

Message from the Executive Suite

Involve Your Children in Charitable Activities



Roger Silk, CEO



James Lintott, Chairman

Putting beliefs into action is what philanthropy is all about. Yet, when it comes to involving children in philanthropic activities, most people don't act on their beliefs. A recent survey found that 85 percent of Americans think children should be introduced to charitable activities by age 13, and an overwhelming 94 percent feel parents should play a key role in getting children involved. But 70 percent of parents admit their children are not involved in such activities.

Involving your children not only teaches them the value of philanthropy, but helps teach them *your* values—values they will need to understand if they are to carry on your philanthropic vision after you're gone. Philanthropy is not a cure-all for family rifts, but working together on projects to benefit the world can help bridge the generation gap.

Of course, the most basic lessons for your kids can start long before

you have enough money to create a foundation. "The definition of compassion is finding out what would be most helpful for others and then trying to help out in that way," says Veronica Parke, president of Martha's Table in Washington, D.C., a group that feeds poor people. Putting that sort of compassion into practice starts with something as

them," Sean says. With \$150 in birthday money last year, he headed for a toy store and bought mostly things he would have liked himself—but "I made him buy some girly stuff, too," said his mother, Claudia Woolner.

When Sean told the cashier what he was doing, a customer who overheard gave Sean \$20—which he then used to buy more toys for the Salvation Army drive. Sean's mother said, "I'm not one of these parents who forces their kids to be philanthropic. We've just always tried to make him aware of certain things. It was really his idea." Sean also sponsors a wolf at the local zoo.

There is one thing you can leave your children that can't be taxed by the government, dissipated by excessive spending, or lost to bad investments: a good example.

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simple as choosing gifts for friends or family members, and can easily grow from there.

Sean Woolner of suburban Calgary is eight years old. For the past two years, he has refused birthday presents, asking instead for \$5 to buy toys for the Salvation Army's Toy Mountain program for poor children. "I know that there are a lot of children who don't have toys at Christmas, and I wanted to help

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Private Foundation Creates \$500,000 Medical Prize

Albany (N.Y.) Medical Center will soon begin awarding a \$500,000 annual prize to doctors who improve health care or make major research discoveries. The award, second in size only to the \$1 million Nobel Prize, is being funded by the Marty and Dorothy Silverman Foundation.

Marty Silverman, 89, was born in Troy, N.Y., near Albany, and made his fortune in the equipment leasing business. He said he wanted to repay the area for its support when his Polish immigrant parents opened a tailor shop in Troy and when he ran a gas station to pay his tuition at Albany Law School. He hopes not only to make Albany Medical Center better known, but also to increase awareness of the role that academic medical centers play in medicine.



Silverman's foundation, which has assets of more than \$300 million, has set aside \$500,000 a year for 100 years for the Albany Medical Center Prize in Medicine and Biomedical Research. He and his family will not be involved in awarding the prize. "There should be no arm from the grave," he said. "I just want the joy and satisfaction at having started it."

Foundation Funds Sabbaticals for Members of the Clergy

The Lilly Foundation is giving money to 118 congregations in 33 states to finance a "clergy renewal pro-

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www.sterlingfoundations.com
468 N. Camden Drive, Suite 300, Beverly Hills, CA 90210
Phone (888) 567-3090, Fax (520) 396-0594

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gram" that will allow members of the clergy to take time off to pursue personal interests with potential benefits to their congregations.

Each congregation will receive up to \$30,000—two-thirds to support the clergy member and one-third to hire a temporary replacement. One minister plans to explore the role of music in spiritual renewal, while another will go to Scotland to study 18th-century theologian Jonathan Edwards. A Catholic priest expects to go to Jerusalem to study Judaism and Egypt to study Islam, while a Unitarian minister travels to Bhutan to study Tibetan Buddhism.

Websites Offer Information on Jewish and Protestant Charities

Many donors are familiar with www.Guidestar.org, a website that provides financial information on a wide variety of charities, but newer, more specialized websites are also springing up. Two sites that provide not only financial information and analysis, but also guidance on giving in conformance with religious principles, are www.ministrywatch.com for evangelical Christian charities and www.just-tzedakah.org for Jewish charities.

MinistryWatch has compiled financial data on the 400 largest Christian "parachurch" ministries in the country, relying not only on IRS Form 990 but also the audited financial statements that such ministries must share if they belong to the Evangelical Council for Financial Responsibility. The group will soon start rating charities on their efficiency.

Just-tzedakah (tzedakah is the Hebrew word for charity) has financial profiles of 75 Jewish charities, based on either Form 990 data or the stricter reports required by New York State, where many of the groups are based. It also provides information on the groups' religious practices.



The Salvation Army: More Than a Thrift Store

"You go to church at the thrift store?" is the reaction one girl gets when she tells friends her religion is the Salvation Army. But the group is more than that. It is "a fighting force, constantly at war with the

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News Briefs

■ Florida residents defeated a Grinch who tried to steal Christmas. After toys worth a total of \$10,000 were stolen from the Miami Shriners in December, hundreds of people donated more toys and money to ensure a Merry Christmas for 320 disabled children. The very first replacement toy to be dropped off: a four-foot-tall Grinch in a Santa Claus suit.



■ Business owners are more likely than other Americans to donate to charity, according to a survey by the National Foundation for Women Business Owners. While 70 percent of American households donate to charity, 90 percent of business owners said they do.

■ Residents of the Washington, D.C., area are among the most generous in the country, giving away 3.9 percent of their income, according to a new report. That rate is 46 percent higher than the national average of 2.7 percent, said the Washington Regional Association of Grantmakers. The report also noted that 77 percent of foundation donations in the area came from private foundations. In 1999, 840 private foundations in the D.C. area gave away a total of \$338 million.

■ Meanwhile, a Canadian group reports that Canadians give less to charity than Americans do. The most generous province is Manitoba, where 31 percent of taxpayers give to charity,



donating an average of 1.5 percent of their income, according to the Fraser Institute. If Canadian provinces and American states were listed together, Manitoba would rank 32.

■ A Georgia church that received a surprise \$60 million bequest last year has decided to give most of the money away. St. Marys United Methodist Church received the gift from local resident Warren Bailey, who had regularly donated \$100,000 a year. Bailey made his money in the telephone business. This month, the church plans to start giving money to other churches and ministries.

■ When it comes to charity, Palm Beach County certainly can count. Between now and Easter, dozens of charity balls in this elegant retreat will raise an estimated \$38 million for charity. The median family income in Palm Beach is \$286,000, and 87 percent are worth at least \$2.8 million.



■ Telecommunications businessman Michael J. Fitzpatrick has given Stanford and Duke universities \$25 million each to create new centers for research in photonics—the use of photons, the smallest particles of light, to transmit data through fiber optics. David A.B. Miller, the Stanford electrical engineering professor who will head the Fitzpatrick Center, said the change from copper wires to fiber optics will be as

revolutionary as the change from vacuum tubes to computer chips.

■ The Jack Taylor family, which owns Enterprise Rent-A-Car, has given the St. Louis Symphony a record-breaking \$40 million challenge grant. If the Symphony can match the amount in other donations, it will receive the money over the next four years. The Taylors said they would have preferred to remain anonymous, but the Symphony convinced them to go public to encourage other donations.



■ The Jerome Lyle Rappaport Charitable Foundation has given \$3.5 million to encourage college students to pursue careers with Boston-area local governments. “Universities have not mobilized and motivated people on the local level,” said Rappaport, a real estate developer. “They have more people worried about Russia than about here.”

■ John Crean, 75, a builder who founded the nation’s largest maker of recreational vehicles and mobile homes, has given half of his income to charity for years. When Crean retired from Fleetwood Enterprises, he sold all his stock for \$177 million and gave away half of that sum, too. *Builder* magazine has named Crean one of the most influential housing leaders of the 20th century—along with suburban developer William Levitt and architect Frank Lloyd Wright.

Tabloid Heiress Is Hands-on Philanthropist

After *National Enquirer* founder Generoso Pope Jr. died in 1988, the newspaper was sold for \$412 million—more than enough for his widow to sit back and relax. “I could be sitting on a yacht nibbling on kumquats, but that’s not what I want—and that’s not what Gene wanted,” says Lois B. Pope.

Instead, the 67-year-old Florida resident created a charity called LIFE (Leaders in Furthering Education) and the Lois Pope LIFE Foundation. Her giving is guided by insights gleaned from her own life.

For example, she had become friends with actor Christopher Reeve before he was paralyzed, and her mother died of a stroke. These were among the facts that led her to donate \$10 million to help pay for the

Lois Pope LIFE Center at the University of Miami School of Medicine, which houses the Miami Project to Cure Paralysis. “No more wheelchairs, that’s my motto,” says Mrs. Pope.

Mrs. Pope will have office space in the new building, and says she doesn’t hesitate to ask questions of university officials or other recipients of her grants. “Involvement by donors is always very important,” she says. “Mrs. Pope is a giving person, but at the same time she wants to make sure that the money she is donating is well spent,” says W. Dalton Dietrich, scientific director of the Miami Project to Cure Paralysis. “That’s why she asks so many questions. We speak quite frequently about the science we are doing.”

Book Briefs

Inside the Nonprofit Boardroom
by Charles William Golding and Craig W. Stewart

This slender (79 page) handbook takes a straightforward, practical approach to defining the responsibilities of nonprofit board members and helping meet those responsibilities. The book explains the varying roles of board members in small and large organizations, which can vary from day-to-day management to simply raising money.

The book is based on the experiences of Charles William Golding, who has been a trustee of nonprofit groups in Oregon, and Craig W. Stewart, executive director of a private foundation in Seattle. They also provide tips on running successful meetings and committees, including electing new members and getting rid of unproductive members.

Questions and Answers

Q: How can I support charities in another country?

A: As an individual, it can be difficult. Personal donations to a charity are tax-deductible only if the charity is recognized by the Internal Revenue Service as a qualified tax-exempt organization. For charities in the United States, this does not present a problem. However, there are many foreign charities that do good work but are not recognized by the IRS as qualified charities because they have not applied for such status.

There is a solution—one that is little known but perfectly legitimate. You can support a foreign charity with tax-deductible dollars by using your private foundation. Before making the donation, your foundation must follow the due-diligence procedure required by the IRS. The concept is simple, but the procedure is a fairly complex and technical one that requires professional expertise.

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powers of evil,” according to a church manual.

Despite being the nation’s largest private charity—receiving \$1.4 billion in donations in 1999—the Salvation Army’s religious tenets are not well-known. Even one of its officers told *The Washington Post* that she once thought the Salvation Army was like Goodwill Industries. In fact, it is an evangelical Christian denomination with more than 1 million members in 107 countries.

In the United States, 472,000 people consider themselves Salvationists. Of those, 125,000 are “soldiers” who have signed the church’s Articles of War, which forbid alcohol, tobacco, gambling, pornography, and the occult. Soldiers must “lead a life that is clean in thought, word and deed.” The 5,000 ordained clergy members, or “officers,” are on call 24 hours a day and may marry only other officers. They follow detailed rules on everything from how to save a soul to how to court a prospective spouse.



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