

# 2011 Questions and Answers



- Q.** *Why is United Way no longer announcing a fundraising dollar goal for the annual campaign?*
- A.** United Way's efforts are focused on accomplishing results together – not just achieving a dollar goal. While we will always strive to meet certain internal budgetary goals, our community goals will now be based on the impact that our funded programs and Partner Agencies achieve each year. As always, we maintain financial transparency, and details of our finances and allocations are published in our annual report, which is posted on our website along with our 990s.
- Q.** *How much does United Way spend on overhead?*
- A.** Our local United Way's budgeted administrative and fundraising expenses (overhead) was 16% for FY2010-11 and is budgeted at 15% for FY2011-2012. In 2009, United Way began aggressively driving down overhead through budget cuts and expense reductions of \$1.2 million, including the elimination of staff positions and selling the building. United Way's goal, with more donations, is to achieve an overhead of 12%. United Way's administrative costs are still among the lowest in the community – well below the Better Business Bureau guidelines of not more than 35% for fundraising and 50% for total overhead.
- Q.** *What is United Way of the Greater Dayton Area's designations policy?*
- A.** Donors may direct all of their contribution within United Way of the Greater Dayton Area's network of services, including to LIVE UNITED 24/7 365 (former called the Community Solutions Fund); the 3 Impact Areas of Education, Income, and Health; the 73 Partner Agencies; any United Way; or the Partner Agencies of neighboring United Ways. Donors may also direct up to half of their total pledge to a qualified 501(c)3 health or human service organization that is not a Partner Agency. The balance of the gift can then be directed any way they wish within our local United Way network. 84 cents out of every designated dollar collected goes to the program or service. The remaining 16 cents covers pledge processing and fundraising. This figure is different than the overhead rate, which is a calculation of expenses to revenue.
- Q.** *Do designations to Partner Agencies affect allocations from LIVE UNITED 24/7 365?*
- A.** No. Since 1990, designations to Partner Agencies have been a separate stream of funding from LIVE UNITED 24/7 365 (formerly called the Community Solutions Fund). Many people still mistakenly believe that designations are the "first dollars in" towards a Partner Agency's allocation from the volunteer process, but in actuality, the two funding streams are intentionally kept completely separate.
- Q.** *Why did United Way move?*
- A.** Selling the former United Way building and moving to rented space is benefitting the community by saving \$100,000 a year that was being lost in upkeep expenses.
- Q.** *Did any United Way funds go to the SCLC or IMA?*
- A.** No. The SCLC and IMA do not receive United Way dollars. They have never been United Way Partner Agencies, so they were not at all part of the tightly monitored, ongoing United Way effort to provide critical services to carefully screened agencies. These organizations did receive emergency food and shelter funds through a FEMA program in which United Way serves a limited role as convener of the Local Policy Board comprised of area food and shelter providers. The FEMA program was designed to be non-bureaucratic to pass dollars quickly to food and shelter programs in high need counties.

**Q.** *Someone I know gave to United Way for years but did not get help when he or she needed it, so why should I give now?*

**A.** United Way's HelpLink 2-1-1 works diligently to connect every caller with services that can help, and our Partner Agencies try very hard to serve everyone who contacts them. Unfortunately, there may be obstacles such as waiting lists for appointments and limited or strained resources. Sometimes the service offered is not what the person expects. If he or she is hoping to receive direct financial assistance, those resources are extremely scarce because they address the symptom but not the long-term solution to a problem.

**Q.** *What accountability standards does United Way have in place?*

**A.** All United Way financial records are handled in accordance with generally accepted accounting principles. A volunteer Finance Committee, chaired by the Board Treasurer, oversees the financial operations. United Way is audited annually by an independent accounting firm and practices full voluntary disclosure of its 990 and audits.

**Q.** *What happened with the talks about merging with United Way of Greater Cincinnati?*

**A.** Given the challenging economy, the United Way Board felt that a merger warranted exploration. However, our volunteer leaders were not convinced that it was the best path to meet the Dayton region's needs and to resolve our local challenges. The proposed plan did not demonstrate significant cost reductions and lacked assurance that our community would benefit in the long-term from possible revenue growth.

**Q.** *What happened to the former president of United Way of America?*

**A.** In 1992, allegations were raised regarding United Way Worldwide's (formerly United Way of America) president's expense practices. He served a seven-year sentence in prison. Our local United Way stopped paying dues until we were convinced that United Way Worldwide had controls in place to be fiscally accountable. Since then, United Way Worldwide has been well managed and accountable to local United Ways. Each local United Way is independent and autonomous; we are not chapters of United Way Worldwide.