from \$5.8 million to \$7.45 million. At the same time, government support dropped by a third, from more than \$50 million in 2010 to \$34 million last year.

Cultural organizations "have to push more for public support and they have done that," Romano said. "Their campaigns were created to seed that type of support, as opposed to relying on government funds," he added.

A variety of revenue streams contributed to arts and culture organizations seeing big boosts within the *NPT 100*. For some, investment income spiked, like the



Fundraising events, like American Heart Association's heart walk, remained stable overall for most *NPT 100* organizations but some did see declines.

Metropolitan Museum of Art in New York City, which jumped to \$218 million from \$78 million the previous year.

The Museum of Fine Arts, Boston, was No. 101, the last cut from the *NPT 100*. Since a massive capital campaign that funded the new American Wing and other efforts, the museum has seen attendance soar from 865,000 to 1.2 million, according to CFO Mark Kerwin. Ancillary services, such as parking and restaurants, have increased due to the higher attendance. The museum's Shapiro Courtyard, which can seat 700 people for dinner, has become a hot venue in Beantown, and its American Wing hosts 20 to 30 special events.

Federal and state budgets continue to be strained and funding cuts are especially evident among arts charities. "They are trying different ways to reach donors. Instead of just asking for cash, donating securities might be more advantageous to an individual," Romano said. "They're being more creative in the way they solicit contributions," he said. Bequests are on

the rise as well, with nonprofits seeking those types of contributions when people don't have cash available right now.

Those that did gain on the revenue and public support side had comparative increases on the expense side, especially on programs. "There's a direct correlation, I think, between public support and program services," said Romano.

Some of the other largest increases in total revenue belonged to a variety of organizations: No. 48, Catholic Medical Mission Board (CMMB) was up 69.65 percent; No. 17, Shriners Hospitals for Children, 68.9 percent; No. 33, Metropolitan Museum of Art, up 68.5 percent, and

The vast majority of the change in revenue for OBI was for non-cash contributions of drugs and medical supplies, specifically de-worming medications. Clothes and household goods were still valued at about \$50 million, as was food inventory. But, in-kind pharmaceuticals plummeted from \$337 million to \$143 million. Grants to organizations outside the United States also dipped, from \$346 million to less than \$150 million.

"The most conservative course of action was to discontinue recognition of any value for financial reporting purposes until an accepted industry standard could be identified," Chris Roslan, a spokesman for OBI with Roslan & Champion Public Relations in New York City, said via email. The Norfolk, Va.-based charity also had a big boost the previous year for its disaster relief effort in Haiti, including the largest medicine donation in its history. Of the \$473 million in revenue for OBI in last year's *NPT 100*, Haiti-related contributions totaled \$162 million, including gifts in kind and cash.

From the inception of OBI's anti-parasite program in 2005 to the end of 2011, Roslan said the organization distributed more than 44 million doses and recognized \$301.6 million of contribution revenue, for an average valuation of about \$6.85 per pill.

"The industry is looking at that now, as far as what should be accounted," said Romano, with the Financial Accounting Standards Board (FASB) looking to see how to best value those types of donations in the nonprofit world.

MAP International in Brunswick, Ga., also adjusted its valuations, which resulted in a large decline, and dropped out of the top 100 altogether, tumbling from \$209 million and a No. 75 ranking, to \$140 million last year.

UNITED WAY

Counting some revenues twice is all but assured in the *NPT 100*, with grant-making occurring among an aggregate of \$60 billion revenue in organizations. It is especially true with United Way, which passes along its revenues. United Way reported revenue of \$4.139 billion last year, with \$3.903 billion of that in the form of public support.

One-fifth of the organizations that made the 2011 *NPT 100* received some part of United Way's distribution, totaling more than \$1 billion. Four of the largest groups in the study received more than \$100 million in funding from United Way:

No. 39, Art Institute of Chicago, up 55 percent. They represent a mix of charities that rely on varying revenue streams.

WHAT'S IT WORTH?

CMMB received a huge boost, \$127 million in donated pharmaceuticals to fuel its revenue jump. In-kind organizations in general are well-represented in the *NPT 100*.

For the Atlanta, Ga.-based Task Force for Global Health, nearly all of its \$1.16 billion in revenue was in the form of pharmaceutical donations through Global Health Solutions, Inc., which files a separate Form 990.

Meanwhile, other in-kind organizations continued to change how they value donated pharmaceuticals. Last year's *NPT 100* documented a huge decrease for Feed The Children (No. 35) due to changes in valuation, while this year changes were made at Operation Blessing International (OBI) Relief and Development Corporation (No. 57), which saw a drop of 44 percent in total revenue.

Continued on page 9

THE 2012 NPT TOP 100

Name	2011 Total Revenue	Sources of Income					In Kind Contributions
		Public Support	Government	Investment	Program Service	Other	
1. YMCA of the USA	5,986,057,000	823,404,000	625,075,000	43,544,000	4,428,599,000	65,435,000	n/a
2. Goodwill Industries International	4,436,965,145	777,986,837	492,098,454	66,342,890	3,100,536,964	0	0
3. Catholic Charities USA	4,422,814,987	679,329,037	2,993,264,162	76,864,767	488,760,939	184,596,082	0
4. United Way ¹	4,139,536,549	3,903,601,412	242,042,902	- 6,107,765	0	0	218,557,667
5. American Red Cross	3,452,960,387	945,867,933	68,005,187	52,283,495	2,328,884,915	57,918,857	12,404,524
6. The Salvation Army ²	3,203,811,000	1,697,629,000	351,489,000	399,799,000	146,657,000	608,237,000	0
7. Habitat for Humanity International	1,490,610,954	619,327,391	247,462,219	48,464,099	351,549,604	223,807,641	0
8. Boys & Girls Clubs of America ³	1,458,282,307	658,324,137	501,129,792	5,422,073	199,481,113	93,925,192	56,878,317
9. Easter Seals	1,402,531,662	161,597,926	278,044,358	11,608,456	673,130,877	278,150,045	5,574,855
10. Smithsonian Institution	1,240,978,409	161,385,177	878,796,172	51,436,683	90,321,275	59,039,102	7,652,994
11. Feeding America	1,185,002,956	1,144,535,746	0	1,320,319	19,820,143	19,326,748	638,891
12. Task Force for Global Health	1,163,443,980	1,147,767,089	15,660,383	16,508	0	0	0
13. Planned Parenthood Federation of America	1,154,000,000	279,600,000	470,400,000	17,400,000	373,500,000	13,100,000	2,700,000
14. World Vision	1,055,753,031	848,213,711	198,653,528	3,488,513	4,830,308	566,971	505,476
15. Dana-Farber Cancer Institute	1,002,464,148	275,765,222	164,905,675	332,089	540,814,609	20,646,553	0
16. The Nature Conservancy	997,037,763	504,031,637	149,419,718	100,604,554	232,038,350	10,943,504	22,810,237
17. Shriners Hospitals for Children	963,647,365	195,681,238	1,594,204	669,350,342	66,934,531	30,087,050	0
18. American Cancer Society	953,576,000	888,314,000	25,916,000	18,640,000	0	20,706,000	50,578,000
19. Food For The Poor	938,210,756	930,201,898	8,016,255	21,502	0	- 28,899	0
20. Boy Scouts of America ⁴	904,686,000	393,994,000	4,485,000	7,997,000	324,250,000	173,960,000	n/a
21. Catholic Relief Services	821,538,835	319,363,522	497,171,321	8,634,721	57,117	- 3,687,846	275,700
22. ALSAC/St. Jude's Children's Research Hospital	814,333,231	698,411,243	0	90,069,200	0	25,852,788	0
23. Childrens Hospital Los Angeles	812,806,260	97,694,704	44,254,403	18,435,956	649,765,160	2,656,037	0
24. Girl Scouts of the USA ⁵	735,231,654	102,277,173	6,497,516	18,621,239	518,615,136	89,220,590	6,831,432
25. YWCA ⁶	699,910,996	397,651,178	287,244,921	n/a	n/a	302,259,818	n/a
26. AmeriCares	663,793,851	662,889,899	0	446,407	381,585	75,960	0
27. American Heart Association	657,224,306	510,312,454	345,510	55,049,089	24,726,814	66,790,439	0
28. Save the Children	600,500,737	349,345,258	238,736,991	5,190,338	5,909,090	1,319,060	25,836,314
29. C.A.R.E.	582,010,108	361,593,782	199,313,950	12,350,482	0	8,751,894	0
30. Compassion International	548,928,110	547,401,127	0	1,437,019	60,000	29,964	0
31. Campus Crusade for Christ	517,052,000	474,476,000	0	3,620,000	13,805,000	25,151,000	0
32. Fred Hutchinson Cancer Research Center	470,606,324	69,139,382	319,314,618	9,756,524	51,692,311	20,703,489	0
33. Metropolitan Museum of Art	470,048,040	164,282,227	28,508,249	218,721,775	11,769,800	46,765,989	0
34. United States Fund for U.N.I.C.E.F.	455,002,605	451,031,954	0	1,835,880	0	2,134,771	0
35. Feed The Children	436,456,384	430,060,955	1,108,910	4,582,676	0	703,843	123,782
36. Direct Relief International	404,925,928	404,747,879	0	- 91,978	281,616	- 11,589	0
37. PBS	404,301,637	172,840,301	8,384,699	6,965,473	194,787,935	21,323,229	0
38. International Rescue Committee	397,873,717	141,417,162	247,074,884	6,917,228	0	2,464,443	0
39. Art Institute of Chicago	397,084,961	71,940,396	7,971,201	94,124,670	214,444,567	8,604,127	0
40. Samaritan's Purse	388,184,949	375,710,729	7,649,504	2,936,567	1,553,269	334,880	13,481,994
41. Institute of International Education	366,688,861	100,841,564	239,098,518	4,658,525	22,111,555	- 21,301	0
42. Metropolitan Opera Association	365,892,557	194,090,095	479,930	12,760,000	155,270,186	3,292,346	0
43. Susan G. Komen for the Cure	357,832,083	285,743,084	51,500	6,884,554	34,417,471	30,735,474	0
44. Boys Town	325,207,000	141,949,000	13,434,000	- 1,633,000	171,108,000	349,000	0
45. New York Presbyterian Fund ⁵	312,820,526	96,529,078	0	119,915,212	96,919,322	- 543,086	0
46. Cystic Fibrosis Foundation	311,964,391	126,294,688	0	7,234,593	178,435,110	0	0
47. Good360	310,515,688	305,795,114	0	0	4,719,156	10,418	505,250
48. Catholic Medical Mission Board	305,098,065	294,251,197	10,661,178	185,690	0	0	0
49. Pew Charitable Trusts	300,131,637	283,445,062	216,386	13,088,994	4,118,380	- 737,185	0
50. Christian Broadcasting Network	285,304,245	177,577,737	0	1,107,885	498,587	106,120,036	0

⁵ FYE 2010 ¹ In-kind contributions includes donated services and products ⁶ Public support includes some government support that could not be broken out ⁴ Program expenses includes all revenues, expenses of National Council but only unrestricted revenue, expenses for local councils ² Expenses of \$143.444 million from irregular items (i.e., accounting principle) not reflected in category amounts ³ Unaudited compilation of data provided by member clubs plus audited financials of national office

THE 2012 NPT TOP 100

Total	Expenses			Total Assets	Value of Investments	Total Joint Cost	Net Change In Assets	Unrestricted Assets	Temporarily Restricted	Permanently Restricted
	Programs	Fundraising	Administrative							
5,725,880,000	4,842,027,000	119,229,000	764,624,000	n/a	n/a	n/a	260,177,000	n/a	n/a	n/a
4,133,759,347	3,643,171,600	23,164,875	467,422,872	3,572,124,570	1,007,453,154	0	303,205,798	2,359,590,789	58,874,842	27,487,004
4,362,132,240	3,891,969,854	68,452,603	401,709,783	n/a	n/a	n/a	60,682,747	n/a	n/a	n/a
4,139,536,549	3,522,745,603	339,441,997	277,348,949	n/a	n/a	n/a	n/a	n/a	n/a	n/a
3,422,010,386	3,157,481,991	127,019,240	137,509,155	4,253,578,616	2,378,096,495	3,565,083	224,106,016	655,018,583	871,138,152	665,767,550
3,229,634,000	2,653,615,000	196,323,000	379,696,000	12,816,181,000	6,296,759,000	0	- 401,839,000	5,528,925,000	1,205,380,000	1,972,253,000
1,379,964,177	1,161,488,466	108,978,983	109,496,728	3,243,888,824	758,932,029	0	110,646,777	1,862,729,623	437,137,204	5,513,041
1,427,784,685	1,168,801,663	80,657,224	178,325,798	n/a	865,752,245	n/a	30,497,622	n/a	n/a	n/a
1,418,243,848	1,266,830,674	40,664,531	110,748,643	1,164,528,330	462,767,622	n/a	- 5,112,680	579,956,922	65,174,359	80,089,103
1,101,404,223	800,950,568	29,238,921	271,214,734	3,516,523,060	1,566,666,723	10,574,172	95,860,670	1,898,863,964	557,265,417	319,196,932
1,179,643,651	1,147,252,054	22,405,240	9,986,357	67,238,988	31,191,620	0	5,619,145	15,171,802	31,795,143	1,537,043
1,164,327,540	1,162,011,937	166,468	2,149,135	46,915,235	38,313,145	0	- 883,560	5,475,819	32,713,128	0
1,024,500,000	847,000,000	51,000,000	126,500,000	1,377,000,000	0	0	129,500,000	782,000	211,800,000	165,800,000
1,078,549,155	926,647,292	101,702,306	50,199,557	287,843,043	104,484,238	0	- 22,796,124	48,823,081	92,881,357	6,844,687
965,097,718	821,087,868	16,701,717	127,308,133	1,487,621,685	13,565,085	0	37,366,430	445,625,205	351,537,819	143,919,913
852,695,208	672,756,640	73,533,115	106,405,453	6,013,579,638	82,119,460	0	144,342,555	4,304,470,124	574,995,654	301,092,948
620,381,648	522,030,534	20,795,726	77,555,388	7,907,745,025	5,882,279,780	0	- 313,377,919	5,632,700,282	308,388,249	1,007,543,587
946,970,000	680,573,000	202,941,000	63,456,000	2,039,204,000	1,123,808,000	0	6,606,000	885,255,000	229,532,000	259,598,000
950,853,360	915,478,352	27,791,241	7,583,767	27,145,749	8,013,378	0	- 12,704,238	17,563,883	1,311,294	0
872,869,000	752,835,000	56,862,000	63,172,000	n/a	n/a	n/a	31,817,000	n/a	n/a	n/a
819,956,942	774,173,751	25,531,890	20,251,301	463,004,630	346,607,863	0	- 6,144,962	36,114,108	137,286,109	6,235,503
616,754,508	426,801,894	139,200,471	50,752,143	2,422,814,020	2,335,336,742	0	444,494,813	1,546,098,870	46,913,705	788,633,390
690,285,980	538,396,466	11,899,740	139,989,774	1,705,734,786	606,277,437	0	122,520,280	736,224,144	151,465,905	145,771,647
741,156,761	615,572,705	44,266,573	81,317,483	1,545,638,754	735,394,026	0	16,686,315	1,197,502,105	74,567,263	79,003,768
677,939,940	n/a	n/a	n/a	n/a	n/a	0	21,971,056	n/a	n/a	n/a
665,331,622	655,099,494	7,245,650	2,986,478	156,947,989	41,198,950	0	- 698,957	101,114,379	43,966,046	4,597,370
597,862,142	467,860,232	81,383,891	48,618,019	1,009,841,845	560,182,373	0	92,920,869	258,066,467	227,526,334	167,395,613
580,139,362	532,129,022	27,045,351	20,964,989	336,570,839	224,486,134	0	15,090,350	108,147,315	58,292,552	28,071,365
614,417,692	550,370,076	27,666,736	36,380,880	537,043,762	282,930,716	0	- 32,407,584	96,555,565	125,516,741	133,483,121
520,412,682	433,407,581	49,430,298	37,574,803	233,753,013	158,529,344	0	28,515,428	66,025,702	99,017,494	7,014,905
522,211,000	446,227,000	38,865,000	37,119,000	234,479,000	120,127,000	0	- 2,852,000	115,671,000	4,533,000	3,242,000
426,207,361	402,721,001	5,599,404	17,886,956	714,148,481	228,021,958	0	57,532,144	162,996,337	38,223,000	51,813,000
345,356,939	300,226,444	9,407,834	35,722,661	3,324,866,332	2,698,781,540	0	354,311,351	836,313,194	1,249,610,968	820,867,313
446,925,075	404,658,473	29,378,701	12,887,901	138,970,269	62,468,194	0	8,077,530	21,805,933	30,704,736	1,572,329
425,833,946	368,884,936	38,191,295	18,757,715	185,587,243	46,398,678	1,014,700	16,092,715	136,593,770	39,920,627	0
309,544,207	305,791,551	1,351,115	2,401,541	250,554,095	36,077,184	0	95,381,721	237,950,874	9,818,023	25,036
451,809,048	429,315,238	158,804	22,335,006	379,079,986	195,952,533	0	- 33,946,954	202,566,856	87,092,367	0
286,464,097	256,870,158	11,414,910	18,179,029	195,269,065	139,041,276	0	111,409,620	50,462,039	27,721,727	50,922,224
312,911,433	286,153,004	5,821,220	20,937,209	1,414,483,069	839,833,727	0	84,173,528	114,183,756	579,645,269	312,283,467
350,183,276	307,306,060	24,767,123	18,110,093	280,781,752	163,369,825	57,408,582	36,820,095	124,571,908	125,499,918	0
370,702,749	346,372,093	859,907	23,470,749	163,037,560	106,469,346	0	- 4,013,888	35,618,667	59,137,596	6,321,165
333,100,557	302,536,329	12,353,228	18,211,000	473,216,192	283,947,972	0	32,792,000	- 133,349,278	173,626,738	216,634,986
342,978,763	282,981,996	33,720,165	26,276,602	492,190,210	407,426,925	0	14,853,320	115,325,620	81,332,503	225,000
373,615,000	332,743,000	21,872,000	19,000,000	1,168,079,000	901,300,000	0	- 48,408,000	887,470,000	43,262,000	64,778,000
158,000,466	136,505,106	12,751,853	8,743,507	1,831,761,933	1,401,757,840	0	190,644,820	492,681,932	1,123,309,573	184,336,411
313,762,508	287,841,598	16,137,612	9,783,298	254,231,040	201,562,171	0	- 12,844,794	154,243,452	17,895,922	3,309,541
320,320,845	317,242,401	1,248,685	1,829,759	24,414,565	531,244	0	- 9,299,907	17,078,199	1,748,033	0
257,894,916	250,197,569	4,025,427	3,671,920	60,205,046	2,199,885	0	47,037,724	51,358,217	2,200,462	0
277,462,275	254,927,788	2,929,955	19,604,532	792,265,099	522,806,944	0	43,762,191	308,430,628	122,264,909	0
278,536,352	237,889,224	25,762,767	14,884,361	195,203,633	59,912,074	0	14,185,640	137,769,220	25,136,612	346,820

THE 2012 NPT TOP 100

Name	2011 Total Revenue	Sources of Income					In Kind Contributions
		Public Support	Government	Investment	Program Service	Other	
51. Leukemia & Lymphoma Society	283,832,501	269,844,085	520,836	10,990,644	0	2,476,936	5,982,875
52. Big Brothers Big Sisters of America	277,306,058	193,235,214	71,585,949	1,101,345	0	11,383,550	0
53. American Jewish Joint Distribution Committee	271,724,610	185,214,941	93,528,137	-10,497,711	0	3,479,243	0
54. Teach For America	270,472,850	200,772,631	42,874,615	102,728	25,011,766	1,711,110	262,606
55. Mercy Corps	268,631,306	60,110,640	206,304,424	266,182	1,337,172	612,888	1,631,628
56. New York Public Library	268,005,784	48,643,420	164,409,329	42,000,362	5,423,444	7,529,229	0
57. Operation Blessing International	263,908,319	263,447,564	435,169	25,452	0	134	0
58. Special Olympics International ⁷	255,389,025	197,897,822	23,549,345	6,137,854	7,953,441	19,850,563	0
59. William J. Clinton Foundation ⁸	253,225,960	108,119,324	134,333,709	3,176,733	0	7,596,194	169,619
60. Marine Toys For Tots Foundation	246,641,999	244,769,228	0	1,565,117	0	307,654	6,325,982
61. Mental Health America ⁹	243,684,603	32,322,804	125,831,547	2,477,863	77,144,894	5,907,495	0
62. Brother's Brother Foundation	242,417,396	241,436,625	0	215,403	735,392	29,976	0
63. The Conservation Fund	242,376,138	60,841,469	58,147,454	667,646	122,719,569	0	0
64. Christian and Missionary Alliance	237,320,511	52,871,783	0	22,875,805	149,333,255	12,239,668	0
65. Young Life	237,160,348	185,369,337	0	- 459,222	53,048,116	- 797,883	0
66. Rotary Foundation of Rotary International	236,590,554	208,487,564	33,087	22,120,566	- 7	5,949,344	0
67. Alzheimer's Association	235,714,937	202,181,118	13,563,118	4,593,099	10,742,274	4,635,328	6,208,629
68. UJA - Federation of New York	234,446,000	152,562,000	0	81,512,000	326,000	46,000	200,000
69. ChildFund International	228,243,355	212,362,957	10,921,218	3,168,613	1,443,013	347,554	0
70. National Multiple Sclerosis Society	217,108,367	208,363,711	1,201,374	530,898	1,585,281	5,427,103	n/a
71. Make-A-Wish Foundation	216,758,210	202,314,049	0	13,181,113	0	1,263,048	36,324,553
72. Chronic Disease Fund	215,283,337	215,071,925	0	304,318	0	- 92,906	0
73. American Kidney Fund	212,576,193	211,686,022	51,970	722,869	15,488	99,844	1,000,599
74. National Jewish Health	211,763,114	28,947,585	60,055,000	5,488,986	117,098,059	173,484	0
75. UNCF	211,401,176	158,284,276	0	53,116,900	0	0	0
76. American Diabetes Association	208,533,000	151,689,000	8,166,000	2,001,000	15,715,000	30,962,000	0
77. March of Dimes	207,886,586	196,960,736	3,117,356	4,332,775	1,881,052	1,594,667	0
78. Wildlife Conservation Society	206,154,720	61,963,576	65,680,900	20,023,428	50,424,721	8,062,095	0
79. Cross International	205,862,526	204,288,051	1,412,198	5,265	151,226	5,786	0
80. Operation Compassion	205,609,964	203,408,452	0	1,454	2,206,515	- 6,457	0
81. Museum Of Modern Art	205,587,007	90,709,086	639,525	56,094,041	27,921,807	30,222,548	0
82. JDRF	204,628,588	198,202,755	0	5,168,910	10,689	1,246,234	0
83. Project HOPE	203,901,912	194,700,380	4,906,304	1,955,799	2,082,940	256,489	2,810,391
84. The Carter Center	202,858,134	161,467,515	23,451,670	17,590,144	0	348,805	0
85. American Museum of Natural History	202,334,324	71,791,029	50,539,188	36,537,552	27,958,505	15,508,050	0
86. JFK Center for the Performing Arts	194,964,767	57,500,280	41,999,732	3,710,876	80,351,826	11,402,053	0
87. United Nations Foundation	192,737,803	180,903,273	9,060,000	1,595,738	0	1,178,792	0
88. Doctors Without Borders	191,446,594	180,815,198	0	474,359	10,108,688	48,349	2,413,778
89. WGBH Educational Foundation	187,306,594	153,915,509	13,413,849	2,365,266	14,411,896	3,200,074	5,584,859
90. Christian Aid Ministries	187,200,899	186,926,267	0	215,405	0	59,227	0
91. NPR	184,273,037	66,803,989	562,810	7,906,804	99,831,643	9,167,791	0
92. World Wildlife Fund	182,067,246	127,645,496	43,807,057	5,437,730	583,515	4,593,448	0
93. Scholarship America	177,190,442	157,504,255	0	9,256,041	9,199,532	1,230,614	12,355
94. Legal Aid Society	175,975,440	17,741,795	157,597,765	210,467	135,197	290,216	74,598,051
95. Trinity Broadcasting Network ⁵	175,563,337	92,509,010	0	17,349,198	64,404,222	1,300,907	98,637
96. Ducks Unlimited	168,494,147	69,384,013	74,458,440	3,479,509	0	21,172,185	0
97. Humane Society of the United States	165,569,855	152,886,561	372,947	3,683,918	1,962,070	6,664,359	26,850,648
98. JA Worldwide ¹⁰	165,390,473	165,390,473	n/a	n/a	n/a	n/a	n/a
99. The George W. Bush Presidential Foundation ⁵	161,017,490	161,162,992	0	72,752	0	- 218,254	34,450
100. Lincoln Center for the Performing Arts	159,273,681	77,211,974	16,356,018	6,317,954	58,937,779	449,956	4,287,153

⁵ FYE 2010 ⁹ Compilation of data from 175 affiliates, fiscal years ranging 2008 to 2011 and includes some Form 990EZ ¹⁰ Compilation of data common from both 990 and 990EZ forms of 124 affiliates ⁸ Draft financial statements
⁷ Compilation of FYE 2011 Form 990 for headquarters and 22 affiliates plus 2010 990 of 29 affiliates

THE 2012 NPT TOP 100

Total	Expenses			Total Assets	Value of Investments	Total Joint Cost	Net Change In Assets	Unrestricted Assets	Temporarily Restricted	Permanently Restricted
	Program	Fundraising	Administrative							
280,841,124	214,858,338	45,446,413	20,536,373	224,271,874	195,282,478	21,788,322	10,263,817	93,670,008	23,328,394	2,785,491
277,000,000	216,298,680	32,970,714	27,730,606	28,549,373	13,977,272	0	306,058	3,650,116	11,304,182	229,062
316,473,936	290,470,747	4,579,757	21,423,432	603,551,860	451,918,544	0	- 44,749,326	160,578,796	271,451,301	28,881,483
218,697,225	182,579,512	21,556,113	14,561,600	372,603,252	149,030,705	0	50,843,668	166,396,200	95,129,045	89,161,863
267,093,403	231,640,915	10,340,015	25,112,473	138,621,233	87,819,683	0	- 1,024,789	40,443,059	33,497,324	0
270,634,964	224,335,124	9,345,928	36,953,912	1,332,730,535	917,200,531	0	105,582,563	241,542,737	268,634,670	416,600,416
262,827,722	259,752,696	2,033,258	1,041,768	17,170,468	7,394,741	0	1,080,597	1,365,840	7,976,282	0
246,046,683	187,948,130	42,082,301	16,016,252	242,000,699	178,009,577	0	9,342,342	189,225,084	16,816,479	4,648,274
249,858,240	233,391,862	4,931,904	11,534,474	243,389,300	79,869,719	0	3,367,720	174,555,671	27,988,673	250,000
236,635,230	230,044,855	5,944,455	645,920	110,504,972	74,123,311	0	7,880,860	98,167,868	0	0
238,596,766	205,755,726	3,624,136	29,216,904	199,308,929	93,243,408	0	5,087,837	110,467,958	16,815,358	7,752,024
235,104,816	234,229,454	200,860	674,502	25,645,174	6,965,292	0	7,312,580	24,468,658	748,142	325,000
194,240,901	189,235,794	1,911,266	3,093,841	494,874,180	141,876,488	0	48,135,237	246,518,636	99,240,518	81,400,110
227,271,028	197,765,481	4,275,750	25,229,797	860,938,285	140,214,787	0	10,049,483	115,699,932	22,467,532	12,535,571
212,756,520	186,993,688	5,427,281	20,335,551	364,389,572	55,915,412	0	24,437,418	238,789,890	6,718,761	0
193,909,883	168,641,820	17,498,660	7,769,403	852,456,442	817,414,517	0	137,304,125	496,430,008	101,818,422	196,718,212
224,663,902	168,771,996	38,602,520	17,289,386	294,258,077	206,687,562	0	25,600,431	135,118,929	44,008,292	33,207,550
216,229,000	165,081,000	29,236,000	21,912,000	1,228,189,000	977,232,000	0	91,711,000	489,432,000	302,938,000	226,822,000
216,184,138	176,858,527	23,250,389	16,075,222	101,401,580	64,115,708	0	17,072,538	25,567,789	37,681,840	17,614,900
216,128,312	164,424,507	36,157,394	15,546,411	n/a	n/a	0	980,055	n/a	n/a	n/a
210,852,366	155,714,999	33,721,460	21,415,907	241,595,307	193,580,257	0	5,905,844	121,705,701	28,168,958	23,716,784
213,488,558	207,643,294	3,571,756	2,273,508	245,307,289	236,761,962	0	919,650	20,266,822	0	0
207,478,766	202,192,769	3,668,963	1,617,034	32,680,498	27,880,737	1,998,536	4,191,629	27,897,681	3,354,551	175,017
206,070,886	169,623,713	7,401,513	29,045,660	265,935,000	127,890,000	0	18,690,000	101,308,000	32,731,000	40,985,000
150,922,598	129,784,576	9,659,205	11,478,817	1,078,348,065	1,033,339,240	0	80,631,958	11,578,736	491,287,746	55,635,578
199,999,000	145,322,000	46,274,000	8,403,000	119,869,000	44,739,000	0	8,534,000	23,675,000	51,347,000	9,601,000
207,290,112	156,624,482	28,050,760	22,614,870	156,180,825	119,147,043	0	596,474	- 1,615,975	2,204,428	11,345,481
206,097,389	172,284,000	7,536,698	26,276,691	792,809,108	474,175,676	0	57,331	308,835,578	150,345,934	207,750,909
205,836,328	194,603,620	6,176,858	5,055,850	13,294,329	7,911,123	0	26,198	- 317,651	1,758,542	233,000
244,129,880	243,696,967	137,794	295,119	53,582,461	714,925	0	- 38,519,916	53,582,461	0	0
231,386,633	176,196,171	12,977,983	42,212,479	1,528,295,416	780,501,081	0	50,024,406	656,351,848	163,339,000	237,613,000
204,416,630	168,204,059	21,836,676	14,375,895	214,549,100	168,885,191	0	16,475,831	12,923,253	28,651,669	6,455,024
202,363,497	190,366,484	8,149,235	3,847,778	64,025,519	25,040,258	0	2,720,496	10,096,831	36,586,098	3,765,064
219,460,656	205,160,445	8,018,365	6,281,846	489,699,418	438,462,443	0	- 16,602,522	163,880,724	191,880,041	123,994,831
184,851,535	152,596,736	5,147,490	27,107,309	1,156,882,013	620,810,722	0	17,482,789	323,436,210	266,756,331	157,800,803
192,547,577	173,246,832	7,371,413	11,929,332	411,406,853	126,405,426	0	2,417,190	107,902,177	100,580,114	94,032,088
127,292,648	110,217,482	7,439,171	9,635,995	237,753,991	20,029,355	0	63,963,467	117,578,701	113,634,464	0
178,224,154	153,245,178	22,636,178	2,342,798	176,790,595	152,165,607	0	12,883,303	159,440,654	7,651,043	0
176,223,946	123,053,266	17,477,917	35,692,763	526,625,925	84,287,437	0	14,803,431	174,818,898	107,992,872	29,386,669
139,489,248	137,512,801	754,292	1,222,155	94,219,075	13,440,345	0	47,712,064	88,182,079	3,848,301	0
185,555,146	144,872,658	11,276,058	29,406,430	394,636,102	247,718,121	0	- 1,282,109	166,382,368	5,747,127	0
184,039,637	147,186,280	25,720,327	11,133,030	400,489,841	243,515,714	0	- 1,972,391	143,884,791	82,792,597	41,316,038
178,912,149	172,169,477	2,247,131	4,495,541	303,195,966	297,608,906	0	5,901,364	51,161,863	112,205,377	99,367,590
175,376,981	163,756,373	939,737	10,680,871	47,551,017	23,141,736	0	832,657	- 42,375,356	2,442,791	2,066,023
193,734,327	146,358,721	12,107,156	35,268,450	852,325,562	329,091,234	0	- 30,146,864	827,444,504	164,262	0
155,701,461	126,178,128	25,148,478	4,374,855	126,014,419	50,047,044	0	15,554,581	16,665,615	68,341,450	10,828,841
159,905,374	128,399,104	25,404,046	6,102,224	231,874,932	184,416,155	0	216,037	129,933,343	35,855,534	34,693,722
155,995,301	155,995,301	n/a	n/a	252,900,194	n/a	n/a	9,395,172	200,538,540	n/a	n/a
21,497,044	6,524,257	13,376,427	1,596,360	316,521,565	86,418,858	0	139,515,892	126,143,869	185,596,871	0
167,057,092	142,495,295	7,132,080	17,429,717	739,433,731	251,007,823	0	23,599,127	255,567,687	40,772,060	83,601,273

**Reason says:
new regulations
are complicated.**



**Instinct says:
understanding
them gives
you the edge.**



Grant Thornton

An instinct for growth™

In today's environment, compliance may seem nearly impossible, let alone growth. Grant Thornton can help you grow in the face of the regulations. We provide a differentiated experience with more senior staff time, short decision-making chains and sound processes that our clients truly value. To help unlock your potential, visit GrantThornton.com/nfp.

Grant Thornton refers to Grant Thornton LLP, the U.S. member firm of Grant Thornton International Ltd.

Continued from page 3

- American Red Cross (5), \$217.082 million;
- The Salvation Army (6), \$121.243 million;
- Boys & Girls Clubs of America (8), \$119.607 million; and,
- YMCA (1), \$118.141 million.

Another four organizations received at least \$50 million from United Way:

- Boys Scouts of America (20), \$81.648 million;
- YWCA (25), \$71.016 million;
- Catholic Charities (3), \$70.979 million; and,
- Girl Scouts of the USA (24), \$63.144 million.

All eight of the organizations ranked within the top 25 nonprofits in the study, meaning they reported at least approximately \$700 million in total revenue. Others that received funding through United Way included: Big Brothers Big Sisters (52), \$48.577 million; American Cancer Society (18), \$38.148 million; American Heart Association (27), \$22.312 million; Goodwill Industries (2), \$15.548 million; Mental Health America (61), \$15.301 million; Alzheimer's Association (67), \$3.822 million; American Diabetes Association (76), \$3.433 million; National Multiple Sclerosis Society (70), \$1.937 million; Cystic Fibrosis Foundation (46), \$985,011; and, Special Olympics (58), \$743,661.

JUST MISSED

One aspect of the *NPT 100* that separates it from other studies is the requirement that organizations raise at least 10 percent of revenue from public support. Two of the largest organizations on last year's list fell below that threshold: Alexandria, Va.-based Volunteers of America, \$1.018 billion (9.87 percent), and Duarte, Calif.-based City of Hope and its affiliates, \$1.015 billion (8.71 percent), both of which get a substantial amount of revenue through program service.

Hospitals often generate much of their revenue through program services. *The NPT 100* includes several health- or research-related organizations that get enough public support to qualify, but most of their revenue comes either from program service or government support: Fred Hutchinson Cancer Research Center (No. 32); Dana-Farber Cancer Institute (No. 15); and, Children's Hospital Los Angeles (No. 23).

Just barely qualifying, Legal Aid Society (No. 94) reported total revenue of \$175.975 million and made it by the slimmest of margins with public support of \$17.441 million, just 10.08 percent.

Among those returning to *The NPT 100* this year is American Museum of Natural History (No. 85), United Nations Foundation (No. 87), WGBH Foundation (No. 89) and Scholarship America (No. 93).

New to this year's *NPT 100* is The George W. Bush Presidential Foundation at No. 99 with \$161 million (based on its 2010 Form 990). The Dallas, Texas-based foundation ramped up as construction

nears completion for a 2013 opening of the George W. Bush Presidential Center at Southern Methodist University (SMU). The foundation typically files its Form 990 on a Nov. 15 extension and did not make available other financial statements for Fiscal Year 2011.

Dropping off *The NPT 100* from last year due to a decline in total revenue were Medical Teams International, Robin Hood Foundation, U.S. Olympic Committee, National Cancer Coalition, American Nicaraguan Foundation and the Entertainment Industry Foundation. Disaster relief organizations were affected with fundraising response to the 2010 Haiti earthquake coming off the books.

The No. 100 organization this year was the Lincoln Center for Performing Arts in New York City, at \$159.273 million, about 2.6 percent more than last year's No. 100, Christian Aid Ministries, at \$155.208 million.

The last five out of the top 100 were Museum of Fine Arts, Boston (\$157.082

million), Muscular Dystrophy Association (\$156.588 million), Children International (\$156.422 million), Wycliffe Bible Translators (\$149.634 million), and Jewish Federation of Metropolitan Chicago (\$149.369 million).

At least 15 of *The NPT 100* had total revenue of \$1 billion. The top six nonprofits remained in the stratosphere with more than \$3 billion in revenue: YMCA of the USA, Catholic Charities USA, United Way, Goodwill Industries International and The Salvation Army.

Among the newcomers to the billion-dollar club was Feeding America (11), which experienced one of the largest jumps in revenue, from \$698 million to \$1.185 billion. The Chicago-headquartered organization saw the largest increase in total revenue among *NPT 100* organizations, up almost 70 percent.

The demand on Feeding America and its affiliates spiked when the economy went south. Unemployment is the single primary factor in increasing food insecurity,

so as a result of high unemployment the organization continues to see record numbers seeking help, according to Maura Daly, chief communications, programs and development officer. Often the loss of one job within a household takes that household from food secure to food insecure, she said.

Feeding America's retail store pickup program has become one of the organization's fastest growing food streams during the past five years mostly due to the number of new retailers joining, including Sam's Club and Wal-Mart. "With the dramatic decline in support from the federal government, in terms of food, we saw the private sector increase their donations over the course of the last fiscal year, which has enabled us to see a slight increase in the amount of food we distributed," Daly said.

The next fiscal year, which closed June 30, is looking like it will be even greater, eclipsing \$1.5 billion.

"We have seen increases coming predominantly from available growth in our retail store donation program," said Daly. "At the same time, federal commodities have been dramatically declining, and we know the private sector can't continue keeping pace for those declines. With each passing year, the run rate within that retail store donation program becomes smaller, because we're ramping up, adding more stories, and at some point will become tapped out at accessing food at available retailers," she said.

It's the first time that another food channel for Feeding America has exceeded the poundage of the U.S. Department of Agriculture.

With more people hungrier, Daly said it's important that they don't continue to see a decline in federal support, its most stable source of food. Federal commodities are down 29 percent during the past year while retail and produce are both up 22 percent. "The problem with that is the cost to our network," said Daly.

Storage and transportation for federal commodities is paid for by the federal government but it costs Feeding America 24 cents per meal in its retail program and 17 cents per meal for its produce program. The most costly food streams are where more food is coming from, Daly said, so "the cost of doing business, frankly, is more expensive."

Cents per meal might not seem like much until you consider volume. In 2011, Feeding America's network of more than 200 food banks distributed some 641 million pounds, almost double the 2010 amount of 364 million pounds.

Critical to last year's increase were contracts that Feeding America entered into with four national donors to distribute grocery products directly to local members. Those contracts amounted to 311 million pounds distributed to member food banks, which translated to about \$517 million in donated goods and services. **NPT**

The Methodology

What separates *The NPT 100* from other studies of the nonprofit sector's financial girth is that it ranks organizations based on total revenue, with the caveat that at least 10 percent be derived from public support. As a result, several large nonprofits are not typically found in *The NPT 100*, among them Lutheran Services in America, The ARC and United Cerebral Palsy, and oftentimes, hospitals, don't make the cut.

The NPT 100 does not include colleges or universities, or donor-advised funds.

Data for the study are collected from a charity's Internal Revenue Service (IRS) Form 990 for the year ending in 2011. For most nonprofits in the study, that's either the calendar year 2011 or July 2010 to June 2011. But for some, it can vary widely. For instance, UNCF and Susan G. Komen for the Cure are among the earliest fiscal years, running April 2010 to March 2011.

If a Form 990 for the most recent year is not available, information is gathered from audited financial statements. Some organizations submitted estimated data because audited financials were not yet available, such as the William J. Clinton Foundation. Habitat for Humanity International provided an estimated combined financial statement, a compilation of affiliates, satellite offices and headquarters.

Still others are unable to file their 990 before the Nov. 15, 2012 IRS extension, and instead their previous year's Form 990 information is used. So for Trinity Broadcasting Network and New York Presbyterian Fund, the data represents the fiscal year ending in 2010. The same goes for Girl Scouts of the USA, although the data are not based on a Form 990 but a compilation from the national office.

Several of the largest organizations present a compilation based on a combination of audited financial statements, estimates or surveys of member agencies. For some of these largest organizations, it was difficult to break out certain categories or revenue, expenses or assets.

Considered a religious organization for tax purposes and not required to file a Form 990, The Salvation Army voluntarily releases a combination of data extracted from audited financial statements of the national corporation, world service office corporation and four U.S. Territories. A large majority of its government funding is made up of grants but it cannot break out detail of government fees, so the figure for its government support includes both. Likewise, it cannot break out donated goods from donated services but a large majority of in-kind donations are donated goods, which is included in the amount of donated goods and none in donated services.

Catholic Charities USA submits nationwide figures from an annual survey of member agencies, which does not collect balance sheet information.

Several of the *NPT 100* are represented by two entities' Forms 990, typically one that includes all in-kind information while the other handles all operations. That's the case of The Carter Center, U.S. Fund for UNICEF, Ducks Unlimited, Cross International/Catholic Outreach, and Task Force for Global Health/Global Health Solutions, Inc.

In the case of Special Olympics International and Mental Health America, the data are a compilation of the most recent fiscal year for the national office and as many affiliates as possible, though some data from previous years is combined. Special Olympics used the 2011 Form 990 for the national office and 22 affiliates, coupled with 2010 Form 990 data of 29 affiliates.

Of the 125 Mental Health America affiliates that filed Form 990, 47 were Fiscal Year Ending in 2011, 71 were 2010 and seven were 2009; of the 46 affiliates that filed a 990EZ, eight were 2011, 25 were 2010, nine were 2009 and three were 2008. Four affiliates filed old (not revised) Forms 990, so data are from 2005-2007.

Similarly, JA Worldwide was not comfortable filing partial data with a footnote; instead, the Colorado Springs, Colo.-based agency filed information from affiliates based on data that was common to both Form 990 and Form 990 EZ. — *Mark Hrywna*

Gifts Of Stock Rebound With Markets

By MARK HRYWNA AND TODD COHEN

The stock market's rebound from its lowest points in 2008 and 2009 have been good for charities that derive much of their income from endowments. Investment income has returned to more typical levels for charities in *The NPT 100*. The improving markets also have yielded more non-cash contributions in the way of gifts of stock from donors.

Nearly 30 of *NPT 100* organizations listed non-cash donations of publicly traded securities on Schedule M of the Form 990 that easily could be calculated. Other organizations filed audited financial statements, estimates or surveys of their networks, or documents other than the Form 990 for purposes of *The NPT 100*.

Of those nearly 30 organizations that showed gifts of stock, 17 reported increases in the value of donated stock gifts from 2010 to 2011; only seven reported fewer donors last year. Among those nonprofits, an overall \$124.36 million was donated in 2011 compared with \$112.48 million the previous year, an increase of almost 11 percent. The aggregate number of donors was up 18.5 percent, from 4,203 to 5,154.

The Nature Conservancy accounted for more than a quarter of the value of donated stocks in this group for each of the past two years. The Arlington, Va.-based charity checked in within the top quintile of *The NPT 100*, with \$997 million in total revenue.

In the fiscal year that included the collapse of the capital markets in the fall of 2008, gifts of stock to The Nature Conservancy plunged to \$15.7 million from \$65.7 million a year earlier, when the organization received a single gift of more than \$20 million. With the recovery of the markets in recent years, the charity has seen a rebound in gifts of stock, which totaled \$29.5 million in fiscal 2010 and \$33.3 million in fiscal 2011. That includes a single gift of roughly \$10 million each year, and \$22.9 million in fiscal 2012.

After the markets crashed, The Nature Conservancy worked with its professional fundraisers to "make sure they are talking to donors about ways to give from different asset classes," said Nev Major, director of gift planning administration. "Just because the market has gone down, they still may have appreciated assets that make sense."

While the markets have revived, the recession prompted charities to raise awareness among donors about the range of options they have for giving.

"Sophisticated donors are always going to want to fund their philanthropy with the right assets and will look broadly at their portfolios, particularly in challenging times, to find an appreciated asset that benefits charity," said Amy

Danforth, senior vice president for marketing and program at Fidelity Charitable in Covington, Ky.

Giving to donor-advised funds at Fidelity Charitable has reflected fluctuations in the capital markets. In 2007, gifts of appreciated securities totaled \$1.3 billion, or 72 percent of overall giving, but plunged the next year to \$431 million, or 41 percent of overall giving. With the recent uptick in the markets, gifts of appreciated securities totaled roughly \$2 billion in 2011, or 71 percent of overall giving. Fidelity Charitable is on track this year for a record high in gifts of non-publicly traded assets.

gifts they can make to help achieve their philanthropic goals."

The Nature Conservancy's policy is to sell the securities as soon as possible. "Most of our donors generally know the value of what they're giving us," Major said.

Nina Diefenbach, vice president for development and membership at the Metropolitan Museum of Art in New York City, said that policy is common. "It is the museum's policy to sell stock gifts right away so there is little or no fluctuation in value," she said. "In this way, we allow the donor to make the decision about the value of their gift."

Form 990 that JP Morgan Chase liquidates all stock contributions based on the average of the high and low price of a commodity on the date it was received.

Fluctuation among *NPT 100* organizations is not unlike what's seen across the broader nonprofit sector, as well as the stock market in general. "As the markets recover, it increases disposable assets that can be used to make gifts that provide both a deduction and capital gains tax saving," said Barlow Mann, chief operating officer at The Sharpe Group, a consultancy in Memphis, Tenn.

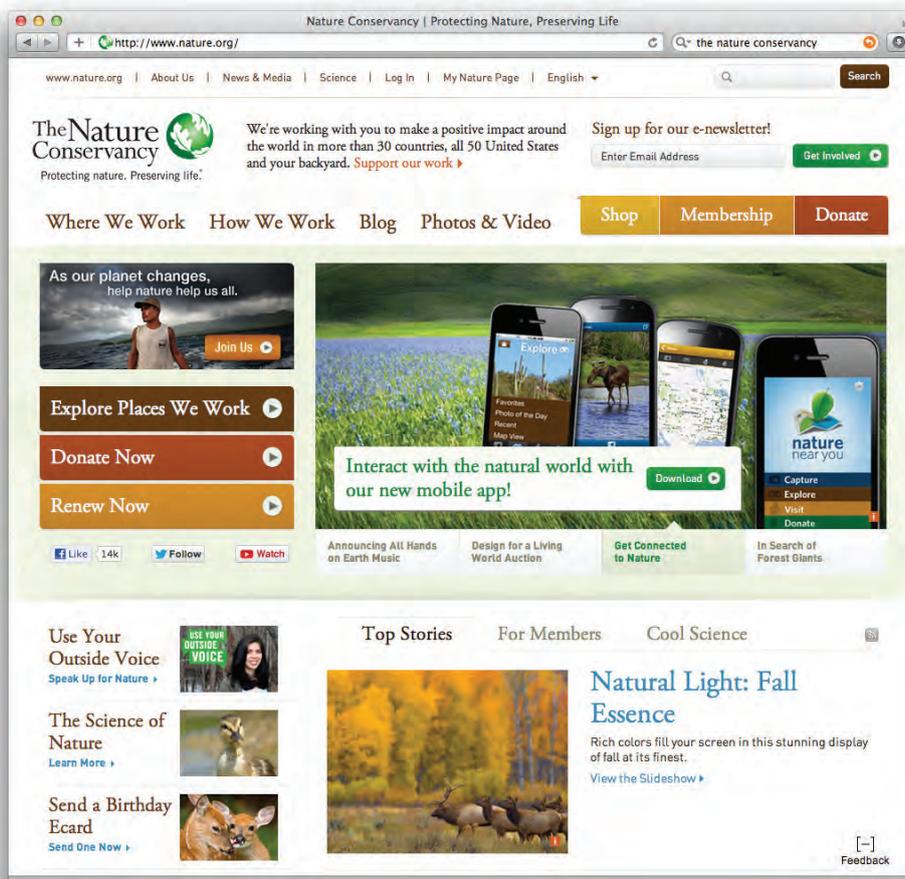
In 2006 and 2007, stock gifts were \$23 billion and \$23.7 billion, respectively, and were slightly less than half of all non-cash gifts by individuals, according to Internal Revenue Service statistics. Between 2007 and 2008, stock donations fell by 48 percent from \$23.7 billion to \$12.3 billion, according to Mann. As the markets fell during the recession, so did gifts of stock. The Dow peaked near 14,000 in 2007 and fell to around 6,500 in March 2009. Gifts of stock fell again in 2009 to \$9.7 billion from \$12.3 billion the previous year.

Many stock indexes are "currently trading at levels not seen in four years," said Mann. "The Dow has had a 100-percent increase since March 2009 and one would expect a rebound in gifts of securities, particularly charities that encourage gifts of stock," he said.

Not all nonprofits, even the big ones, are assured of increases in stock gifts. The American Museum of Natural History saw more total gifts (37) and higher revenue (\$2.43 million) in 2010 than last year (29 gifts of \$1.76 million). More gifts of stock don't always translate into more tangible dollars either. JDRF in New York City reported three more gifts last year (189) than in 2010 (186) but reported about \$300,000 less in revenue (\$2.9 million in 2010 versus less than \$2.6 million).

The Museum of Modern Art had perhaps the largest jump in terms of value last year, from \$406,000 to \$2.864 million, yet the aggregate number of stock donors jumped by just six -- from 29 to 35.

Project HOPE in Millwood, Va., saw non-cash contributions of stock double last year, from 16 donors valued at \$224,453 to 33 donors valued at \$439,575. Young Life in Colorado Springs, Colo., reported the highest number of stock donors among *NPT 100* groups, at 592 last year. While the total number of donors who gave stock contributions was nearly double from 326 the previous year, the value of gifts jumped from almost \$3.1 million to almost \$3.25 million. *NPT*



It's important to really talk to the donors and understand what their goals are and what type of gifts they can make to help achieve their philanthropic goals. --Susan Gutches of The Nature Conservancy

Susan Gutches, acting director of gift planning at The Nature Conservancy, said a decline in the market depresses not only the value of assets but also the confidence of donors.

"They're not sure how much they can afford to give," she said. "We always encourage people to make sure they're talking to donors about what makes the best gift, whether an outright gift of cash, appreciated securities, a planned gift or a life-income gift. It's important to really talk to the donors and understand what their goals are and what type of

With an annual net budget of \$240 million, the Met received nearly \$8.3 million in publicly traded securities in 2011, and \$5.4 million in 2012.

"Donors are confident when the stock market is doing better and certainly they are more inclined to give when they're feeling good about their stock," Diefenbach said. "With stock values growing, it's good for philanthropy."

Most charities that report gifts of stock have a third party handle the transaction. For instance, Wildlife Conservation Society in New York City notes in its

Todd Cohen publishes *Philanthropy North Carolina* at www.philnc.org and is a contributor to *The NonProfit Times*.

Global Nonprofits Seek 'Natural Hedge'

By TODD COHEN

Rotary International posted a currency exchange loss of \$7.9 million on total revenue of \$204 million in the fiscal year ended June 30, 2012, compared to a currency exchange gain of \$5.7 million on revenue of \$328 million in the previous fiscal year.

But the loss, which is based on unofficial estimates, is not likely to result in program cuts at the 11 international offices or 10 associate foundations that Rotary International operates, according to Rhonda Armstrong, supervisor for corporate reporting for Rotary.

That is because those losses mainly reflect book losses that resulted from translating into U.S. dollars the 26 currencies in which Evanston, Ill.-based Rotary Foundation of Rotary International does business, not actual losses based on business transactions, Armstrong explained.

"We haven't cut spending for those losses because they are translational losses," she said. "We do not have to cut programs because the program awards will still be paid out in the foreign currency equivalent."

U.S. nonprofits that operate and raise money abroad must deal with foreign currencies and, in filing annual reports with the Internal Revenue Service, must translate all those funds into their U.S. dollar equivalent.

Foreign currencies often decline in value when there is a strong dollar. With foreign economies often weakened by inflation, U.S.-based international nonprofits typically try to cushion against foreign exchange losses

by maintaining contributions they receive in "hard" currencies, such as the U.S. dollar, Euro and British pound. They then convert those funds into local currency in the countries in which the funds will be spent.

"If we have money in Greece, and leave it in Greece, and pay out in the same currency, we could avoid the



CARE USA operates in more than 40 countries.

loss we would have had if we converted to dollars," Armstrong said. "It's a natural hedge."

CARE USA, which operates in more than 40 countries, posted a foreign exchange gain of \$2.7 million on total revenue of \$582 million in the fiscal year ended June 30, 2011, the most recent year for which it has data.

"Since our functional currency is in U.S. dollars, to the extent CARE USA is holding any foreign currency assets, those assets have to be revalued in terms of the U.S. dollars, which drives our foreign-exchange gains and losses," said Steve Zaubi, director of global treasury

services for CARE USA in Atlanta, Ga.

CARE tries to maintain minimum balances in local currencies in the countries in which it operates "to avoid the volatility of these currencies versus the dollar, and minimize the impact of devaluing currencies," he said.

CARE's international offices request funding periodically to meet anticipated expenses based on a one-month or two-month forecast. The funding goes to support operating expenses associated with their mission, such as payroll and accounts payable. Those payments usually are made in the local currency, although some vendors might ask to be paid in "hard" currency, such as U.S. dollars or the currency of a developed country.

The central office in Atlanta tries to manage funding requests so the foreign offices are not holding their local currencies too long, while ensuring sufficient liquidity to meet near-term obligations.

"What we don't want to see are substantial local currency balances -- especially in local currency -- sitting idle for several months at a time," Zaubi said. "That represents significant exposure and could result in significant foreign-exchange losses."

Armstrong said annual swings in foreign currency gains and losses for reporting purposes are simply part of doing business. "Usually it does balance itself out." *NPT*

Todd Cohen publishes *Philanthropy North Carolina* at www.philinc.org and is a contributor to *The NonProfit Times*.



Communication is at the heart of Success.

AccuFund's **Accounting** and **Fundraising** solutions are designed exclusively for nonprofits and can help improve your communications with:

- Internal, Funder/Grant, Board & Compliance Reporting
- Donor Email Management & Managed Social Networking Capabilities

Communication is at the heart of AccuFund. Register for a FREE Webinar at <http://www.accufund.com/commadnpt> and learn more about leading your organization to success with improved communications.



WEARING TOO MANY HATS?

We are an HR Director's Best Friend!

Outsource your unemployment management to save your agency **MONEY** and your HR staff **TIME**.

Find out today how 1,400+ nonprofits nationwide annually save millions of dollars through our program.



SCAN HERE OR FOR A FREE COST SAVING ANALYSIS



Legal Fees Are A Cost Of Doing Business

By MARK HRYWNA AND TODD COHEN

Feed The Children paid more than \$1 million in legal fees and obligations during 2011 and nearly \$7 million in 2010, mainly stemming from a dispute involving Larry Jones, its founder and former CEO. That dispute, including lawsuits Jones filed regarding his dismissal by the board in November 2009, settled in 2011 through a confidential agreement filed with the court.

The agency, which is based in Oklahoma City, Okla., and operates with an annual budget of roughly \$540 million, paid for those legal costs through funds budgeted for general operations and from reserves, said Tony Sellars, director of communications. "It's the cost of doing business," he said. "It's not something you look forward to. But it would not be unlike a property purchase or other ventures of that nature."

In preparing its budget, Feed The Children looks at its past experience in estimating its operating costs, including legal fees, Sellars said. "We try to gauge the activities we have out there, and try to make sure we have enough in the budget to cover normal legal services and operating expenses," he said. "It's safe to say we budgeted for more these two years."

Triggering that budgeting decision was a decision the agency's board made in 2009 "to move forward" with legal actions triggered by lawsuits filed by Jones and other former employees, he said.

Feed The Children did not pay for litigation with dollars it received through its fundraising, he said, but instead through the sale or rental of property and investment income.

"Donors are donating to programs and program services. They expect their donations to feed children and to help people in need," he said. "We have an obligation to be good stewards of our donors' money and to make sure their

contributions are used for their intended purpose."

Founded in 1979, Feed The Children employs about 300 people, operates six distribution centers throughout the U.S., and delivers services in 10 countries, "providing food and essentials to people without access to life's resources," Sellars said.

Jones, who had dismissed employees, tried to oust its board and install a new board in December 2008. That action re-



sulted in a lawsuit by the old board, its reinstatement by the court, an agreement between the parties, and then the board's dismissal of Jones in August 2009 after it concluded he had violated terms of the agreement, Sellars said.

In the wake of Jones' departure and the organization's new strategic plan, Feed the Children has instituted a process to vet all contractual relationships. As part of the new process, all contracts and agreements must go through legal review before being accepted. It now retains outside legal counsel on an ongoing basis and has created a full-time position for a legal assistant to support the outside counsel

and review items to determine if they merit consideration by outside counsel.

The biggest drivers of legal expenses are usually employment issues, according to Cynthia Rowland of Coblenz, Patch, Duffy & Bass in San Francisco, Calif. Active charities with a lot of employees might typically be faced with higher legal expenses, she said. "Sometimes it's not a lot if you have employment practices insurance, or you've got

and governance, said many variables can make legal fees fluctuate wildly. "The larger the entity, the more complicated its operations," he said, such as large hospital systems or universities that do a lot of complex deals.

"Litigation usually is the most costly form of legal services, sometimes that's on purpose, sometimes you're on the receiving end of a lawsuit," he said. He spoke of one client that had annual legal bills of a few thousand dollars, was suddenly sued, and now faces monthly legal bills of as much as \$150,000.

It's conceivable that Trinity Broadcasting Network (TBN) might see legal expenses jump next year from the \$1.64 million in 2010 and \$1.41 million in 2009. (TBN typically files its Form 990 on a November extension and is a year behind organizations in the NPT 100.) The Santa Ana, Calif.-based Christian broadcaster that preaches the "prosperity gospel" is facing allegations of fraud and outlandish spending in a whistleblower lawsuit filed earlier this year by former employees and family members.

New wrinkles in the federal form 990 have caused "an immense increase" not only in accounting fees but also in legal expenses, Hopkins said, because of the time spent reviewing drafts with a board before filing it. The American Red Cross recorded legal expenses of more than \$6 million in each of the last two years, which might seem like a lot relative to other NPT 100 organizations but amid its total expenses of \$3.422 billion, it's pretty minuscule: less than one-quarter of 1 percent.

"Most nonprofits are finding they need more and more legal services just in the general course of doing business," including requirements for reporting to the Internal Revenue Service and registering as charities in individual states, said Sellars.

"Nonprofits are being treated more like corporations in terms of what you report and how you report it," he said. "In general, the legal requirements now are going to force most larger nonprofits to be proactive and have a lot of these things in place," he said. *NPT*

insurance for those unfortunate events," said Rowland, but it can be the biggest area, even bigger than contract disputes.

A lot of organizations get pro bono legal help so it might appear that they don't have legal expenses, Rowland said, particularly smaller, mid-sized community organizations. The really large national and international nonprofits usually don't get pro bono legal help, she said, but most smaller, community-based organizations get free advice whenever they can, from friends of the organization who are lawyers, or board members. That also might be a strategy in board member recruitment.

Bruce Hopkins, a partner in Kansas City, Mo.-based Polsinelli Shugart and author of several books on nonprofit law





SOLUTIONS

for those who make a
world of difference.

The right accident and health insurance can make the difference between hoping your volunteers are covered and knowing they are. Chartis provides a broad range of accident medical, travel medical, and liability solutions for volunteer and nonprofit organizations — for participants/ members, volunteers, and administrators.

Find out more at

www.chartisinsurance.com/accidentandhealth

CHARTIS[®] 
Your world, insured

All products are written by insurance company subsidiaries or affiliates of Chartis Inc. Coverage may not be available in all jurisdictions and is subject to actual policy language.

Making 'Other' Expenses Transparent On Form 990

By MARK HRYWNA AND TODD COHEN

A \$35 overdraft fee on your personal checking might not seem so bad when you consider some nonprofits spend seven figures on credit card processing fees and/or bank charges.

JDRF had processing fees and bank charges of \$1.1 million last year, down from nearly \$1.5 million the previous year. Gary Curto, tax and regulatory compliance manager at the New York City-based juvenile diabetes research charity, said more business is being conducted online and banks are becoming more aggressive in collecting revenue.

"Every year we do more and more online," said Curto, which leads to more credit card processing fees and bank charges, which also have gone up. JDRF and its more than 100 chapters raised more than \$127 million through fundraising events, such as benefit galas and outdoor events like walks, which was up from \$123 million. With total expenses of \$204 million last year, the \$1.1 million in processing fees really does seem like a drop in the bucket (not even 0.5 percent).

While banks are facing more pressure to raise revenue, Curto said the biggest driver is simply that more money is sent online rather than by cash or check, whether that's donations or buying tickets to a gala.

Bank fees for Susan G. Komen for the Cure jumped to \$3.9 million last year, the first full year that the Dallas, Texas-based headquarters assumed responsibility for The Breast Cancer 3-Day Series. Bank fees included credit card processing of online donations and registrations for all Race for the Cure and Breast Cancer 3-Day Events. In the previous year, ending March 2010, Komen for the Cure reported bank fees of less than \$800,000.

Banks are being much more aggressive in collecting money, said Curto. "We used to get waived a lot of things as far as bank charges," he said. In the past, if a JDRF donor's check bounced, a bank sometimes might not hit them with a fee because they're a charity. Banks now collect as much money as possible, Curto said.

On a \$200-million return, if you're only dealing with \$100,000, that generally gets filed under miscellaneous. "If it's a few million, usually our auditors prefer you break it up," Curto said.



JDRF had processing fees and bank charges of \$1.1 million last year, down from nearly \$1.5 million the previous year.

Expenses for all NPT 100 organizations were approximately \$63.8 billion. Of that total, \$55.5 billion went for program expenses (87 percent), \$5.26 billion for administrative expenses (8 percent) and \$3.14 billion for fundraising (5 percent).

An increase in postage rates might cause a jump in categories of office expenses. In JDRF's case, the professional fundraising fees would include a vendor's service fee but the contract also might include the cost of postage and shipping, which would be filed under office expenses. A 10-percent increase in a \$1-million contract, Curto said, would automatically mean a \$100,000 bump in expenses.

Fees and charges were shaping up to be about \$1.6 million this year mainly because more categories were combined, according to the 2012 year's return, still in draft form in September, said Curto.

The core tax return used to be six pages but now runs 12 to 13 pages since the Internal Revenue Service (IRS) revised it several years ago.

With a fiscal year that ends June 30, JDRF's federal Form 990 is due by Nov. 15 but is typically done by December and filed on a Feb. 15 extension. "Unless you're a two-man operation, no one files" on the November deadline, Curto said. For large organizations, outside auditors review the information, which typically isn't completed by November. Since the revision of the Form 990, an organization's board also must review and approve the return.

The March of Dimes reported "other" expenses totaling roughly \$43 million. The expenses are were part of total expenses of \$207 million and reflect combined spending at its headquarters in White Plains, N.Y. and at its 51 chapters and roughly 200 divisions. The March of Dimes separately showed its expenses for printing, postage and shipping, equipment rental, and telemarketing and data fees.

The organization provides those details based on instructions from the IRS to "break it out in a way that

would be informative to the reader," said David Horne, controller at the March of Dimes.

"We choose to because we want to be as transparent as possible," he said, "but it varies from our audited financials." Those subcategories of "other" expenses are required to be disclosed by generally accepted accounting principles, or GAAP, he said. Form 990 requires a different breakout of such expenses, he said.

In an effort to be transparent about spending, the March of Dimes also provides detailed expense information in its annual reports and audited financial statements, all of which it publishes in PDF format on its website. The organization takes a similar approach in reporting expenses for program services, including research, community service, and education, and in reporting "office" expenses.

While Form 990 includes a line item for office expenses, for example, audited financial statements following GAAP guidelines do not include such a category. "We try to break out as much as we can of our expenses for the 990 to be transparent," Horne said. "That includes listing more descriptions under Line 24."

There's some leeway on classifying expenses since there are only 24 lines allotted on Part IX of Form 990, according to Dan Romano, national partner-in-charge – tax, Non-for-Profit & Higher Education Practices at accounting firm Grant Thornton. Office expenses can sometimes include postage but generally include supplies and such, he said. Organizations can't have more than 5 percent of their total expenses lumped together under miscellaneous, he said, and the five lines under "other" should be the five largest expenses that aren't already indicated in the Form 990's lines.

For most organizations, the largest portion of expenses goes to salaries and wages. At American Red Cross, salaries and wages were nearly \$1.35 billion, accounting for almost 40 percent of the \$3.422 billion in total expenses. The Washington, D.C.-based organization paid \$88 million in payroll taxes, down from \$105 million the previous year, according to its most recent 990s *NPT*.

Todd Cohen publishes Philanthropy North Carolina at www.philnc.org and is a contributor to The NonProfit Times.



Bank fees for Susan G. Komen for the Cure jumped to \$3.9 million last year.



The March of Dimes reported 'other' expenses totaling roughly \$43 million.

Workplace Giving Challenged As Job Market Changes

BY MICHELE DONOHUE

Federated campaigns, including United Way and Combined Federal Campaign (CFC) contributions, proved to be mixed among individual *NPT 100* organizations but as a whole continued to trickle downward.

Federated campaigns appear on Line 1a of Part VII (Statement of Revenue) of the federal Form 990. Among the 30 organizations that recorded such revenue, 17 experienced declines from 2010 to 2011 while 13 saw an uptick.

Some of the nation's largest nonprofits experienced double-digit percentage declines, such as Dallas-based American Heart Association (down 15 percent) and Direct Relief International (down 19 percent). Others saw double-digit increases, such as ALSAC/St. Jude Children's Research Hospital (up 11 percent) in Memphis, Tenn.

Another Memphis-based organization, Ducks Unlimited, for wetlands and waterfowl conservation, had an increase of 413 percent -- jumping from \$18,652 in 2010 to \$95,718 in 2011.

Most nonprofits see federated campaigns, especially the CFC, as a steady revenue stream that needs to be maintained and is often reliable. "The consistency of the funding from the CFC...it allows our organization to both respond to national disasters as well as community house fires, and supports our service to the Armed Forces," said Brian McArthur, vice president of communications operations at the American Red Cross in Washington, D.C.

NPT 100 organizations that listed revenue from federated campaigns on Form 990 last year totaled \$164 million, down about 6 percent from \$175 million the previous year. The vast majority of that aggregate total went to American Red Cross, with \$111.27 million, which was down 7 percent, from \$119.82 million in 2010.

"The decreased funding in federated campaigns may have accentuated the need to diversify funding, but it is the needs of the community and our goal to always respond that has made the diversification a priority for our organization," said McArthur.

The CFC began in 1961 before workplace giving became an outlet to boost employee engagement. The CFC is the largest annual workplace giving campaign, stemming from more than 200 CFC campaigns each year with the campaign season running from Sept. 1 to Dec. 15.

Pledges are from federal civilian, postal and military donors benefiting more than 2,000 eligible nonprofits. While the CFC record was set in 2009 with \$282.6 million, CFC contributions have been falling

as the stagnant economy lingers and government workers worry about their employment outlook. The 2010 CFC pledge totaled \$281.5 million and the 2011 pledge total was \$272.7 million -- a 4-percent decrease from the 2009 peak on the CFC's 50th anniversary year.

Workplace giving has been in decline for years, so much so that United Way no longer reports the national number. "While we do record workplace giving as an independent fundraising channel, it is not a number we report as it is limiting and does not sufficiently illustrate the variety of United Way resource development avenues," said Bill Meierling, a spokesman for United Way Worldwide.



The Marine Toys for Tots Foundation had a modest gain of 2 percent in federated campaigns between 2010 and 2011.

"Over the past eight years, we have moved away from workplace giving as our sole means of resource development in favor of diverse partnerships with federal and local government, as well as the private sector," he said.

The Marine Toys for Tots Foundation in Triangle, Va., had a modest gain of 2 percent in federated campaigns between 2010 and 2011. "It's not a big percentage of our fundraising each year, but it is certainly a sizable figure that enables us to purchase a lot of gifts for a lot of less fortunate children," said Maj. Bill Grein (USMC-Ret.), vice president of marketing and development for the Marine Toys for Tots Foundation.

Grien explained Toys for Tots didn't employ any new strategies with federated campaign giving, as opposed to previous years. The organization always follows the advice of its federations: Children's Charities of America and Independent Charities of America. As a holiday-minded charity, the organization found donors don't usually respond to communication between January and September, but the Toys for Tots communication ramp-up coincides with the CFC campaign timeframe.

The overall economic landscape might have less to do with the specific CFC declines and more to do with job security in the governmental workforce, according to McArthur. U.S. Postal Service workers will see a 26-percent decline in job outlook between 2010 and 2020, shedding nearly 140,000 jobs in just a 10-year period, according to the federal Bureau of Labor Statistics. Including the Postal Service, federal government employment is expected to decline by 13 percent between 2010 and 2020, while state and local governments, excluding education and hospitals, are expected to grow employment by 7 percent.

"We have seen an overall loss of head-

nication to these donors to re-establish the once consistent fundraising avenue.

"Much of our public outreach to federal employees is focused on military servicemen and women and telling our story of support to these communities through our Service to the Armed Forces program," said McArthur. "Outside of our messaging to the military, we plan to do more outreach with federal and other public sector workers, and we are in the process of connecting people in the federal government to our work and diversifying the channels we message to both military and civilian government employees."

Headquartered in White Plains, N.Y., March of Dimes saw a 5-percent increase in federated campaigns from 2010 to 2011, and directing attention to the organization's work with the military could be a contributing factor. "Our outreach to military families might have played a role," said Vickie Mullin, director, national special events. "We have helped host several large baby showers at military bases. These are focused on moms whose spouses were deployed and who either recently had a baby or were expecting."

Mullin explained that March of Dimes also regularly prepares and distributes public service announcements (PSAs) to military and federal civilian publications, keeping the organization top of mind. Most recently the PSAs have focused on the military baby showers to gain even more awareness for the program.

Federated campaigns, including workplace giving and matching gifts, are a small portion of Direct Relief International's overall fundraising sphere, said Raissa Smorol, director of development. Federated campaigns account for less than 5 percent of cash gifts and grants, even less when in-kind donations are included in the calculation, she said.

Santa Barbara, Calif.-based Direct Relief International's federated campaign contributions fell from \$549,849 in 2010 to \$444,025 in 2011. Although federated campaigns contributions are a smaller portion of the organization's fundraising, Smorol explained Direct Relief International plans to communicate more with federated campaign donors through the use of social media and analyze which communication streams work best with these donors.

AHA also will increase communication with donors through social media. "Our broad programs and services speak to many communities," Upton said. "By promoting our resources, efforts, and results through traditional and social media, we hope to stay top of mind for partners and individuals who look to support us financially and access our resources." *NPT*

count in the states, more work being facilitated by contractors in the federal government, and the possibility of further cuts," said McArthur. "We have complete faith in the generosity of public sector workers and I believe that once there is clarity around these budget concerns that the employees will continue to participate in the campaign."

AHA had a 15-percent decline in federated campaigns, including United Way and CFC contributions. But Suzie Upton, chief development officer, explained federated campaigns are still critical in helping the organization reach its 2020 impact goal of improving the cardiovascular health of all Americans by 20 percent while reducing deaths from cardiovascular diseases and stroke by 20 percent.

"We will need to engage many different community partners. We recognize partners and individuals have a choice in who they can support, and how they can provide that support," said Upton. "Federated campaigns give us an opportunity to reach donors where they want to be met."

As federated campaigns have become more volatile as pressures mount for these donors, it seems some nonprofits in the *NPT 100* want to increase commu-