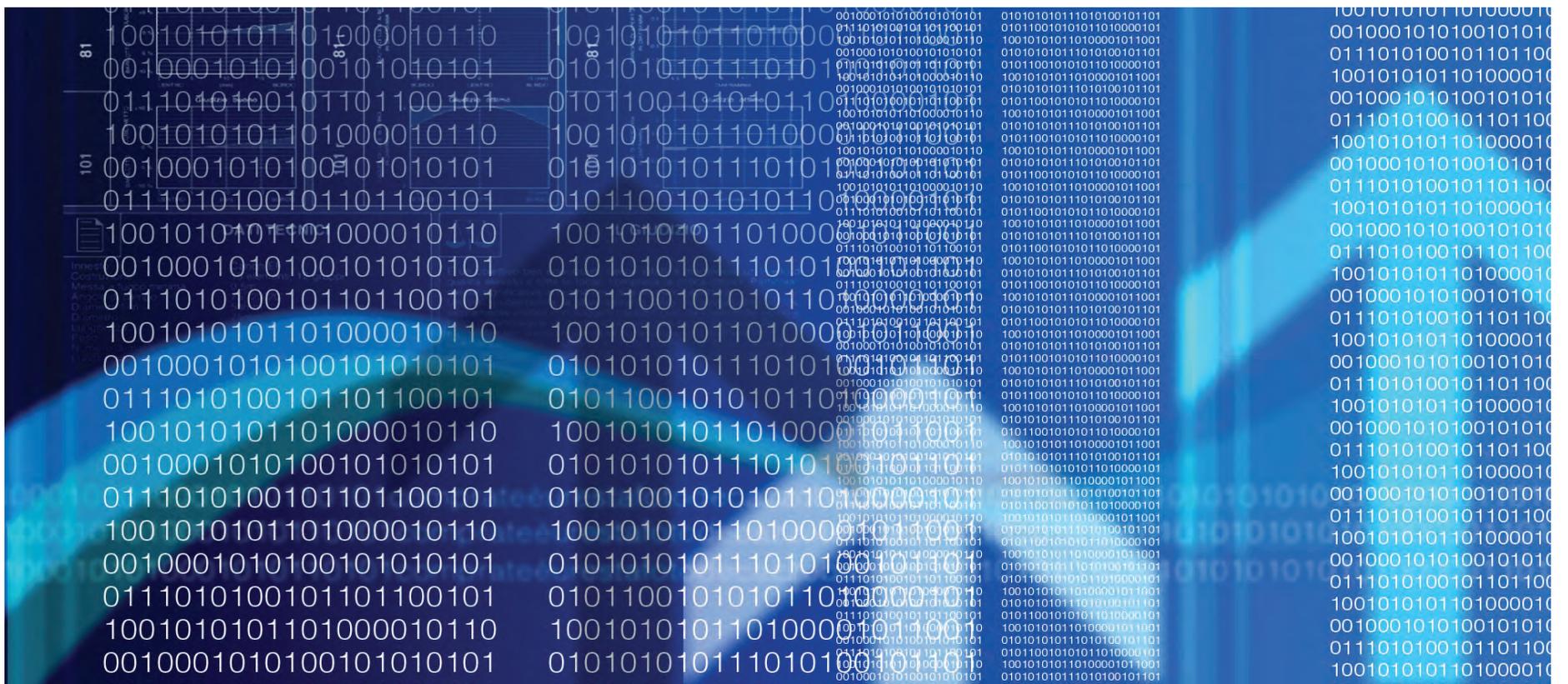


THE NPT 2013

TOP 100

AN IN-DEPTH STUDY OF AMERICA'S LARGEST NONPROFITS



Billion-Dollar Babies

Mega-revenue charities get bigger as economy rebounds

BY MARK HRYWNA

As charitable giving continued a modest ascent during the economic recovery, the nation's largest charities continued to generate revenue that isn't from the formerly tried and true government support and investments.

Organizations in this year's *NPT 100* reported total revenue of \$70.067 billion, up 3.19 percent compared to last year while public support was up 5.6 percent, to \$34.931 billion.

The 2013 *NPT 100*, the 25th annual snapshot of the nation's largest nonprofits, is based primarily on organizations' Internal Revenue Service (IRS) Form 990 for the Fiscal

Year Ending 2012. In some cases, charities submit compilations of affiliate 990s or audited financial statements.

The biggest hit to charities' bottom lines last year was a continued decline in government support, down 5.6 percent to \$10.34 billion, but also investment income, which dipped 6.26 percent to \$2.633 billion after a nice rebound in 2011.

Program service and other revenue took up the slack: program revenue was up 2.19 percent from \$17.926 billion to \$18.319 billion, the second-largest category, and other revenue jumped nearly 20.5 percent from \$3.128 billion to \$3.768 billion.

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“The overall trend in the sector mirrors all industries in the U.S. with organizations working through a slow economic recovery, exhibiting modest gains in certain areas while maintaining charitable activities and furthering their mission,” said Daniel Romano, national partner-in-charge – tax, not-for-profit and higher education practices at Grant Thornton LLP, the accounting and consulting firm that helps analyze the *NPT 100* data. “I think that was evident throughout the list,” he said.

With 18 organizations garnering at least \$1 billion this year, the *NPT 100* is top heavy as usual, with the top five organizations accounting for nearly one-third of the revenue and the top 10 comprising nearly half. Two organizations with \$1 billion that missed the cut for last year’s list made this year’s top 100: Children’s Hospital Boston (12) and Volunteers of America (17).

The *NPT 100* ranks organizations by total revenue but at least 10 percent must be in the form of public support, which in many cases excludes hospitals or other large national organizations that rely on program service or other revenue, such as Lutheran Services in America (LSA).

For the sixth year in a row, The Y was No. 1 on the list thanks to a hefty combination of program revenue (\$4.556 billion), public support (\$827 million), and government support (\$614 million). The Chicago-headquartered youth development organization cracked \$6 billion, with \$6.239 billion in total revenue.

“Individual and corporate giving is probably back or close to back but state and federal funding is hurting, it’s structurally different going forward,” said Mark Oster, national managing partner, Not-for-Profit and Higher Education Practices, at Grant Thornton. The improving stock market and their own organization’s money management could contribute to the general sense of optimism among nonprofit executives even though the return of their portfolios might not be generating the same level of income as before the recession, he said.

Last year’s No. 100 organization, Lincoln Center for Performing Arts, had \$159.273 million in revenue but saw a dip to \$150.153 million and dropped off the 100. The last organization to make the cut this year was the American Museum of Natural History with \$175.626 million, edging past ASPCA at \$163.615 million.

The last five organizations out also included International Aid (\$162.224 million), Children International (\$160.104 million), Wounded Warrior Project (\$154.958 million), and Operation: Compassion (\$154.407 million).

No less than \$1 billion of the *NPT*

100’s aggregate revenue is likely to be counted twice. United Way Worldwide (3) provides grants and funding to thousands of other nonprofits around the nation, including \$1.028 billion to 19 organizations that made the *NPT 100*.

The largest recipient of United Way dollars was the American Red Cross (6), getting more than 20 percent of the total, nearly \$218 billion.

Much like the *NPT 100* in general, the largest organizations accounted for most of those dollars. Four of the 19 organizations that got United Way funding received more than \$100 million, accounting for a majority of the United Way grants:



- American Red Cross, \$218 million;
- Boys & Girls Clubs of America, \$135.5 million;
- Salvation Army, \$121.7 million; and,
- YMCA, \$118.6 million.

Eight of the 19 groups accounted for nearly 95 percent of the \$1.028 billion provided by United Way.

Total expenses for *NPT 100* organizations were estimated to be \$67.485 billion, up 4.12 percent from \$64.814 billion, with program expenses making up much of the total, at \$57.971 billion, up 2.95 percent. The figure likely was higher but a breakout was not available from some organizations. Likewise, administrative and management expenses were about \$6.226 billion, up 16.5 percent from \$5.343 billion, compared with fundraising expenses of \$3.277 billion, up 3.79 percent.

Moody’s had downgraded the sector this year as a whole and had a negative outlook for the industry due to revenue pressures from key sources, said Romano, which could result in expenditure cuts going forward and continuing this year. Healthcare reform might have an impact on expenditure cuts as well, he added.

Some 56 organizations saw an increase in total revenue. The biggest im-

provement was other types of revenues, on average 25 percent, which saved a lot of organizations from falling further or off the list entirely, said Romano. “It could be new revenue streams. It could be unrelated business income, which is not a bad thing. If you can generate revenue, still have a profit after you pay taxes, then why not get into unrelated business income,” he said rhetorically.

Two of the biggest movers on the *NPT 100* were organizations that missed the cut in 2012: United States Olympic Committee (USOC) (44), which was up 140 percent, and Robin Hood Foundation (80), up 49 percent.

The USOC yo-yos in and out of the

NPT 100 because of the cyclical nature of its revenue. The 2012 Form 990 was one of those years but even more than usual. Total revenue eclipsed \$338 million, besting a previous recent high of \$280 million in 2008. In non-Olympic years, it’s common for the USOC to drop out of the top 100 altogether, including last year’s \$141 million.

Broadcast rights fees for the summer and winter games, which are noted as program revenue, generated \$164 million compared with \$193,000 in the previous year. Generally the broadcast royalty is paid 10 days after the closing ceremonies in a games year, according to CFO Walter Glover, so revenues always will tend to be cyclical.

NBC has the broadcast rights to the Olympics through 2020, with an increase expected for 2018-2020, Glover said, while negotiations on a new deal likely will begin by 2019.

On average, broadcast rights generated \$131 million in the last three fiscal years that included Olympics games (2012, 2010, 2008). Over the past six years overall, total revenue has averaged \$213 million -- an average \$280 million in the three Olympic years versus \$136 million in the three non-Olympic years.

Also seeing a boost during years in

which games are held are public support and royalties, however, the Colorado Springs, Colo.-based organization also has made an even bigger push of late. Royalty revenue has grown each year since 2009, from \$61 million, to last year’s \$98 million and public support jumped from \$36 million last year to almost \$46 million.

USOC’s marketing department has made a bigger push on consumer products in recent years, according to Glover, securing agreements with Ralph Lauren and Nike for sponsorship apparel. Apparel used to be only available in USOC’s retail shops but today it can be found at numerous mainstream outlets, such as GAP. “We’re starting to see payouts in outlets we’re getting to and results in higher sales,” Glover said.

The organization also is putting an emphasis on ramping up major gifts, which helped bump up public support. USOC generally gets a slight increase in donations about two to three months before the games.

Cold Spring Harbor Laboratory (CSHL), (82) is a prime example of how organizations have been looking to diversify revenues. CSHL reported \$210 million on its most recent Form 990, which was for 2011 but revenue is expected to be about \$195 million when it files its 2012 form later this year. The research facility receives a big chunk of its funding via government support (\$54 million) but the ratio of public to private funding has diminished in the past decade, from nearly 60 percent to 40 percent.

In the executive summary of CSHL’s 2012 annual report, Chief Operating Officer Dill Ayres describes the “alarming decline in federal research funding” and its implications for the organization. “Endowment is our lifeline for the future,” according to Ayres. While spending from the funds represented 11 percent of the 2012 budget, Ayres wrote, endowment is “a critical buffer against the uncertainties of federal and private funding.” Fundraising, he added, is at least as critical to endowment growth as investment performance.

Efforts during the next several years will focus on growing the endowment. The organization completed a \$200-million capital campaign a few years ago that increased research space by about 40 percent at its 120-acre Hillside campus in Cold Spring Harbor, N.Y., about 30 miles from New York City.

An upcoming campaign is targeted for growing the endowment and launching the DNA Center, a flagship facility for students, family and scientists in Manhattan. A location hasn’t been chosen but \$25 million of the campaign has

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Name	2012 Total Revenue	Sources of Income					In Kind Services
		Public Support	Government	Investment	Program Service	Other	
1. The Y	6,239,518,000	827,183,000	614,190,000	54,191,000	4,556,322,000	187,632,000	n/a
2. Goodwill Industries International	4,894,712,975	948,665,266	477,044,455	64,849,062	3,404,154,192	0	n/a
3. United Way ¹	4,260,323,560	3,926,301,986	254,294,500	79,727,074	0	0	211,014,853
4. Catholic Charities USA ²	4,227,510,561	677,227,638	2,365,603,319	51,613,692	494,057,799	639,008,113	n/a
5. The Salvation Army ³	3,353,200,000	1,885,074,000	353,644,000	303,343,000	147,551,000	663,588,000	n/a
6. American Red Cross	3,154,538,043	685,695,216	55,495,521	59,037,356	2,290,746,478	63,563,472	10,387,980
7. Task Force for Global Health	1,666,797,286	1,656,384,635	10,407,544	5,107	0	0	0
8. Easter Seals	1,618,823,000	194,194,000	268,964,000	20,315,000	710,613,000	424,737,000	n/a
9. Boys & Girls Clubs of America ⁴	1,572,511,548	699,384,431	490,836,802	72,512,813	213,314,425	96,463,077	n/a
10. Feeding America	1,554,156,485	1,510,622,608	0	- 58,155	24,312,736	19,279,296	1,454,382
11. Habitat for Humanity International	1,492,281,757	674,037,656	275,216,026	68,615,618	412,879,430	61,533,027	n/a
12. Childrens Hospital Boston	1,378,467,631	148,021,647	183,366,953	23,068,790	989,683,001	34,327,240	0
13. Smithsonian Institution	1,315,239,542	199,257,103	916,403,979	38,205,474	90,218,174	59,946,482	10,427,791
14. Planned Parenthood Federation of America ⁵	1,150,400,000	261,100,000	542,400,000	22,500,000	311,500,000	12,900,000	2,600,000
15. Boy Scouts of America ⁶	1,062,968,000	358,240,000	5,746,000	191,982,000	334,257,000	172,743,000	n/a
16. Dana-Farber Cancer Institute	1,021,271,591	255,057,938	143,574,943	293,433	602,927,602	19,417,675	0
17. Volunteers of America	1,011,510,729	128,871,436	0	3,602,115	863,134,857	15,902,321	1,563,768
18. World Vision	1,009,722,239	826,919,787	174,520,104	6,000,706	1,044,744	1,236,898	302,078
19. The Nature Conservancy	949,132,306	535,923,725	149,744,370	98,797,014	151,038,082	13,629,115	78,854,904
20. American Cancer Society	916,152,000	888,582,000	7,820,000	34,465,000	0	- 14,715,000	4,105,055
21. Food For The Poor	900,123,377	891,394,528	8,542,046	33,192	0	153,611	0
22. ALSAC/St. Jude Children's Research Hospital	870,140,691	776,484,977	0	67,856,711	0	25,799,003	0
23. Girl Scouts of the USA ⁷	787,676,187	104,033,552	7,146,885	21,224,285	592,446,586	62,824,879	56,483,434
24. Catholic Relief Services	699,536,870	276,681,709	418,751,086	3,260,906	29,649	813,520	1,978,971
25. YWCA ⁸	694,107,824	171,178,474	318,189,596	n/a	n/a	204,739,754	n/a
26. Shriners Hospitals for Children	636,714,048	202,387,056	0	321,112,058	90,235,650	22,979,284	0
27. American Heart Association	626,004,591	529,013,805	639,368	14,811,795	24,763,223	56,776,400	6,886,027
28. Feed the Children	617,805,399	613,748,377	1,399,946	2,540,036	0	117,040	45,317
29. Compassion International	598,798,440	596,083,005	0	2,635,313	0	80,122	26,183
30. Save the Children	576,463,006	347,067,934	212,628,370	5,067,272	8,125,955	3,573,475	19,165,862
31. C.A.R.E.	557,527,133	369,282,643	172,284,433	10,390,484	0	5,569,573	0
32. Boys Town ⁹	553,474,000	218,224,000	0	114,007,000	214,729,000	6,514,000	0
33. Cru ¹⁰	548,366,000	502,854,000	0	0	12,648,000	32,864,000	5,970,000
34. AmeriCares	526,069,039	524,509,518	0	984,913	469,490	105,118	542,174
35. United States Fund for UNICEF	501,836,356	498,746,777	0	784,831	0	2,304,748	0
36. PBS	434,409,851	198,881,052	20,158,130	- 3,111,538	191,070,062	27,412,145	0
37. Metropolitan Museum of Art	418,697,665	139,566,751	27,108,283	137,816,266	19,484,860	67,744,197	0
38. New York Public Library	394,990,723	77,619,561	163,797,431	141,533,591	4,509,995	7,530,145	24,537,412
39. International Rescue Committee	386,540,097	129,772,406	250,724,500	3,566,216	0	2,476,975	0
40. Institute of International Education	384,248,554	94,087,206	266,290,584	4,135,461	18,872,519	862,784	0
41. Samaritan's Purse	376,066,846	358,594,225	13,885,754	1,753,423	1,612,000	221,444	13,672,474
42. Susan G. Komen for the Cure	342,373,526	301,652,615	11,500	8,403,254	506,094	31,800,063	67,173,330
43. Cystic Fibrosis Foundation ¹¹	341,343,541	134,090,038	0	15,832,068	1,738,732	189,682,703	0
44. United States Olympic Committee	338,385,758	54,942,760	6,247,543	299,736	176,779,932	100,115,787	0
45. Kingsway Charities	331,408,940	330,904,869	0	103,828	5,310	394,933	7,315
46. American Jewish Joint Distribution Committee ¹²	315,779,534	279,749,427	19,095,078	11,580,688	0	5,354,341	0
47. Teach For America	306,840,786	214,643,111	61,546,661	316,024	28,823,196	1,511,794	289,146
48. Direct Relief	299,652,831	299,189,560	32,645	11,318	414,248	5,060	0
49. Pew Charitable Trusts	298,604,125	282,675,813	470,750	12,259,148	3,815,795	- 617,381	0
50. Good360 ¹³	298,361,613	293,955,149	0	0	4,353,592	52,872	205,586

¹ In-kind contributions includes donated services and products ² Does not reflect aggregated audited financials but compilation of voluntary responses from agencies in network; total expenses includes \$9 million in additional unspecified expenses
³ Audited financial statements. Expenses of \$153,856,000 from irregular items (e.g., accounting principle) not shown in above amounts but affects change in net assets ⁴ Unaudited compilation provided by member clubs plus audited financials of national office ⁵ FYE 2012 data from national office and 2011 data from 79 affiliates ⁶ Includes revenues, expenses of National Council, however, only unrestricted revenues, expenses for the 290 local councils. Donor-restricted revenues, "net assets released from restriction" and changes in net assets are not collected from local councils. ⁷ FYE 2011 ⁸ Combination of FYE 2012 and 2011 because of different filings by local associations; public support includes some overlap with government support that could not be broken out ⁹ Audited financial statements ¹⁰ Draft 990 ¹¹ Consolidated financial statements ¹² Formerly Campus Crusade for Christ

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Total	Expenses Programs	Fundraising	Administrative	Total Assets	Value of Investments	Total Joint Cost	Net Change In Assets	Unrestricted Assets	Temporarily Restricted	Permanently Restricted
5,928,730,000	5,026,839,000	123,311,000	778,580,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4,532,716,429	3,989,709,985	24,763,964	518,242,480	4,271,130,347	1,173,350,193	0	409,816,669	2,752,310,624	61,446,773	42,011,907
4,260,323,560	3,672,398,909	340,825,885	247,098,766	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4,346,180,171	3,744,479,141	71,386,505	521,256,191	n/a	n/a	n/a	n/a	n/a	n/a	n/a
3,289,394,000	2,705,832,000	202,624,000	380,938,000	13,681,909,000	6,916,457,000	0	635,081,000	5,881,916,000	1,373,817,000	2,085,906,000
3,329,153,707	3,021,492,368	172,405,472	135,255,867	3,777,960,071	2,036,626,315	0	- 596,701,835	133,686,494	757,513,071	704,022,885
1,669,934,415	1,667,159,867	267,745	2,506,803	43,734,398	33,135,954	0	- 3,137,104	6,022,565	29,029,278	0
1,576,931,000	1,416,298,000	42,523,000	118,110,000	1,268,734,000	491,057,000	0	67,412,616	638,569,000	71,445,000	82,619,000
1,465,788,014	1,195,960,183	87,996,085	181,831,746	n/a	904,416,363	n/a	n/a	n/a	n/a	n/a
1,559,486,335	1,527,146,864	24,720,728	7,618,743	62,576,375	31,194,037	0	- 5,737,337	15,467,988	25,731,620	1,567,043
1,443,126,975	1,201,823,663	112,328,043	128,975,269	3,293,043,606	621,444,992	0	113,748,235	1,875,640,101	428,208,218	6,089,989
1,310,356,228	1,152,947,764	26,923,640	130,484,824	3,698,015,571	953,965,263	0	284,216,643	1,367,419,032	453,963,015	592,407,577
1,146,692,789	895,673,594	39,636,775	211,382,420	3,795,609,529	1,697,118,535	10,915,226	263,792,295	2,096,101,402	585,179,809	357,837,397
1,066,600,000	873,300,000	57,300,000	136,000,000	1,517,900,000	n/a	0	866,318,000	849,000,000	229,200,000	166,500,000
887,619,000	771,836,000	44,705,000	71,078,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a
982,077,009	831,685,201	19,918,522	130,473,286	1,605,048,122	32,808,941	0	95,080,393	477,225,008	406,939,276	151,999,046
972,601,226	865,343,969	15,787,587	91,469,670	1,495,271,269	373,034,950	0	47,695,428	744,441,853	77,309,310	6,498,625
1,061,958,787	902,293,923	106,976,873	52,687,991	249,213,398	75,555,274	0	- 39,320,683	43,065,145	58,851,424	7,311,873
756,406,814	558,787,835	83,348,329	114,270,650	6,006,480,347	1,923,148,393	0	40,547,179	4,323,977,370	588,550,348	308,578,187
990,489,000	713,491,000	217,637,000	59,361,000	1,957,484,000	1,239,820,000	0	- 161,692,000	752,667,000	201,979,000	258,047,000
896,102,015	859,467,705	28,809,246	7,825,064	31,035,724	10,390,751	0	3,340,619	21,095,515	1,120,281	0
703,304,449	505,987,395	139,019,210	58,297,844	2,506,529,810	2,428,294,719	0	72,809,138	1,618,940,853	52,799,597	782,714,653
768,270,100	637,506,353	47,215,241	83,548,506	1,562,344,609	746,898,096	0	2,351,294	1,196,709,424	73,556,677	83,158,329
730,612,803	683,011,886	27,030,484	20,570,433	440,517,776	298,435,982	0	- 15,963,543	42,343,835	114,920,037	6,408,305
665,795,748	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
631,349,536	528,160,215	21,862,972	81,326,349	8,301,573,544	6,263,422,504	0	372,326,228	5,969,812,253	320,177,402	1,030,968,691
595,934,019	465,069,220	81,074,836	49,789,963	1,022,717,268	570,086,942	0	21,066,005	284,300,102	224,544,287	165,210,030
670,608,915	617,055,595	37,354,661	16,198,659	128,711,805	34,378,038	0	- 55,404,157	96,338,398	24,771,842	0
585,095,301	493,290,589	52,527,975	39,276,737	250,123,941	159,283,757	0	13,578,354	75,058,522	103,149,049	7,428,884
596,049,431	536,641,630	28,594,125	30,813,676	292,829,404	182,228,925	0	- 11,586,393	111,600,698	42,430,793	28,893,348
582,715,146	525,036,594	22,022,712	35,655,840	421,675,029	227,618,308	0	- 34,163,838	108,217,726	88,111,780	125,062,083
472,177,000	432,383,000	n/a	39,794,000	1,252,282,000	947,375,000	0	81,313,000	964,712,000	43,764,000	68,347,000
538,675,000	458,217,000	43,197,000	37,261,000	243,879,000	81,184,000	0	- 5,809,000	101,392,000	12,995,000	3,250,000
520,101,183	508,553,354	7,823,348	3,724,481	162,225,980	33,001,859	0	3,657,843	105,495,463	43,465,893	4,374,282
491,828,067	444,531,212	33,091,778	14,205,077	151,992,381	3,201,099	0	9,743,038	25,760,438	36,466,269	1,599,329
462,923,593	428,997,549	105,152	33,820,892	391,294,601	212,599,393	0	- 27,603,329	198,391,002	63,664,892	0
386,224,916	336,498,988	10,151,124	39,574,804	3,202,789,465	2,581,214,118	0	- 193,756,963	699,987,338	1,181,481,693	831,565,481
273,752,949	233,771,067	8,049,356	31,932,526	1,387,607,870	986,634,618	0	31,753,477	295,593,172	236,690,530	426,247,598
398,552,495	364,727,185	12,467,116	21,358,194	197,925,719	137,328,601	0	- 1,786,349	57,907,045	19,058,057	50,354,539
386,452,876	360,643,623	795,964	25,013,289	214,153,444	138,063,737	0	7,308,255	39,827,590	61,988,691	6,569,402
412,213,938	368,183,583	26,297,812	17,732,543	246,417,996	157,081,214	61,445,082	- 35,858,200	130,854,894	83,358,732	0
335,706,220	275,702,618	37,957,388	22,046,214	478,209,458	409,814,135	0	5,904,707	134,855,374	67,607,456	325,000
166,162,573	139,481,518	16,092,899	10,588,156	439,720,900	n/a	0	175,180,968	330,610,330	16,291,346	3,728,207
247,055,754	196,797,633	20,824,471	29,433,650	299,937,368	160,934,450	0	91,958,784	181,450,531	34,444,367	10,431,348
331,915,016	331,436,835	72,871	405,310	31,516,529	9,432,645	0	1,192,646	30,572,027	0	0
304,578,678	273,257,972	8,733,350	22,587,356	644,348,079	495,751,180	0	39,431,871	178,553,182	286,111,753	35,678,516
251,006,222	206,553,499	25,343,806	19,108,917	447,431,900	207,164,603	0	68,411,206	208,656,889	106,279,552	104,161,873
317,553,911	313,583,750	1,594,427	2,375,734	204,482,179	827,612	0	- 46,033,705	200,940,612	819,616	0
339,908,658	318,908,646	4,623,027	16,376,985	736,550,594	475,408,735	0	- 83,619,992	232,646,350	114,429,195	0
311,693,723	309,221,605	624,900	1,847,218	30,440,604	64,678	0	6,751,594	23,615,539	1,962,287	0

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Name	2012 Total Revenue	Sources of Income					In Kind Services
		Public Support	Government	Investment	Program Service	Other	
51. Brother's Brother Foundation	295,883,198	294,731,595	0	363,334	775,226	13,043	0
52. Leukemia & Lymphoma Society	292,822,993	282,657,104	14,969	8,039,879	0	2,111,041	5,328,250
53. Christian Broadcasting Network	286,080,858	177,773,182	0	521,523	400,880	107,385,273	0
54. Metropolitan Opera Association	285,898,004	127,518,235	661,825	12,597,993	141,279,892	3,840,059	0
55. Cross International	282,240,795	282,103,144	0	13,877	57,326	66,448	44,772
56. Catholic Medical Mission Board	270,234,305	257,094,197	12,894,713	245,395	0	0	6,817,134
57. Special Olympics International ¹¹	268,999,483	212,508,409	20,437,520	6,812,376	6,614,590	22,626,588	67,130,361
58. Step Up For Students	267,783,788	267,447,702	0	2,266	0	333,820	0
59. New York Presbyterian Fund ⁷	249,637,351	138,246,379	0	25,501,013	86,261,586	- 371,627	0
60. Mental Health America ¹²	249,511,856	28,745,532	128,770,441	4,094,702	82,324,872	5,576,309	0
61. Marine Toys For Tots Foundation	249,046,694	246,824,230	0	1,653,268	0	569,196	16,838,505
62. MAP International	244,071,640	240,856,113	418,205	43,685	2,718,831	34,806	0
63. Art Institute of Chicago	242,355,755	39,908,815	11,285,046	11,886,523	154,790,347	13,403,566	0
64. Alzheimer's Association	240,563,832	201,736,500	12,866,528	4,392,419	12,192,475	9,375,910	8,188,025
65. Young Life	237,810,980	182,209,700	0	- 223,260	54,525,459	1,299,081	350,000
66. Museum Of Modern Art	236,817,359	99,797,164	40,352	72,703,723	34,934,150	29,341,970	0
67. Mercy Corps	232,959,669	61,628,612	169,943,570	575,388	429,601	382,498	967,567
68. Rotary Foundation of Rotary International	232,899,543	181,096,787	199,860	58,881,049	5	- 7,278,158	0
69. Christian and Missionary Alliance	232,516,896	56,794,237	0	14,409,774	153,281,150	8,031,735	0
70. Bill, Hillary & Chelsea Clinton Foundation ¹³	231,088,921	113,199,518	114,546,567	521,106	0	2,821,730	n/a
71. Big Brothers Big Sisters of America	230,705,312	182,478,400	34,195,846	1,849,041	0	12,182,025	0
72. Wildlife Conservation Society	230,042,654	79,420,424	65,722,952	9,724,515	51,157,154	10,131,037	n/a
73. ChildFund International	229,998,300	213,831,708	12,508,431	1,443,876	1,463,479	750,806	15,894,762
74. American Diabetes Association	228,492,500	177,364,000	239,000	1,885,500	35,711,000	13,293,000	2,395,000
75. Make-A-Wish Foundation	227,740,595	216,437,101	0	10,059,981	0	1,243,513	36,324,553
76. Operation Blessing International Relief and Development	220,172,143	219,217,347	951,857	753	0	2,186	0
77. National Gallery of Art	217,924,113	35,518,477	128,419,530	48,544,272	766,876	4,674,958	0
78. Project HOPE	217,876,947	205,143,170	8,920,607	873,925	2,382,684	556,561	2,023,662
79. National Multiple Sclerosis Society ¹⁴	216,363,554	63,202,054	691,321	5,085,631	0	147,384,548	4,467,391
80. Robin Hood Foundation ⁹	213,623,915	230,744,881	0	1,687,587	0	- 18,808,553	0
81. UJA - Federation of Jewish Philanthropies of New York	212,948,000	189,539,000	0	23,182,000	342,000	- 115,000	200,000
82. Cold Spring Harbor Laboratory ⁷	210,820,369	124,687,502	54,464,404	5,991,493	21,931,783	3,745,187	0
83. World Wildlife Fund	208,495,555	154,128,934	41,213,760	4,276,214	752,916	8,123,731	53,527,866
84. UNCF	208,284,715	164,034,319	0	44,250,396	0	0	3,051,099
85. National Jewish Health	206,521,290	30,218,683	47,674,000	4,073,903	124,826,446	- 271,742	n/a
86. March of Dimes	205,497,687	195,402,390	3,199,773	3,316,222	1,746,635	1,832,667	0
87. JDRF	203,068,073	195,105,087	0	6,976,700	650	985,636	0
88. Scholarship America	202,327,788	182,167,839	0	9,579,022	9,361,822	1,219,105	7,248
89. Chronic Disease Fund	201,215,266	200,401,801	0	928,822	0	- 115,357	0
90. Carter Center	200,399,460	149,717,881	31,426,192	18,828,566	0	426,821	0
91. Médecins Sans Frontières / Doctors Without Borders	200,294,442	189,249,536	0	353,450	10,671,977	19,479	2,538,868
92. NPR	190,468,098	77,344,538	377,180	3,045,121	100,676,014	9,025,245	2,385,055
93. American Kidney Fund	186,648,599	186,249,805	0	293,359	3,964	101,471	1,247,878
94. Ducks Unlimited	184,444,845	98,622,066	71,527,617	7,538,659	0	6,756,503	0
95. Hadassah ⁹	180,287,564	97,703,359	1,991,507	74,976,903	3,286,053	2,329,742	0
96. JFK Center for the Performing Arts	180,035,748	54,369,964	43,917,953	3,036,750	68,305,144	7,206,176	0
97. Humane Society of the United States ⁹	180,023,044	163,707,958	0	3,085,434	2,242,407	10,987,245	35,061,663
98. The Conservation Fund	179,382,974	90,306,766	19,811,229	700,445	68,564,534	0	0
99. Trinity Christian Broadcasting Network ⁷	176,739,439	95,624,097	0	17,223,077	62,052,917	1,839,348	0
100. American Museum of Natural History	175,626,383	77,991,800	43,356,405	5,304,755	29,661,149	12,866,519	0

⁷ FYE 2011 ⁹ Audited financial statements ¹¹ FYE 2012 data of headquarters and 30 affiliates plus 2011 data of 21 affiliates ¹² FYE 2012 data of 48 affiliates, plus 2011 of 102 affiliates and 18 of 2010/2009
¹³ Consolidated audit ¹⁴ Unaudited consolidated financial statements

THE 2013 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							
285,042,211	284,126,189	203,296	712,726	36,690,625	7,402,443	0	10,999,828	35,625,011	555,431	361,186
292,394,514	222,923,399	47,258,877	22,212,238	223,445,924	210,665,348	0	- 5,735,114	100,978,174	10,221,074	2,849,531
283,961,607	244,511,957	24,420,283	15,029,367	190,937,096	62,037,693	0	- 6,350,779	131,686,005	24,891,075	324,793
317,535,243	285,921,288	13,511,487	18,102,468	435,001,167	265,284,885	0	- 93,013,680	- 190,604,374	135,014,056	219,489,084
280,585,341	267,642,862	6,850,655	6,091,824	10,965,207	6,588,777	0	8,189,814	8,725,059	905,646	233,000
259,146,566	250,591,629	4,015,460	4,539,477	79,171,300	2,988,556	0	9,362,956	62,921,635	0	0
243,355,226	186,433,897	42,090,650	14,830,679	260,054,236	194,701,307	0	19,522,760	195,046,407	30,531,883	4,634,307
152,642,566	150,286,359	1,187,378	1,168,829	217,819,371	20,906,098	0	115,141,222	3,387,960	213,191,475	0
153,226,735	131,461,349	13,178,257	8,587,129	1,830,211,183	1,397,282,558	0	783,169	501,536,524	1,116,955,514	182,619,047
245,412,081	212,907,933	3,513,597	28,990,551	206,629,705	89,176,782	0	2,860,167	115,131,004	15,522,605	7,241,898
243,937,334	237,627,031	5,509,177	801,126	114,552,758	74,876,990	0	8,903,298	107,071,166	0	0
214,345,068	212,014,597	1,862,444	468,027	71,751,906	4,877,408	0	29,779,574	47,258,675	15,980,364	3,775,170
243,138,473	215,065,752	6,192,438	21,880,283	1,351,684,071	804,342,909	0	- 50,082,990	75,797,147	560,060,837	320,171,518
236,313,728	180,022,425	37,743,238	18,548,065	285,230,512	189,221,589	0	- 3,359,834	123,549,289	52,437,802	32,987,846
237,636,100	209,900,254	6,024,427	21,711,419	268,883,330	64,749,930	0	4,299,435	243,672,311	6,135,775	0
220,006,473	160,720,883	14,657,311	44,628,279	1,458,459,054	701,025,388	0	- 32,289,548	618,451,113	162,903,061	243,660,126
240,634,774	200,697,260	11,385,258	28,552,256	126,636,366	75,657,203	0	- 1,495,599	47,555,003	24,889,781	0
230,646,165	204,038,185	18,253,909	8,354,071	813,706,156	776,055,042	0	- 61,094,302	485,340,301	34,404,472	214,127,567
223,631,417	193,385,993	4,729,033	25,516,391	854,403,808	143,237,500	0	9,040,448	125,044,542	22,501,217	12,197,724
226,636,573	200,871,074	7,844,810	17,920,689	257,314,783	108,704,694	0	8,603,572	156,267,193	54,880,723	250,000
190,182,898	n/a	n/a	n/a	204,309,709	109,215,895	0	145,696,036	160,879,396	0	0
213,252,372	177,511,650	6,809,949	28,930,773	793,532,399	446,275,792	0	- 10,061,254	280,640,646	148,163,693	228,066,828
226,456,082	182,352,683	26,371,512	17,731,887	105,002,905	66,281,040	0	- 3,065,594	23,780,994	36,217,951	17,799,990
206,197,000	147,892,000	47,244,000	11,061,000	147,540,000	33,980,000	0	22,295,000	17,734,000	78,960,000	10,224,000
221,183,887	164,500,733	34,757,559	21,925,595	251,958,694	198,909,351	0	6,461,453	129,637,984	23,673,019	26,741,893
221,296,053	218,172,628	2,108,415	1,015,010	28,545,687	6,093,627	0	- 1,123,910	1,822,710	6,395,502	0
165,755,110	123,408,868	4,610,635	37,735,607	1,065,074,976	1,422,798,624	0	104,817,744	426,037,591	192,468,327	369,834,964
232,520,191	221,010,963	7,703,491	3,805,737	48,287,500	25,277,392	0	- 22,589,898	2,446,333	22,670,560	2,741,202
218,943,020	165,507,951	37,553,242	15,881,827	159,881,411	57,621,941	0	- 2,579,466	61,748,010	17,601,767	8,194,202
156,671,119	142,656,349	9,890,235	4,124,535	482,065,583	288,356,377	0	71,638,537	269,741,116	127,895,009	0
212,758,000	162,843,000	28,032,000	21,883,000	1,201,295,000	922,579,000	0	- 18,058,000	493,010,000	278,501,000	229,623,000
143,846,066	127,701,337	2,206,849	13,937,880	660,546,289	228,551,659	0	40,712,583	205,927,703	208,696,203	93,712,055
191,549,257	152,757,780	26,762,658	12,028,819	412,075,560	248,768,737	30,304,269	3,701,154	137,650,664	92,738,064	41,305,852
166,996,857	146,352,396	9,275,859	11,368,602	1,166,608,507	1,060,341,099	5,182,414	70,504,955	10,278,782	560,613,745	58,114,488
207,666,858	167,316,647	7,845,949	32,504,262	266,823,000	122,283,000	0	- 5,007,000	93,099,000	33,955,000	42,963,000
217,809,978	164,512,258	30,611,415	22,686,305	155,522,247	116,072,778	0	- 5,155,104	- 7,753,938	2,711,100	11,821,668
205,351,840	167,678,014	22,914,668	14,759,158	187,007,468	143,743,828	0	- 11,631,015	4,797,995	24,872,971	6,727,965
187,547,949	179,280,458	3,037,996	5,229,495	391,059,639	382,606,393	0	75,636,308	87,721,786	109,614,862	141,034,490
195,082,343	182,365,638	1,463,735	11,252,970	332,287,810	269,458,669	0	6,132,923	26,399,745	0	0
154,581,979	138,754,640	9,279,678	6,547,661	553,058,643	493,012,877	0	58,811,103	176,619,708	236,406,857	125,540,134
207,003,640	179,835,191	24,435,335	2,733,114	168,647,231	140,267,110	0	- 6,179,263	149,148,202	11,478,756	285,476
191,204,567	154,151,977	11,045,295	26,007,295	408,283,639	160,067,785	0	3,218,804	164,916,505	10,431,794	0
196,544,287	190,914,353	4,021,641	1,608,293	24,435,902	19,553,277	2,301,292	- 9,128,099	19,002,120	3,122,013	175,017
171,641,027	143,167,434	23,719,393	4,754,200	135,789,827	59,432,076	0	- 2,323,637	15,516,162	66,283,759	11,712,348
126,748,168	104,418,278	8,265,663	14,064,227	587,115,347	495,125,550	0	- 452,136,598	234,617,286	149,485,411	107,164,848
189,573,663	172,426,745	9,077,677	8,069,241	396,403,815	113,299,257	0	- 6,268,486	101,971,225	98,526,107	95,748,561
176,823,514	142,118,050	29,479,645	5,225,819	249,201,579	206,370,343	0	14,840,884	138,702,993	38,447,039	38,173,451
137,594,148	132,468,606	1,921,568	3,203,974	537,183,832	158,527,627	0	- 58,211,173	275,659,353	11,289,401	81,999,337
183,419,695	135,537,071	12,428,027	35,454,597	845,832,015	339,772,054	0	- 268,876	827,173,452	166,438	0
188,087,953	155,757,049	5,644,518	26,686,386	1,132,976,753	587,697,116	0	- 65,176,816	273,144,986	247,716,605	161,954,937

Continued from page 3

been allotted for the center, with some \$16 million raised so far.

CSHL is in the quiet phase of the \$250-million campaign, about \$100 million of which will fund a new cancer therapeutics initiative to build new facilities and hire scientists to focus on the development of cancer-fighting drugs. Another \$100 million will be raised toward the President's Fund, to build a larger unrestricted endowment for research support. "For our size, our endowment should be larger," said Charles Prizzi, vice president for development and community relations. The remaining \$50 million will go toward science education programming, educating scientists at CSHL meetings and courses.

The campaign has raised almost \$130 million as of this past summer and is scheduled to go public at the \$150-million mark. CSHL also hopes to raise \$100 million through naming rights and endowed chairs.

HURRICANE SANDY

The Robin Hood Foundation in New York City was just one of many organizations large and small that responded to Hurricane Sandy, which made landfall in New Jersey on Oct. 29, 2012.

Between donations, downloads, and



Alicia Keys

sales of CDs and DVDs, Robin Hood Foundation's 12/12/12 concert raised \$55 million for Sandy relief. Overall, Robin Hood collected more than \$72 million, fueling an increase of roughly 40 percent in public support, and 49 percent in total revenue, to \$213 million last year, good for No. 81 on the *NPT 100*. In 2011, Robin Hood reported \$143 million in revenue. (Audited financial statements were used because Robin Hood's Form 990 is not typically filed until November).

For many relief organizations in the

Robin Hood Foundation's 12/12/12 concert raised \$55 million for Sandy relief.

NPT 100, most all of the Sandy-related revenue or contributions will appear on next year's tax forms because the hurricane struck in late October, the middle of the fiscal year for organizations that operate July 2012 to June 2013. The American Red Cross will see the \$308 million in Sandy-related donations appear on next year's tax forms. The Washington, D.C.-based agency had allocated some \$272 million as of earlier this year.

"Other organizations are focusing on longer term. Our focus was to get the money out the door as quickly as possible," Robin Hood Spokeswoman Patty Smith said. Robin Hood isn't actively fundraising for Sandy relief, instead returning to its core mission of fighting poverty. There are other organizations still collecting and granting. "That's going to be important because this is a

tragedy that will require a multi-year effort," she said. Robin Hood received checks large and small but it was the small ones that were very touching, Smith said: A man in a state prison in Minnesota sent a \$5 check through his prison account. A child in Colorado sent his \$1 allowance.

The \$72 million has been allocated and granted to more than 400 organizations, mostly in New Jersey and New York City but also to some on Long Island, and in Westchester County, N.Y., and Connecticut.

Robin Hood has been around for 25 years, with experts on staff who are skilled at making grants to organizations that can make an impact, Smith said. "It was a really all-hands-on-deck approach. When Sandy hit, the first thing we did was reach out to core grantees in areas affected, like Red Hook (Brooklyn) and the Rockaways (Queens), and got them money and resources, so they could continue to serve people who were impacted as a result of the storm," she said.

Eventually, they broadened their reach to affected areas of Long Island and New Jersey, Smith said, getting recommendations from folks on the ground who were able to do an effective job of getting money to people who needed it.

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The organization focused on individuals at and around the poverty level, working with them to get Federal Emergency Management Agency (FEMA) grants and appeal insurance denials, and also funding legal support groups to help people who never before had to navigate FEMA.

Approximately two-thirds of the grant making went to housing-related organizations, those that could help clean or gut homes, get drywall and remove damaged parts of homes so fresh materials could be brought in. In other areas, they helped install ramps or raise houses on stilts and helped with deposits so survivors could get into hotels and motels while their homes were being repaired.

Robin Hood is best known for its mega-gala benefit each May, drawing celebrities and Wall Street's elite. Last year, the benefit grossed more than \$59 million, and this past May, it raised nearly \$81 million.

BEFORE THE COLLAPSE

Things looked very different five years ago just before the economy collapsed. *The NPT 100* was no different. Investment income among the top 100 organizations clocked in at \$4.2 billion, a staggering number compared with this year's \$2.633 billion.

"I think some of them have learned to do more with less. First they were forced to do it, after a period of scrambling, they reached a new equilibrium. If there were some painful staff cuts, I don't think they necessarily will restore them now that things are better," Oster said.

"A lot of them did take a step back. We helped a lot of organizations just going to look at their processes and their various departments, whether it be their development or finance area to say, do you have the right resources, are you perhaps wasting money with what you have, and maybe realign things to save money in the long run," Romano said. "That type of process redesign is important to do," he said.

Some areas of the *NPT 100* are back to pre-recession levels. Consider that the No. 1 organization in the 2008 *NPT 100* was the Y, then known as YMCA, with revenue of just more than \$6 billion, and this year's report shows it at \$6.2 billion. The No. 100 organization in 2008 came in at \$174 million, the Kennedy Center for the Performing Arts, which ranks No. 96 this year with \$180 million.

In general, nonprofits continue to evaluate programs and resources since the economy declined. "I've had some organizations saying to me, this is the best kick in the pants we could've gotten because it's forced us to deal with issues that we've known we've had to deal with for a long time," said Oster. But the urgency of dealing with it was not there or they couldn't get people to focus on the fact that this needed to be done, "and this finally gave us cover to do what we knew we needed to do for a long time,"

Oster said. "You see some of that in those kinds of activities."

Since 2008, many in-kind organizations had total revenue plummet because of industry-wide changes in valuation of gifts-in-kind (GIK), particularly donated pharmaceuticals. Some charities are returning to revenue levels seen prior to the changes.

Last year, MAP International (62) dropped out of the *NPT 100* as a result of modifying valuations. As recently as 2009, MAP reported total revenue of \$430 million but dropped to \$140 million in 2011, rebounding to \$244 million last year.

The change in the economic climate made it difficult to raise funds starting in the fall of 2010 and that trend carried throughout FY11, according to Daniel Reed, chief financial officer and general operations manager at MAP International in Brunswick, Ga.

"Prior to FY11, MAP had good success in raising both cash donations and gift-in-kind medicines and medical supplies," he said in an email. "We believe that the pharmaceutical companies were more likely to give their products to MAP up to the end of FY10. We had good program proposals that we shared with the companies and they responded. At the very end of FY10, we did see a change with the economic decline," he said.

FY12 was a much better year for both cash and non-cash gifts, Reed added. "Some of the economic conditions for MAP's donors seemed to improve and they responded to our requests for cash and non-cash gifts," he said. FY13 has continued the trend, with Reed expecting an increase in non-cash donations of more than 25 percent.

Kingsway Charities (45), a Richmond, Va.-based Christian relief organization, had total revenue increase some 83 percent to \$331 million on the strength of in-kind contributions.

AmeriCares (34) was another charity where the methodology for valuing inventory was changed, moving from Average Wholesale Price (AWP) price of an item in 2010 to wholesale acquisition cost in 2011. That brought values down, year-over-year, by about 20 percent, according to Katherine Sears, senior vice president of global medical assistance and emergency response. The Stamford, Conn.-based relief organization reported revenue of \$526 million last year, down from \$663 million in 2011, \$795 million in 2010, and \$1 billion in 2008. It also phased out participation in an International Trachoma Initiative (ITI), which accounted for \$250 million in noncash contributions during 2008 and 2009.

AmeriCares also received Sandy-related contributions of about \$5 million.

In all, The 2013 *NPT 100* shows a continued rebound -- albeit a slow one -- similar to the country's own economic recovery, Romano said, adding that nonprofit executives seem to be upbeat about charitable giving so far in 2013. *NPT*

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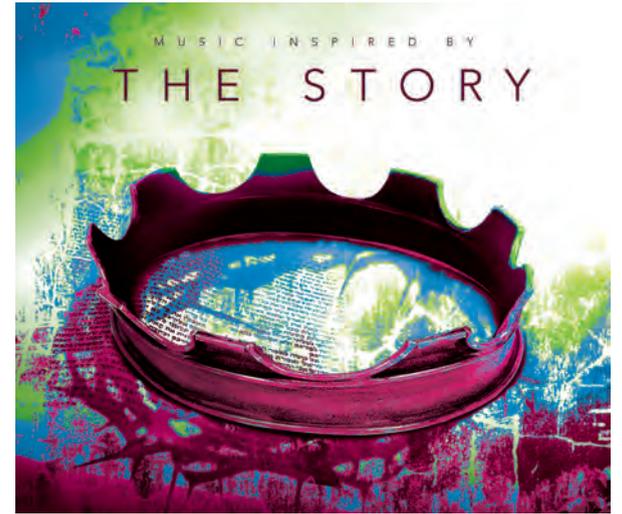


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Sweet Royalties Fatten Bank Balances Of Top Organizations

BY MICHELE DONOHUE

Girl Scouts of the USA (GSUSA) celebrated its 100-year anniversary in 2012 and decided to mark the milestone by making a splash in the marketplace. With new licensees, including Aspire Lip Balm, Build-A-Bear and Nestlé Crunch bars in well-known Girl Scout cookie flavors, GSUSA celebrated in a big way – and has the numbers to prove it.

GSUSA placed 23rd in the *NPT 100*, based on a compilation of Fiscal Year Ending 2011 data from headquarters and affiliates (GUSA's data typically lags a year behind other NPT 100 organizations).

The national headquarters alone had a 21-percent increase in licensing royalties, from \$7.3 million in Fiscal Year Ending 2011 to \$8.8 million in 2012. "Licensing is about finding opportunities that can create brand awareness, deliver revenue and support our program," said Brian Crawford, director, inventory management and licensing, business services for GSUSA. "Every licensing opportunity has the potential to be a 'proof of concept' that can lead to other opportunities within the same licensee and/or category," he said.

GSUSA is best known for its cookies and that's the source of the majority of its royalties and licensing revenue. Licensed bakers and other product sale providers, such as nuts and magazine subscriptions, pay a royalty for use of Girl Scouts' trademarks based on gross annual sales volume. In turn, the national headquarters approves all program and sales materials developed by the bakers.

Recent growth into other licensing partnerships gives GSUSA further reach in the market and additional funds. While the organization capitalizes on the iconic cookie flavors such as Thin Mint and Samoas, it is also branching out to opportunities, such as the Build-A-Bear program with outfits representing the uniforms for the different levels of the program -- Brownies, Daisies and Juniors. The key is finding partnerships that work. "Look for opportunities that promote your brand and are win-wins for both you and your licensees," said Crawford.

For Ducks Unlimited (DU), number 94 on the list, there is a well-established process for sifting through the companies that want to partner with the organization, headquartered in Memphis, Tenn. With \$4 million in royalties for FY 2012 and DU licensee partner products ranging from duck decoys to bedding, the organization needs to keep a tight hold on its brand.

"We are very consistent on how we vet potential programs and assess appropriate value to DU," said Jim Alexander, director of corporate relations. A Corporate Relations Committee within DU's Board of Directors reviews and approves all new programs and works closely with staff on strategic focus. The three-person committee ensures that company programs are relevant to the

DU brand by running through a gambit of criteria: product quality, distribution, common vision of conservation, resources, marketing capacity and more. In addition to that spectrum of criteria, the value proposition must be fair and equal between DU and the potential company.

The partnership is a two-way street and Alexander believes DU has a lot to offer. "DU has 76 years of brand equity and conservation success," he said. Between a large and loyal support base and thorough media support with DU's magazine and other public relations assets, DU has a solid brand and an extensive reach. Because of that high-brand value and stringent approval process, Alexander estimates that nearly half of the companies that want to be DU licensees are turned away.

Having core partnerships allows for a higher-level of commitment and focus and minimizes the risk of diluting the nonprofit's brand and mission. The strategy has

Licensing is about finding opportunities that can create brand awareness, deliver revenue and support our program. --Brian Crawford

allowed DU to develop stronger corporate relationships where royalties are just part of the partnership.

"We are focusing more on comprehensive partnerships that involve sponsorship fees and or royalties, event support, product donations and advertising commitments," said Alexander. "The more integrated the company is within DU, the more successful the partnership is and the greater the return is for our partner," he said.

The U.S. Fund for UNICEF (35) seeks licensing and the organization partners for the long term with national retailers such as Pier 1 Imports and IKEA North America. "In the past few years we have begun to look at licensing as a tool to extend and monetize our cause marketing campaigns and other assets," said Susannah Masur, UNICEF spokeswoman. "Licensing can be more cost-efficient than traditional fundraising, but it is challenging to scale up."

U.S. Fund for UNICEF, based in New York City, had a 12-percent bump in royalties between FYE 2011 (\$1.8 million) and FYE 2012 (\$2 million). Masur explained a bulk of the revenues are from UNICEF greeting cards and products sold at Hallmark, Pier 1 Imports and IKEA North America raised more than \$13 million to support

UNICEF's global child survival and development programs during the past three years.

The partnership with Pier 1 Imports began in 1985 and during its 27-year run the it has raised more than \$32 million for UNICEF. "Be market driven," said Masur. "Except when marketing to existing supporters, the cause is secondary in driving purchases. The product itself is the primary driver and needs to stand on its own merits," she said.

Strong relationships also helped World Vision (18), increase its royalties 230 percent between FYE 2011 and FYE 2012. Support from direct relationships have spurred the increase from \$92,570 in FY 2011 to \$306,045 in FY 2012 but licensing and royalties are a microscopic fraction of World Vision's \$1 billion in total revenue last year.

While royalties aren't a part of World Vision's strategic vision, these off-shoot projects from strong supporters still provide revenue. Three core sources provided World Vision with royalty revenue during 2012: a partnership with the producers of the album "Music Inspired by the Story," generated more than \$207,000 in donations from sales and nearly \$50,000 came from a World Vision-produced DVD movie called "Journey to Jamaica". An additional \$22,500 in revenue came from the royalties from "The Hole in Our Gospel," a book by World Vision's U.S. president Richard Stearns. The book also contributed more than \$65,000 in FY 2011.

"What makes these opportunities so exciting is that they've come out of artists' own desire to give back," said Tim Sawyer, World Vision's vice president for acquisition. "None of these relationships have been solely about the business transaction. This is something personal for the artists – an opportunity for them to do something bigger than themselves – and the communities we serve benefit from their generosity," he said.

Feeding America (10) continues to benefit from a Christmas album released four years ago by Bob Dylan. He donated all U.S. royalties in perpetuity from *Christmas In The Heart* to the Chicago-based hunger-fighting charity. Feeding America has seen royalty income jump from \$4.4 million before the album's 2009 release to \$12.6 million and eclipsed \$18.7 million the past two years, among the highest totals within the NPT 100.

The United States Olympic Committee (44) has among the highest royalty revenues within the NPT 100, last year drawing \$98 million, which was up from \$61 million the previous year.

NPT 100 organizations deriving not insignificant sums from royalties included the American Heart Association (\$23.7 million), Smithsonian (\$10 million) and World Wildlife Fund (\$7.7 million), in addition to medical and research organizations like Dana-Farber Cancer Institute (\$5.6 million). *NPT*

Health Charities Forced To Charge More

BY DON McNAMARA AND MARK HRYWNA

As organizations struggle to cope with a slow economic recovery from a fast economic downturn, many have had to make tough decisions about policies or allocation of resources, particularly healthcare facilities.

After its endowment took a hit in the recession, Shriners Hospitals for Children (26) considered closing some of its 22 hospitals but instead opted to charge health care insurance providers to continue offering care in orthopedic conditions, burns, spinal cord injuries and cleft lip and palate.

Investment income cratered to the point that Shriners fell out of the 2009 NPT 100 and the rebound has been uneven, reporting negative \$79 million, \$303 million and \$669 million, the previous three years, respectively, before \$321 million this past year.

Program revenue reported by Shriners on its annual Internal Revenue Service (IRS) Form 990 was \$90 million last year, up from \$66 million and \$5 million the previous two years, after initiating the change in billing in 2010. For 2013, income from third-party billing is projected to be \$105 million, according to a spokesperson, with a total operating budget of \$750 million.

The rollout of third-party billing started at several facilities in July 2010 and was completed in June 2012. Since billing was new for the Tampa, Fla.-based organization, Shriners had to create and implement a billing system, in addition to enhancements to its electronic medical records. The cost associated with the project recently was estimated to be about \$36 million.

Shriners reviews patients' ability to pay by using federal poverty guidelines and care is provided based on a patient's medical need, regardless of a family's ability to pay. Uninsured patients are not billed and Shriners continues a substantial charity care policy.

Omaha, Neb.-based Boys Town (32) saw a boost in program revenue as a result of providing more services to the state. The Nebraska Families Collaborative (NFC) contract with state expanded the services provided and the number of children served, according to Gil Barajas, associate vice president, finance.

Program service revenue is income earned by an organization for providing a government agency with a service, facility or product that benefited that agency directly rather than benefiting the public as a whole. It also can include tuition received by a school, revenue from admissions to a concert, museum or other event, and registration fees received from a meeting or convention, among other things.

The recourse taken by the Shriners was a dramatic one, but organizations not taking such a step will still have to make tough decisions.

"We're talking about two issues here," said William P. McGinly, president and CEO of the Association for Healthcare Philanthropy (AHP). "One is the philanthropic side. Shriners are not charging for philanthropy, they are charging for medical services," he said.

Some hospital administrators anticipate funding decreases of as much as 20 percent, McGinly said, and one way to address that shortfall is staffing reductions. "The other side of that is ab-

solutely program charges," he said, citing as an example the insurance industry, which has resorted to such tactics as increasing deductible costs. McGinly expects that families that have the means will be charged fees although it's possible hospitals will ask for the money but not push hard to get it.

ALSAC/St. Jude Children's Research Hospital (22) does not bill families for treatment, travel,

housing or food, Jennifer Haslip, vice president, communications, said in an email response to a query from *The NonProfit Times*.

Haslip said that 75 percent of St. Jude funding comes from individual contributors and that St. Jude does accept insurance payments from families that have coverage but that families never pay copayments or deductibles. The organization pays

for all costs not covered by insurance.

Looming in the background is the federal Affordable Care Act, generally referred to as Obamacare. The effects of that act won't be clear for a while and McGinly said it will take time to play out. "Congress passed this legislation without knowing what's in it, and regulations are still being written. That's disconcerting," he said. *NPT*



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Improving Investments Inching Back To 2008

BY MARK HRYWNA

Portfolios might be returning to pre-recession levels but that doesn't mean that investment income is flowing as strongly today as it did prior to 2008. For organizations with endowments, it will still take another year or more to wipe the stain of the 2008 market declines from their endowment's rolling averages.

"My sense is, for most charities, their endowments are back to at or close to pre-recession levels," said Mark Oster, national managing partner, Not-for-Profit and Higher Education Practices, at accounting and consulting firm Grant Thornton LLP. "The difference is, for those that are on multi-year, draw-down policies, say a five-year rolling average, while the drop didn't hurt them right away because they're able to go back to prior years when portfolio performance was bigger and better, it also means it softened the blow on the downswing. But it's now delaying the benefit of the upswing because they're still dealing with trailing years where the performance wasn't so good," he said.

Investment income is likely to be down if an endowment's rolling average still includes the down years of the stock market in 2008 and 2009. "Once those

years start to fall off, the value of their portfolio is back but the amount of income it's generating based on their spend policy is not there," Oster said.

There are *NPT 100* organizations that rely very little on investment income, generating in the range of six figures. Others make enough from endowments some years that they could rank in the top 100 on investments alone. Taken as



The New York Public Library (NYPL) saw a \$100-million boost in investment income in addition to a nearly \$30-million bump in contributions.

a whole, *NPT 100* organizations reported investment income of \$2.633 billion, compared with \$2.8 billion the same 100 reported last year, almost 9 percent less. While just three organizations reported an overall loss in invest-

ment income, only 35 saw an increase compared to last year in investment income. Eleven had investment income double, though some of those still didn't crack \$1 million in the category.

The top organizations this year when it came to investment income were:

- Shriners Hospitals for Children (26), \$321 million
- The Salvation Army (5), \$303 million;

- Boy Scouts of America (15), \$192 million;
- New York Public Library (38), \$141.5 million; and,
- Metropolitan Museum of Art (37), \$138 million.

Relying heavily on the markets, especially during volatile times, can be dangerous. (See story about program revenue.)

Most cultural organizations saw decreases in investment income, "which would explain a lot because they're the ones with more significant investment endowments, alternative investments and things of that nature, and also had significant cuts in government funding, which has taken place throughout the industry but especially among cultural," said Daniel Romano, national partner-in-charge – tax, not-for-profit and higher education practices at Grant Thornton.

The decline in investment income was expected. The largest organizations typically have large portfolios that include alternative investments, which have not fared well. Those have turned around somewhat in 2013, so the outlook is a little bit different now, Romano said. "For bigger endowments, it's more alternatives than it is corporate stocks and bonds," he added.

"The value of investments in general is down significantly, resulting obviously from a tempestuous global market: the European debt crisis, sequestration we had obviously factored into that as well, this continued volatility in the sector,"

Continued on page 13

State Tax Credit Funds Scholarships

BY MARK HRYWNA

Step Up For Students has almost added another zero to its total revenue figure since 2009. The Tampa, Fla.-based organization saw revenue jump by 39 percent last year, to \$268 million, enough to rank 58th on the *NPT 100*. Just four years ago, Step Up reported \$33 million in revenue. This year, Step Up already has \$286 million committed from 130 companies, making for an average donation of more than \$2 million.

"It's amazing growth that's allowed under the law, with the cap being raised, so companies can continue to give more money to scholarship organizations," said Jon East, vice president for policy and public affairs at Step Up For Students. "Our dynamics, our business principles, are different than the average nonprofit."

What's different is that virtually all of the funding is derived from corporations. Step Up For Students is funded through the Florida Tax Credit Scholarship program, which provides scholarships to low-income children in grades K-12. Under a state law enacted in 2001, companies can contribute to nonprofit scholarship funding organizations and receive a dollar-for-dollar tax credit. "That's a huge benefit to us," said East, and for companies, "it's akin to a redirection of their tax."

Step Up served about 51,000 students in the 2012-13 school year -- on top of a waiting list of 13,000 -- and is on pace to serve approximately 61,000 students this year if the cap goes up. In any year in which 90 percent of the cap is raised through tax credits, the cap for the next year is increased by 25 percent. Since this year's cap already has been met, the cap for 2014-15 will be as much as \$358 million. In 2010, the legislature added an additional \$10 million to the cap because of demand and could do the same this spring, East said.

Revenue appears to grow more than 25 percent in recent years because pledges must be recorded in the 12-month period

they were received. Step Up collected all its pledges for 2012-13 by August and this year by the end of June, East said.

State law limits the number of tax credits but companies are allowed to begin making reservations against that cap and can start January and pay until the end of their fiscal year.

Florida is the largest tax credit scholarship program among nearly a dozen states and since Step Up is the lone remaining organization in the Sunshine State, it's the largest of its kind in the nation. The second largest program would be Georgia, which raised almost \$52 million this past year, followed by Arizona, compared with \$229 million raised in Florida.

In other states, organizations are allowed to keep up to 10 percent to administer the program while in Florida, East said, contributions cannot be used for operational expenses for the first three years. After three years of clean audits, they're allowed to take 3 percent. "We think that's good law, good policy. It requires scholarship organizations to spend practically every dollar on scholarships," he said.

In its first eight years of existence, all operational funding for Step Up came from private individuals and foundations, East said. Only since 2008-09 has the organization been able to use up to 3 percent of tax credit contributions for administrative purposes. "That's why the dynamics are different from other states," he said.

There were as many as eight scholarship organizations in Florida after the tax credit was created in 2000. Most of them dissolved and in 2009 Jacksonville-based Children First merged with Step Up For Students. Step Up started in the 2002-03 school year, with three different names for three different audiences. The corporate name of the original scholarship organization was Florida Pride, a subsidiary of Florida School Choice Fund, while the doing-business-as name was Step Up for Students. For consistency, the corporate name changed in about 2010 from Florida School Choice Fund to Step Up For Students.

Students receive a maximum of \$4,880 for the year to attend any of the roughly 1,500 state-approved private schools in the program. A student's family income must meet the federal standards of free or reduced lunch to be eligible, which is no more than 185 percent of the federal poverty level. That translates to a household income limit this year of almost \$43,600 for a family of four. The average income for participating students last year was about 6 percent above the poverty level, roughly \$23,500.

"We're akin to a school voucher," East said, but technically, it's not a school voucher because the check is not written by the state to a private provider. "Certainly, we're in the same family" as vouchers, he said. Vouchers are still controversial at some level, he said, but in Florida there's been much broader agreement over the years. The law passed in 2001 by a Republican-controlled legislature and governor, and included one Democrat in the legislature, East said, but in the most significant update of the law in 2010 -- which allowed automatic increases in program among a number of things to put it on a broader trajectory of growth -- it passed with almost half the Democrats supporting it, a majority of the Black caucus and almost the entire Hispanic caucus.

"If you look at Florida today, you see greater acceptance of this. This is not an anti-public education thing, it's a partnership with public education," East said.

"This isn't about scholarship schools being necessarily better, but about being different. Different can make the difference for a kid, whether it's a different style of teacher, size of classes, faith-based, it might help kids stay on task, help them read and write better," he said.

"Each kid learns in different ways," said East. "We're at our best as an educational system when we provide various options for kids, whether it's a public magnet school or a career academy. Giving kids options is an empowering thing." *NPT*

Continued from page 12

Romano said. Still, he's optimistic about the early prospects for 2013, with those organizations with fiscal year ends seeing better numbers.

"While their portfolios might be back, state and federal funding clearly are not and most of them recognize that it'll never be back," Oster said. "What they're starting to do structurally is saying, 'We can't wait for that money to come back.' It's very trite to say, but it is a new normal in that sense." They're seeking either other income sources or adjusting operations in recognition of the fact that they can't count on having that kind of money available, he said.

Cold Spring Harbor Laboratory (CSHL) has made investments and fundraising a focus of revenue efforts going forward, with a \$200-million capital campaign to help increase the endowment, which at the end of last year stood at an all-time high of \$303 million.

"Investment performance is one of two keys to growth. The goal is to achieve healthy appreciation of our investment assets while maintaining an appropriate degree of liquidity and avoiding undue risk and volatility," Dill Ayres, chief operating officer, wrote in the 2012 annual report.

CSHL's (82) endowment returned 12.4 percent last year, and with the exception of marginal decline the previous year, was up 10.2 percent and 20 percent in 2010 and 2009, respectively. Ayres attributed the success to a restructuring of asset allocation, from a "plain vanilla mix of stocks and bonds to one designed to increase diversification and decrease volatility. Allocation to long equity and fixed income asset classes has been reduced while adding to hedged equity and absolute return investments."

Investment income isn't always necessarily about stocks, bonds and other such financial instruments. A property transaction often launches a nonprofit up the *NPT 100* thanks to millions in revenue as a result of selling a building.

Romano expects to see some consolidation of real estate within the industry, but especially among social welfare charities. "Those with like-minded missions, you could see some overlap," he said.

If a property is an investment, the sale of it would be recognized as investment income, while if it were a property used for program, Romano said, it would be classified as program revenue.

The New York Public Library (NYPL) (38) saw a \$100-million boost in investment income in addition to a nearly \$30-million bump in contributions. Much of the income was from the sale of three buildings to finance the Central Library Project, a plan to re-imagine the library for the 21st century. Sale of buildings grossed nearly \$165 million last year:

- \$59 million in July 2011 for the former Donnell Library on West 53rd Street, where a developer will build a 50-story residential tower as well as a new library, expected to open by the end

of 2015. Originally, the property was acquired in 2008 with a plan for an 11-story hotel and library space at street level but developers abandoned the plans after the economy collapsed;

- \$45 million in August 2011 for the library's Annex, a storage building on West 44th Street, where the city plans to build a new high school; and,

- \$60.8 million in June 2012 for the first five floors of administrative and storage space in the Science, Industry

and Business Library on East 34th Street and Madison Avenue. The space formerly held back-office operations, such as human resources, budget, finance and communications.

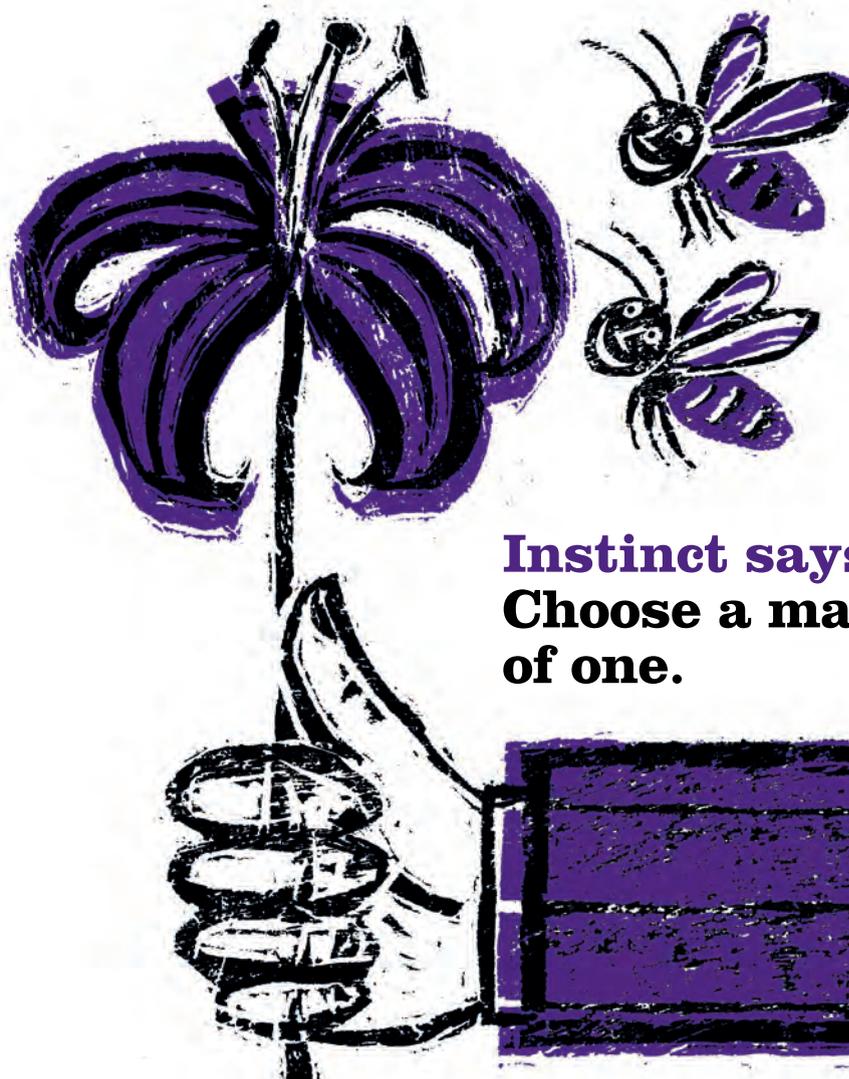
Library officials hope to begin construction this year, with completion by 2018.

New York City will contribute \$150 million toward the renovation of the library's Main Branch but the plan has come under criticism since it was unveiled last year, with some questioning

whether it will cost more than the anticipated \$300 million as well as concerns about moving research facilities and moving away from a traditional library. The library in recent months has reviewed and revised plans in response to the criticism.

Hadassah (95) also sold its headquarters in New York City, netting about \$63 million for its bottom line, which without it the charity would not have cracked the *NPT 100* for the first time in several years. *NPT*

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