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Subseries:

OA/ID Number: 52067
Folder ID Number: 52067-002

Folder Title:
United Way [1981-1984] [2]

Stack: **Row:** **Section:** **Shelf:** **Position:**

ARTHUR ANDERSEN & CO.

SUITE 1300
711 LOUISIANA
HOUSTON, TEXAS 77002
(713) 237-2323

March 6, 1984

To the Trustees of the
Jacob & Regina Levy Trust:

At your request, we confirmed that certain assets as per the attached letter were held in custody by Texas Commerce Bank for the Jacob & Regina Levy Trust as of December 31, 1983. Because the above procedures were not sufficient to constitute an examination in accordance with generally accepted auditing standards, we do not express an opinion thereon. Had we performed additional procedures or had we made an examination of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to you. This report should not be associated with the financial statements of the United Way of the Texas Gulf Coast for the year ended December 31, 1983.

Very truly yours,

Arthur Andersen & Co.

United Way
of the Texas Gulf Coast

February 2, 1984

Texas Commerce Bank
ATTENTION: Gregory Dreier
Trust Department
Post Office Box 2558
Houston, Texas 77001

Gentlemen:

Our auditors, Arthur Andersen and Company, are now engaged in an examination of our financial statements. In connection therewith, they desire to confirm that the securities described on the attached safekeeping receipts were held by you in safekeeping for our account as trustees for the Jacob & Regina Levy Trust Fund at December 31, 1983, and that there has been no pledging of these securities at your bank.

Please indicate in the space provided whether the attached safekeeping list is in agreement with your records. If not, please furnish our auditors any information which may help them reconcile the difference. Please mail your reply directly to Arthur Andersen & Co., 711 Louisiana, Suite 700, Houston, Texas 77002. A stamped, addressed envelope is enclosed for your convenience.

Sincerely,

Anna M. Babin

Anna M. Babin
Controller

AMB:jm

Enclosure

Arthur Andersen & Co.:

Our records indicate that the above description of securities is in agreement with our records at December 31, 1983, with the following exceptions:_____

_____

_____

Date: 2/21/84 By: [signature]

William C. Roher, Chairman; John B. Utsey, President; Elizabeth L. Ghrist, Vice President; Carolyn Dineen Randall, Secretary; John D. Kirkland, Treasurer

1010 Waugh Drive P.O. Box 13668 Houston, Texas 77219 (713) 529-5913

Stock

John Hancock Income Securities 1,100 shares

Bond	Maturity Date	Interest Rate	Par	Pledge
Houston Lighting & Power	06-01-99	7.500	$25,000	No

ISSUES STATEMENTS

page 18

Prepared by:
Communications Division
United Way of the Texas Gulf Coast
July 1983

UNITED WAY OF THE TEXAS GULF COAST
ISSUES STATEMENTS

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July 1983

AGENCY POLICIES

Admissions

Independent Fund Raising

Prohibited Fund Raising

AGENCY POLICIES

Admissions

To become a member of United Way and receive funding, an agency must:

1. fulfill a social or human service need.
2. have been in existence for at least two years.
3. be registered in the State of Texas and with the IRS as a nonprofit organization.
4. be governed by a volunteer committee of local citizens.
5. not have as its primary function a religious or political objective.

Other major considerations include: the need for this service, the effectiveness of the agency, the service delivery system, citizen involvement, relations with other agencies and the community, financial management and public accountability.

The decision to accept or reject an agency applying for United Way membership is made by committees of local volunteers and, ultimately, the United Way Board of Trustees.

Independent Fund Raising

Any agency may hold a capital campaign with the approval of the United Way PAIR (Planning, Allocations, Information and Research) Committee.

In order that United Way may determine if planned activities to raise funds meet the approved standards, agencies must submit applications to the Allocations Committee at least two months in advance of such activities.

The United Way holds each agency responsible for the fund-raising plans and activities of any group which raises funds for the benefit of that agency. Projects of sponsor groups also must be submitted by the agency to the Allocations Committee for approval.

Prohibited Fund Raising

Any event considered illegal by statute or ordinance is prohibited as a fund-raiser. All fund-raising activities held on city property must have the required approval from the city before being held.

Tag days (e.g., selling of flowers or buttons on the street or door-to-door) and similar events are discouraged by the United Way.

Solicitation of the general public for cash contributions towards the general agency operating budget is contrary to the purpose of the United Way.

Member and affiliate agencies are prohibited from soliciting financial support for operations from the business sector.

ALLOCATIONS PROCESS

ALLOCATIONS PROCESS

The allocation of funds to, and control of performance against goals by, participating United Way agencies is an ongoing program during the fiscal year, July 1 through June 30. The process involves over 200 volunteers.

Month	Activity
July and August	New volunteers recruited. Some members continue year to year until their tenure expires.
Sept.-Oct.	Orientation and training of new volunteers.
October	Volunteers assigned to panels (12 panels and Admissions) consisting of 15-20 volunteers per panel. Each panel assigned to about five agencies.
October to March	Panels visit agencies under their purview to understand agencies' operations and become familiar with services offered and clientele served. Participating agencies provide panels with audits, detailed budgets, quarterly reports, beneficiary data, costs per beneficiary, etc.
April	Budget Review Hearings: The volunteer directors of each agency present their agency's request and justification of funds for next fiscal year to the respective panel. Each panel spends one-half day to determine appropriate allocation. No quotas are given to the panels by United Way. Panels make written recommendations to Allocations Committee for each agency. The Allocations Committee consists of 28 volunteers--primarily the Chairman and Vice Chairman of the 12 panels and the Admissions Committee.
May	The Allocations Committee reviews allocations recommended by each panel and makes changes if required. Allocations recommendations are then forwarded to volunteers on United Way's PAIR (Planning, Allocations, Information and Research) Committee. The PAIR Committee reviews and coordinates allocations recommendations and forwards the final recommendations to volunteers on the United Way Board of Trustees for final approval.

June — Participating United Way agencies are notified of their allocation of funds for the coming year. Agencies then must submit a balanced operating budget.

Funding of agencies at approved levels depends on the success of the next annual United Way Campaign.

July through August — The Allocations Committee meets monthly to monitor the performance of agencies, handle emergencies and review and improve the allocations process as needed.

July 1983

1982 FACT SHEETS
BENEFICIARY DATA GRAPHS

Fact Sheet 1 - Comparison with Census

Fact Sheet 2 - Houston Beneficiaries

Fact Sheet 3 - Other Harris County Beneficiaries

Fact Sheet 4 - Fort Bend County Beneficiaries

Fact Sheet 5 - Montgomery County Beneficiaries

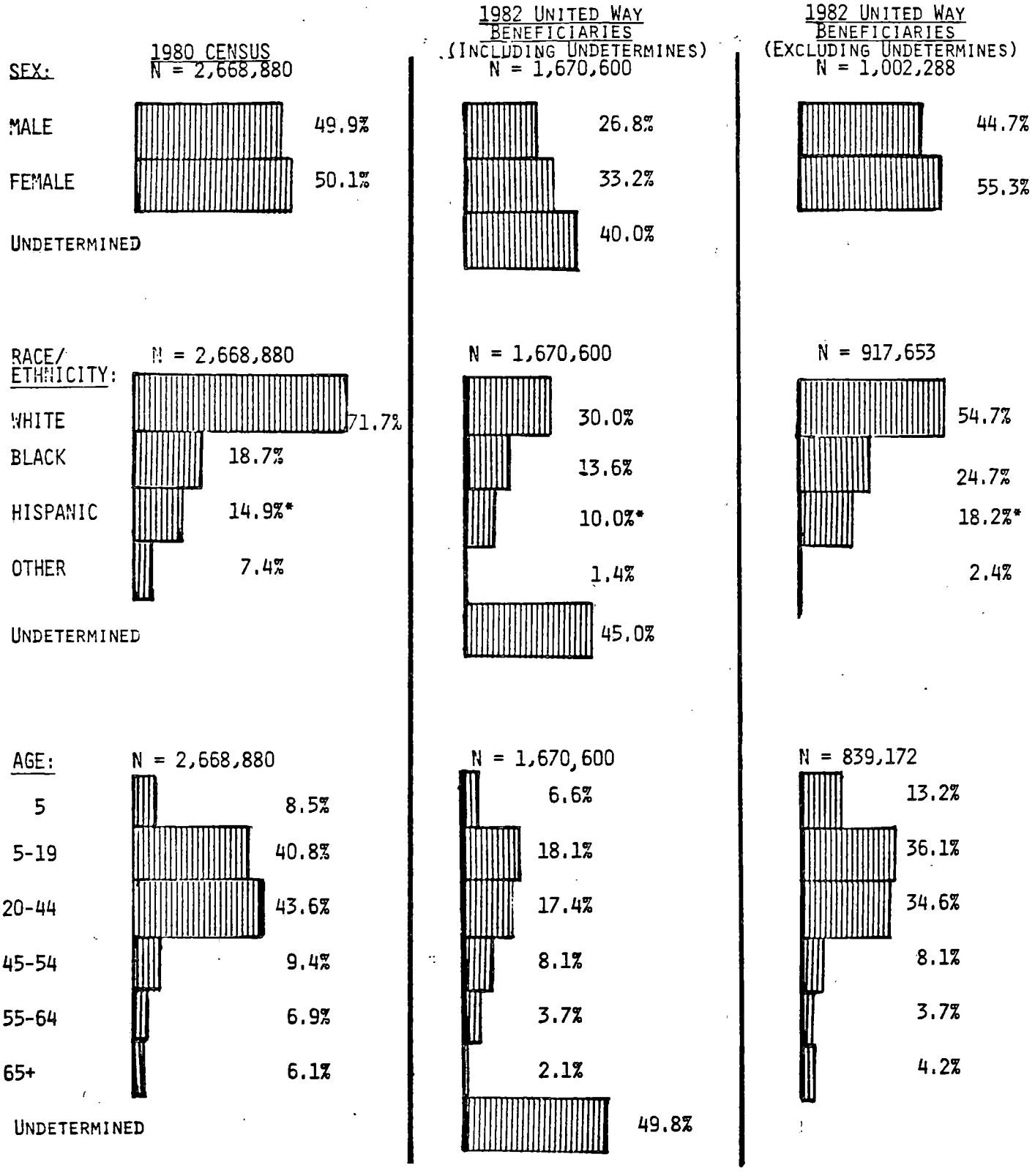
1982 FACT SHEETS
BENEFICIARY DATA GRAPHS

Over 1.6 million people in Harris, Fort Bend, and Montgomery Counties were served by the 84 agencies in the United Way of the Texas Gulf Coast during 1982. Although specific client demographics are provided by all agencies, several agencies did not include program data. The high number of unknowns is attributed to the nature of the service (e.g., information and referral), client confidentiality and/or recordkeeping.

July 1983

FACT SHEET 1

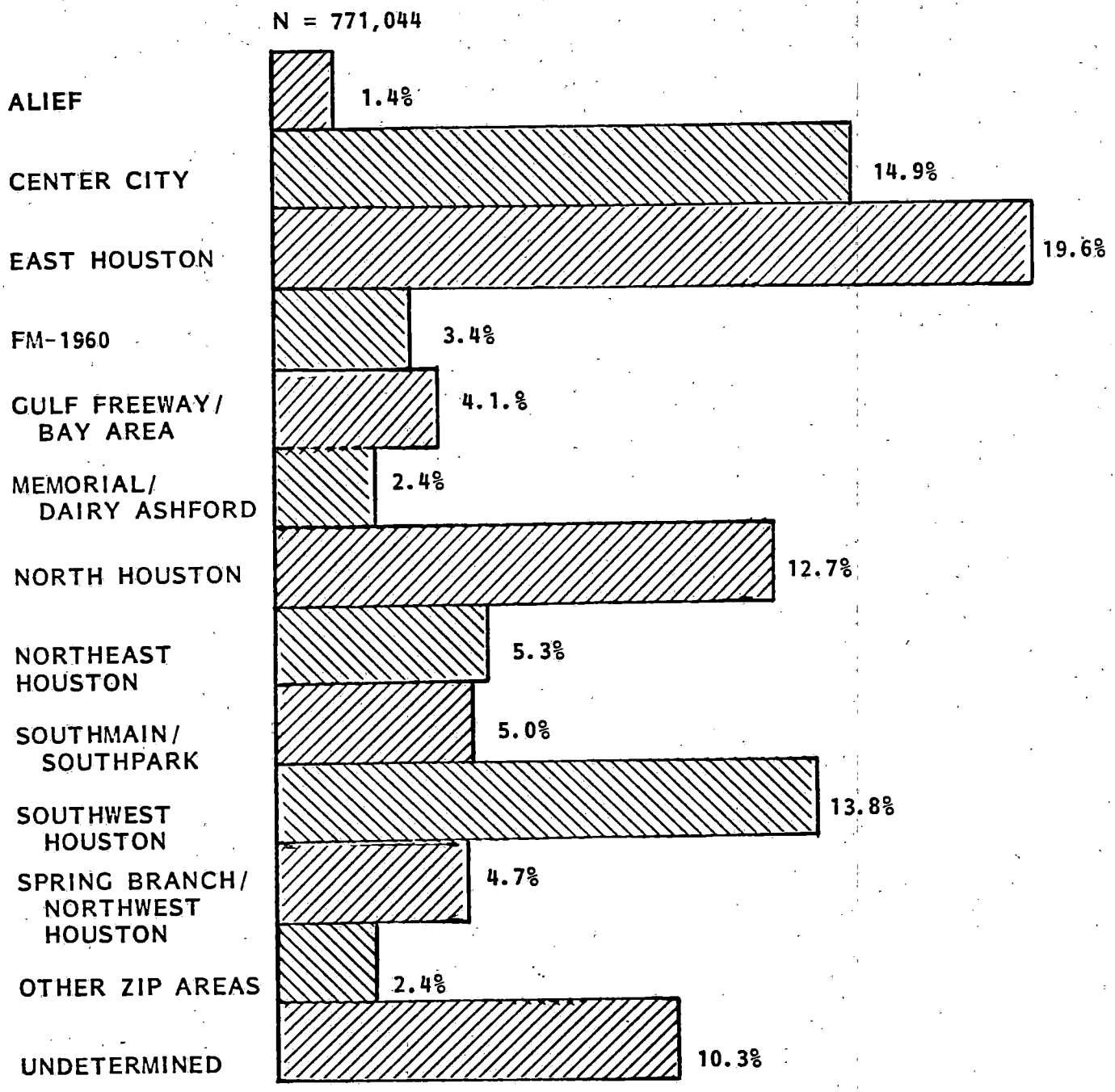
COMPARISON OF 1980 CENSUS AND 1982 UNITED WAY BENEFICIARIES FOR HARRIS, FORT BEND AND MONTGOMERY COUNTIES



*IN THE CENSUS, HISPANIC IS A SUBSET OF EACH RACIAL GROUP, I.E. WHITE, BLACK, OTHER. THEREFORE, PERCENTAGES DO NOT TOTAL 100%. HOWEVER, HISPANIC IN THE BENEFICIARY STUDY IS CONSIDERED A DISCRETE GROUP.

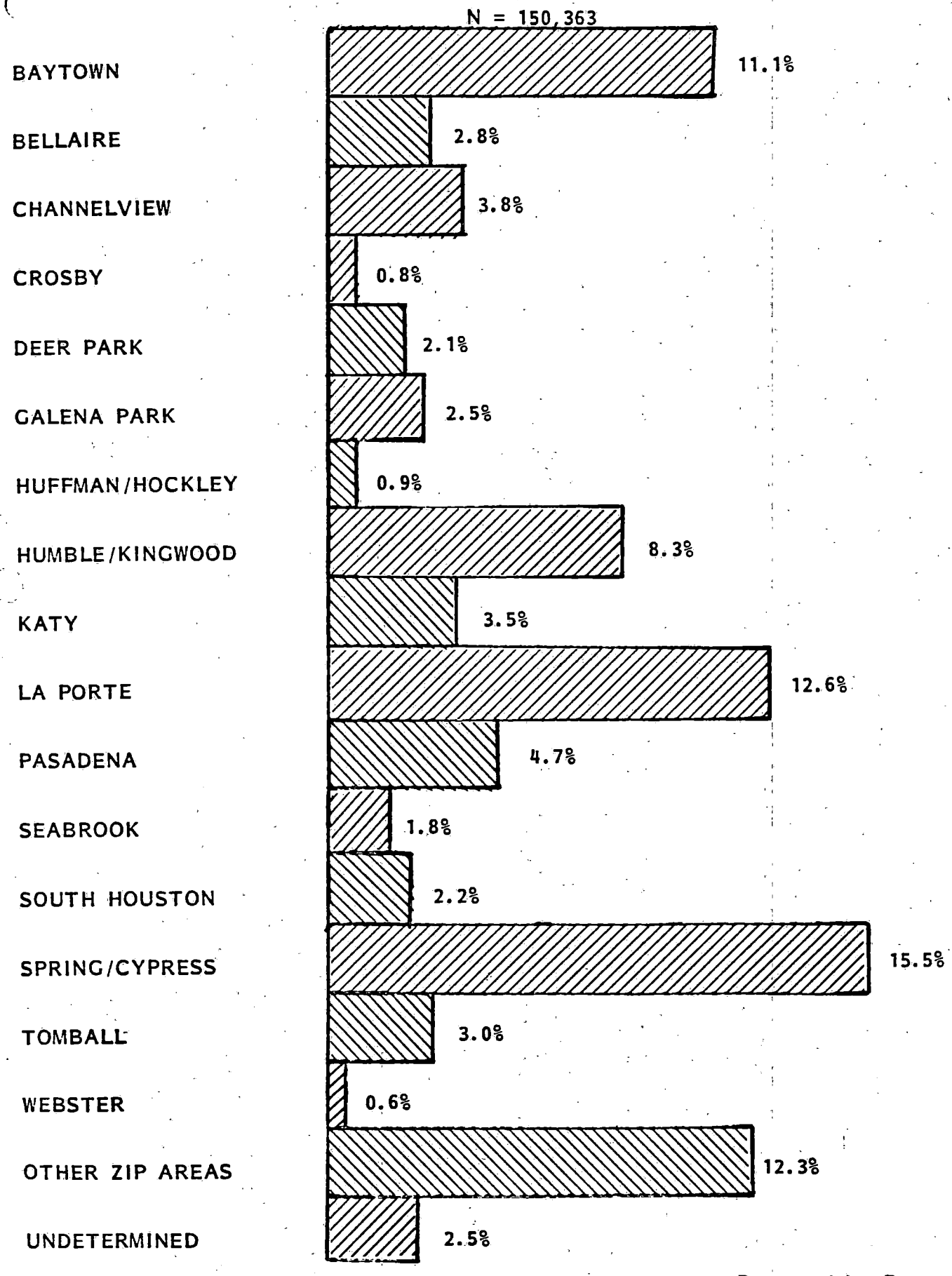
PREPARED BY RESEARCH DEPT.
7/83

FACT SHEET 2
1982 HOUSTON BENEFICIARIES



Prepared by Research Dept.
7/83

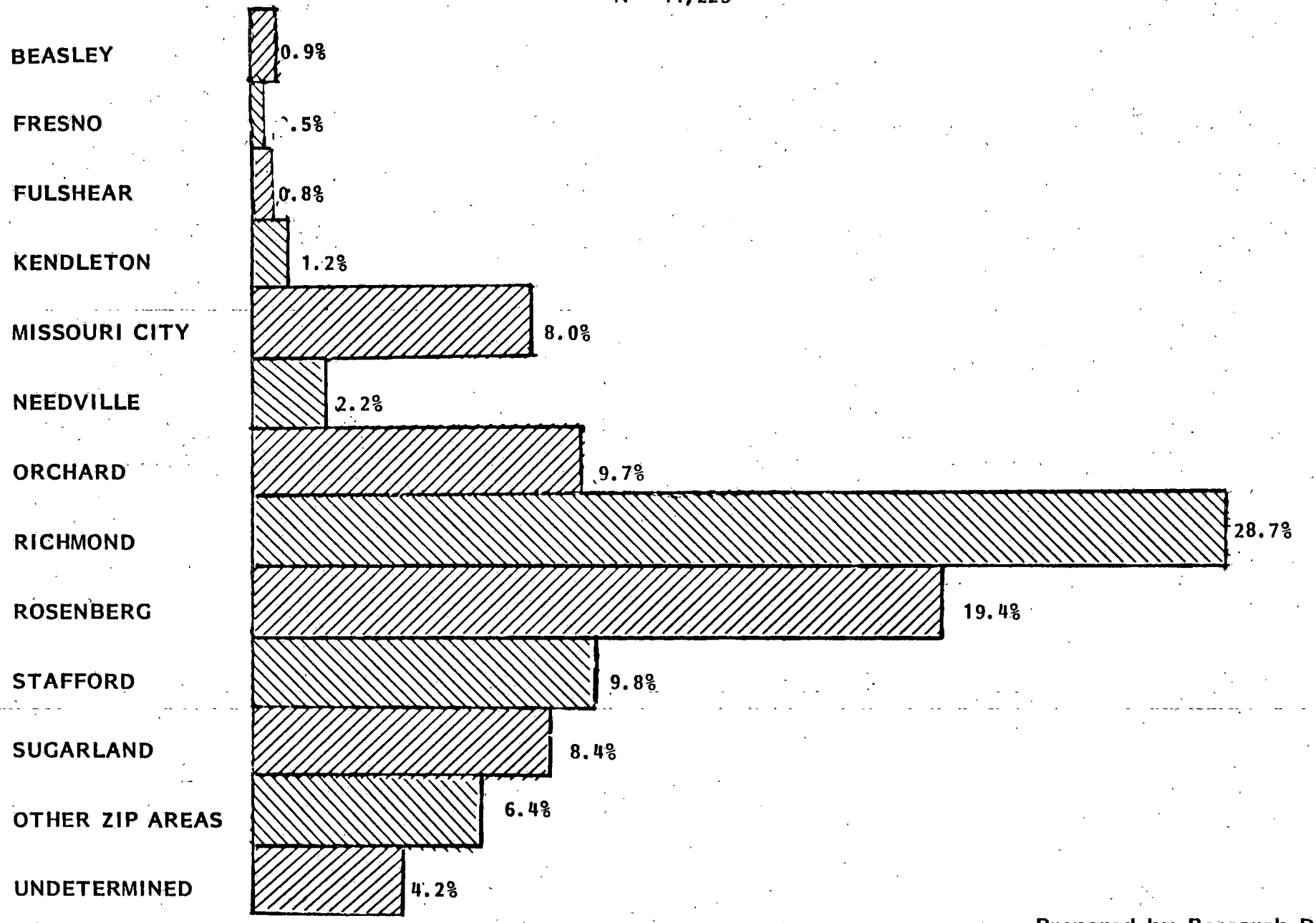
FACT SHEET 3
1982 OTHER HARRIS COUNTY BENEFICIARIES BY CITIES, TOWNS, OR DESIGNATED PLACES



Prepared by Research Dept.
7/83

FACT SHEET
1982 FORT BEND COUNTY BENEFICIARIES

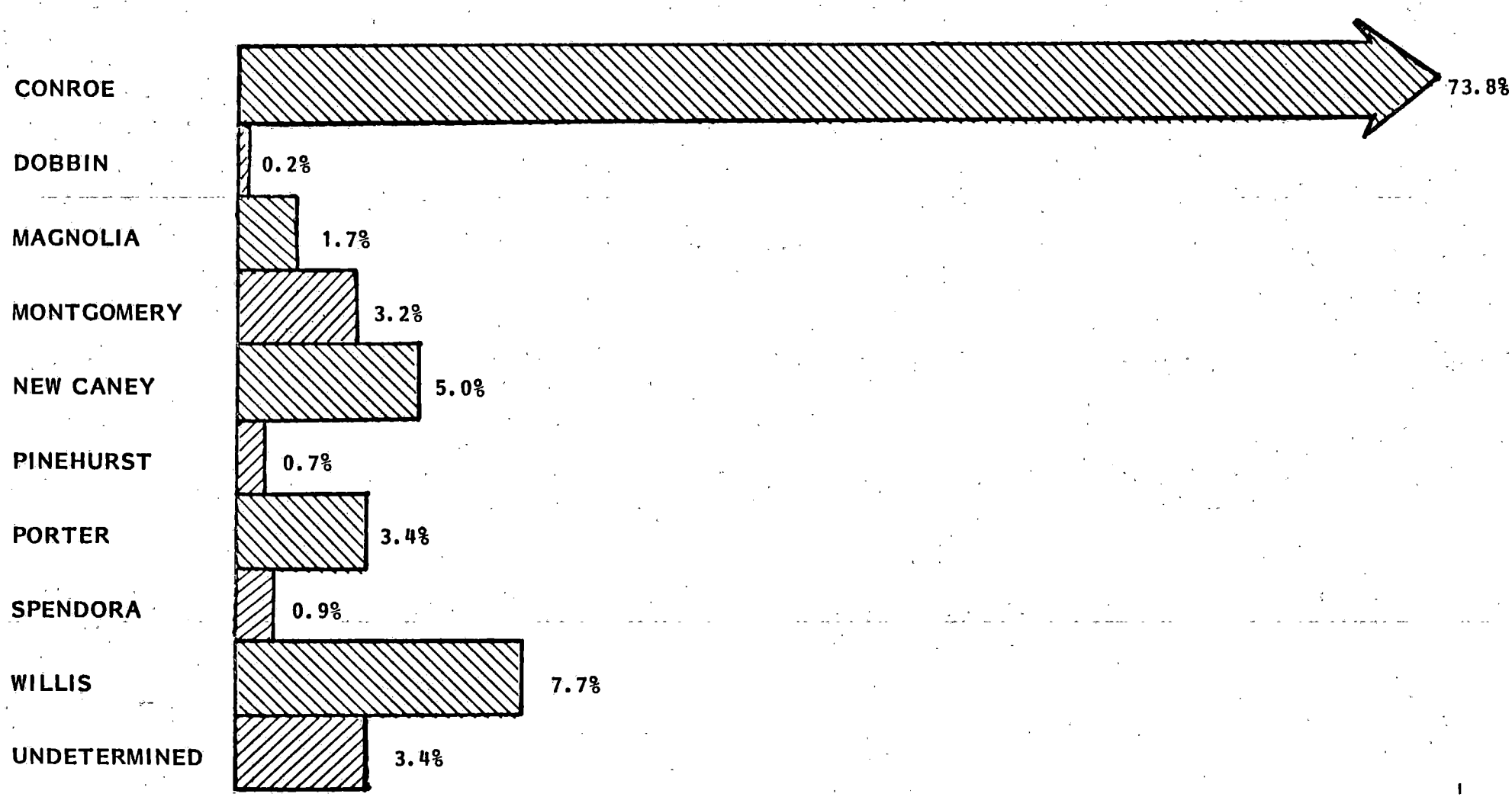
N = 44,223



Prepared by Research Dept.
7/83

FACT SHEET 5
1982 MONTGOMERY COUNTY BENEFICIARIES

N = 28,613



Prepared by Research Dept.
7/83

GENERAL ISSUES

Abortion Funding
Coerced Giving
Designated Contributions
Free Meals
Government Funding Cutbacks
Gun Control
Relationship with Organized Labor
  Funding of AFL-CIO Community Services
Relationship with United Way of America

GENERAL ISSUES

Abortion Funding

United Way contributions do not fund abortion services. United Way does fund agencies providing comprehensive services for married or unmarried pregnant women. These services include counseling, prenatal and postnatal care, adoption planning and medical care. Foster family care also is funded by United Way.

Coerced Giving

United Way totally opposes any type of coercion in fund raising. It maintains a formal policy adopted by the Board of Trustees against using pressure to secure contributions.

Entitled "A Reaffirmation of Voluntary Giving," the policy states:

> Giving is a personal matter involving a decision by the individual to give or not to give. Likewise, the amount of the gift is a personal decision.
>
> The Board believes that all campaign volunteers have the responsibility to tell those they solicit the reasons they are being asked to give--to assure services are available to those who need help--and to ask for contributions in support of these services.
>
> The most responsive contributors are those who have the opporunity to become informed and involved. Well-planned campaigns with effective communications programs conducted by committed volunteers will assure responsive contributors.

This policy is reprinted on many campaign publications.

Designated Contributions

Since there will always be a gap between needs and the resources available to meet those needs, United Way feels limited campaign resources are best allocated by local volunteer citizens who base their decisions on local needs, agency programs and budget data. United Way does not advocate the designation of individual contributions to specific agencies.

Should donors make designations to specific United Way funded agencies, these designations are accepted and transmitted to the agency named. These gifts are not added to the agency's allocation but become part of that allocation. Should the total amount of designations exceed the approved allocation for any agency, the agency would receive the higher amount.

Free Meals

United Way contributions are not used to purchase meals for people attending United Way meetings or events. The meals are paid for either by the people themselves, by their firms or by firms contributing money to the United Way specifically to cover the cost of such events.

Government Funding Cutbacks

The United Way of the Texas Gulf Coast constantly is monitoring the impact of government cutbacks on its funded agencies and services in Fort Bend, Harris, and Montgomery Counties. As a result of a study on these cutbacks, a contingency plan was developed and is being used on an agency-by-agency basis.

United Way is assisting funded agencies affected by government cutbacks to the best of its ability. Several programs/services that were to stop as a result of government cutbacks have been saved. However, it must be realized that United Way dollars are limited and do not equal previous government funding to human service programs.

We will continue to encourage local support for local human services, to allocate funds on the basis of human need and to remain accountable in the use of contributed dollars.

Gun Control

Neither the United Way of the Texas Gulf Coast nor any of its locally funded agencies have taken a position on the issue of gun control.

Relationship with Organized Labor

The United Way of the Texas Gulf Coast serves the community as a whole.

There is a memo of understanding endorsed by the United Way of America and the AFL-CIO Committee Service Division. The United Way of the Texas Gulf Coast is not a party to this agreement.

We work as a neutral partner in providing human services with and for all people of Fort Bend, Harris and Montgomery Counties.

Funding of AFL-CIO Community Services

United Way has provided funding to the AFL-CIO Community Service Program since 1973. This funding is used to provide specialized services to members of organized labor.

These services include information and referral. Because the AFL-CIO program provides direct access to people on the job, it is seen as a complement to existing United Way Information and Referral programs such as the Referral Agent Program (RAP).

Relationship with United Way of America

United Way of the Texas Gulf Coast is a member of United Way of America. As a member, it allocates approximately one percent of funds raised in each annual campaign as membership dues.

In return, United Way of America offers services in communications, personnel recruitment, volunteer and professional training, government relations, labor relations, planning, national agency relations, research and data collection.

United Way of America does not raise funds, allocate funds or make policy for the United Way of the Texas Gulf Coast. United Way of the Texas Gulf Coast is a local organization. It is run by local volunteers and funds agencies which provide local services to local people.

July 1983

MINORITY GROUPS

Blacks

Hispanics

Women

Illegal Aliens

Refugees

MINORITY GROUPS

United Way of the Texas Gulf Coast requires all funded agencies to sign a nondiscrimination resolution and to practice affirmative nondiscrimination in their volunteer composition and staff selection and promotion. United Way also has an Affirmative Action policy.

Most of the agencies funded provide programs to all segments of the general population. A few agencies, because of their purpose and mission, are allowed by law to serve persons of a particular segment of the community. Jewish Family Service was developed to treat the problem unique to and concerned with Jewish family life and serve only persons of the Jewish faith in some of their programs. Likewise, Sheltering Arms was chartered to expressly serve the elderly population.

It is the responsibility and desire of the United Way of the Texas Gulf Coast to ensure that its "package of services" be representative of the diversity and uniqueness of its community. These services must be deemed essential within the funding purview of the United Way. Within this package, such services must be available to everyone in the community through one of the funded agencies.

United Way supports agency services for all people in need. No person is denied services in any United Way agency on the basis of his/her race, handicap, color, religion, sex or national origin.

Blacks

Black representation on major United Way committees is 12.3%. United Way staff is composed of 29.4% blacks. Black representation in funded United Way agencies is 16.2% on boards and 27.5% on staff.

United Way agencies providing 50% or more of their services to the black community in 1982 include: Houston Area Urban League, Julia C. Hester House, Metropolitan Day Care, Senior Citizen Center, Sickle Cell Disease Research Foundation, VGS, and YMCA Northeast and South Central branches.

Hispanics

Hispanics comprise 5.4% of all major United Way committees and 11.0% of United Way staff. Hispanic representation in funded United Way agencies is 6.4% on boards and 11.4% on staff.

United Way agencies providing 50% or more of their services to the Hispanic population in 1982 include: Casa de Amigos, Chicano Training Center, Children's Educational and Developmental Center, Fort Bend Office of Early Childhood Development, San Jose Clinic, Salesmanship Club Camp and Wesley Community Center.

Women

Women comprise 36.3% of all major United Way committees and 71.5% of United Way staff. Representation of women in funded United Way agencies is 37.8% on boards and 61.7% on staff.

United Way agencies providing 68% or more of their services to females in 1982 include: Bridge Over Troubled Water, Camp Fire, FamilyTime Foundation, Florence Crittenton Services, Girl Scouts, Gulf Coast Legal Foundation, Houston Area Women's Center, Montgomery County Service Center Information and Referral, The Recovery Center, United Way Information and Referral, Voluntary Action Center in Montgomery County, Women's Christian Home, YMCA-San Jacinto Branch and YWCA.

Illegal Aliens

United Way has no official policy on illegal aliens. There has been no attempt to document citizenship nor is documentation required to receive agency services.

It is possible that some illegal aliens are receiving services. It is not believed that they comprise a large number of those served.

Refugees

United Way funded agencies which have programs targeted to serve refugees include: Catholic Charities, Houston Metropolitan Ministries, Jewish Family Service and YMCA.

Please refer to 1982 Fact Sheets - Beneficiary Data and Graphs for specific percentage breakdowns of people served.

July 1983

NATIONAL OPPOSITION TO UNITED WAY

Combined Health Agency Drive (CHAD)

National Black United Fund (NBUF)

National Committee for Responsive Philanthropy (NCRP)

Summary of Controversies

NATIONAL OPPOSITION TO UNITED WAY

Combined Health Agency Drive (CHAD)

CHAD is a local or statewide association of health agencies that have joined together in some areas of the country to conduct joint fund-raising appeals. There is no formal national structure, although CHAD participants are typically national health agencies. CHAD relies on contributor designations as the mechanism for distribution of campaign receipts. We do not have a CHAD group in our area.

National Black United Fund (NBUF)

A New York corporation headquartered in Los Angeles, California, NBUF was organized in 1974. Funding for the NBUF national office has primarily come from foundations and religious organizations. It is included for designations only in the Combined Federal Campaign. There is no Black United Fund in our area.

National Committee for Responsive Philanthropy (NCRP)

Founded in 1976, NCRP has approximately 133 individual dues-paying members and five paid staff members. Its purpose, according to a NCRP publication, is "to render philanthropic institutions more responsive of the needs of those citizens and public interests which are essential for achieving social justice and equity in our society."

Summary of Controversies

Allegations made against United Way by these organizations are:

United Way maintains a monopoly on workplace giving and the payroll deduction privilege.

Employers, almost universally, are opposed to disruption of the workplace with competing campaigns. Access to workplace fund raising and payroll deduction is up to individual companies and is totally voluntary. It is, therefore, not a monopoly but a privilege United Way has in recognition of the accountable allocations process through which contributions are distributed to provide local services.

There is a need for a more open United Way system which permits allocations to activist or advocacy groups and designations by individual givers.

Agencies and services which request funding from United Way must be 501(c)(3) tax-exempt organizations and demonstrate that they are providing needed community services. Decisions on membership and allocations are made by local volunteers. Specifics may vary among local United Ways, but these two requirements are constant.

United Way allocates funds to agencies providing specific services to target groups of people. Funding decisions are made by impartial volunteers, who study community needs, agency programs and agency budgets prior to allocating Campaign funds.

The allocations process, as opposed to designations, is based on studies of community needs and hands-on experience with agencies. The process also maintains accountability with United Way and its agencies and gives large, small, well-known, and lesser-known agencies the opportunity for fair funding distribution.

United Way holds a paternalistic attitude toward minority people and organizations.

Again, since communities served by local United Ways vary, so do the number of funded agencies serving minorities and the representation of minorities on volunteer committees and staff.

United Ways support services for all people. Services are provided to minorities through agencies serving many segments of the community and through agencies primarily serving minority groups.

United Ways have affirmative action programs. Minorities and women are increasing in number in volunteer as well as staff positions. For details, see "Minority Groups," Chapter V, pp. 17-19.

July 1983

SPECIFIC AGENCY ISSUES

American Red Cross
- Blood
- National Bank Account
- Payment for World War II Services

Association for the Advancement of Mexican Americans (AAMA)

Avondale House

Bay Area Rehabilitation Center

Chicano Family Center

Eliza Johnson Home for the Aged

FamilyTime Foundation

Houston Area Urban League

Houston Regional Council on Alcoholism

Houston Urban Bunch

Julia C. Hester House

Spaulding for Children

Star of Hope

U.S.O.

Volunteers of America

YMCA Services to Indo-Chinese Refugees

YWCA

SPECIFIC AGENCY ISSUES

American Red Cross

Blood

American Red Cross (ARC) is reimbursed by hospitals only for costs of collection, processing and distribution of blood and its derivatives. There is no charge for the blood itself, which is donated voluntarily.

ARC is committed to working with other U.S. voluntary blood service organizations to develop a coordinated national system of voluntary blood services to meet the nation's blood needs everywhere.

Locally, the Red Cross is involved in a blood program in Montgomery County only, not Harris or Fort Bend Counties.

National Bank Account

American Red Cross accounting procedures conform with AICPA audit guides. All ARC financial statements are audited and certified by U.S. Army Audit Agency and Deloitte Haskins & Sells.

Total ARC assets are distributed among 8,053 chapters, 57 Regional Blood Services and the National Sector. ARC spent $620 million in FY 1981-82 to provide human services to more than 30 million Americans.

With the exception of the endowment fund, any net excess of revenue over expenses for any given year goes back into the organization's operations in the succeeding fiscal years.

Payment for World War II Services

The decision to have U.S. servicemen pay for the services offered by American Red Cross clubs during World War II was made by Secretary of War Henry L. Stimson in 1942.

The U.S. government asked the Red Cross to establish club facilities for U.S. servicemen overseas, where troops for all Allied forces would be welcome. All English and Australian servicemen paid for services, as is the pattern in their countries.

The British high command then made an official request that U.S. servicemen also be required to pay. Although the Red Cross was opposed, Stimson's decision was to have all servicemen pay for services.

Red Cross clubs never made a profit on the charges but operated at a loss.

Association for the Advancement of Mexican Americans (AAMA)

AAMA was denied further funding after the 1981-82 fiscal year because of inappropriate management practices and inefficient programs. The defunding came after five years of program monitoring by United Way allocations panel volunteers.

Avondale House

Avondale House, formerly the Texas Treatment Center for Autism, was denied further funding in the 1981-82 fiscal year. The agency had not provided the services for which they had been funded and had not operated within the accepted standards for accounting and management as required by United Way.

Bay Area Rehabilitation Center

An application from the Bay Area Rehabilitation Center, a provisional agency since 1980, for membership and funding in the United Way of the Texas Gulf Coast, was denied. The Allocations Committee found that the agency could operate without funds from this United Way. An anticipated substantial loss in private sector funding did not materialize. The Bay Area Rehabilitation Center continues to receive funding from the Baytown United Way.

Chicano Family Center

The Mexican American Youth Association (MAYA) Program of the Chicano Family Center was defunded in the 1981-82 fiscal year. Volunteers felt the program was not fulfilling its objectives and was running at a high cost per unit served.

La Clinica de Consulta Familiar Program of Chicano Family Center continues to be funded by the United Way.

Eliza Johnson Home for the Aged

This agency was accepted for membership in United Way during the mid-1950's. From 1973 through 1975, United Way studied and worked with the agency on internal management and cash flow problems.

A special committee was formed in 1975 to address the continuing problems of this agency. It met throughout the first six months of 1975. In June, the committee sent a letter to the agency stating conditions the agency would have to meet in order to maintain membership in United Way. The agency chose not to comply but withdrew from the United Way as a member agency.

Eliza Johnson Home for the Aged is not and has not been a United Way member agency since 1975.

FamilyTime Foundation

The FamilyTime Foundation was granted an additional provisional year prior to consideration for United Way membership. The agency continues to experience difficulties in achieving some program goals.

Houston Area Urban League

This agency provides employment, education, housing and welfare services primarily to black residents of metropolitan Houston. During the allocations process for fiscal year 1981-82, this agency's funds were put into unallocated reserve because the agency did not meet several conditions for funding.

Following close monitoring by United Way and compliance by the agency, the Urban League received its allocations based on the progress made. This progress included a new administration of staff and volunteers and submission of the 1980 agency audit.

The Urban League and United Way continue to work together on the improvement of the agency.

Houston Regional Council on Alcoholism

The Houston Regional Council on Alcoholism was on probation in 1982. It was asked by United Way to reduce its dependence on United Way funding by developing other funding sources. Also, the agency was asked to recruit more active board members and volunteers. The agency fully complied with these requests and subsequently was taken off probation.

Houston Urban Bunch

The reason this agency was defunded by the United Way in 1982 was that it had severe financial and managerial problems. Houston Urban Bunch is no longer in existence in our community.

Julia C. Hester House

The Julia C. Hester House, a center providing day care services for the elderly and recreational and educational activities for adults and children, was placed on probation for one year, starting July 1, 1983, by a volunteer allocations panel. The agency's allocation will be placed in unallocated reserve until it complies with several conditions set forth by the Family Recreation Services Panel.

These conditions include increasing the involvment of neighborhood residents on the agency's board, submitting the 1982 audit report to the United Way and hiring a full-time executive director by August 1.

Spaulding for Children

Spaulding for Children will be placed on probation October 1, 1983, unless conditions set by the Child Welfare Services Panel are met. The agency has been asked to submit a financial management plan to the United

Way, a three-year projection of its goals and objectives and a plan for recruiting and involving volunteers.

Spaulding for Children also has been asked to comply with recommendations regarding the expansion of its Board of Directors and changes in its auditing procedures.

Star of Hope

The Ranch Program of the Star of Hope was asked to better define the alcohol rehabilitation program's objectives and the number of participants in the program. Following an evaluation, it was determined by the Allocations Committee and Board of Trustees volunteers that the program was not efficient. Program changes have been made and funding continues.

United Way also continues to fund the agency's temporary shelter for transient men. United Way has set aside additional funds should the agency plan to expand this facility.

U.S.O.

The local U.S.O. was defunded by United Way of the Texas Gulf Coast in December 1980. There was insufficient need for the agency's services in the local community because there are so few military service people here. Funding continues to national/international U.S.O. programs.

Volunteers of America

The agency was put on probation for one year in 1981. Since then, new staff have made some of the changes required by the United Way. The agency continues to be monitored closely by United Way but is no longer on probation.

YMCA Services to Indo-Chinese Refugees

Controversy centered on claims made in a petition by new YMCA staff members regarding the management of the refugee services project. These staff members have since resigned.

The Texas Department of Human Resources investigated claims made in the petition against audits already conducted as a matter of routine procedure. The Y's records are audited annually by Price, Waterhouse. A copy of this financial audit is available to anyone on request.

There was no evidence of fiscal or program mismanagement found in any of the investigations conducted.

YWCA

United Way is aware of recent controversies involving YWCA staff. United Way expects Boards of Trustees to govern and give direction to the agencies. We rely on their judgement in matters that concern agency operations.

STAFF ISSUES

Automobiles

Expenses

Salaries

STAFF ISSUES

Automobiles

All United Way automobiles are used for business and are available to all licensed employees. Certain cars are assigned to managing staff for commuting to and from work. The value of this benefit is reported to the Internal Revenue Service as income of such staff.

Utility cars are available for commuting purposes only when needed to replace a disabled assigned automobile or when other staff require temporary transportation to conduct company business.

Expenses

Legitimate business expenses are reimbursed to employees. These expenses are documented according to standard business practices and are monitored closely.

Salaries

Salaries of United Way employees are not disclosed except as required of nonprofit organizations by the office of the State Attorney General and the Internal Revenue Service. It is the policy of the Board of Trustees that an individual's salary is a private matter.

United Way uses methods pioneered and developed in business and industry to help determine fair and equitable salaries. Salary ranges are based on a job classification program, which takes into account job requirements and responsibilities.

Many volunteers, broadly representative of the community, work to insure United Way's administration and campaign costs, including salaries, remain among the lowest of any charitable organization in the country. Fund-raising and administrative costs for the United Way are 9.7 percent of the 1982 gross campaign production of $35.5 million.

Volunteers believe that adequate and competitive compensation will attract personnel that will put donor monies to the most efficient and effective use.

July 1983

UNITED WAY OF THE TEXAS GULF COAST
PLANNING AND EVALUATION COMPONENT
1010 WAUGH DRIVE
HOUSTON, TEXAS 77002

GUIDELINES FOR FUNDING

The United Way of the Texas Gulf Coast purposes are:

1. To provide support for recognized benevolent and charitable enterprises and agencies engaged in relief of the poor and unfortunate, and in the general advancement of public welfare, by the collection and disbursement of funds for the work of such enterprises and agencies.

2. The raising of funds throughout the Houston, Galveston Standard Consolidated Statistical Area (HGSCSA) to provide for the continuation and support of agencies of the HGSCSA, carrying on charitable and benevolent work and the general advancement of public welfare.

3. The raising of funds through HGSCSA to meet the HGSCSA quota of national benevolent, charitable and wartime appeals which may be included from time to time in the budget of this corporation.

4. The uniting, as far as possible, of the financial campaigns of non-profit local and national benevolent, chartiable, and welfare organizations in one campaign conducted by it annually for the support of such organizations.

5. The distribution of funds so raised, after the payment of expenses, among participating organizations as may be directed from time to time by the Board of Trustees.

Through its committee structure and staff support thereof, the United Way assumes responsibility for:

1. Assuring the contributing public that its dollars are allocated to responsible agencies which are meeting stated needs and which are appropriate for voluntary support.

2. Encouraging sound management and efficient operating practices within the member agencies, and to foster cooperative community planning.

Specifically, the United Way pursues through the allocations and admission processes, the following objectives:

1. To respond to emerging community needs which are appropriate for voluntary support.

2. To encourage the consolidation of existing, proposed or new programs and services, and to assist in the development of programs and services to meet priority needs.

3. To formulate evaluative standards against which a voluntary organization may assess its own performance in light of its stated goals and objectives.

4. To award grants to applicant agencies which have demonstrated needs for financial assistance from the United Way over and above the income they can generate from a range of other funding sources including fees, endowments, government and foundations.

5. To determine that applicant agencies have capable and responsible management, and a governing board of concerned citizens who insure stability and continuity of services.

6. To insure no agency is funded unless it accepts the basic principles and disciplines of participation in a broad fund-raising federation.

The United Way of the Texas Gulf Coast must take into account a number of factors in considering the admission of agencies. Therefore admissions guidelines have been developed to assist applicants with admissions to the United Way. In addition to these guidelines, the United Way must take into account other factors. Paramount among these are the capacity to finance the additional programs, the relative needs of the community, the best use of voluntary funds and the maximum impact that can be made on community problems with the limited resources of the United Way. The decision on admissions made by the United Way are based on the integration of all factors.

✳ GENERAL GUIDELINES

1.1 Generally, an agency seeking admission should have been in operation for at least two years. During this time the agency should have demonstrated effectiveness in meeting its stated objectives, and a reasonable degree of continuity and permanence.

1.2 An agency shall be on a probationary status during the first two years of its funding, during which time it must demonstrate it can fulfill membership requirements.

1.3 The agency and its Board shall accept the principles and procedures called for in the United Way's Agency Participation Agreement.

1.4 The agency shall operate on a nondiscriminatory basis with respect to sex, age, race religion and national origin. The agency shall have developed and implemented a formal affirmative action plan.

1.5 Programs which may be ineligible for direct funding through the United Way include:

✳
- Programs which are primarily political in nature.
- Programs which provide services only to the members of a particular religious group, or which exist solely to advocate particular religious beliefs.

✳ - programs which exist solely as a forum for the presentation of cultrual or artistic achievements.
- programs whose fiscal capability is severely limited by agency indebtedness.
- programs considered public responsibilities as mandated by legislation.
- national agencies and/or programs with no local component (e.g. Board and direct services).
- programs which are primarily medical research in nature.
- any others which the United Way deems inappropriate for voluntary support.

1.6 An agency operating under religious auspices must clearly distinguish, both in its budget and program, between its health and welfare services and those of a religious character. United Way support shall only be provided for health and welfare services.

1.7 Agencies only applying for grants, which will not be for more than one year, shall demonstrate good faith in attempting to meet these standards.

ADMISSIONS GUIDELINES - SPECIFIC

A. SERVICE NEED

1. Validity of Service

✳ 1.1 The agency renders a service which responds to community needs.

1.2 There is support from and acceptance by the community for the agency's services.

2. Service Accreditation

2.1 The agency meets established standards of service in its field, as set by appropriate national, state, and/or local groups.

2.2 The agency meets all necessary licensing and/or accrediting requirements of appropriate professional organizations.

B. AGENCY EFFECTIVENESS

1. Administration

1.1 Management of the agency is vested in an interested, active, responsible and voluntary governing Board of Directors which exercises effective control over the operations of the agency.

1.2 The agency has a charter and bylaws which clearly define the agency's purpose and organization, and identify the duties, authority, method of rotation and responsibilities of the governing body.

1.3 The education and experience of the staff are adequate to carry out the agency' stated services.

1.4 The agency has a current, written statement of personnel practices, approved by the governing body and available to the entire staff. This statement includes written job descriptions for all staff positions, and an approved table of staff organization.

1.5 The agency, which incorporated as a non-profit organization, has received tax exemption as a charitable organization from the Internal Revenue Service, and gives evidence of complying with the filing requirements of the Internal Revenue Code.

2. Service Delivery System

2.1 The agency is of sufficient size to meet its stated objectives and to warrant its continuing on a separate basis.

2.2 The agency has a service delivery system which covers a geographic area consistent with the agency's goals and objectives, United Way's guidelines and policies, and the needs of the community.

2.3 The agency has a well-defined statement of objectives, which reflect its goals and which are expressed in quantifiable and measurable terms.

✳ 2.4 In arriving at its selection of program activities to achieve its goals and objectives, the agency has carefully reviewed community needs and identified various program alternatives.

2.5 The agency prepares periodic service/cost reports, which satisfactorily portray the operating results of the agency's programs and services.

3. Citizen Involvement

3.1 The Board of Directors adheres to stated policies on rotation and community representation.

3.2 The governing Board meets with sufficient regularity to conduct the business of the agency in a responsible manner.

3.3 The agency provides an orientation program for new Board members.

3.4 The agency utilizes direct-service volunteers within its programs and services, where appropriate and to the extent possible.

4. Consumers

4.1 The attitudes of current and past clients toward the agency are positive.

4.2 Consumers of the agency's services are involved in the review and evaluation of the agency's programs and services.

5. Self-Evaluation

5.1 The agency develops and undertakes periodic self-evaluation, which includes a review of the effectiveness and impact of its programs and services.

6. Relations With Other Agencies and the Community

6.1 The agency cooperates with tax-supported and other voluntary agencies performing similar or related services.

6.2 The agency seeks and considers the opinions of individuals and groups in the community.

6.3 The agency informs the public of its objectives, programs, needs and achievements.

7. Service Facilities

7.1 The agency's facilities are suitable for conducting its stated programs.

7.2 The health and safety provisions of the facilities are adequate.

C. FINANCIAL MANAGEMENT

1. Efficiency

1.1 The agency's unit service costs, allowing for variation in size, location, and other pertinent factors, are not greatly above the unit costs of similar services provided by comparable agencies.

1.2 The agency makes every effort to follow sound business practices, and maintains a responsible attitude at all times in conserving its own resources.

2. Accounting Controls

2.1 The agency maintains a system of accounting and fiscal control which (a) insures efficient day-to-day management; (b) provides the governing Board and the executive with sufficient information for long-range and short-range policy decisions; and (c) complies with generally accepted accounting principles for the voluntary health and welfare industry.

2.2 The agency has established and maintains a satisfactory system of internal controls pertaining to (a) safeguarding assets; and (b) checking the accuracy and reliability of accounting data.

3. Budget Administration

3.1 The agency has established procedures for the preparation, adoption, and administration of its operating budget.

3.2 The agency's long-range financial plan includes efforts to obtain income from potential sources and to review regularly its free schedules.

3.3 The agency agrees to integrate its fund-raising activities into the United Way campaign structure.

3.4 The agency agrees to observe United Way policies regarding independent soliciting, budgeting and other financial matters.

4. Public Accountability

4.1 The agency's annual financial statements, available to the public, conform in content and format to the definitions and reporting forms of the Revised 1974 Standards of Accounting and Financial Reporting for Voluntary Health and Welfare Organizations.

4.2 The agency's accounts will be audited prior to admission and annually thereafter by assigned United Way staff or Certified Public Accountants.

McKinsey & Company, Inc. 1100 LOUISIANA STREET, SUITE 4410, HOUSTON, TEXAS 77002 TELEPHONE 713-650-1299

Revised version substituted Nov. 11/81

November 2, 1981

Board of Trustees
United Way of the Texas Gulf Coast
Houston, Texas

Dear Board Member:

The attached memorandum describes the recommendations for improving Board effectiveness that resulted from the joint effort undertaken by representatives of Coopers & Lybrand and McKinsey & Company. We have enjoyed the opportunity to serve the Board of Trustees on this project and look forward to helping with the implementation of these recommendations in any way that we can.

We also look forward to reviewing the memorandum with you at the November 12th Board meeting.

Sincerely,

James W. Crownover
McKinsey and Company, Inc.

Kenneth A. Strathdee
Coopers & Lybrand

Memorandum to:
Members of the Board of Trustees

IMPROVING BOARD EFFECTIVENESS

THE UNITED WAY OF THE TEXAS GULF COAST

In June, the President of the United Way of the Texas Gulf Coast asked us to assist the Board of Trustees in developing organizational recommendations to improve Board effectiveness. With the help of Ken Strathdee of Coopers & Lybrand, we have completed this assignment. Accordingly, this memorandum summarizes the importance of Board effectiveness, provides an assessment of the current Board's effectiveness (based on the Coopers & Lybrand report), and describes our recommendations for organizational change.

IMPORTANCE OF BOARD EFFECTIVENESS

The United Way of the Texas Gulf Coast has experienced significant growth during the past decade, both in size and complexity. During the past six years, it has been the second fastest growing among the 30 largest United Ways, trailing only Los Angeles. Significant additions of numbers and types of agencies, as well as a broader campaign effort, have made the organization increasingly more complex. Today, the United Way of the Texas Gulf Coast is truly a "big business."

This growth in size and complexity has placed additional demands on the Board of Trustees overall and on its individual members. Over time, the Board has been faced with an increasing number of important decisions, and these decisions have become more difficult to make. In parallel, the demands on committee leadership have grown. The need for Board involvement in raising funds and in dealing with current and prospective United Way agencies has also increased significantly.

On top of the stresses that growth can place on any institution, the United Way will face a particularly difficult external environment during the next few years. Anticipated reductions in federal funding will challenge the viability of a number of United Way agencies. In turn, this challenge to member agencies will mean more difficult allocation decisions by the Board, greater public scrutiny of its decisions, a growing need for coordination with government bodies and possibly other local and national nonprofit institutions and, finally, an increasing need to tap new sources of contributions to sustain or accelerate the growth of the United Way.

In sum, the increasing size and complexity of the United Way, coupled with the impact of reductions in federal funding, are placing a much greater premium on Board effectiveness.

ASSESSMENT OF BOARD EFFECTIVENESS

Two major elements underlie Board effectiveness: the quality of the Board and its individual members and the effectiveness of its decision-making processes. The Coopers

& Lybrand study addressed these two priorities and drew four major conclusions, based on interviews with a significant number of Board members. The remainder of this section outlines these conclusions, which are described in greater detail in the Coopers & Lybrand report.

Better Selection Processes

Improving Board member selection processes is an important element in maintaining a high quality Board. The current Board members identified several needs in this area:

- Clearer definition of criteria for becoming a member of the Board
- More active effort to identify and recruit members
- Better processes to decide on proposed candidates
- Use of committees to "home-grow" potential candidates
- Means of developing successors for key positions (e.g., President, standing committee chairpersons).

Improved Indoctrination And Development

Current members pointed out that simply selecting the best people for Board membership was not sufficient and that better performance in indoctrinating and developing the capabilities of new Board members was crucial. In this area, several priorities were put forth:

- Placing greater emphasis on the initial orientation program for Board members
- Establishing a formal definition of the role of a Board member
- Encouraging the participation of at-large Board members in United Way activities (e.g., committee work)
- Ensuring feedback to individuals on their performance as Board members.

Better Development And Management of Board Agenda

Even with a high quality Board, decision-making processes are needed to ensure the effectiveness of the Board. Board members cited the need to improve the way in which the Board's agenda is managed:

- Greater focusing of the agenda on matters of policy and major decisions
- Prioritizing important items on the agenda

- ¶ Improving the timeliness and content of major proposals coming before the Board

- ¶ Ensuring that actions taken by the President and committee chairpersons are consistent with Board policy.

Greater Sharing of Board Responsibilities

Given the growth of the United Way and the future challenges it faces, the Board will need to make increasingly difficult decisions and respond to situations quickly and effectively. Much of the increasing burden of leadership and execution will fall on the shoulders of the President and committee chairpersons. Thus, it is imperative that the organization of the Board affords greater sharing of Board responsibilities. Specifically, the Board organization should ensure:

- ¶ More involvement by at-large Board members

- ¶ More involvement of each committee chairperson with Board-level matters affecting other committees

- ¶ Greater sharing of the President's responsibilities as chief executive officer of the United Way.

RECOMMENDATIONS FOR ORGANIZATIONAL CHANGE

Our recommendations for organizational change are aimed at the priorities discussed in the preceding section:

- ¶ Better processes for selecting Board members

- ¶ Improved indoctrination and development of Board members

- ¶ Better development and management of the Board's agenda

- ¶ Greater sharing of Board responsibilities.

In the remainder of this section, we discuss each of our four recommendations:

1. Establish a Management Committee of the Board

2. Create position of Chairman of the Board of Trustees

3. Establish Board Personnel Committee

4. Reconstitute Advisory Trustees.

Establish Management
Committee Of The Board

The role of the Management Committee of the Board would be to:

¶ Recommend to Chairman of the Board of Trustees the Board agenda with input from Executive Director and committee chairpersons

¶ Coordinate committee work on Board-level matters, ensuring breadth of perspective, and timely, complete, and high quality presentation of proposals to the Board

- Stay informed on proposals being prepared by standing committees
- Work with standing committee chairpersons to agree on scheduling of proposals
- Review proposals, to the degree necessary, prior to presentation to the Board

¶ Propose candidates for standing committee chairs and officers

¶ Oversee the execution of policies established by the Board

¶ Handle urgent Board-level matters between meetings of the Board

- Obtain input, as necessary, from appropriate standing committee chairpersons
- Keep Chairman of the Board of Trustees informed
- Review actions taken, or to be taken, at next meeting of the Board

¶ Oversee management of standing committees, review performance of Executive Director and staff operations; take appropriate action.

The President would head the Management Committee and nominate, for Board approval, five Board members to serve on the Management Committee. As part of this process, the President would also indicate, for Board approval, which of the nominees would serve as Vice President and Secretary-Treasurer. Members of the Management Committee would serve two-year terms.

Appoint Chairman of
Board of Trustees

The role of the Chairman of the Board of Trustees would be to:

¶ Ensure that Management Committee is appraised of Board viewpoints

- Handling of Board-level matters between Board meetings
- Execution of Board-approved policy

- ¶ Represent Board in overseeing delegation of authority to Management Committee
- ¶ Advise Management Committee and ensure continuity of action by previous and current Management Committee
- ¶ Chair Board Personnel Committee
- ¶ Preside over Board meetings

The Chairman's term would be two years. The position of Chairman would be filled in the following manner

- ¶ At the completion of the President's term, the President is automatically nominated, for Board approval, as Chairman
- ¶ If the President declines to serve as Chairman, the President appoints a nominating committee to select a candidate for Board approval

Establish Board
Personnel Committee

The role of the Board Personnel Committee would be to:

- ¶ Propose criteria for Board member selection
- ¶ Develop "inventory" of potential Board candidates, drawing on inputs from other Board members and staff
- ¶ Take the lead in recruiting Board candidates
- ¶ Propose candidates to the Board for its approval
- ¶ Ensure orientation program for new Board members
- ¶ Encourage committee participation by Board members
- ¶ Appraise overall Board performance, including the President and the Executive Director

The Board Personnel Committee would be chaired by the Chairman of the Board of Trustees. The Chairman would nominate up to four Board members to serve on this committee. Board members could not be members of both the Management Committee of the Board and the Board Personnel Committee. Members of this committee would serve at the pleasure of the Chairman (ie., no terms of office).

Reconstitute Advisory
Trustees

The primary role of the Advisory Trustees would be to advise and counsel the Board in specialized technical areas, provide additional community representation, and to assist the Board and standing committees on specific issues. We anticipate that Advisory Trustees would not be a large group (eg., about 20 to 30 people at any point in time).

Advisory Trustees would be individuals who could provide specialized assistance to the Board in technical areas (eg., investments, data processing, fund-raising) and representation of important constituencies.

* * *

In sum, we believe these four recommendations address each of the two priority areas described earlier in this memorandum: maintaining a high quality Board and improving Board decision making processes (see attached Exhibit).

We have enjoyed the opportunity to serve the United Way of the Texas Gulf Coast. Yours has been a remarkably successful institution, one that all of us in Houston can be proud of. We look forward to helping in any way we can during the implementation of these recommendations.

Exhibit

RELEVANCE OF RECOMMENDATIONS IN MEETING PRIORITIES

	PRIORITIES	
ORGANIZATIONAL CHANGE	**MAINTAINING HIGH QUALITY BOARD**	**IMPROVING BOARD DECISION MAKING PROCESSES**
Management Committee	Provides succession opportunities	Improves agenda development and management Affords greater sharing of responsibilities
Chairman of Board of Trustees	Provides continuity	Provides board oversight of President and Management Committee Ensures President and Management Committee are appraised of board viewpoints
Board Personnel Committee	Plays important role in selecting and developing board members	Oversees performance of Board, including President and Executive Director
Advisory Trustees		Contributes specialized expertise to board-level decision making Technical Representational

CHARTER

UNITED WAY

OF

THE TEXAS GULF COAST

Section 1. The name of this corporation shall be the United Way of The Texas Gulf Coast.

Section 2. The purposes for which this corporation is formed are:

(1) To provide support for recognized benevolent and charitable enterprises and agencies engaged in relief of the poor and unfortunate, and in the general advancement of public welfare, by the collection and disbursement of funds for the work of such enterprises and agencies.

(2) The raising of funds throughout the Houston, Galveston Standard Consolidated Statistical Area (HGSCSA) to provide for the continuation and support of agencies of the HGSCSA, carrying on charitable and benevolent work and the general advancement of public welfare.

(3) The raising of funds throughout the HGSCSA to meet the HGSCSA quota of national benevolent, charitable and wartime appeals which may be included from time to time in the budget of this corporation.

(4) The uniting, as far as possible, of the financial campaigns of nonprofit local and national benevolent, charitable, and welfare organizations in one campaign conducted by it annually for the support of such organizations.

(5) The distribution of funds so raised, after the payment of expenses, among participating organizations as may be directed from time to time by the Board of Trustees.

Section 3. The principal place of business of this corporation shall be Houston, Harris County, Texas

Section 4. Said corporation shall have perpetual existence.

Section 5.

(1) Membership in the United Way of The Texas Gulf Coast shall consist each year of all persons and organizations that have made contributions to this corporation for such year. The Board of Trustees shall be selected as specified in the bylaws, and shall serve for terms prescribed therein.

(2) The Board of Trustees shall have the authority and the duty to carry out the purposes of this corporation as set forth in Section 2 hereof and to take any and all actions required or necessary in the premises.

(3) Amendments of and changes in the bylaws may be made in the manner prescribed in the bylaws.

(4) Management of the corporation shall be vested in a Board of Trustees, the manner of selection, the term of service and number shall be as provided in the bylaws.

Section 6. This corporation is a nonprofit corporation having no capital stock. Its assets are derived from gifts, bequests and devises.

Section 7. All of the property of the corporation and accumulations thereof shall be held and administered to effectuate its purposes. In the case of the liquidation, dissolution, or winding up of the corporation, whether voluntary or involuntary or by operation of law, the assets or properties of the corporation shall be distributed in such manner as the Board of Trustees of the corporation shall direct; provided, however, that any such distribution shall be such as is calculated to be exclusively to carry out the purposes for which the corporation is formed, or for one or more other exempt purposes within the meaning of the applicable provisions of the Internal Revenue Code of 1954, as amended, or any similar federal statute then in effect, and the rules and regulations pursuant thereto.

BYLAWS OF THE UNITED WAY

OF

THE TEXAS GULF COAST

Article I: Members

Section I: Member qualifications

The members of the United Way shall consist each year of all those individuals and organizations that have made contributions to the United Way for each year.

Section II: Annual Meeting

An annual meeting shall be held in the first fiscal quarter of each year at a time and place designated by the Board of Trustees, unless such time be changed by action of the Board of Trustees. At each annual meeting the President of the United Way shall report to the members on the status and affairs of the United Way, new members of the Board of Trustees shall be elected, and there shall be transacted such other business as may properly be brought before the meeting by the President of the United Way or by any of the members.

Section III: Notice of Meeting

Notice of each annual or special meeting specifying the time and place thereof, and in case of a special meeting, the purposes for which the meeting is called, shall be published at least one time in a newspaper of general circulation in Houston, Harris County, Texas, not less than five days prior to the date of the meeting. Special meetings may be called by the President of the United Way or by the Board of Trustees.

Section IV: Quorum and Voting

The members present at any meeting shall constitute a quorum and each member shall have one vote. No member shall be entitled to vote by proxy on any question before the membership; but a member other than a natural person may vote through its representative.

Article II: Board of Trustees

Section I: Composition of Board of Trustees

The Board of Trustees of the United Way shall consist of 25 members as follows:

1. Elected Members

There shall be fifteen elected members, of whom one third shall be elected at each annual meeting for terms of three years. At the Annual Meeting to be held in 1979, five members shall be elected to serve one year terms, five members shall be elected to serve two year terms, and five members shall be elected to serve three year terms.

2. Ex Officio Members

Individuals holding the following positions shall be Ex Officio members of the Board of Trustees, with the right to vote on all matters:

A. Immediate Past President of the United Way
B. General Campaign Chairperson
C. Standing Committee Chairpersons

Section II: Advisory Trustees

The President of the United Way, with the approval of the Board of Trustees, may designate Advisory Trustees. Individuals serving as Advisory Trustees shall serve for a period of one year, shall not have voting power, nor shall they in any way be liable or responsible for development or implementation of policies or procedures of the United Way.

Section III: Election of Trustees

1. Nominations

The President of the United Way, with the approval of the Board of Trustees, shall appoint each year a Nominating Committee consisting of at least five members not later than thirty days preceding the date of the Annual Meeting. Such committee shall nominate for consideration by the members attending the Annual Meeting, those persons to serve on the Board of Trustees. Additional nominations for Trustees may be made from the floor.

2. Vacancies

Vacancies in the Board of Trustees occuring by the death, resignation or inability to serve of a Trustee elected by the members may be filled by the Board of Trustees for the unexpired term of the vacancy.

3. Eligibility

A. A person who has served six consecutive years as an elected member of the Board of Trustees shall not be eligible again until after an absence from the Board for a period of one year.

B. A person ineligible for elected membership to the Board of Trustees shall not be precluded from serving in an Ex Officio position.

Section IV: Meetings of Trustees

The Board of Trustees shall meet at least once each quarter during

the fiscal year. Meetings may be called at any time by the President upon reasonable notice to the Trustees specifying the matters to be considered at such meeting. Meetings shall also be called upon written request of five members of the Board. A quorum of the Board of Trustees shall be a majority of all Trustees eligible to vote. In no case shall a quorum be less than three.

Section IV: Powers and Duties

1. The Board of Trustees of the United Way shall have final responsibility for the formulation of the policies for the overall management of the United Way. The Board may delegate its responsibilities to others as provided in these bylaws or by resolution of the Board. The Board of Trustees shall, as provided in these bylaws, elect the officers of the United Way. The Board shall have authority to create standing and ad hoc committees at such times and under circumstances as it deems appropriate.

2. Upon resolution adopted by the Board of Trustees, the United Way may provide indemnification of trustees, officers and/or staff members for expenses and costs incurred by any such individual in connection with any claim asserted against such a person, by action in court or otherwise, by virtue of the position held as trustee, officer or staff member of the United Way. Such indemnification may include insurance obtained by United Way of the Texas Gulf Coast.

Article III: Officers

Section I: Number

The officers of the United Way shall be a President, First Vice-President, Second Vice-President, a Secretary, and a Treasurer. The Secretary and Treasurer may be the same person. All officers shall be chosen by the Board of Trustees from among its elected membership. Any vacancy in an office shall be filled by the Board of Trustees from among its elected membership and any officer elected to fill such vacancy shall serve for the unexpired term.

Section II: Term of Office

1. All officers shall serve two year terms:

2. Officers may succeed themselves for one additional consecutive term.

Section III: Duties of Officers

1. President

The President shall be the chief executive officer of the United Way. He shall preside at meetings of the Board of Trustees, and at membership meetings of the United Way. The President, subject to the direction and supervision of the Board of Trustees, shall be responsible for the execution of the policies and programs of the Board and for the administration of the affairs of the United Way.

2. Vice-Presidents

The Vice-Presidents shall perform such duties as may be assigned from time to time by the Board of Trustees, or the President. In the event that illness or other disability prohibits the President from performance, the First Vice-President shall have the power and perform the duties ordinarily the responsibility of the President.

In the event that illness or other disability prohibits the President and the First Vice-President from performance, the Second Vice-President shall have the power and perform the duties ordinarily the responsibility of the President.

3. Secretary

The Secretary of the United Way shall keep accurate and complete minutes of meetings of the Board of Trustees, and of the members; shall give notices of all meetings as required; shall have the usual powers and duties of a Secretary and shall perform such other duties as may be assigned from time to time by the Board of Trustees or the President.

4. Treasurer

The Treasurer of the United Way shall have general charge and supervision of the books and records of account of the United Way and subject to the direction of the Board of Trustees, shall have charge of and be responsible for all cash and securities of the United Way. The Treasurer shall have the usual powers and duties of Treasurer, including the power to give receipts for cash, securities or other property delivered to the United Way and the power to disburse funds in accordance with procedures to be established by the Board of Trustees; and shall perform such additional duties as may be assigned by the Board of Trustees, or the President.

Article IV: Committees

The President with the approval of the Board of Trustees shall create and appoint the chairpersons of such standing and ad hoc committees as are necessary to conduct the affairs of the corporation. The powers, duties and responsibilities of such committees shall be fixed by the Board of Trustees.

Section I: Standing Committees--Numbers

There shall be eight standing committees, the chairpersons of which shall be appointed by the President with the approval of the Board of Trustees. Standing committee chairpersons shall be members of the Board of Trustees.

Section II: Standing Committees--Names

The standing committees shall be Employee Relations, Audit, Finance, Government Relations, P.A.I.R., Allocations, Planning/Evaluations and Information Services.

Section III; Terms

The standing committee chairpersons shall be appointed for terms of two years.

Section IV: Ad Hoc Committees

With the approval of the Board of Trustees, ad hoc committees may be created by the President who may also appoint the chairpersons thereof.

Section V: Committee Members

1. Committee chairpersons shall name the members of their committees with the approval of the Board of Trustees.

2. Committee members shall serve for one year and until their successors have been appointed and qualified. The size of a committee shall be determined by the chairperson, but in no case shall any of the standing committees consist of less than five members, including the chairperson.

Section VI; Functions of Standing Committee

1. Employee Relations Committees

This committee acts in an advisory capacity in policy matters pertaining to group insurance plans and pension and thrift savings plans covering employees of the United Way and participating member agencies. Plan design, investment strategy, plan funding and plan costs are of prime concern to the committee.

2. Audit Committee

This committee shall arrange for an annual independent audit of the United Way, receive said audit and present the conclusions to the Board of Trustees. The committee shall also review the audits of those organizations receiving monies from United Way and report its conclusions to the Board of Trustees or its designated committee.

3. Finance Committee

This committee shall regularly review the financial statements of the United Way, direct the investment of monies, provide for and supervise the internal control systems, recommend to the Board of Trustees the annual operating budget, and allocation of annual campaign proceeds, and handle other fiscal and administrative matters which shall arise. The committee shall also cause provision to be made for, and supervise the obtaining of fiduciary funds covering all officers, directors, staff, and volunteers who handle books, papers, vouchers, monies and other property of the United Way.

4. Government Relations Committee

The Government Relations Committee will work to facilitate an increased understanding by United Way agencies, volunteers and staff of the public sector, as it impacts social services. The committee shall also

provide a mechanism to keep all concerned abreast of funding sources and trends.

5. P.A.I.R. Committee

The P.A.I.R. (Planning/Evaluation, Allocations, Information Services, and Research) Committee shall consist of the following members: the chairpersons and vice-chairpersons of the Planning/Evaluation, Allocations, and Information Services Committees.

The committee shall have the general responsibility for the planning, evaluation, and coordination of social service programs; the allocation, distribution and efficient use of funds; the dissemination and coordination of information about social services, and shall perform for the general organization such other duties as may be requested.

The committee shall also study and recommend action on matters relating to participating agency fund raising, the admission of new participating agencies, termination of such agencies, and the United Way participating agency relationships.

6. Allocations Committee

The Allocations Committee shall have primary responsibility for determining the recommended level of financial support to all participating agencies assigned to it by the Board of Trustees. The committee shall also recommend the manner in which the allocations are to be made to participating agencies, and shall have such other duties as may be assigned to it by the P.A.I.R. Committee.

7. Planning/Evaluation Committee

The Planning/Evaluation Committee shall have the general responsibility for planning and evaluating social services and programs. It shall also be responsible for reviewing applications for admission of participating agencies to the United Way. It may participate with other organizations in cooperative studies or planning endeavors. The committee shall carry out such studies, programs, and tasks as assigned by P.A.I.R.

8. Information Services Committee

This committee, with the concurrence of the P.A.I.R. Committee shall formulate the policies and practices for the program of the Information Services Department and shall have such other duties as may be assigned to it by the P.A.I.R. Committee.

Article V: Fiscal Year

The fiscal year of the United Way shall be the same as the calendar year unless changed by resolution of the Board of Trustees.

Article VI: Executive Director

The Board of Trustees shall select for the United Way an Executive Director who shall assume such responsibilities and perform such duties as are assigned from time to time by the Board of Trustees.

Article VII: Waiver of Notice

Any Trustee may waive notice of any meeting in one of the following ways: a) an acknowledgement of waiver reflected in the minutes of the meeting for which such notice is waived; attendance of a Trustee at any meeting shall constitute a waiver of notice of such meeting except where a Trustee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened; b) a written acknowledgement signed by the Trustee so waiving and received by the Secretary on or before the date of the meeting for which such notice is waived; c) neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the waiver of notice of such meeting.

Article VIII: Amendment of Bylaws

These bylaws may be amended by the Board of Trustees at any regular or special meeting, provided written notice setting forth any proposed amendment is mailed or delivered to each Trustee at least fifteen days in advance of such meeting.

January 1, 1979

AMENDED AND RESTATED BYLAWS OF UNITED WAY

OF

THE TEXAS GULF COAST

April 20, 1983

Article I: Members

Section I: Member Qualifications

The members of the United Way shall consist each year of all those individuals and organizations that have made contributions to the United Way for each year.

Section II: Annual Meeting

An annual meeting shall be held in the first fiscal quarter of each year at a time and place designated by the Board of Trustees, unless such time be changed by action of the Board of Trustees. At each annual meeting the Chairman of the Board of the United Way shall report to the members on the status and affairs of the United Way, new members (other than ex officio members) of the Board of Trustees shall be elected, and there shall be transacted such other business as may properly be brought before the meeting by the Chairman of the Board of the United Way or by any of the members.

Section III: Notice of Meeting

Notice of each annual or special meeting specifying the time and place thereof, and in case of a special meeting, the purposes for which the meeting is called, shall be published at least one time in a newspaper of general circulation in Houston, Harris County, Texas, not less than ten days prior to the date of the meeting. Special meetings may be called by the Chairman of the Board of the United Way or by the Board of Trustees.

Section IV: Quorum and Voting

The members present at any meeting shall constitute a quorum and each member shall have one vote. No member shall be entitled to vote by proxy on any question before the membership; but a member other than a natural person may vote through its representative.

Article II: Board of Trustees

Section I: Composition of Board of Trustees

The Board of Trustees of the United Way shall consist of 30 members as follows:

1. Elected Members

There shall be sixteen trustees elected by the members of United Way of whom five shall be elected at each annual meeting for terms of three years, except in every third year (beginning in 1982) in which six shall be elected.

2. Ex Officio Members

The fourteen individuals holding the following positions shall be Ex Officio members of the Board of Trustees, with the right to vote on all matters:

A. General Campaign Chairperson

B. Standing Committee Chairpersons

3. No Compensation

The members of the Board of Trustees shall serve as members thereof without compensation.

Section II: Advisory Trustees

The Personnel Committee of the United Way, with the approval of the Board of Trustees, may designate Advisory Trustees. Individuals serving as Advisory Trustees shall serve for a period of one year, shall not have voting power, nor shall they in any way be liable or responsible for development or implementation of policies or procedures of the United Way.

Section III: Election of Trustees

1. Nominations

The Personnel Committee shall nominate for consideration by the members attending the Annual Meeting those persons to serve on the Board of Trustees. Additional nominations for Trustees may be made from the floor.

2. Vacancies

Vacancies in the Board of Trustees occurring by the death, resignation or inability to serve of a Trustee elected by the members may be filled by the Board of Trustees for the unexpired term of the vacancy.

3. Eligibility

A. A person who has served six consecutive years as an elected member of the Board of Trustees shall not be eligible again until after an absence from the Board for a period of one year.

B. A person ineligible for elected membership to the Board of Trustees shall not be precluded from serving in an Ex Officio Position.

4. Removal

Any member of the Board of Trustees may be removed, with or without cause, by a majority vote of all the members of the Board of Trustees.

Section IV: Meetings of Trustees

The Board of Trustees shall meet at least once each quarter during the fiscal year. Meetings may be called at any time by the Chairman of the Board upon reasonable notice to the Trustees specifying the matters to be considered at such meeting. Meetings shall also be called upon written request of five members of the Board. A quorum of the Board of Trustees shall be a majority of all Trustees eligible to vote. In no case shall a quorum be less than three.

Section V: Powers and Duties

1. The Board of Trustees of the United Way shall have final responsibility for the formulation of the policies for the overall management of the United Way. The Board may delegate its responsibilities to others as provided in these bylaws or by resolution of the Board. The Board of Trustees shall, as provided in these bylaws, elect the officers of the United Way. The Board shall have authority to create ad hoc committees at such times and under circumstances as it deems appropriate.

2. Upon resolution adopted by the Board of Trustees, the United Way may provide indemnification of trustees, officers and/or staff members for expenses and costs incurred by any such individual in connection with any claim asserted against such a person, by action in court or otherwise, by virtue of the position held as trustee, officer of staff member of the United Way. Such indemnification may include insurance obtained by United Way of the Texas Gulf Coast.

Section VI: Board of Trustees Committees

1. Management Committee and Personnel Committee

In addition to the standing and ad hoc committees described in Article IV, there shall be a Management Committee and a Personnel Committee of the Board of Trustees.

2. Management Committee -- Membership

The President shall be chairperson of the Management Committee. The President shall nominate five members of the Board of Trustees to serve on the Management Committee, with the approval of the Board of Trustees. The President shall also nominate one of the five members to serve as Vice President, and one or two members to serve as Secretary and Treasurer of the United Way, with the approval of the Board of Trustees. Members of the Management Committee shall serve for two years. A member of the Management Committee may succeed himself or herself for one additional consecutive term. Vacancies in the Management Committee shall be filled by the President, with the approval of the Board of Trustees.

3. Management Committee -- Duties

Except as otherwise provided herein, the Management Committee shall, during the intervals between the meetings of the Board of Trustees, possess and may exercise all of the powers of the Board of Trustees in the management of the affairs of the United Way. Three members of the Management Committee shall constitute a quorum thereof. The Management Committee shall keep full records and accounts of its proceedings and transactions. All action taken by the Management Committee shall be reported to the Board of Trustees at its meeting next succeeding such action and shall be subject to control, revision and alteration by the Board of Trustees, provided that no rights of third persons shall be prejudicially affected thereby. Specific duties of the Management Committee shall include, but not be limited to, the duties as follows:

A. Recommend the agenda for meetings of the Board of Trustees to the Chairman of the Board, with advice from the Executive Director and other committee chairpersons.

B. Coordinate the work of other committees for the Board of Trustees; including staying informed on proposals being prepared by standing committees, working with standing committee chairpersons to schedule proposals, and reviewing proposals, as necessary, prior to presentation to the Board of Trustees.

C. Appoint chairpersons of standing and ad hoc committees, and officers other than the President, all with the approval of the Board of Trustees.

D. Oversee the execution of policies established by the Board of Trustees.

E. Oversee management of the standing committees, and review the performance of the Executive Director and operations and take appropriate action.

4. Personnel Committee -- Membership

The Chairman of the Board shall be the chairperson of the Personnel Committee. The Chairman of the Board shall nominate four members of the Board of Trustees to serve on the Personnel Committee, with the approval of the Board of Trustees. Members of the Personnel Committee shall serve for two years. A member of the Personnel Committee may succeed himself or herself for one additional consecutive term. Vacancies in the Personnel Committee shall be filled by the Chairman of the Board, with the approval of the Board of Trustees.

5. Personnel Committee -- Duties

The Personnel Committee shall keep full records and accounts of its proceedings, and report regularly to the Board of Trustees thereon. A majority of the members of the Personnel Committee shall constitute a quorum. The duties of the Personnel Committee shall be as follows:

A. Propose criteria for selection of members of the Board of Trustees and develop an inventory of potential candidates, endeavoring to maintain appropriate community representation on the Board of Trustees.

B. Recruit and propose candidates for the Board of Trustees.

C. Maintain an orientation program for new members of the Board of Trustees.

D. Encourage members of the Board of Trustees to participate in committees.

E. Evaluate the overall performance of the Board of Trustees, including the President.

F. Propose the candidate for President of United Way.

6. No Simultaneous Membership

Members of the Board of Trustees shall not be members of the Management Committee and the Personnel Committee simultaneously.

7. Removal

Any member of the Management Committee or the Personnel Committee may be removed, with or without cause, by a majority vote of all the members of the Board of Trustees.

Article III: Officers

Section I: Number

The officers of the United Way shall be a Chairman of the Board, President, a Vice-President, a Secretary, and a Treasurer. The Secretary and Treasurer may be the same person. Any vacancy in an office shall be filled by the Board of Trustees from among its membership and any officer elected to fill such vacancy shall serve for the unexpired term.

Section II: Term of Office

1. All officers shall serve two-year terms.

2. Officers may succeed themselves for one additional consecutive term.

3. Any officer may be removed, with or without cause, by a majority vote of all the members of the Board of Trustees.

Section III: Selection of Officers

1. All officers shall be members of and shall be elected by the Board of Trustees.

2. Upon completion of the term of the President, the outgoing President shall be nominated as Chairman of the Board, subject to approval of the Board of Trustees. If the outgoing President declines to serve as Chairman of the Board, the Personnel Committee shall nominate a candidate for approval by the Board of Trustees. Please see Article II, Section VI, Paragraphs 2 and 5 concerning the nomination of the President, the Vice-President, the Secretary and the Treasurer.

Section IV: Duties of Officers

1. Chairman of the Board

The Chairman of the Board shall preside at meetings of the Board of Trustees, meetings of the membership and at the meetings of the Personnel Committee. The Chairman of the Board shall be responsible for informing the Management Committee of the viewpoints of the Board of Trustees regarding the handling of matters arising between Board Meetings and the execution of Board policy, represent the Board of Trustees in overseeing the delegation of authority to the Management Committee, advise the Management Committee, and ensure continuity of action between successive Management Committees.

2. President

The President shall be the chief executive officer of the United Way. The President, subject to the direction and supervision of the Board of Trustees, shall be responsible for the execution of the policies and programs of the Board and for the administration of the affairs of the United Way.

3. Vice-President

The Vice-President shall perform such duties as may be assigned from time to time by the Board of Trustees or the President. In the event that illness or other disability prohibits the President from performance, the Vice-President shall have the power and perform the duties ordinarily the responsibility of the President.

4. Secretary

The Secretary of the United Way shall keep accurate and complete minutes of meetings of the Board of Trustees and of the members; shall give notices of all meetings as required; shall have the usual powers and duties of a Secretary and shall perform such other duties as may be assigned from time to time by the Board of Trustees or the President.

5. Treasurer

The Treasurer of the United Way shall have general charge and supervision of the books and records of account of the United Way and, subject to the direction of the Board of Trustees, shall have charge of and be responsible for all cash and securities of the United Way. The Treasurer shall have the usual powers and duties of Treasurer, including the power to give receipts for cash, securities or other property delivered to the United Way and the power to disburse funds in accordance with procedures to be established by the Board of Trustees; and shall perform such additional duties as may be assigned by the Board of Trustees or the President.

ARTICLE IV: Standing and Ad Hoc Committees:

Section I: Standing Committees -- Numbers

There shall be thirteen standing committees, the chairpersons of which shall be appointed by the Management Committee, with the approval of the Board of Trustees.

Section II: Standing Committees -- Names

The standing committees shall be Employee Relations, Audit, Finance, Government Relations, P.A.I.R., Allocations, Planning/Evaluation, Information Services, Labor Liaison, Communications, Data Processing, Area Coverage and Campaign.

Section III: Standing Committee -- Chairperson Terms

1. The standing committee chairpersons shall be appointed for terms of two years, except the Campaign Committee chairperson who shall serve a one year term.

2. Any standing committee chairperson may be removed, with or without cause, by a majority vote of all the members of the Board of Trustees.

Section IV: Ad Hoc Committees

The Management Committee shall create such ad hoc committees and appoint the chairpersons thereof under the terms and conditions the Management Committee may deem necessary or desirable, with approval of the Board.

Section V: Committee Members

1. Committee chairpersons shall name the members of their committees with the approval of the Board of Trustees.

2. Committee members shall serve for one year and until their successors have been appointed and qualified. The size of a committee shall be determined by the chairperson, but in no case shall any of the standing committees consist of less than five members, including the chairperson.

Section VI: Functions of Standing Committees

1. Employee Relations Committee

This committee shall act in an advisory capacity in policy matters pertaining to group insurance plans and pension and thrift savings plans covering employees of the United Way and participating member agencies. Plan design, investment strategy, plan funding and plan costs are of prime concern to the committee.

2. Audit Committee

This committee shall arrange for an annual independent audit of the United Way, receive said audit and present the conclusions to the Board of Trustees. The committee shall also review the audits of those organizations receiving monies from United Way and report its conclusions to the Board of Trustees or its designated committee.

3. Finance Committee

This committee shall regularly review the financial statements of the United Way, direct the investment of monies, provide for and supervise the internal control systems, recommend to the Board of Trustees the annual operating budget, and allocation of annual campaign proceeds, and handle other fiscal and administrative matters which shall arise. The committee shall also cause provision to be made for, and supervise the obtaining of fiduciary bonds covering all officers, directors, staff, and volunteers who handle books, papers, vouchers, monies and other property of the United Way.

4. Government Relations Committee

This committee shall work to facilitate an increased understanding by United Way agencies, volunteers and staff of the public sector, as it impacts social services. The committee shall also provide a mechanism to keep all concerned abreast of funding sources and trends.

5. P.A.I.R. (Planning/Evaluation, Allocations, Information Services and Research) Committee

This committee shall consist of the following members: the chairpersons and vice-chairpersons of the Planning/Evaluation, Allocations and Information Services Committees. The committee shall have the general responsibility for the planning, evaluation and coordination of social service programs, the allocation, distribution and efficient use of funds, the dissemination and coordination of information about social services, and shall perform for the general organization such other duties as may be requested. The committee shall also study and recommend action on matters relating to participating agency fund raising, the admission of new participating agencies, termination of such agencies and the United Way participating agency relationships.

6. Allocations Committee

This committee shall have primary responsibility for determining the recommended level of financial support to all participating agencies assigned to it by the Board of Trustees. The committee shall also recommend the manner in which the allocations are to be made to participating agencies, and shall have such other duties as may be assigned to it by the P.A.I.R. Committee.

7. Planning/Evaluation Committee

This committee shall have the general responsibility for planning and evaluating social services and programs. The committee shall also be responsible for reviewing applications for admission of participating agencies to the United Way. The committee may participate with other organizations in cooperative studies or planning endeavors. The committee shall carry out such studies, programs and tasks as assigned by the P.A.I.R. Committee.

8. Information Services Committee

This committee, with the concurrence of the P.A.I.R. Committee, shall formulate the policies and practices for the program of the Information Services Department and shall have such other duties as may be assigned to it by the P.A.I.R. Committee.

9. Labor Liaison Committee

This committee shall have the responsibility for the development, encouragement and maintaining an ongoing working relationship with organized labor.

10. Communications Committee

This committee shall direct the planning, implementation and evaluation of a year-round communications program aimed at improving media, agency and company relations, and general public acceptance of the United Way. Other areas directed by the committee are special events, advertising, area-wide communications and public opinion research.

11. Data Processing Committee

This committee shall have the responsibility for monitoring the processing done for the United Way and related agencies. It shall also be responsible for the selection of computer hardware, reviewing computer applications and providing technical advice and assistance to insure that United Way operations are effective and efficient.

12. Area Coverage Committee

This committee shall be charged with the responsibility for developing effective relationships with adjacent communities relative to fund raising, planning, and the budgeting of services.

13. Campaign Committee

This committee shall have the responsibility for planning and development of policies and programs which will sustain and improve the current and future fund raising capabilities of the United Way.

Minutes - United Way of the Texas Gulf Coast
Board of Trustees Meeting

United Way Headquarters
Wednesday, January 18, 1984

Members Present: W. Page Anderson, John F. Brown, Dr. Judith Cravens, James W. Crownover, Fran B. Early, D. V. Flores, Joyce Frieden, Elizabeth Ghrist, Robert Hanna, Don A. Horn, W. Ben Kuenemann, Hanni Orton, Moe Paradis, Servando Ramos, Judge Carolyn D. Randall, William C. Roher, Judge Thomas Routt, R. Steve Taylor, John B. Utsey, Thomas H. Wilson

Members Absent: John W. Anderson, Harriet J. Ehrlich, Barbara Frederickson, Lullelia Harrison, Albert G. James, John D. Kirkland, James H. Pillows, R. J. Snokhous, Vern Swisher

Visitors Present: John Gay, Charles Larry, Steve Lawrence

Staff Present: Anna Babin, Sylvia Brooks, Frank A. Cleaver, Dave Fowler, Al Henry, Ken Hoover, H. Allen Larsen, Judy Malone, Tom Nall, Jeanne Necaise, Robert Phillips, Bernadette Porter, Al Wilder

Presiding: William C. Roher, Chairman

1. MINUTES

The minutes of the last meeting of the Board of Trustees held on December 21, 1983, were approved.

2. PERSONNEL COMMITTEE REPORT

Mr. Roher stated that the Personnel Committee was suggesting that at our Annual Meeting in April Mr. Utsey become our Chairman of the Board and Tom Wilson become our President. Both gentlemen have been approached and said they would accept the positions if they are elected.

3. CAMPAIGN REPORT

Mr. Wilson stated that the Campaign Report to date on reported figure at Final Dinner is $36,161,110; to be realized to achieve reported figure is $378,000.

The employee campaigns and corporate gifts to be completed or received are estimated to be $500,000.

Mr. Wilson reported, also, on the progress of the 1984 Campaign in Mr. Falik's absence. He said that the next leaders meeting will be on January 24 and the list of leaders recruited to date are at each place.

4. PAIR REPORT

Fran Early, Division Chairman, opened the report by stating that Vern Swisher, Allocations Chairman, could not be present and she would give his report. On behalf of the Allocations Committee she called attention to the Findings and Recommendations on FamilyTime Foundation, which had been mailed to Board members. She then moved that United Way funding of FamilyTime Foundation be discontinued June 30, 1984, and the agency not be allowed to apply for funds in FY 1984. Also in the motion was that funds in the amount of $3,445 in unallocated reserve in

support of the Helpline Program be returned to the general fund. Seconded and passed.

John Gay, Vice Chairman of the Planning and Evaluation Committee, gave an update report on behalf of the Priority Determination Committee. He stated that the scheduled presentation of the Basic Needs Section of the Priority System was being held for the February Board meeting, largely as a result of the Committee meeting with John Brown and Page Anderson, Board of Trustee members who volunteered to give Board oversight to that Section. Those two Board members had discussed with the committee the need for an additional presentation to the Board of what the Priority Determination Process was and was not, prior to presentation of findings and recommendations of each service section of the Priority Reports to Trustees over the next three months. Mr. Gay explained that the Priority Determination System is not a replacement for current allocation systems, a substitute for individual/panel judgements, or a mechanical system of decision making. The System is a larger data base and guide for admissions, allocations and agencies; as well as a more systematic method of reviewing effectiveness of fulfilling community needs. He pointed up that the System has three uses: funding, advocacy, and facilitation. Some discussion ensued, with one Trustee asking if the Program Evaluation Review process would be ready at the time Priorities were implemented. He was assured that the Evaluation Review would be operational with Priorities. Another Trustee suggested that the Priority Determination Committee should find another name for the System, since the use of Priorities implied ranking, rather than the Board adopted Policy System. Report accepted.

Fran Early then gave the report for Vern Swisher, Chairman of the Chairman's Committee, on the Greater Houston Chapter of the American Red Cross. The report and recommendations were mailed to the Trustees. Ms. Early opened the report by stressing several concerns of the Chairman's Committee, most notable of which were: the issue at questions before the Trustees was the violation of United Way Fund Raising Policies; and, both the United Way and the Red Cross need each other and the forthcoming motions should be properly dealt with in order that both organizations could get on with serving the community in their respective roles.

Fran Early then made the following motion to the Board of Trustees:

1. Add an addendum to the Red Cross Agreement that states the Agreement is subject to the Policies and Procedures of the Allocations Committee Guidelines. This would negate Section 5d of the agreement (which provides for a membership role call), would require a revised budget in August (which is not required at this point), and clearance of an annual March Red Cross Membership campaign and other fund raising efforts.

2. Require a February 1st accounting of the funds received from the December and January mailing, place $100,000 in unallocated reserve pending that accounting, and reduce the FY83-84 allocation to the Red Cross by the sum of funds collected from the December and January mailing to those individuals who are not members or participants in the Red Cross program.

3. Give an official warning to the Red Cross that another unauthorized solicitation of individuals who are not members or participants will result in defunding of the Greater Houston Chapter of the American Red Cross at the end of any current funding year.

4. Failure to accept and comply with these actions will result in defunding at the end of the current funding year.

5. That this matter be conclusive and not open to further consideration nor appeal by the United Way or Red Cross.

There was extensive discussion and questions among the Trustees present. A clarification was sought, and given, on the matter of individual solicitation of memberships for specific funded agencies. A clarification was sought, and given, on the differences between one-on-one solicitation and prospect mail solicitation. It was noted to the Trustees that the Red Cross solicitations were directed at donor prospects, not potential members, and the word membership was never used in the solicitation material. Questions were raised about the legality of the agreement and whether the pending motion violated that agreement. Other questions were raised as to whether the agreement had already been violated by the Red Cross. Further, there was question as to whether the pending motion was in violation of the agreement clause related to cancellation of the agreement.

Several substitute motions were offered by individual Trustees. The Chairman of the Board called for a vote on the following substitute motion, duly seconded and passed.

Resolved, that William C. Roher and John B. Utsey, Chairman of the Board and President, respectively, of the United Way, are hereby authorized to enter into informal negotiations with the Red Cross on behalf of the United Way in order to attempt to develop a mutually acceptable solution to the current disagreement between the Red Cross and the United Way related principally to fund-raising activities in the Red Cross;

Resolved, that the United Way obtain from its counsel and opinion as to whether it is either lawful or advisable for a person who is a member of the Board of Trustees of the United Way and a member of the Board of Trustees of a member agency to vote upon, or to participate in any discussion by the United Way Board with respect to, any matter that comes before the United Way Board involving that agency;

Resolved, that following the negotiations between Messrs, Roher and Utsey, on the one hand, and representatives of the Red Cross, on the other hand, P.A.I.R. and the Management Committee are hereby directed to prepare a proposal for submission to the Board of Trustees for resolving the dispute, such proposal to be in all respects in accordance with the terms of the current agreement between the United Way and the Red Cross;

Resolved, that if, in the opinion of P.A.I.R. or the Management Committee, any questions exists about legal aspects of any proposal to be made by P.A.I.R. and the Management Committee for resolving the dispute with the Red Cross, management of the United Way is hereby authorized to obtain an opinion of counsel for the United Way to clarify that issue.

5. OTHER BUSINESS

Mr. Roher stated that due to the time we would not discuss the other items on the agenda, they were all for information only and did not require any Board action. The information for the Federal Emergency Management Agency Report, the EEOC Report and the Affirmative Action Report were all mailed to you. If you have any questions call the person who was to give the report and talk to them directly about your questions.

6. ADJOURNMENT

There being no further business, the meeting adjourned at 1:50 p.m.

The next meeting is scheduled for February 15, 1984.

Submitted by

Carolyn Dineen Randall
Secretary

Minutes - United Way of the Texas Gulf Coast Board of Trustees Meeting

United Way Headquarters
Wednesday, December 21, 1983

Members Present: John W. Anderson, W. Page Anderson, John F. Brown, Fran B. Early, Harriet J. Ehrlich, Joyce Frieden, Elizabeth L. Ghrist, Robert C. Hanna, Don A. Horn, Albert G. James, John D. Kirkland, Mrs. Stewart Orton, Moe Paradis, James H. Pillows, Servando Ramos, William C. Roher, Judge Thomas Routt, R. J. Snokhous, Vern Swisher, R. Steve Taylor, John B. Utsey, Thomas H. Wilson

Members Absent: Dr. Judith Cravens, James W. Crownover, D. V. Flores, Barbara Frederickson, Mrs. Alexander Harrison, W. Ben Kuenemann, Judge Carolyn Dineen Randall,

Visitors Present: Harold Falik, Roger Hemminghous, John Gay

Staff Present: Anna Babin, Frank A. Cleaver, Dave Fowler, Al Henry, H. Allen Larsen, Judy Malone, Tom Nall, Jeanne Necaise, Al Wilder

Presiding: William C. Roher, Chairman

1. MINUTES

The minutes of the last meeting of the Board of Trustees held on November 26, 1983, were approved with a revision on page one number one. It should read Mr. Cleaver asked for Board approval for the appointment of Ed DiCorcia and Tom Hope to the Employee Relations Committee. Motion seconded and passed.

Since there was not a quorom present at the November 16 meeting, Mr. Roher asked the Board of Trustees for their approval of the action taken at the November meeting of the Board. Seconded and passed.

2. CAMPAIGN REPORT

Mr. Wilson noted that the Campaign Report as of today is $35,728,856. Four Groups have achieved or exceeded the amounts reported at the Final Report on November 17; we have no reason to believe that the $809,000 remaining to be reported against the total report of $36,538,733 will not be achieved.

Mr. Wilson referred to the record of some of the many outstanding results of employee campaigns this year which may not have come to the Board's attention; he noted that they represent a broad cross section of Campaign accounts and one more illustration of the broadening of the Campaign base.

Mr. Wilson reported that starting with a session on November 22 in which Campaign leaders participated, a number of critiques of the 1983 Campaign have been held. The Senior Loaned Executives and a group of other Loanded Executives have met to review the Campaign and make suggestions for 1984. The staff is assembling critique reports, also. The 1984 Chairman has scheduled a review of the critique observations in January at the next leaders' meeting. These efforts along with the commitments of so many people, including the members of the Campaign Effectiveness Council are helping to assure that the quality of the Campaign will be improved in 1984 and in the years to come.

Mr. Roher presented a resolution to the Board of Trustees in recognition of Thomas H. Wilson's extraordinary service in the past year's campaign. The resolution read as follows:

> WHEREAS, THOMAS H. WILSON, Chairman of the Board and Chief Executive Officer of Capital Bank West Loop, enthusiastically assumed the role of General Chairman for the fourth Potential For People Campaign for the United Way of the Texas Gulf Coast; and
>
> WHEREAS, THOMAS H. WILSON recognized the tremendous needs in Harris, Fort Bend and Montgomery Counties being met by the 84 agencies of the United Way, especially with the recession and high unemployment which had a strong impact on the community this year; and
>
> WHEREAS, THOMAS H. WILSON provided outstanding leadership to a record number of campaign volunteers -- over 5,000 strong -- in showing employees across the tri-county area how they are helping; and
>
> WHEREAS, THOMAS H. WILSON helped inspire individuals, corporations and foundations to contribute a record amount -- $36,538,733 -- in support of the United Way, $1 million more than was raised in 1982; and
>
> WHEREAS, THOMAS H. WILSON is a prime example of the strength, capability and determination displayed by the most vital asset our community has - its volunteer sector;
>
> THEREFORE, BE IT RESOLVED, that the Secretary of the Board of Trustees record this resolution in the minutes and transmit to Thomas H. Wilson our commendation for his excellent service as the General Chairman of the 1983 campaign for the United Way of the Texas Gulf Coast.
>
> December 21, 1983

Motion duly made, seconded and passed to accept and present this resolution to Mr. Wilson.

Mr. Hanna introduced Harold M. Falik, Partner, Weingarten-Falik Investments, long term United Way volunteer, former Chairman of the Allocations Committee and Associate General Chairman in the 1983 campaign, who's division raised $5.6 million. He commended Mr. Falik for his long association with the United Way and expressed appreciation for Mr. Falik's leadership of the campaign. Mr. Hanna moved for the appointment of Mr. Falik as General Chairman of the 1984 campaign. Seconded and Passed.

Mr. Falik expressed his appreciation for the confidence of the Board in naming him Chairman of the 1984 Campaign. He reported leadership recruitment is well underway; all associate general chairmen except one have been recruited and several group and committee leaders have been named; he referred to the list of those recruited at each place.

Mr. Falik reported that the first Leadership meeting was held on December 14. He commended the dedication to the Campaign of those recruited; he stated that every effort would be made to raise as much as the community could afford to give in 1984 and that plans are being made to recognize and develop the potential of the Campaign throughout the whole organization. Mr. Falik said that emphasis will be placed on raising further the level of awareness of the Campaign in the community. He referred to the time schedule and noted that the Campaign would start two weeks later and close at the same time as in 1983.

In response to a question, Mr. Falik noted that the new Division V and the early recruitment of the Texas Medical Center Campaign leader should improve our results among hospital and service accounts.

3. PAIR REPORT

Fran Early, Division Chairman, opened the report by referring the Trustees to the list of Division Committees and Panels which had been mailed. She moved that the various committee lists be approved by the Trustees, seconded and passed.

Hanni Orton, Planning and Evaluation Committee Chairman, was then asked to give the Trustees an update report on the Priority Determination System and the implementation plan. Mrs. Orton referred those present to the mailed report and noted that the implementation flow chart was on the Board table before the Trustees. Several questions were asked and answered, the most noted of which related to the advocacy actions that may be proposed as part of the policy positions coming from the Priorities Committee. Mrs. Orton then asked that each Trustee consider giving one of the Priority areas personal attention, review and comment. This would be done prior to finalizing the various service areas reports and would require reading the entire service report and policy recommendations, then meeting with the Priority Sub-committee making the report and making comments and asking questions. The task would further require the respective Trustees to follow the report through the implementation process. Mrs. Orton passed around the room the sign up list, and moved the report be accepted. Seconded and Passed.

Vern Swisher then made a report to the Trustees as Chairman of the Chairman's Committee, a special Board committee that deals with the agencies which have a contract with the United Way. The report related to the Greater Houston Chapter of the American Red Cross and its appeal to a decision of the Chairman's Committee regarding mail solicitation. He related a series of events and decisions dating each to early 1982, all of which involve requests of the Red Cross to carry out selective mail solicitation campaigns with specific target groups. He reminded the Board that the Red Cross was denied 1983 mailings when the allocation for FY 83-84 was passed in March, 1983, and he reported a violation of that directive was carried out by the Red Cross. The Chapter again requested in the fall of 1983 to carry out a selected prospects mail campaign and the Chairman's Committee again denied the request. The Chapter stated they wished to appeal the ruling, following the concurrence of the Allocations Committee and the PAIR Division Committee with the decision. At the request of the Chapter, there was a meeting with Red Cross representatives just prior to the Board of Trustees meeting. In attendance for

the United Way, Mr. Roher, Mr. Utsey, Dr. Wilder and himself. At the meeting, the Red Cross Chairman told the group that the denied mailing had been made to 150,000 selected prospects, and cited Section 5-d of the agreement to support the Red Cross action. Section 5-d reads as follows: Red Cross retains the right to conduct a roll call for members and funds in the event that United Way's annual campaign fails to provide the local chapter's fiscal requirements.

There were a great many questions raised by different Trustees. Mr. Swisher and Ms. Early responded to the inquiries, then Mr. Swisher made the following motion: that the Board of Trustees direct the Chairman's Committee to work out an acceptable solution to both the Red Cross solicitation plan and the agreement, and come back to the Trustees with that and a proposed response to the action of the Chapter. After further discussion, there was a motion to table the matter until the January meeting, at which time the Chairman's Committee should present a full chronology of events and any recommendations. Seconded and passed by a 11 to 8 count of the Trustees voting.

4. FINANCE COMMITTEE REPORT

Mr. Kirkland presented the budget requests for 1984 operations. Referring to the previously mailed materials, he noted that the requests totaled $4,315,000 or a 4.1% increase over projected 1985 costs. These costs represented a net increase of one staff position. Cost increases were primarily directed toward Campaign efforts and data processing support for Information Services.

During subsequent discussion, Mr. Brown pointed out that the total of $756,000 for the category "United Way Services to Public" per Schedule III did not correspond to the total shown for this item on line 2b of Schedule I. Ms. Necaise acknowledged that Schedule I appeared to be in error and that the amounts described and used in Schedules II and III were correct.

The Board approved the 1984 budget as presented in Schedule II.

5. ADJOURNMENT

There being no further business, the meeting adjourned at 1:30 p.m.

The next meeting is scheduled for January 18, 1984.

Submitted by

Carolyn Dineen Randall
Secretary

Minutes - United Way of the Texas Gulf Coast Board of Trustees Meeting

United Way Headquarters
Wednesday, November 16, 1983

Members Present: W. Page Anderson, Harriet J. Ehrlich, D. V. Flores, Joyce Frieden, Elizabeth L. Ghrist, Robert C. Hanna, Don A. Horn, John D. Kirkland, Moe Paradis, William C. Roher, Vern Swisher, Steve Taylor, Thomas H. Wilson

Members Absent: John W. Anderson, John F. Brown, Dr. Judith Cravens, James W. Crownover, Fran B. Early, Barbara Frederickson, Lullelia Harrison, Albert G. James, W. Ben Kuenemann, Hanni Orton, James H. Pillows, Servando Ramos, Judge Carolyn Randall, Judge Thomas Routt, R. J. Snokhous, John B. Utsey

Staff Present: Anna Babin, Frank A. Cleaver, Dave Fowler, Al Henry, Ken Hoover, H. Allen Larsen, Judy Malone, Tom Nall, Jeanne Necaise, Al Wilder

Presiding: William C. Roher, Chairman

1. MINUTES

The minutes of the last meeting of the Board of Trustees held on October 19, 1983, were approved as mailed.

2. MANAGEMENT COMMITTEE

Mr. Utsey asked for Board approval for the appointments of Ed DiCorcia and Tom Hope to the Employee Relations Committee. Motion seconded and approved.

3. CAMPAIGN REPORT

Mr. Wilson reported that $32.5 million has been reported to date; the 130 major employers with completed campaigns, including corporate gifts, have raised $21 million for an increase of 2.4% or $505,000 new dollars; the balance of completed campaigns total $9 million for an increase of 12.5% or $1 million new dollars. Mr. Wilson observed that these data indicate that the base of contributions is being expanded. The Chairman's Group results are being influenced by employment reductions of up to 13,000 since 1982; however, the Chairman Group firms will produce one million new dollars and more than make up for losses due to reduced employment. Overall, Mr. Wilson stated, the Campaign should generate an increase of $1 million over 1982 and that will include nearly $3 million in new dollars. Mr. Wilson commended the campaign volunteers and staff on their work in 1983. He emphasized the efforts being made to assure that the final reported figure is accurate.

4. FINANCE COMMITTEE REPORT

Mr. Kirkland referred to the September 30 financial statements noting that collections remained sluggish. He added that the slowness is thought to be the results of companies delaying remittance of their contributions and those withheld from employees, but that no extraordinary collection losses are as yet indicated. Mr. Kirkland continued by informing the Board that the $319,000 balance on the loan from the sale of 215 Main had been repaid in full since September 30, and that otherwise there were no unusual circumstances reflected by the statements. Upon motion duly made, seconded and approved the Financials were approved.

At Mr. Kirkland's request the Board voted to distribute the total 1983 earnings of $3,710.91 from the Jacob and Regina Levy Trust, for which it acts as Trustee, to the United Way of the Texas Gulf Coast. Motion seconded and passed.

5. AUDIT COMMITTEE REPORT

Ms. Necaise represented Judge Randall in presenting the Committee's recommendation to engage Arthur Andersen & Co. for the audit of the United Way's 1983 operations. The fee will be $29,000, which is an increase of $1,000 over last year, but which remains 60% of standard fees. Ms. Necaise reported that the Committee believed the firm's past performance to be very good and its fees quite reasonable.

It was moved, seconded and approved that Arthur Andersen & Co. be engaged for the 1983 audit.

6. LONG RANGE PLANNING COMMITTEE

Mr. Paradis, Chairman of the Long Range Planning Committee, opened his report by reminding the Board members present that at the last Board meeting there had been considerable discussion about the proposed Mission Statement. Specifically, the discussion centered around the insertion of the words "to help meet". The matter was tabled to give both the Board and the Long Range Planning Committee an opportunity to consider the matter. Mr. Paradis stated that his committee had considered the matter at their meeting on November 4, 1983, and voted to propose an insertion of the word "meeting" in the Mission Statement, which would then read as follows:

> The Mission of the United Way is meeting human service needs of Houston and the Texas Gulf Coast through raising, allocating and monitoring the use of voluntary contributions.

Mr. Paradis moved that the revised Mission Statement and Supporting Information stated be passed by the Board of Trustees. After several questions, the motion was seconded and passed.

7. PAIR REPORT

Mr. Swisher, Chairman of the Agency Relations and Allocations Committee, presented two recommendations to the Board for providing funds from the Emerging Needs Fund. He first moved that the Board of Trustees of the United Way of the Texas Gulf Coast concur with the Board of the Montgomery County United Way in granting $24,000 Emerging Needs Funds to the Montgomery County Emergency Assistance Association for specific assistance to individuals. The supplemental funding is for November 1983 through June 1984. Seconded and passed.

Mr. Swisher then moved that Houston Metropolitan Ministries be permitted to retain $6,317 of surplus funds for the purpose of providing emergency shelter in 1983-84; and that $20,183 be allocated from Emerging Needs Fund for the shelter program this winter. This amount will be prorated over November 1983 through February 1984. He recalled to the Board that last year the United Way moved with great haste to establish emergency shelters in two churches to meet an immediate need. This year, a Shelter Task Force appointed by the Mayor has worked with the United Way to develop a central point at Anchor House where all clients will be screened, fed and provided showers. Then they will be taken out to one of twelve churches for temporary overnight housing. Some family units may be housed with church families. Seconded and passed.

8. OTHER BUSINESS

Mr. Cleaver noted that the Final Report Dinner was scheduled for November 17 at 6:30 p.m. at the Astro Village Hotel and hoped that everyone could attend.

9. ADJOURNMENT

There being no further business, the meeting adjourned at 12:30 p.m.

The next meeting is scheduled for December 21, 1983.

Submitted by

Carolyn Dineen Randall
Secretary

Minutes - United Way of the Texas Gulf Coast Board of Trustees Meeting

United Way Headquarters
Wednesday, October 19, 1983

Members Present: John W. Anderson, W. Page Anderson, John F. Brown, Dr. Judith Cravens, Fran B. Early, Harriet J. Ehrlich, Joyce Frieden, Elizabeth L. Ghrist, Lullelia Harrison, Albert G. James, Ben Kuenemann, Servando Ramos, William C. Roher, Vern Swisher, R. Steve Taylor, John B. Utsey, Thomas H. Wilson

Members Absent: James W. Crownover, D. V. Flores, Barbara Frederickson, Robert C. Hanna, Don A. Horn, John D. Kirkland, Hanni Orton, Moe Paradis, James H. Pillows, Judge Carolyn Dineen Randall, Judge Thomas Routt, R. J. Snokhous

Guest Present: Dick Mullineaux, Stewart Orton

Staff Present: Anna Babin, Frank A. Cleaver, Dave Fowler, Al Henry, Ken Hoover, H. Allen Larsen, Judy Malone, Tom Nall, Jeanne Necaise, Robert Phillips, Al Wilder

Presiding: William C. Roher, Chairman

1. MINUTES

The minutes of the last meeting of the Board of Trustees held on September 21, 1983, were approved as mailed with the deletion of item number 8 on page 4 relating to the advocacy of Trustees of an agency with which they are affiliated at meetings of the Trustees. Mr. Utsey said that this matter had been considered by the Management Committee, but that no recommendation was ready for presentation.

2. REPORT OF MANAGEMENT COMMITTEE

Mr. Utsey asked for Board approval for Fran Early to fill the unexpired term of Tom Brophy on the Management Committee. Upon motion duly made seconded and carried the Board approved Ms. Early's appointment.

With regret the Board accepted the resignations of Dick Birk, Joe Davis, Deanna A. Smith, William W. Wiggins, Jr. and Karen Nakfoor from the Audit Committee.

Upon motion duly made and seconded the Board approved the appointments of Glenda Flanagan and Ronald L. Padgett to the Audit Committee.

3. CAMPAIGN REPORT

Mr. Wilson reported that the campaign total at the Second Report on October 12 was $20.1 million - almost 50% of goal. In 1982, a week earlier, we reported $17 million. Mr. Wilson remarked he was pleased with the progress which is being made despite the storm-related setbacks to our scheduled programs.

Mr. Wilson reported on several outstanding achievements in employee Campaigns in several companies such as Bechtel Petroleum, Exxon, U.S.A., Transco Energy, Amoco Production, Sohio, Getty Oil, Chicago Bridge and American General, Ford Aerospace and Singer-Link - to mention a few.

The extension of the Campaign is set and we will have our Final Report on November 17; the details on this and the November 3 Report Meeting were included in each folder. We have had a generous response from loaned executives and their sponsors about extending their working time with us.

Mr. Wilson referred to a report on volunteer enrollment and noted 4,215 volunteers have been recruited and which is 1,000 more than last year.

Mr. Wilson commended Mr. Page Anderson and Panhandle Eastern on the 1983 Campaign film and noted that the film is being received enthusiastically.

Mr. Roher inquired about the reasons for the increases in per capita giving in so many employee campaigns. Mr. Wilson said that the number of employees seeing the film have increased and that they are responding to the information which is being given in improved Campaign programs.

4. REPORT OF FINANCE COMMITTEE

In response to questions raised in the September Trustee's meeting, Ms. Necaise gave a brief explanation of how the Board Reserves and Allocations Funds were established each year.

5. P.A.I.R.

Ms. Early, Division Chairman, indicated that the entire P.A.I.R. Division report and recommendations centered around the Allocations Committee, and introduced Vern Swisher, Chairman of the Allocations Committee.

Mr. Swisher conveyed the following information and actions of the Allocations Committee, approved on October 11, 1983, by the P.A.I.R. Division Committee.

1. As reported last month Salvation Army requested $147,161 for twelve months to supplement the $128,000 already budgeted for financial assistance services of its "Welfare Department". The request was a continuation of $108,700 allocated from the Emerging Needs last year. Although the $108,700 was intended to be a "one-time allocation", the Adult Services Panel and Allocations Committee have given serious consideration to the request. The need for the extra funds for financial assistance was found justified. Last month, upon recommendation of the Allocations Committee, $12,263 was allocated from the Emerging Needs Fund towards the request. That took care of September. In October the Allocations Committee approved, and now proposes the following motion:

   That an additional $73,578 Emerging Needs Funds be allocated to Salvation Army for financial assistance services for October 1983 through March 1984. This is to be distributed in monthly allotments of $12,263. Again the agency is urged to plan beyond that time period. Unless funds can be obtained from other internal or external sources, the agency should consider a gradual scaledown of services in order to stay within the actual funds budgeted or available. Motion seconded and carried.

2. The request for $38,819 Emerging Needs Funds from Sickle Cell Disease Research Foundation was reviewed. In August, $2,633 was allocated for the month of September. This allowed time for closer inspection of the request which stemed from a reduction in government funds. In October the Allocations Committee approved, and now proposes the following motion:

   That $36,186 be allocated from the Emerging Needs Fund to Sickle Cell Disease Research Foundation for October 1983 - June 30, 1984. Motion seconded and carried.

3. The Houston Child Guidance Center requested $42,000 to add staff to address increased demand for outpatient psychotheraphy to children and parents resulting from economic pressures. The Allocations Committee presented the following motion:

   That $23,478 Emerging Needs Funds be allocated to Houston Child Guidance to expand services resulting from economic pressures of the times. These funds will be distributed from October 1983 through June 30, 1984.

Prior to a presentation on the YWCA, the Board President, Bill Roher called upon Mr. Al Henry, Associate Executive Director - Government Relations. Mr. Henry stressed to the members present that there were pending law suits filed in District Court in regards to YWCA matters and the ensuing discussion should be carried out with that fact in mind.

Mr. Swisher then reviewed the facts known to the Allocations Committee and the YWCA Panel at this time. He then presented the following motion:

The Family Recreation Services Panel of the Allocations Committee is authorized by the Board of Trustees to act as agent of the Allocations Committee to withhold all remaining portions of monthly allocations to the YWCA depending upon that agency's response to the following United Way expectations:

1. The YWCA is to submit to the United Way a complete and accurate audit of the "YWCA Marathon 85 Account". The YWCA is to assure the United Way there are no other non-centralized independent branch accounts. This accounting was due by October 10th according to the agency's own projections.

2. The YWCA is to submit a full explanation concerning all present and past relationships and transactions between the YWCA Magnolia Branch and Fiestas Patrias. The YWCA is to disclose any planned changes to these relationships.

3. The YWCA should have a complete, independent full-scope audit of the entire YWCA, including each branch, performed by Price Waterhouse and Company and received by the United Way no later than December 30, 1983.

4. As indicated in the May 25, 1983 allocation letter, monthly financial reports are required for each branch and the total agency as well as monthly program statistics. Reports are due October 31, November 30, December 31, January 31, February 29, March 31, April 30, May 31, June 29, July 31 and August 31.

5. The United Way Allocations Committee has deep concern about the large number of resignations of members of the YWCA Board of Directors in 1983. Such disunity and disruption is certain to be symptomatic of serious problems. The United Way recommends Board training and development for the Central Board by April 1984.

6. Steps should be taken to develop and maintain strong central accounting and administrative systems.

7. The United Way continues to be concerned about the quality of programs at all branches. The YWCA is advised that it may become necessary for the United Way P.A.I.R. Division to authorize an evaluation of all branch programs.

8. There are some United Way recommendations, conditions and inquiries that have yet to be addressed properly by the YWCA. These matters will be pursued by the Family Recreation Services Panel with the YWCA.

9. Failure to comply with all or part of the above could result in the YWCA being placed on probation.

After discussion, an amendment was offered to change the word "expectations" (found in the first sentence of the motion) to "requests". Amended motion was seconded and passed. It was noted to all Board members that if they are approached regarding the YWCA, other parties should be referred to Frank Cleaver.

6. RED CROSS REPORT ON ALICIA

Mr. Swisher, as Chairman of the Chairman's Committee, reported to the Board members that the Greater Houston Area Chapter of the American Red Cross returned a check to the United Way of $162,320. This check represented an overage in contributions to the Red Cross for Hurricane Alicia and the Chapter goal of $800,000. The United Way had previously advanced $300,000 to the Red Cross toward that goal with the condition that overage funds would be returned. Mr. Swisher praised the Red Cross efforts throughout this year and noted the statistics on service submitted by the Red Cross.

7. LONG RANGE PLANNING REPORT

The Chairman of the Long Range Planning Committee, Moe Paradis, could not be present for the Board meeting. Instead, two members of that committee attended and presented the report of the committee: Dr. Dick Mullineaux and Stewart Orton. Attached to the original minutes of the meeting is the committee report, entitled "Mission Statement and Supporting Information".

Dr. Mullineaux and Mr. Orton reviewed the mission statement, the supporting information and the preliminary classification of all United Way central services. There was considerable discussion about the mission statement. A motion was made and seconded to accept the report, inserting the word "help" in the statement, changing the statement to read as follows: The Mission of the United Way is to help meet human service needs of Houston and the Texas Gulf Coast through raising, allocating and monitoring the use of voluntary contributions. The motion passed 8 to 7.

After further discussion, a motion was made to return the Mission Statement wording to the original wording proposed by the Long Range Planning Committee. A substitute motion was made to table that motion until the November Board meeting to give both Board members and members of the Long Range Planning Committee an opportunity to consider the entire discussion. Seconded and passed.

8. OTHER BUSINESS

Mr. Roher made note of the appointment by Governor Mark White of Dr. Judith Cravens to the Texas Health and Human Services Coordinating Council created by Senate Bill 711 during the last legislative session. The Council will play a major role in the development of human services in Texas for the future. The Council is Chaired by Governor Mark White and counts among its members House and Senate leadership, state agency heads and members representing the general public. Dr. Cravens was asked to represent United Way and private sector interest. She briefly reported on the Council's first meeting and promised to report from time to time on its activities.

Mr. Cleaver noted the changes in dates for the campaign report luncheons. He also extended an invitation to each Board member to attend the report luncheon on November 3rd at 12 Noon and the report dinner on November 17 at 6:30 p.m. Both meetings are at the Astro Village Hotel.

9. ADJOURNMENT

There being no further business, the meeting adjourned at 1:30 p.m.

The next meeting is scheduled for November 16, 1983.

Submitted by

Carolyn Dineen Randall
Secretary

Minutes - United Way of the Texas Gulf Coast Board of Trustees Meeting

United Way Headquarters
Wednesday, September 21, 1983

Members Present: John W. Anderson, John F. Brown, Dr. Judith Cravens, James W. Crownover, D. V. Flores, Joyce Frieden, Mrs. Alexander Harrison, Don A. Horn, Albert G. James, John D. Kirkland, Mrs. Stewart Orton, Moe Paradis, Servando Ramos, Judge Carolyn D. Randall, Vern Swisher, John B. Utsey, Thomas H. Wilson

Members Absent: W. Page Anderson, Fran B. Early, Harriet J. Ehrlich, Barbara Frederickson, Elizabeth L. Ghrist, Robert C. Hanna, Ben Kuenemann, James H. Pillows, William C. Roher, Judge Thomas Routt, R. J. Snokhous, R. Steve Taylor

Staff Present: Anna Babin, Frank A. Cleaver, Dave Fowler, Al Henry, Ken Hoover, H. Allen Larsen, Judy Malone, Tom Nall, Jeanne Necaise, Linda O'Black

Presiding: John B. Utsey, President

1. MINUTES

The minutes of the last meeting of the Board of Trustees held on July 20, 1983, were approved as mailed. The meeting that was scheduled for August 17, 1983 was cancelled due to bad weather.

2. REPORT OF MANAGEMENT COMMITTEE

Mr. Utsey, Chairman of the Management Committee, requested the approval of the Board of the action taken with respect to Red Cross emergency appeal. The Management Committee unanimously adopted the following resolution:

> RESOLVED, that the United Way allocate up to $800,000 to the Greater Houston Chapter of the American Red Cross toward assisting and servicing Hurricane Alicia victims in our area. This allocation will be decreased by all funds raised by the Chapter toward this effort between Thursday, August 18 and Saturday, October 1, 1983, in a general appeal to the public. Such appeal prohibits direct solicitation of corporations and the use of a mail or door to door campaigns.
>
> RESOLVED FURTHER, that the United Way make an immediate gift to the Red Cross of $300,000, with the understanding that such gift could be increased or decreased by the other contributions that the Red Cross receives.

Upon motion duly made, seconded and carried, the action of the Management Committee was approved.

3. CAMPAIGN REPORT

A. Mr. Wilson invited the members of the Board to the First Report Meeting, Friday, September 23, Noon, Astrovillage Hotel.

The Campaign is in full swing and more than 3,500 volunteers are recruited; a record 106 Loaned Executives are working; films, tours and speakers are in greater demand than ever before.

All groups have kicked off except the Combined Federal Campaign; it will start within the next week after delays.

Mr. Wilson reported highlights of the Campaign results:

- United Gas Pipeline has completed another fine Campaign with a 13% increase and per capita over $110; the company matches employee gifts.

- Kroger's first two zones are complete with a 35% increase on last year's $30,000 campaign.

- Aramco, with payroll deduction for the first time, is already 93% of its goal of $70,000 or triple last year's results.

- The first two HCA hospitals with completed Campaigns are up 47%.

- Telemail covering more than 20,000 contacts is 50% of goal - running 8% over last year.

- Montgomery County reports 34% increase on the first 10% of its base.

- Total raised as of this morning is $4.6 million.

Mr. Wilson commented on his concern about the Campaign schedule and noted that a number of major company Campaigns have been delayed because of the hurricane and for other reasons including the big storm on Monday. He said serious consideration is being given to extending the Campaign for, at least, two weeks.

The matter has been discussed with Campaign leaders; they expressed concerns whether an announcement of extension would slow things even more. We are aware, also, that special arrangements would be needed to keep some Loaned Executives on the job.

Further, we must be in a position to recognize the results of Campaigns in major firms and report the Campaign total as accurately as possible.

Mr. Utsey urged that the Board support the Campaign leadership in any decision to extend the schedule for completion; a motion was duly made, seconded and carried.

Mr. Wilson commended and thanked:

- Dr. Judith Cravens for her help in the medical center.
- Liz Ghrist for her work in H.I.S.D. and media appearances.
- Al James for his leadership of the H.I.S.D. campaign and
- Hanni Orton for heading up a Special Gifts team.

B. Mr. Henry reported that during early July 1983, Mrs. Marquis (Blue) Alexander, President, Board of Trustees, H.I.S.D., announced that she would propose that the Board act to eliminate deducting charitable contributions and dues for unions and professional organizations. Immediate contact was made with Mrs. Alexander, other Board members, and administrative staff, to inform them of the impact of such a proposal. Since the United Way raised approximately $150,000 from H.I.S.D. employees in the 1982 campaign, we geared up the machinery that we thought necessary to counteract Mrs. Alexander's proposal. Contact was made with the Chamber of Commerce for support in this matter. Memos were sent to United Way Board members, Standing Committee members, other selected volunteers and United Way agencies describing the impact of the Alexander proposal, and asked that they write to the H.I.S.D. Board members and administration expressing their opposition. The response was tremendous. I was told by a H.I.S.D. Board member that more letters were received on this issue, than on any other matter, since he had been a member of the H.I.S.D. Board.

At the H.I.S.D. Board meeting on August 11, 1983, Mrs. Alexander informed the Board that she would not bring up the issue (statement).

4. REPORT OF FINANCE COMMITTEE

Mr. Kirkland stated that the Finance Committee was presenting to the Board for approval the Quarterly Financial Statements. He pointed out that collections were slow, but felt that the pledges would be paid. The uncollectible rate is at 8% of total campaign production. After discussion a motion was duly made, seconded and carried that the financial statements be accepted as presented.

5. COMMUNICATIONS REPORT

Mr. Fowler presented the "Issues Statements" to the Board for review purposes. After some discussion, it was suggested that Board members review the statements and then direct comments, if any, to Dave Fowler.

6. P.A.I.R.

A. Supplemental Funding Requests

1. Children's Educations and Development Center - After some discussion concerning funding for next year a motion was made, seconded and passed to allocate from Emerging Needs Fund $56,622 to Children's Educations and Development Center.

2. Volunteers of America - Upon motion duly made seconded and carried it was approved to allocate $10,000 on a one-time only basis from Emerging Needs Fund to purchase needed childrens clothing.

3. Cerebral Palsy Treatment Center - Requested to receive $6,450 from the Emergency Fund to match a grant received to expand services to spanish speaking parents. Upon motion duly made, seconded and carried the request was approved.

4. Houston Metropolitan Ministries - Upon motion duly made, seconded and carried it was approved to allocate $15,000 to Houston Metropolitan Ministries from the Emerging Needs Fund for the purchase of food for the month of September.

5. Salvation Army/Disaster Relief - Upon motion duly made, seconded and carried it was approved to allocate $150,000 to Salvation Army's disaster relief efforts from the Board unappropriated reserve.

6. Salvation Army/Welfare Assistance Program - After some discussion a motion was made, seconded and carried to allocate $12,263 to Salvation Army for the month of September to provide emergency financial assistance. Actual disbursement is to occur after an adequate accounting is received concerning the Welfare Assistance Program and when adequate responses are received concerning the agency's fund-raising plans and the shelter experience this past year.

7. V.G.S., Inc. - After some discussion concerning what portion of these funds are to go for overhead a motion was made, seconded and carried to approve that $100,000 be allocated from the Emerging Needs Fund to V.G.S. for the alternative program. It is a one-time grant for the period from October 1, 1983 - June 30, 1984, and the notification letter will direct the agency to either phase out the program or else find other funding to support it next year.

8. Mr. Utsey suggested that a policy be set for the Board that if a Board member is connected with an agency he/she should not speak out concerning that agency at Board meetings. This subject is to be readdressed at a future Board meeting.

B. Information and Referral Presentation

Linda O'Black, Information and Referral Manager, gave a report on the Information and Referral client statistics for the first six months of 1983. Over 12,000 individuals and families contacted Information and Referral. There was a 30% increase in the number of people served from January - June, 1983 over the same period in 1982. The most frequent requests were for: financial assistance, food, physical health, utilities and temporary shelter.

7. OTHER BUSINESS

A. Mr. Henry stated that recently, the State Public Utilities Commission formed a Study Committee to look at the question of utilities deducting charitable contributions, advertising costs, and related matters from their "above the line" expenses. This committee will likely propose regulations on the subject for submission to the Commission. We anticipate that such regulations will appear in the Texas Register in the near future; after which a 30 day comment period is given.

We believe that such regulations will seriously impact the United Way Campaign, and other legitimate charitable organizations. During the 1982 United Way Campaigns in Texas, over $3 million was contributed by utility companies and their employees.

Once the regulations are published, we will take action to ensure that the integrity of our campaign is protected, after receiving clearance, and authority to act from the appropriate bodies.

B. Mr. Henry stated that during May of 1983, Mayor Kathy Whitmire named a City Council Committee to review the City's Solicitation Ordinance. An Advisory Committee, composed of representatives from charitable organizations was also named to assist the Council Committee. The Council Committee asked the Advisory Committee to review the current (1979) ordinance, and to draft a new ordinance, if one was deemed to be necessary. The Advisory Committee drafted ordinance should be forthcoming shortly. We are confident that the new ordinance will in no way hinder the United Way Campaign, or other legitimate charitable solicitations. We are also confident that the new ordinance will fully embody the concept of "Full Disclosure".

The committee has met with Assistance District Attorney Russell Turbeville concerning the draft of a bill to be presented during the next Legislative Session, dealing specifically with "Charitable fraud".

C. Mr. Cleaver stated that the Public Relations Society of America announced last week the 1982 Campaign film "Just Call Me Joe" was awarded top honors. Panhandle Eastern, the sponsor of the film, will be presented an award at the Public Relations Society of America's meeting in October in New York.

8. ADJOURNMENT

There being no further business, the meeting adjourned at 1:40 p.m.

The next meeting is scheduled for October 19, 1983.

Submitted by

Carolyn Dineen Randall
Secretary

1983 – A CRITICAL YEAR
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Annual Report
United Way of the Texas Gulf Coast

1983 – A CRITICAL YEAR

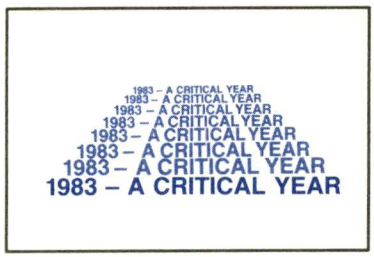
By any measure, 1983 was a critical year for the United Way of the Texas Gulf Coast.

We had to cope with an economy in recession. That left many people needing help who never before turned to United Way. We had to cope with drastic and severe weather conditions – worse than any year in recent memory – including tornadoes, Hurricane Alicia, severe rainstorms and a frigid cold snap. We had to cope with increased demands for human services.

But faced with these challenges, United Way responded. Our steadfast corps of volunteers made tough decisions on how to allocate available resources. Dedicated campaigners set forth under less than favorable circumstances to raise the needed funds in Harris, Fort Bend and Montgomery Counties.

There were hard-won victories during the year, victories that taught us lessons which not only helped deal with critical problems of the day, but which will serve us well in the future.

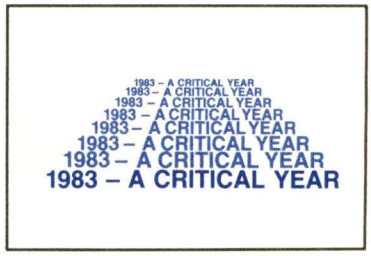
Looking Behind the Headlines



Unemployment reached a record level . . . 11 percent of the workforce unemployed in September . . . 180,000 people without jobs . . . and the layoffs and plant closings continued.

Tornadoes ripped across the area in May. Hurricane Alicia assaulted us in August. Less than five weeks later, a string of severe thunderstorms flooded the same area which was digging out from under the two previous disasters. Just when this "meteorological nightmare" of a year was about to end, Nature sent us a blue Norther that set record low temperatures, burst water pipes during the holiday season, and dampened holiday cheer.

Coping with the Economy



To ease the effects of an unstable economy, United Way agencies helped those affected by the crush of the economy and the squeeze of cutbacks in federal spending.

Vocational Guidance Service (VGS, Inc.) was called on to do more and more counseling and placement for the mushrooming unemployed population. We distributed thousands of copies of United Way's "Help For Hard Times" guide for unemployed workers. Grants of $610,133 were made for programs at 10 United Way agencies from the Emerging Needs Fund to help relieve the problems caused by both the economic conditions and additional cutbacks in government funding.

Of the Emerging Needs Fund grants, $222,774 were made to programs at three United Way agencies to offset cutbacks in federal spending for day care services, drug abuse counseling and health care.

Other grants included:

Houston Metropolitan Ministries ($50,182) to a) improve the distribution of food from local pantries, b) restock pantry shelves when donations tapered off and demand skyrocketed, and c) operate an emergency winter shelter;

Vocational Guidance Service, Inc. ($94,686) to increase counseling and placement services at the central office and the Fort Bend County Social Service Center;

Neighborhood Centers ($48,990) to continue an expanded day care program for children of newly unemployed individuals who had to seek new jobs;

Montgomery County Salvation Army ($50,000) to provide emergency shelter for Conroe area residents;

Volunteers of America ($10,000) to purchase children's underwear to supplement inventory due to high demand and fewer contributions;

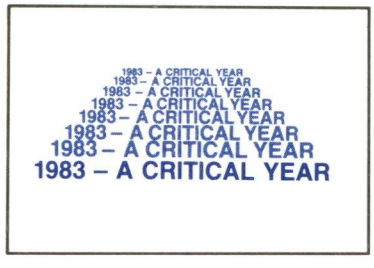
Salvation Army ($85,841) to keep the Emergency Welfare Assistance Program in operation when demand for the services was high, continued needs were projected, and no other resources were available;

Houston Child Guidance ($23,478) to increase counseling services; and

Montgomery County Emergency Assistance Association ($24,000) to provide additional help to people with rent and utility bills.

Coping with the Weather

Special funding also went to the American Red Cross / Greater Houston Area Chapter ($137,680) and the Salvation Army ($150,000) in emergency allocations to help bolster depleted disaster relief funds.



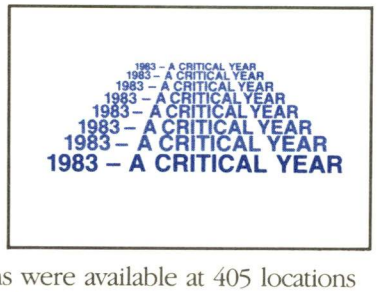
When natural disasters struck, agencies responded quickly. The Red Cross set up emergency shelters after the tornadoes and Hurricane Alicia. Volunteers working in hard hit areas provided food, clothing and vouchers for household items to people hardest hit by the storms.

Hurricane Alicia alone affected more than 3,500 families in the tri-county area.

The Salvation Army provided food baskets and additional shelters. Other agencies also pitched in to provide a special form of community insurance money can't buy . . . People Helping People the United Way.

Providing Services Daily

While it seems we had our hands full coping with the emerging and emergency needs of the community, every day of the year 84 agencies were providing their specialized services. In all, more than 200 programs were available at 405 locations throughout Harris, Fort Bend and Montgomery Counties.



More and more, people turned to the United Way. They turned for help . . . and they asked us to help them find the services they needed by calling our Information and Referral Service. Calls increased 28 percent last year as more than 30,000 people phoned us looking for the answers to their problems.

Callers to the 527-0222 help-line most often sought assistance with utility bills, legal services, food and temporary shelters.

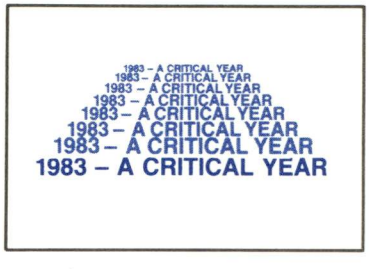
The demand for services increased during 1983, evidenced in the number of people served by all United Way agencies. Out of a tri-county population nearing three million, **United Way agencies helped 1,739,390 people last year, a six percent increase** over 1982.

Requests for help from the Referral Agent Program (RAP) jumped 70 percent at the 90 companies actively participating.

United Way distributed an additional 2,300 copies of our **Directory of Community Resources** to help people continue finding the right agency to help with their problems.

Making Tough Allocations Decisions

When requests were submitted to United Way for 1983-84 operating funds, agencies asked for a 19 percent increase – testimony to the increased workload and the economic impact. The job fell to volunteers on the allocations panels and committee to examine the agencies by sifting through their detailed budgets, making site visits, and hearing the rationale for their requests.

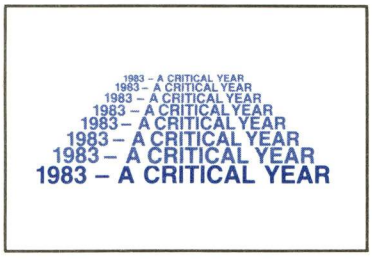


These 200-plus volunteers were charged with making decisions – decisions made tougher due to the economic climate – about how to responsibly allocate the voluntary contributions made to the United Way.

Available funds made it necessary to pare back those original requests to an increase of only 6 percent in agency allocations. Allocations totalling over $30,000,000 were ultimately approved by the Board of Trustees.

Despite the belt-tightening year, two new agencies were added to the United Way family of services and other new programs received funding.

Lutheran Social Services of Texas, an agency specializing in adoption of Hispanic children, and Literacy Advance of Houston, which teaches children and adults to read, were granted provisional status as United Way agencies. New programs aimed at refugees, latch-key children, and the elderly were added at existing agencies to better serve needs of special groups in our community.



NOTES

The United Way's financial records are audited annually by an independent certified public accounting firm. The audited financial statements are available to the public. A summary of some of the notes to those audited statements follows:

- The United Way's fundraising efforts are concentrated in the Houston-Harris County and Fort Bend County areas. However, contractual agreements with United Ways in certain adjacent counties are maintained to provide equitable distribution of funds for situations in which fundraising efforts overlap. The United Way's fundraising efforts also include the Combined Federal Campaign, which is the solicitation of funds from federal employees as authorized by the federal government.
- The United Way has an agreement with the United Way of Montgomery County (Montgomery County) whereby fundraising efforts are coordinated and funds raised are pooled for use in a joint allocations process for agencies located in the Montgomery County area. Montgomery County campaign proceeds are not reflected in these financial statements, nor are agency allocations expenses for which those proceeds are used.
- Annual fundraising is conducted in the fall to raise money for the use of participating agencies in the subsequent calendar year. Therefore, recognition of annual fundraising production (contributions and pledges receivable) and related fundraising expenses is deferred to the following year.
- As of early March, 1984, formal confirmation for some of the verbal commitments received during the Fall, 1983, campaign had not yet been received, and those amounts are not reflected in the deferred annual fundraising support for 1983. Those confirmations, which may subsequently be received, will be recorded as contributions in the 1984 Statement of Support, Revenue and Expenses.
- Allocations to agencies and service activities expenses and all functional expenses are authorized by the volunteer Board of Trustees after consideration of recommendations from volunteers serving on the Allocations and Finance Committees.
- Most recipient agencies' fiscal years run from July 1 through June 30. Agency allocations are determined by United Way volunteers in May of each year based on the agencies' budget request for their next operating cycle. These allocations are funded with the remainder of the previous Fall's fundraising production and by half of the estimated production from the upcoming Fall campaign.

Condensed Financial Statement
Calendar Year 1983

Combined Balance Sheet
December 31

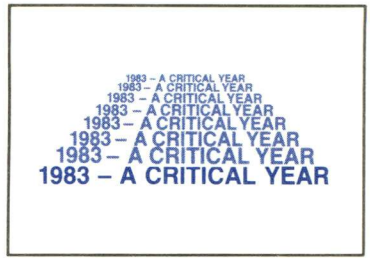
	In Thousands 1983	1982
Assets:		
Cash, short term investments and net marketable securities	$ 12,016	$ 12,165
Pledges receivable, net of estimated uncollectible pledges of $5,235,000 and $5,059,000	23,925	21,636
Other receivables	1,192	1,042
Deferred fundraising expense	1,732	1,662
Property, equipment and other assets	2,509	2,949
	$ 41,374	$ 39,454
Liabilities, Deferred Support and Fund Balances:		
Annual fundraising support, net of estimated uncollectible pledges	$ 32,066	$ 29,911
Allocations due agencies	2,738	3,013
Amounts designated for other United Ways and trade payables	596	471
	$ 35,400	$ 33,395
Current Unrestricted Funds –		
Designated for building fund	647	694
Emergency and stabilization reserve	3,304	3,304
Available for subsequent allocations	657	723
	$ 4,608	$ 4,721
Land building and equipment and donor restricted funds	$ 1,366	$ 1,338
	$ 5,974	$ 6,059
	$ 41,374	$ 39,454

Current Unrestricted Fund Statement Of Support, Revenue and Expenses for Year Ended December 31

	In Thousands 1983	1982
Public Support and Revenues:		
Annual Fall fundraising activity, net of estimated uncollectible pledges of $2,775,000 and $2,643,000	$31,764	$ 29,646
Investment income, net	960	1,608
	$ 32,724	$ 31,254
Allocations and expenses:		
Allocations to agencies and service activities expenses	$ 28,943	$ 26,642
Functional expenses –		
Fundraising	1,662	1,435
Agency Relations	799	751
Management and General	918	853
Payments to national and state organizations	415	385
	$ 32,737	$ 30,066
Excess ⟨Deficit⟩ Support and Revenue over Allocations and Expenses:	$ ⟨13⟩	$ 1,188
Other Changes in Fund Balances:		
Fixed asset acquisitions and interfund building advances	⟨100⟩	⟨111⟩
Fund Balance – beginning of year:	4,721	3,644
Fund Balance – end of year:	$ 4,608	$ 4,721

Agency Operations

Fiscal Year 1983-84



Allocations and other expenditures are authorized by the Volunteer Boards of Trustees of the United Ways of the Texas Gulf Coast and Montgomery County after consideration of the recommendations of volunteers serving on the allocation panels and committees from these United Ways. As of December 31, 1983, the following are allocations for the agencies' 1983-84 operations, which are funded from the United Ways' 1983 and 1984 revenues.

Support of Family and Crisis Intervention

Bay Area Committee on Drugs and Alcohol	$ 70,800
Bridge Over Troubled Waters	60,151
Casa de Amigos Community Center	71,478
Catholic Charities	783,209
Chicano Family Center, La Clinica de Consulta Familiar	203,384
Child Care Council of Greater Houston	157,671
Children's Educational and Development Center	182,720
Crisis Intervention of Houston	214,601
DePelchin Children's Center	2,247,863
Emergency Assistance Association, Conroe	72,950
Family Time, Humble/Kingwood	21,540
Family Service Center	1,542,873
Gulf Coast Legal Foundation	100,000
Houston Area Women's Center	217,600
Houston Metropolitan Ministries	395,701
Jewish Community Center	470,800
Jewish Family Service	283,579
Julia C. Hester House	328,959
Lutheran Social Service of Texas	24,000
Metropolitan Day Care, Conroe	5,500
Montgomery County Crisis Action	15,500
Montgomery County Social Service Center	285,756
Neighborhood Centers	2,108,242
Salvation Army	1,291,077
Salvation Army, Montgomery County	12,000
Sheltering Arms	1,210,020
Spaulding for Children	43,200
Star of Hope Mission	356,282
Travelers Aid Society of Houston	643,816
U.S.O. (National)	50,000
Volunteers of America	210,000
Women's Christian Home	63,000
Wesley Community Center	254,949

Health and Rehabilitation

American Social Health Association	$ 27,000
Baytown Opportunity Center	63,300
Center for the Retarded, Inc.	1,051,739
Cerebral Palsy Developmental Disabilities Treatment Center (Inc. Media Consortium)	660,314
Ft. Bend Office of Early Childhood Development	247,732
Ft. Bend Regional Council on Alcoholism	60,200
Hear-Say	35,037
Houston Child Guidance Center	739,505
Houston Regional Council on Alcoholism	129,715
Houston School for Deaf Children	209,706
Lighthouse of Houston	385,236
Literacy Advance	16,000
Mental Health Association	143,320
Montgomery County Center for the Retarded	45,000
Montgomery County Committee on Aging	13,000
New Directions Club, Inc.	240,000
Recovery Center	60,500
San Jose Clinic	410,000
Sickle Cell Disease Research Foundation	152,540
Speech and Hearing Institute	166,750
Visiting Nurse Association of Houston	720,000
Visiting Nurse Association, Montgomery County	53,000

Social Development of Youth

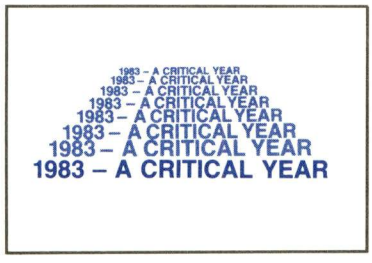
Big Brothers/Big Sisters of Houston	416,580
Boy Scouts, Sam Houston Council	1,389,188
Camp Fire, Inc	139,570
Girl Scouts, San Jacinto Council	733,250
Juvenile Court Volunteer Services	52,859
Montgomery County Youth Services	24,250
Salesmanship Club Camp for Children	116,400
YMCA	1,200,000
YWCA	1,055,176
Youth Opportunities Unlimited	62,300

General and Other Areawide Services

American Red Cross, Houston-Harris County	3,535,010
Ft. Bend Regional Planning & Service Organization	88,305
Harris County Community Services	165,662
Houston Area Urban League	405,000
Senior Citizens Center	98,589
Texas Council on Crime and Delinquency	50,000
VGS, Inc.	975,000
Voluntary Action Center	107,000
Allocation reserve for agency emergencies & emerging needs (1)	270,459
United Way Service Activities Expenses (2) –	
Bay Area Social Service Center	102,848
Ft. Bend Service Center	96,300
Information and Government Relations Services	557,567

(1) Unused balance of reserve as of December 31, 1983.
(2) Represents amounts budgeted for 1984 operations.

Raising Funds in a Tough Climate



No matter what the economic climate, each year the community depends on the United Way to raise the funds needed to support the vital services provided at member human service agencies.

Thomas H. Wilson, chairman and chief executive officer of Capital Bank West Loop, took the helm as general campaign chairman, supported by 106 loaned executives and 5,025 campaign volunteers, the most in local United Way history for both groups.

Aiming to broaden the base of support and improve the quality of employee campaigns, several new phases were added or expanded during the campaign planning stages. The Campaign Effectiveness Council, an arm of the new Campaign Planning Commitee, and the Company Relations Committee held seminars designed to bolster employee campaign programs.

Communications played a crucial role for the United Way, both through year-round programs and special efforts in support of the fourth Potential for People campaign. Marketing research helped in developing our theme and messages. Publications, media relations, audio-visual programs, public service advertising, company communicators and agency executives helped get those messages across to create a positive atmosphere for the campaign.

"Look How You're Helping," a campaign film sponsored for the third consecutive year by Panhandle Eastern Corporation, helped bring our story to thousands of people through more than 14,000 showings. During campaign rallies, speakers from United Way agencies helped explain details about the services they provide.

The gears were oiled and the campaign machinery was moving toward a record goal – based on the needs of our agencies – of $40,796,497, a 15 percent increase above the funds raised in 1982.

Momentum was in our favor. Encouraging results started coming in. Shell Companies Foundation got our kickoff ceremony off on the right foot with a record-setting corporate gift of $1,265,000.

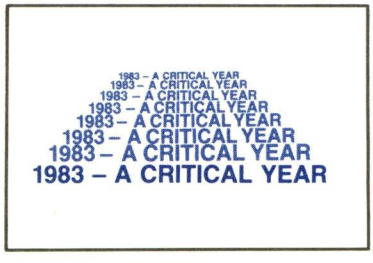
Results in area campaigns were particularly favorable. As services have been increasing in Montgomery County, Fort Bend County and the Bay Area, we are getting more and more support from people living and working in those areas. Over $2.1 million was raised in areas outside Houston, a 30 percent increase over 1982.

The best efforts, bolstered by a two-week campaign extension, resulted in gains that added $3 million in new contributions to our campaign. But, these efforts could not overcome the losses caused by poor economic conditions. The bottom line of the 1983 campaign tells the story.

Total raised *$36,538,733*

Increase: *$1 million above the 1982 total, a 2.9 percent gain*

Looking to the Future



The potential community support of United Way remains tremendous. To achieve a greater share of that potential, we must continue to take our vital message to employees throughout the tri-county area. We must work to earn the commitment of contributors and employers to give excellent support to the Potential for People Campaign in 1984 and beyond. Only through the continuing development of quality employee and corporate campaign programs will we be able to meet the growing needs of the area.

The United Way also is studying community trends which may indicate a need to reconsider how we use voluntary contributions and the methods we use to bring people who need help together with the services required.

An important step toward the future direction was taken when the Board of Trustees adopted the following mission statement for the United Way last November.

> *The Mission of the United Way is meeting human service needs of Houston and the Texas Gulf Coast through raising, allocating and monitoring the use of voluntary contributions.*

Now, our job is to vigorously focus our efforts to achieve and enhance this mission.

Through priority studies underway, analysis of the calls for help received by Information and Referral, and studies of our service area and clients, community trends are revealed. This knowledge will assist in pinpointing a) the critical needs in the community, b) the gaps in services not currently being provided, and c) areas which United Way could provide services to have an impact on meeting unmet needs. Evolutionary changes then can be implemented in the services provided by member agencies.

Looking to the future, we are learning from the present . . . learning from examining what is happening in our communities. By coupling the proven methods of today with innovative management of the resources of tomorrow, United Way can and will adapt to changes in community needs.

Adapting to these changes will steer us from the critical points of today to the promise of tomorrow.

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The Honorable Carolyn Dineen Randall
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Almaron M. Wilder
Associate Executive Director – P.A.I.R.

United Way of the Texas Gulf Coast
1010 Waugh Drive
P.O. Box 13668
Houston, Texas 77219
(713) 529-5913

Donor's List

Explanation of Codes

April 1984

S - Complies with the Bureau's Guides for Giving.

F - Does not comply with the Bureau's Guide for Giving:

0 - Telephone solicitation; no sponsoring organization.

1 - Telephone solicitation by outside agency on a commission basis.

2 - Did not respond to BBB request for complete information.

3 - *Total Funds* — Less than 75% of total funds raised (net funds from special fund-raising events plus funds from all other sources) is used for philanthropic purpose(s) of the organization.

4 - Organization is not eligible to receive deductible donations under the Internal Revenue Code.

5 - Did not supply requested annual, external audited financial statement.

6 - *Special Events* — Less than 50% of the funds raised as a result of holding a special fund-raising event which provides direct benefit to donors is used for philanthropic purpose(s) of the organization.

C - Developing Information:
The BBB is developing or updating information on this organization. A Bureau report is not available at this time.

N - Unable to issue a report:

1 - The BBB is unable to report the percentage of funds for philanthropic purpose(s) of the organization. The organization's financial statements do not include a statement of functional expenses.

2 - The BBB is unable to verify compliance with the Bureau's Guides for Giving. A financial statement for the organization's first year of operation is not yet available.

R - Call BBB for a report:
The BBB has a telephone report on this organization which contains information which should help you make a more informed decision.

★ - Code change or new listing.

A-B

American Cancer Society, Texas Division ..... S
American Council of the Blind of Texas, Houston Chapter (Family Fun Revue) F-1, 6
American Diabetes Ass'n, Texas Affiliate, Inc. ..... S
American Heart Assn., Houston Div. ..... S
American Legion Post #52 (Children's Variety Show) F-1, 6
American Lung Association/San Jacinto Area S
American Productivity Center, Inc. F-3
Amigos de las Americas ..... S
Armand Bayou Nature Center ..... S
Arthritis Foundation, Texas Gulf Coast Chapter ..... S
Arts for Everyone ..... S
Association for Community Television ..... S
Avondale House N-1
Baylor College of Medicine ..... S
Boys Country of Houston/Girls Country at Rose Hill ..... S
Boys Harbor ..... S
Business ArtsFund ..... S

C

Cancer Assistance League, Inc. ..... S
Cancer Fighters of Houston ..... S
Can-Do-It ..... S
Cenikor Foundation, Inc. ..... S
Children's Resource & Information Service ... S
Chinquapin School ..... S
Chocolate Bayou Theater Co. ..... S
Christian Rescue Mission ..... R
Cities in Schools, Houston, Inc. ..... S
Clean Houston, Inc. ..... S
Concert Chorale of Houston ..... S
Consumer Credit Counseling Service of Houston & the Gulf Coast Area ..... S
Contemporary Arts Museum ..... S
Corneal Dystrophy Foundation ..... S
Covenant House/Under 21 Houston (Capital campaign) ..... S
Crime Stoppers of Houston ..... S
Cypress Creek Parks Project - Harris County . S
Cystic Fibrosis Foundation, Texas Gulf Coast Chapter ..... S

D-E

Disabled American Veterans (Country Music Jamboree) F-1, 6
Easter Seal Society Serving Harris, Fort Bend, Montgomery Counties, Inc. ..... S
Eye-Bank Association of America ..... S

F-G

Foundation for the Retarded ..... S
Free Market Education Foundation ..... S
Friends of Bellaire Parks, Inc. ..... S
Gilbert & Sullivan Society of Houston ..... S
Golden Years Council (Country Music Jamboree) F-1
Goodwill Industries ..... S
Greater Houston Community Foundation ... S

H

Harris County Emergency Corps, Inc. ..... S
Harris County Conservation Society ..... S
Hispanic International University ..... S
Houston Arboretum and Nature Center ..... S
Houston Area Parkinsonism Society, Inc. ..... S
Houston Area Women's Center ..... S
Houston Association for Big Brothers & Sisters ..... R
Houston Ballet Foundation ..... S
Houston Center for Independent Living ... F-2
Houston Center for Photography ..... S
Houston Center for the Humanities & Public Policy ..... S
Houston Clean City Commission, Inc. ..... S
Houston Community College System Foundation ..... S
★ Houston Community Involvement (Easter Party) ..... R
★ Houston Council on Human Relations ..... R
Houston Festival Foundation, Inc. ..... S
Houston-Galveston Area Food Bank, Inc. ..... S
Houston Grand Opera Association ..... S
Houston Humane Society F-5
Houston Junior Chamber of Commerce (The New Houston Skyline Project) F-6
Houston Lyric Theater Foundation, Inc. ..... S
Houston Metropolitan Ministries (Capital campaign) ..... S
Houston Museum of Natural Science ..... S
Houston Police Officers Association (Country and Western Variety Show) .. F-1, 6
Houston Police Patrolmen's Union (Country and Western Variety Show) ... F-4
Houston Pops Orchestra ..... S
Houston S.P.C.A. ..... S
Houston Symphony Society ..... S
Human Resources Development Foundation . S

I-L

Independent Lifestyles, Inc. ..... S
The Institute of Cultural Affairs (Houston) ... S
Institute of International Education, Inc. Southern Region ..... S
Interferon Foundation ..... S
Jewish Federation of Greater Houston ..... S
Juvenile Diabetes Foundation, Houston Chapter ..... S
Junior Achievement of SE Texas, Inc. ..... S
Latino Learning Center, Inc. (Capital Campaign) ..... S
League of Women Voters of Houston Education Fund F-2
Leukemia Society of America, Inc., Texas Gulf Coast Chapter ..... S
The Living Bank ..... S

M

March of Dimes Birth Defects Foundation, Metro Houston Chapter ..... S
Marian Christian High School ..... S
M.D. Anderson Hospital & Tumor Institute .. S
Meadowbriar Home for Girls ..... S
Memorial Hospital System ..... S
The Metropolitan Organization/ Houston Interfaith Sponsoring Committee N-1
Muscular Dystrophy Association, Houston-Gulf Coast Chapter ..... S
The Museum of Fine Arts, Houston ..... S

N

National Emancipation Assn., Inc. of Houston F-2
National Federation of the Blind of Texas, Inc. (Saturday Morning Kid Show) F-1
National Foundation for Ileitis & Colitis, Inc., Houston Gulf Coast Chapter ..... S
National Kidney Foundation of Southeast Texas, Inc. ..... S
National Multiple Sclerosis Society, Houston Area Chapter ..... S
Neighborhood Justice, Inc. ..... S
New American Patriots F-3

O-R

Oncology Services of Texas, Inc. ..... S
Palmer Drug Abuse Program, Houston, Inc. . S
The Park People N-1
★ Pin Oak Charity Horse Show Association F-6
Planned Parenthood of Houston and Southeast Texas, Inc. ..... S
Pro-Houston, Inc. N-2
Public Films Inc. ..... S
Rainbow Foundation ..... R
Retina Research Foundation ..... S
Rotary Boys Club of Greater Houston ..... S
Rotary Club Activities of Houston and Harris County, Inc. ..... S

S

St. Elizabeth Hospital of Houston Foundation ..... S
St. Joseph Hospital Foundation ..... S
Science Engineering Fair of Houston ..... S
The Shoulder ..... S
Shrine Circus Dad's & Mom's Club ..... S
Society for the Performing Arts ..... S
Southwest Arts Foundation ..... S
Southwest Jazz Ballet Company ..... S
Spina Bifida Association of Texas, Inc., Houston Chapter ..... S
Stages ..... S
Stehlin Foundation for Cancer Research ..... S
SumArts, Inc. ..... S
The Support Center ..... S
Synanon Foundation, Inc. ..... R

T

Taping for the Blind, Inc. ..... S
Texas Center for Media Awareness ..... S
Texas Chamber Orchestra ..... S
Texas Council on Economic Education ..... S
Texas Independent College Fund (Ft. Worth) ..... S
Texas Neurofibromatosis Foundation ..... S
Texas Opera Theater, Inc. ..... S
Texas Society to Prevent Blindness ..... S
Theatre Southwest ..... S
Theatre Under the Stars ..... S
Twelfth Tradition House, Inc. ..... S

U-Z

United Cerebral Palsy of Texas, Gulf Coast Chapter ..... S
United Jewish Campaign ..... S
United Negro College Fund ..... S
United Way of the Texas Gulf Coast ..... S
University Cancer Foundation ..... S
Volunteer Mercy Corps Inc. ..... S
Young Audiences of Houston ..... S
Zoological Society of Houston ..... S

Tax Exempt Doesn't Always Mean Tax Deductible

Quoted from **Tips On Charitable Giving,** *a publication of the Council of Better Business Bureaus, Inc.*

"We are tax exempt" does not mean an organization has the approval of the Internal Revenue Service. "Tax exempt" means the organization does not have to pay taxes. "Tax deductible" means the donor can deduct contributions to the organization on his or her federal income tax return.

The Internal Revenue Code defines more than twenty different categories of tax exempt organizations, but only a few of these are also tax deductible. Principal among tax deductible groups is the 501(c)(3) category, broadly termed "charitable" organizations.

To obtain 501(c)(3) status, an organization has to file documents with the IRS which prove it to be organized and operated for the charitable purposes specified by the Internal Revenue Code. The IRS looks at these documents only in terms of the code; it does not judge other aspects of the charity's efficiency. When the IRS rules positively on the application, the group receives a "Letter of Determination" formally notifying it of its status. A copy of this letter should be available from the organization as verification of its tax status. (Older charities may have a 101(6) ruling, which corresponds to section 501(c)(3) of the 1954 Code.)

Organizations in the IRS-designated 501(c)(3) category include the following kinds of nonprofit groups: charitable, educational, religious, scientific, literary, prevention of cruelty to children and animals, and national or international amateur sports competitions. Contributions to these organizations are deductible as charitable donations for federal income tax purposes. ■

The Donor's List is prepared by the BBB according to its Guides for Giving and is not to be construed as an endorsement or a condemnation of any organization or solicitation listed. This report is intended for the information of members of the Better Business Bureau of Metropolitan Houston, Inc., only. For further information or to obtain a copy of Guides for Giving, call the BBB.

TheSpokesman

A Publication of the Better Business Bureau of Metropolitan Houston, Inc. April 1984

1445 North Loop West, Suite 750
P.O. Box 7499, Houston, Texas 77248
Phone: 868-9300; 1-800-392-6911

ADDRESS CORRECTION REQUESTED

Second-Class Postage Paid at Houston, Texas

MS. ELIZABETH BECKER
UNITED WAY OF THE TEXAS
GULF COAST
P.O. BOX 12698
HOUSTON, TEXAS 77219

MemberNews

An Advertising Review Group has been organized at the BBB to intensify the Bureau's work of examining truth and accuracy in local ads. Dick McClain, the Bureau's President, continues to coordinate the Ad Review Group's activities.

Assignments have been decentralized, with Lucille Shaw (formerly in Membership Relations) assuming the responsibility for review of all retail store ads.

Dan Parsons, who wears many hats at the BBB, will be responsible for new car ads, several categories in classified sections of local newspapers, and for advertising appearing in the TV section of the daily newspapers.

Another important member of the Advertising Group is Lee Mussett. Lee assists other members of the Group with valuable clerical attention to details and follow-up procedures. All members of the Advertising Review Group will be reviewing print ads and monitoring radio/TV ads.

This reorganization of staff responsibilities, according to McClain, should improve advertising review activities at the BBB with no increase in staff ■

Viewpoint

April 1984 by Dick McClain

"Congratulations, You Have Won A Pleasure Boat"

What makes Bureau work so interesting is that it affords an opportunity to see how people function in given situations.

Case at point: One of our staff, while out in the field recently, encountered two young men waiting outside of RB Corporation's offices in the 11,000 block of Richmond Avenue. RB Corporation which develops sales leads for timeshare companies was scheduled to open in about 15 minutes. The young men were in a pickup truck with a boat trailer attached.

In "waiting room" conversation with the BBB employee the two men said that their father had won a pleasure boat at a drawing last week and they were waiting to pick it up.

When asked if they had ever seen one of the timeshare prize boats, they replied no, but they "figured it was probably under 16' long or they would go broke giving them out." Not wanting to deflate their enthusiasm, the BBB staffer departed around the corner.

About thirty minutes later, the BBB staffer saw the two young men again as they were leaving RB's office. The boat trailer was empty; but the men were smiling. Here is how the conversation went:

BBB: "Where's your boat?"

Men: "On the seat . . . right next to me. Here's the engine (holding up a small troller), looks like I'll save a lot on gas!"

BBB: "Why?"

Men: "Battery powered! (More chuckles); wait til my dad sees this beauty!"

A Timeshare Observation

After reviewing several hundred verbal and written complaints about timeshare mailings, I have found consumers who respond to timeshare mailings fall into one of three groups:

1. *The uninformed* — Somehow consumers who fall in this group have never seen a mailing or if so, they have not attended a timeshare sales presentation.
2. *The informed* — This group of consumers knows the score, including the fact that they have little chance to win a major prize, and the prize that is won would be valued at about $35, and the plusses and minuses of timesharing.
3. *The experienced* — This group has learned by attending timeshare sales presentations. To them attendance to a timeshare presentation is entertainment plus an opportunity to "win" a new car or TV. In other words it is a pleasant way to spend an evening.

Groups 2 and 3 are not very good timeshare prospects. Those consumers in Group 1 are good prospects and justify the profitability of timeshare mailings. Which group are you in? ■

TheSpokesman

A Publication of the Better Business Bureau of Metropolitan Houston, Inc. April 1984

More Inquiries Stimulated By Calls From Police Association Solicitors

Once again the Houston Police Officers Association is generating calls of inquiry to the Better Business Bureau, as consumers and business people attempt to discern the exact nature of this solicitation. This year the Association's Annual Country and Western Show is scheduled for June 24, at 8:00 p.m. in the Astroarena, and features C&W recording artists David Frizzell and Shelley West. One $15 ticket admits two people to the show.

Telephone solicitors, working on commission, call lists of numbers to ask if the answering party will take one of the regular tickets to the show. The ticket will be sent in the mail if the answering party agrees to accept it and pay $15 upon receipt.

Callers Sell $15 Tickets

Apparently there was some room for confusion as to just exactly what people were being asked to do, and why. Obviously, the very name of the Association is enough to indicate that there is some connection between it and the Police Department. (According to HPOA literature, it is the largest employee organization in Houston, membered by Houston Police Officers, and does not pay tribute or loyalty to any national union.) And at least one man who called the BBB for a report, felt that he had "been led to believe" that he was actually speaking to a police officer. This individual also felt that the solicitor was "evasive" when asked if he was with the Houston Police Department.

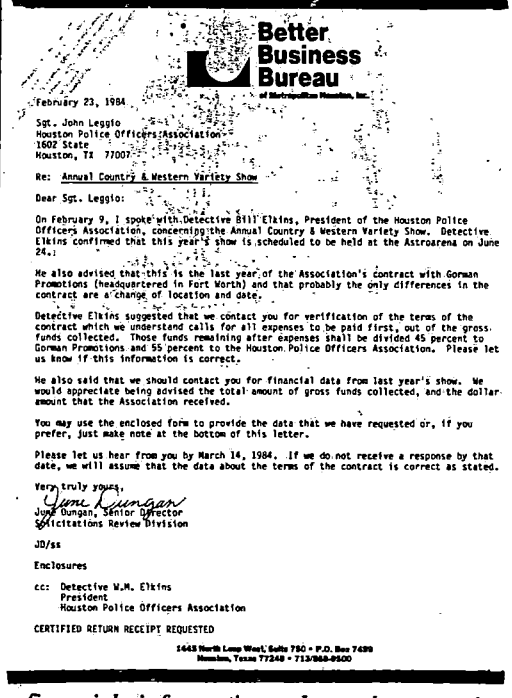
Other people seemed to understand that the solicitor was not actually "with" the Police Department but did wonder about the purposes of the show and the Association, which have been described as generating proceeds to be used for the welfare of the officers and their programs. Some of the inquirers who were surveyed by the Bureau stated that they were told at the beginning of the solicitation call that they had given a particular amount last year. The solicitor would then suggest that perhaps they would like to do the same this year.

The owner of a BBB member company was one of those who was asked for a "donation same as last year." He commented that "last year I just did it automatically, didn't even stop to think about it, but after receiving your BBB report when we joined [the Bureau] last year, I started looking through it and said 'next time one of these [solicitations] comes up, I'm just going to run it by the BBB.' After hearing your report [on HPOA] I had my administrative assistant send the tickets back."

The report this member referred to reads as follows: *"The Houston Police Officers Association is sponsoring a Country & Western show which is scheduled to be held June 24 at the Astroarena. Tickets are being sold over the telephone and through the mail to both business firms and consumers by an outside telephone sales company.*

The Better Business Bureau requested financial information about last year's show. This information was not supplied by the Houston Police Officers Association.

This solicitation does not meet the Bureau's Guides for Giving for two reasons: (1) Telephone solicitors are being used, and (2) the Association receives less than 50% of the gross funds raised as a result of holding the event."



Better Business Bureau of Metropolitan Houston, Inc.

February 23, 1984

Sgt. John Leggio
Houston Police Officers Association
1602 State
Houston, TX 77007

Re: Annual Country & Western Variety Show

Dear Sgt. Leggio:

On February 9, I spoke with Detective Bill Elkins, President of the Houston Police Officers Association, concerning the Annual Country & Western Variety Show. Detective Elkins confirmed that this year's show is scheduled to be held at the Astroarena on June 24.

He also advised that this is the last year of the Association's contract with Gorman Promotions (headquartered in Fort Worth) and that probably the only differences in the contract are a change of location and date.

Detective Elkins suggested that we contact you for verification of the terms of the contract which we understand calls for all expenses to be paid first, out of the gross funds collected. Those funds remaining after expenses shall be divided 45 percent to Gorman Promotions and 55 percent to the Houston Police Officers Association. Please let us know if this information is correct.

He also said that we should contact you for financial data from last year's show. We would appreciate being advised the total amount of gross funds collected, and the dollar amount that the Association received.

You may use the enclosed form to provide the data that we have requested or, if you prefer, just make note at the bottom of this letter.

Please let us hear from you by March 14, 1984. If we do not receive a response by that date, we will assume that the data about the terms of the contract is correct as stated.

Very truly yours,

June Dungan, Senior Director
Solicitations Review Division

JD/ss

Enclosures

cc: Detective W.M. Elkins
President
Houston Police Officers Association

CERTIFIED RETURN RECEIPT REQUESTED

1445 North Loop West, Suite 750 • P.O. Box 7489
Houston, Texas 77248 • 713/868-9500

The report also requested advance information about this year's show, regarding the terms of the contract between HPOA and the soliciting company, in a letter reproduced below at left. As of March 20, no reply had been received by the Bureau.

(See related articles elsewhere in this issue.) ■

BBB Investigator Moonlights As HPOA Solicitor

BBB Investigator a.k.a. William Daniel Ford, disguised as a university business student arrived at the HPOA (Houston Police Officers Association) boiler room at 5:22 p.m. The location was 4040 Southwest Freeway, and his "part time" employer was housed in Suite 210. Ford's original contact was not present in the boiler room where 25 men were already moving about in preparation for the evening shift of solicitations.

After introductions and paperwork, Ford was briefed on procedures with emphasis on the fact that he should NOT in any way represent himself as a police officer, or as a member of the Police Officers Association. By 5:35 he was assigned to a phone and began making calls to consumer residences, using the canned spiel which was provided him as follows:

"Hello, Mr. Jones, this is Dan Ford, calling for the Houston Police Officers Association. We are getting ready to put on the Annual Country and Western Show for the Police Association. The tickets are mailed out with a letter of thanks and a return envelope to send back to the Police Association. We thought you would be kind enough to help us out by taking one of the regular tickets to the show. The ticket is $15 and it admits two people. We will mail

Continued on page 4

SpokesmanSpecial

Law-Enforcement Solicitations And Member Groups Flourish Due To Universal Need For Protection

You may have wondered why the Buyer's and Donor's lists contain so many names related to law enforcement, and why these many companies exist. Perhaps it is because no matter what your socio-economic, educational, employment, marital, or physical/mental health status may be, you can still relate to the need for policemen, sheriffs, state troopers, etc.

Everyone Relates To Law and Order

Just how many are there? This month we have twelve such entries on the Buyer's List, and two on the Donor's List. While all of those on the Buyer's List are coded as advertising promotions, they are actually in two different categories because one category includes those which are published for, and with the approval of, a certain organization of law enforcement officers. It is important to note that an "organization" refers to a voluntary membership group, and not to the department or agency by which the officers are employed. The other category of advertising promotions is for those which have no affiliation with, nor authorization from, such an organization, but which often claim to be directed toward law enforcement personnel and related business.

The first category includes the following "promotions," as listed in this month's Buyer's List.

- DPSOA (Department of Public Safety Officers Association) Monthly
- HPPU (Houston Police Patrolmen's Union) Sentinel
- Southwestern Law
- Texas Narcotic Officers Association Journal

If you should call the Bureau for our standard telephone report on one of the above, this is what you would hear:

"Business firms are being contacted over the telephone to buy advertising in (name of promotion) WHICH IS PUBLISHED FOR AN ORGANIZATION OF LAW ENFORCEMENT OFFICERS. The publication is not affiliated with any police department or law enforcement agenty. The Bureau suggests that this solicitation be evaluated as a purchase of advertising and not a donation. Circulation is not audited by an independent rating source. If you plan to advertise in this publication, the Bureau suggests that, as a good business practice, you pay no money until you have been shown a copy of the publication with your ad and written proof of how and to whom the publication was distributed."

The second category of advertising promotions includes the following:

- Law Enforcement Journal
- State Law Officers Journal
- State Peace Officers Journal
- Texas Law Enforcement Journal
- Texas Police Officers Journal
- Texas Professional Law Enforcement Officers Journal
- Texas State Police Officers Journal

The above named promotions are given the following telephone report: *"[Name of promotion] is one of many advertising promotions identified in the Bureau's files. Business firms are being contacted over the telephone to buy advertising. THE PUBLICATION IS NOT AFFILIATED WITH ANY POLICE DEPARTMENT OR LAW ENFORCEMENT ORGANIZATION. It is a for-profit publication of a telephone sales company. The BBB suggests that this solicitation be evaluated as a purchase of advertising and not a donation. Circulation is not audited by an independent rating source. If you plan to advertise in this publication, the Bureau suggests that, as a good business practice, you pay no money until you have been shown a copy of the publication with your ad and written proof of how and to whom the publication was distributed."*

Country And Western Shows

As for the two entries currently on the Donor's List, it should once again be noted that neither is affiliated with a police department entity. However, both serve a membership body made up of Houston Police officers. HPPU (Houston Police Patrolmen's Union) is much like any other trade or labor union. HPOA (Houston Police Officers Association) is similar in membership, but emphasizes that it does not pay tribute or loyalty to any national union, and has a firm stand against labor strikes by police officers.

Each organization is currently sponsoring its own country and western show, as a means of raising funds to support its programs. If you were to call the BBB for a report on the current HPPU solicitation, this is what you would be told: *"The Houston Police Patrolmen's Union is sponsoring a country and western variety show which is scheduled to be held July 8 at the Sam Houston Coliseum. A member of the Patrolmen's Union is handling the solicitation and making all arrangements for the event. He receives a percentage of the net income for the show.*

"This solicitation does not meet the Bureau's Guides for Giving. While the Houston Police Patrolmen's Union is a non-profit organization, and is exempt from paying federal income tax, contributions are not deductible as charitable donations for [the donor's] federal income tax purposes."

The HPOA solicitation, which is covered in depth by two other articles in this issue, also does not meet BBB Guides for Giving. Our efforts to verify HPOA's eligibility to receive tax deductible donations (as determined by the Internal Revenue Service) have been unsuccessful, and the Bureau has not received requested information from the organization. ■

BBB Statistics

February 1984

12,563 - Requests for Company Reports

525 - Requests for Reports on Non-Profit Organizations, Charity Promoters and Advertising Promotions

51 - Advertising Review Cases
- 4 - Investigative Shoppings
- 47 - Contacts with Advertisers

47 - Field Investigations

1,340 - Complaints Accepted for Processing
- 468 - Autoline
- 24 - Customer Care
- 8 - Industry Program cases
- 655 - Processed Complaints
- 185 - Referred to other agencies

28 - Arbitration Program
- 9 Arbitration Hearings
- 19 Pending Cases

Hawaiian Pacific Airline Fails To Fly As Advertised

Just four months ago Hawaiian Pacific Airlines was running ads nationwide to offer low-priced air fares to Hawaii. Unfortunately, the offers were somewhat premature, as the airline had not yet received operative authorization from the Civil Aeronautics Board (CAB). The BBB of Minnesota brought this fact to the attention of all other Bureaus, during December 1983.

Eventually, the Airline added a disclaimer to its advertising, to inform consumers that it had not yet received government authority to provide air transportation, and was placing passenger's advance payments into an escrow account until the time that the airline could legally take flight. The company was known to have advertised locally in the Houston *Chronicle*, and on KPRC Radio. The ads did not stimulate Consumer inquiry at the BBB, but a complaint was received in late February, from a San Antonio woman who had been given tickets as a gift from her son in Houston. This woman and other intended passengers have been unable to contact anyone at the airline.

Information obtained from Bank of America-Century City indicates that many consumers are calling for refunds from the escrow account. With their phones disconnected and mail being returned from the last known mailing address, it looks as though this airline may be "gone with the wind." ■

Global Worldwide Operator Indicted

Laurence Stoffer, who operated Global Worldwide Resources under the alias of Josef Johnson, was indicted by a Harris County Grand Jury on Wednesday, March 7, 1984. The charge was for two counts of third degree felony theft, in allegation that Stoffer took $8,000 in fees from people seeking overseas employment, but he never provided any jobs.

The 28-year-old Stoffer is currently a fugitive, having escaped a Houston officer who attempted to serve him a forgery warrant last November. His Global Worldwide company had been known to the Bureau since July 1983, as it operated from an office in the 4600 block of Southwest Freeway. A Bureau shopping at the time learned that Stoffer was charging fees of $185 to $250.

The Bureau has been receiving complaints on the company since its closing late last year. ■

Home Work Schemes Result In Federal Convictions

Home-work scheme operators A.L. Chavis and Lambert Daniel Slisz received their judicial "reward" on Friday, February 17, in United States District Court in San Antonio, where they were convicted on charges of operating work schemes that netted some $7.5 million during the past five years.

Chavis was convicted on 19 counts, and Slisz on seven counts, of mail fraud, in a jury trial that lasted six weeks. Sentencing has been set for March 19, in the San Antonio Federal District Court of Judge D.W. Suttle. Chavis could receive a prison sentence of up to 95 years and/or a maximum fine of $19,000. Slisz could receive up to 35 years in prison and/or a fine of $7,000.

The promoters operated under the names of Homeworker Job Opportunities, American Fidelity Company, Keystone Worker Program, and in the Houston area as Al Chavis Advisors Service, and Financial Advisors Service.

The BBB continually warns consumers of the financial dangers which are so often encountered in offers of "work-at-home," which are advertised in various types of publications. Unfortunately, many consumers fail to check with the Bureau before responding to such ads, thus allowing fraudulent operators to collect enormous funds such as those mentioned above ■

Modeling Ads Disguise Vice Offering

Local regulatory agencies and vice officers are beginning to direct more attention to classified ads in local newspapers, which offer "unique" modeling opportunities for young women. Such ads spurred three separate instances in March, in which the Bureau was contacted by young women who claim they responded to the ads and were solicited for prostitution, and "companion" services to older men.

Similar ads, which give similar results, call for young women to assist in public relations positions, for high earnings and with virtually no requirements for education or experience. *Spokesman* readers who are acquainted with anyone who aspires to a career in modeling should do them a favor by warning them that "modeling" ads are common bait used by pornographers and other vice salesmen. ■

Reader's Forum

Consumer And FTC Representative Comment On GM Consent Order

The first of the following two letters was addressed to James Miller, Chairman of the Federal Trade Commission (FTC), and was written by a consumer who had made a claim, and been reimbursed, under the provisions of the FTC Consent Order with General Motors. The second letter was written by the Director of the Dallas Regional Office of the FTC, in response to the first letter.

Dear Mr. Miller:
On October 26, 1982, the transmission on my 1979 Buick LaSabre that I purchased new in March 1979, had to be completely rebuilt. The mileage on the car was 30,734. Since the warranty had expired, these repairs were at my expense. This was a very frustrating experience since I purchased one of General Motors' "top of the line" automobiles in an effort to avoid this type of trouble.

Major problems with domestic automobiles is the primary reason we have so many foreign cars in our country. The people are so desperate for quality vehicles that they swallow their pride and pump millions of dollars into Japan and Germany each year simply because we want vehicles of reasonable quality.

Apparently our Federal Trade Commission is aware of the problem and is attempting to help the domestic car buyer as much as they can because after extended negotiations with GM, the FTC ordered GM to set up a consumer arbitration program to help people with problems as I described above.

I am happy to report the FTC did their job well. With your efforts, coupled with a concerned and cooperative Houston Better Business Bureau, I was reimbursed by GM for a portion of the amount paid for repairs.

The Houston Better Business Bureau not only accepted my complaint but followed up with a phone call from their Debbie Walker requesting a status report. She was very courteous and offered any assistance they could provide. Their concern is greatly appreciated.

Also, Mr. L.D. Shields, Zone Service Manager for Buick Division of General Motors, should be commended by GM for the courteous manner in which he handled my complaint.

Again, thank you, Mr. Miller, for the good job you and the FTC did.

Sincerely, **(GM Claimant)**

Dear (Claimant)
Thank you for your kind correspondence.

It's good to hear about some of the positive benefits resulting from the transmission settlement. As you know, some people were unhappy with the proposed settlement because it did not provide for automatic rebates to the consumer. A point which those persons ignore is that General Motors was not in agreement with that proposal, and that the FTC could not require such redress without litigation which would have lasted another 8 to 10 years. When you weigh the possibility of obtaining some money ten years from now against the immediate arbitration program, I think you can see the benefits of the settlement agreement. I'm glad you were able to obtain redress to your satisfaction.

As for the Houston BBB, I'm happy you found their services courteous and helpful, although I must confess I'm not surprised. The Houston BBB has an excellent record of working with consumers, businesses and law enforcement agencies.

Again, thank you for your kind comments.

Jim Moseley
Regional Director, Dallas Regional Office

Page 1 Continued

it to you first, then you can send the money to the association after you receive the ticket. Will you do that for us if we mail it to you first?"

Ford made call after call with this speech, recording approximately $450 in "sales" before the end of the shift at 9:30. (It should be noted that these "sales" are dependent on the consumer's voluntary return of the $15 per ticket.) In spite of his busy selling activity, Ford was able to make the following observations:

1. Everyone he called was polite, with no hang-ups or rude remarks.
2. Most of those who were not interested, felt that way due to lack of money, lack of time, or no appreciation of country music.
3. Many of those called seemed to be previously acquainted with the HPOA and the Show.
4. Several people indicated that they were receiving tickets from their employers.
5. There were about 60 solicitors working that night, and one was overheard as saying "I should break the $1,000 mark tonight!" Assuming that the average sale for the evening was half-way between Ford's and the $1,000 mark, the boiler room could have made "sales" of $43,500 in just that one evening.
6. Some of the obviously experienced solicitors, who were not working from the standard sales pitch, were opening their calls with a statement such as "I'm George, with the Houston Police Officers Association."

Ford's report was consistent with information gathered from BBB callers who recounted their experiences as "answering parties." Apparently, some solicitors were allowed to "break the rules" regarding what they may say to consumers, and that is why we have varying responses to the question of "what did the solicitor say?" ■

BBB Insurance Trust
$1000 Covered Charges On Pre-Ex Conditions

This month, we will look at one of the most important provisions that you should *always* read and understand when purchasing group health insurance for yourself and your employees: the *Pre-Existing Conditions* (Pre-X for short) clause. It is probably the one provision in most health insurance policies that is most misunderstood. This provision defines pre-existing coinditions, and tells you how they are handled.

I will quote the BBB Pre-X clause (Brochure 680-889 p.7) with my comments in italics. The BBB Insurance Trust defines a pre-existing condition as . . . "an injury sustained or sickness contracted prior to the effective date of coverage and because of which a person has received medical care, diagnosis or treatment or taken any prescribed drugs or medicines within the 3 consecutive months immediately preceding such date." *[This 3 month period is very liberal.]*

"No benefits (other than the first $1,000 for covered charges under the major medical plan) are payable for pre-existing conditions until the earlier of the following:" *[The $1,000 of covered pre-x charges is very liberal].*

a. "the termination of a continuous three (3) month period beginning and ending while this insurance is in effect during which no medical care, diagnosis or treatment was received or prescribed drugs or medicines taken for such pre-existing condition; or"

b. "until the insurance has been in effect for twelve (12) consecutive months;" *[This 12 month period is fairly standard, but some contracts are now going for 24 months.]*

"when the insured will be eligible for the full benefits of the Major Medical policy."

Comments: Major Medical Benefits *are not* payable for conditions that are pre-existing except for the $1,000 Pre-X benefit described herein.

The wording of this pre-existing condition clause is fairly standard, however the three numbers 3-3-12 makes it one of the most liberal on the market today. Most insurance agents would call this a 3-3-12 Pre-X clause and would describe it as follows . . . If any employee or dependent has been treated for any condition within 3 months of the insurance effective date, it is a pre-existing condition. However, if you go for 3 consecutive months while the insurance is in force without ANY treatment for the pre-existing condition, as defined, then that condition is no longer a pre-existing condition. After you are under the plan for 12 consecutive months, it is no longer a pre-existing condition except as specifically excluded by a rider.

This article alone must not be used in deciding to buy or not to buy the BBB Insurance Trust. For complete disclosure information concerning the BBB Insurance Trust and how it might fit your company needs, you or your current agent should call the BBB HotLine, 868-9300. ■

Swimming Pool Guides Help Consumers Wade Through Pool Builder Advertising Claims

According to the City of Houston, more than 1,000 swimming pool construction permits were issued in 1983. It is safe to assume that hundreds of additional pools were also built in the unincorporated areas of Harris County, where permits are not used. Now, as we begin the 1984 pool season, pool companies anticipate a banner year due to improvements in the Houston economy and availability of attractive finance packages.

For the benefit of any readers who may be planning a pool, the BBB provides this information on how to evaluate swimming pool advertising. This report is based on the Bureau's Swimming Pool Guidelines, which were adopted in 1980.

Three Things To Look For In A Pool Ad

1. *Low, low prices* — If a price is advertised, the price should be for a completed pool, including a re-circulation system. Diving boards and oversized decking are often priced extra.

Be careful when you see extremely low prices. They may be "bait" to get you to respond. Once in the home, the salesman is able to sell a higher priced pool. Low-Low-price advertisers are frequently new companies with no proven record of performance. These companies are often not around to finish the pools or service the warranties next year.

There are always pool companies that claim they will build a pool for much less than the price offered by most other companies. With building costs about the same, they usually deliver less. In the final analysis, consumers will "get what they pay for" when buying a swimming pool.

2. *Age of company is an indication of stability* — The pool business in Houston is very competitive. Each year dozens of new companies open but few survive to the end of the first year. Be sure you select a company with a proven record of performance. Ask for customer references and proof of financial stability.

Always ask the contractor for substantiation of the company's age and/or experience.

3. *Size and type of construction* — Look for the pool dimensions expressed in linear feet, such as 20 feet wide, 30 feet long. The ad should also state the type of construction; for example, gunite, vinyl liner, fiberglass, etc.

Finally, any condition or restrictions which could affect the contractor's ability to build a pool at the advertised price should be disclosed.

Pool Ad Guidelines Available For The Asking

Last month, the Bureau reprinted its Swimming Pool Advertising Guidelines and made another distribution to all pool companies listed in Southwestern Bell's Yellow Pages and/or advertising in the daily newspapers.

The Guidelines contain helpful information for consumers. If any member desires a copy, call Debbie or Lynda on the Member HotLine. Dial 868-9300 from 9 AM to 4:30 PM Monday through Friday. ■

Pool ads make beautiful promises. But don't trust your future to an ad, unless the pool builder is willing to write those promises into the contract.

Credit Guidelines Revised

We recently sent copies of two BBB Advertising Guidelines — general credit advertising and real estate advertising — to Sam Carusi, of the Federal Trade Commission office in Dallas, for review.

Mr. Carusi updated the Guidelines to incorporate several minimum changes in the sections dealing with advertising of credit. The Bureau's Guideline pamphlets have been reprinted to incorporate these changes. If you advertise credit, call Debbie or Lynda at 868-9300, to request copies for your office. ■

Committee Being Formed

An ad hoc committee is being formed to review jewelry advertising, and determine if the Bureau could establish a program for promoting greater truth and accuracy of savings claims in local jewelry advertising.

Details on make-up, activities, and conclusions of this committee will be reported in next month's *Spokesman.* ■

The Spokesman — USPS 318450, Volume 5, Number 5, April 1984. $6 per year, published monthly by the Better Business Bureau of Metropolitan Houston, Inc., 1445 North Loop West, Suite 750, Houston, Texas 77248. Second-class postage paid at Houston, Texas. POSTMASTER: Send address changes to *The Spokesman,* Better Business Bureau of Metropolitan Houston, Inc., 1445 North Loop West, Suite 750, P.O. Box 7499, Houston, Texas 77248. Editor - Julie Adams.

Buyer's List

Explanation of Codes

April 1984

2 - No Response to Complaints Report: Information in the Bureau's file indicates this company has not responded to written customer complaints called to its attention by the Bureau.

3 - Advertising Challenged Report: Information in the Bureau's file indicates the Bureau has challenged this company's advertising. The company has not revised its advertising to meet the Bureau's Advertising Guidelines.

6 - Call BBB for Report: The Bureau has prepared a report on this company which contains information that should help you make a more informed decision.

11 - Advertising Promotion: Look out for telephone calls or visits from these organizations/publications. BBB report available.

12 - Directory Promotions: Look out for "invoice-like" mailings or visits by solicitors. BBB report available.

13 - Copy/Office Supply, Lightbulbs & Chemical Promotions: Look out for telephone calls offering "distressed merchandise" or claiming to sell at "bargain prices." Alert personnel to look out for invoices and shipments often unauthorized or unordered. BBB report available.

★ **Code change or new listing.**

A

AAAA Recreational and Passenger Vehicle .. 6
A-ABC Appliance of Texas, Inc. 6
A-ABCO Co. 2
ABC Cleaners 2
★ **A-Aeron Moving & Storage** 2
A-Allen Moving & Storage 2
A-1 Cleaners 2
A-1 Iceburg Refrigeration 6
A-1 Passenger Vehicle Rentals 6
A-1 RV Rental and Sales Co. 6
Abel Electric 2
★ **Acden Plumbing Co.** 2
Acu-Ring Weight Loss 2
Aeromexico Airlines 2
Alexander Company, The 2
All-Network Telex Directory Listing Center (Pacific Palisades, CA) 12
All RV Rental & Sales Co. 6
All Star Audio 3
★ **All-Tex Enterprises** 2
American Athletics 2
American Cleaners 2
Apartment Movers of Houston 2
Apple Transmission 2
Appliance Plus 2
Architects Choice Fence & Construction 2
Arctic Refrigeration 6
Argona Custom Upholstery Shop 2
Armadillo West Plumbing 6
★ **Armor Roofing** 2
Astro Electronics Service 2
Automatic Door System 2

B

B.J.'s Air & Heat & Appliance 2
Baon Corporation 6
Bates National Reservation Center 6
Bayer Manufacturing 2
Belle Court Homes, Inc. 2
Better Home Products of Texas Corporation . 6
Big Shot Pest Control 2
Bill's Construction 2
Bob's Asphalt Paving 2
Bonjour Shoes 2
Brass Factory, The 3
Burton & Company (Humble) 2
★ **Business & Trades Publications (Amsterdam, Holland)** 12

C

C & E Auto Repairs 2
C & J Fence 2
CMC Stereo 3
Cantu T.V. Service 2
Carmen's Jewelry 2
Central Software Division (Van Nuys, CA) 13
Century Home Improvements 6
Century Homes 2
Century 21 Supply & Data (Torrance, CA) 6
Chapman Upholstery Co. 2
Checkwriter Insurance (Dallas, TX) 6
Cheon Star Registration System, Inc. 6
Christian Brothers Photographers 2
★ **Clark Speed & Custom** 2
Class Factory 6
Classified Directory Publishing, Inc. (Niagara Falls, NY) 12
Coastal Foundation 2
Collection of Flowers 2
★ **Colonial Automotive Clinic** 2
Commercial Carpet Service (9036 S. Wilcrest) . 2
Contractor's Supply 2
Corral Cleaners 2
Courtesy Rental & Leasing 2
Creative Product Marketing Group 6
Credit Aid 6
Credit Plus 2
Crown Plumbing Company 2

D - F

★ **DPSOA Monthly (Dallas, TX)** 11
Dean's Nursery Service 2
Debt Collector's Inc. 6
Decorative Carpets 2
Disabled American Veterans News 11
Dutch Mill Cleaners 2
ESP Construction & Roofing Co. 2
Earl Scheib Auto Painting, Inc. 2
★ **Econo Lock Service** 2
Excel Tree Service & Farm 2
Expo Painting & Roofing 2
F.J. Financial 6
Fashion Cleaners 2
Ferguson, B.E. Construction Co. 2
First (1st) Quality Meats 6
Fitness Connection 2
Foree Lawnmower Sales 2
Foreign Employment Consultants 6
Fort Bend Carpet Co., Inc. 2
Frost Transmission 2

G - H

G & C Cleaners 2
Genex Homes 2
Genie Carpet Service 2
Glassland 2
Global Worldwide Resources 6
Goodman Control Systems 2
Great Southern Credit 2
H & H Transmission 2
★ **HPPU Sentinel, The** 11
★ **Home Satellite & Electronic** 2
Houston Area Legal Professionals Directory & Guide 11
Houston Black Business Directory 11
Houston Floor Care 2
★ **Houston Patio & Garden Center** 2
Houston Refrigeration 2
Houston Speed & Sports, Inc. 2
Humble Car Care Center 2

I - L

I-45 T.V. Service 2
Iceburg Refrigeration 6
Industrial Roof Coating 2
Industrial Supply Systems (Van Nuys, CA) .. 13
International Courier 2
Intersearch International 6
★ **JAD Construction** 2
Jackson Garage 2
Kelley, J.C. Health Studios 6
Kempwood TV, Stereo, Video Repair 2
Kirby Cleaners 2
L & M Enterprises 2
La Porte Carpet Co. 2
Law Enforcement Journal 11
Lee & Kay's Used Cars 2
Lex Enterprises 2

M - N

M & A Remodeling Corp. 2
M.D.M. Construction 2
MacKensie Builders 2
Mac's AAA Garage 2
★ **Main Warehouse (Los Angeles, CA)** 13
★ **Marriot Air Check** 2
Mason-McDuffie Mortgage Co. 2
McNary, Glenn (Dr.) 2
★ **Mobile Home Service & Supply** 2
Motown TV Service 2
Nassau Pools 2
National Credit Card Company 6
National Negro College Press 6
National Testing Authority (Washington, DC) 6
Nicodemus, Fran Fashions (Webster, TX) ... 2
North American Reader's Service 2
NOVAH of Texas 6

O - Q

Olympia Supply Co. (North Hollywood, CA) 6
Overseas Manpower Corporation 6
Pacific Atlantic International (Canoga Park, CA) 13
Paul's Mobile Auto Service 2
Plate Trader, The 2
Police Bulletin, The 11
Port of America 2
Presidio Land & Cattle Co. 6
Prestige Modeling Agency 2
Private Postal Boxes 2
Pro-Lite Distributing Co. 6
★ **Quality Cleaners** 2
Quality Tree Service 2
Queen Oaks Cleaners 2

R

RCA Service (Galveston) 2
Rapid Repair Service 2
Rayco Homes 2
Ray's Tree & Landscaping 2
Republic Readers Service 2
★ **Roland Professional Cleaners** 2
Russell Allen Cycles 2
Russell TV (Baytown) 2

S

Sav-On Appliance 2
Schulle, A.A. Floors 2
Seahorse Inn (Galveston) 2
Sedillo Brothers Tree Co. 2
Senior Citizens Council 11
Sharp Lighting (Hartsdale, NY) 13
Shuttle Communications 6
Smith Roofing Co. 2
Solar King 2
Southern Christian Leadership Conference (Atlanta, GA) 11
Southern Garden Seed, Inc. 2
Southwest Datsun 2
Southwestern Law 11
Space City Shoe Service 2
Spring Branch TV Service 2
★ **State Law Officers Journal, The** 11
State Peace Officers Journal 11
Syn-Tex Awards 2

T

T.H.A.S.C. Sales Co. (Ft. Lauderdale, FL) .. 6
Taylor Pets 2
Telco Directories, Inc. (Plainfield, IN) 12
Tele Print 6
Telex Business Systems (North Hollywood, CA) 13
Telex International Directory (Amsterdam, Holland) 12
★ **Termitox Pest Control** 2
Texas Dav News 11
Texas Handicapped Workers, Inc. 6
Texas Jaycee, The 11
Texas Law Enforcement Journal 11
Texas Narcotic Officers Association Journal . 11
Texas Police Officers Journal 11
Texas Professional Law Enforcement Officers Journal 11
Texas State Police Officers Journal 11
Texas Teacher 11
Thompson Foundation Contractors 2
Thunderbolt Corporation 6
★ **Tip Top Cleaners** 2
Transmo Corporation 6
Trans-World Publications (Amsterdam, Holland) 12
True Energy Products, Inc. 2
Tune Up Masters 6
Tune Up Plus 6

U - Z

U.S. Telex, Inc. (Northridge, CA) 6
Union National Life Insurance 2
Wallace Studios 2
Walls Studio 2
West Houston Pest Control 2
Westend Van & Storage Co. 2
★ **Western United Telex Directories, Inc. (Pasadena, CA)** 12
Woods, Woody Roofing Co. 2
Woodson's T.V. & Radio 2
World Class Resorts of Lake Tahoe 6
World Wide Employment, Inc. 6
Young, Chuck Roofers 2
Your Valet Cleaners 2

16 Companies Added To "No Response List"

This past month it has been necessary to add 16 companies to the Buyer's List, in the single category of "no response to complaints." These companies were given every reasonable opportunity to handle complaints referred to them by the BBB, and have been notified by Certified Mail that they are now being reported on as having failed to respond to customers' written complaints.

These companies are named as follows:

A-Aeron Moving & Storage
Acden Plumbing Co.
All-Tex Enterprises
Armor Roofing
Clark Speed & Custom
Colonial Automotive Clinic
Econo Lock Service
Home Satellite & Electronic
Houston Patio & Garden Center
JAD Construction
Marriott Air Check
Mobile Home Service & Supply
Quality Cleaners
Roland Professional Cleaners
Termitox Pest Control
Tip Top Cleaners ■

The Buyer's List is prepared by the BBB from its files, consumer complaints and the Bureau's advertising inquiries. The BBB does not make independent verification of the merit of consumer complaints received and the listing or omission of a business herein is not to be considered as a condemnation or endorsement of any business. This report is intended for the information of members of the Better Business Bureau of Metropolitan Houston, Inc., only. For further information, call the BBB. The Better Business Bureau of Metropolitan Houston uses a three-year reporting period.

UNITED WAY: Have You Considered Joining?

Although it's clearly not for everyone, a former local United Way official advises human services agencies not to reject this option without looking into what's involved.

By J. DAWN HODSON

If you, like many directors of nonprofit agencies, are threatened with loss of government support or are otherwise struggling with a diminishing budget, you may be considering extreme measures—laying off staff, abandoning programs, or jumping off the nearest high building.

Before you take any of these steps, however (especially the last one), be sure you have exhausted all of your options, including one that too many agencies may be rejecting out of hand—applying to United Way. It is generally true that most local United Ways allocate most of each year's proceeds to long-standing member agencies and add few new members each year. But this is changing in some communities, and the option is at least worth exploring.

If you've never applied to United Way before, don't be put off by the paperwork, disclosure requirements, and processing time—or by perceived political barriers. If you are admitted, it can help you establish a stable funding base, and the admissions process itself can sometimes stimulate valuable internal changes within an agency. Clearly, however, being a United Way agency is not for everyone. If you do join, you will have to adhere to some rules regarding the timing and nature of your other fund-raising activities, and you will also have to submit to program evaluations and loan staff to United Way, among other things. Some organizations find that such stipulations cramp their style, while many large agencies find it particularly difficult to make the necessary structural changes to attract United Way support. And there are, of course, subtle but important issues of political perspective, values, style, and priorities.

Welcome to the Club

Being admitted to United Way is like joining an exclusive club—you have to meet the entrance requirements, and you also need a sponsor. Of course, exceptions are sometimes made, but for the majority of agencies, these are some of the ground rules:

The Golden Mean. No matter how United Way bills itself, it is a middle-class organization with middle-class values. In trying to reach a consensus among its constituencies, it usually "plays it safe" by taking in only those organizations which offend no one—and believe me, that's not easy any more. Your chances of being admitted depend to a considerable extent on how well you fit into mainstream America, but if you do not fall into this category, you may still be able to achieve community visibility in ways that shift public opinion in your favor.

The Banker's Law. You should always remember that United Way is a business, even if it is raising money for charities. It is like a bank in that it does not want your business unless you are so successful that you can do without its support. Demonstrated success is your leverage, and if you have it, use it. If you don't, get it.

Running the Gauntlet. The less power you have in the community, the more closely you will be scrutinized when you apply. United Way will evaluate you not only for the

usual entrance requirements (e.g., nonprofit status and incorporation) but also for the need for your services within the community, the cost of these services, your other sources of support, your internal management and your board's strength and composition, the manner in which you intend to use United Way funds, the number of people serviced by your agency, the types of services you offer and the nature of your client group, your agency's reputation in the community, the quantity of funds requested in relation to what United Way agencies of similar size receive, and the attitudes, personalities, and skills of the people who run your agency.

Power Brokering

You shouldn't let the preceding discourage you, however. Even if you do not meet all of these criteria, you may still get admitted to United Way—if you have a sponsor. Your sponsor can be someone who is very powerful in United Way and who acts as your spokesperson—or it can be your own stature in the community that, in effect, speaks for you. You will understand this more readily if you accept the role that most United Ways seek to play in the community.

Essentially, United Way acts as a power broker and a power organizer by drawing together and structuring the organized leadership within a community according to the perceived influence of these individuals. United Way includes under its aegis the leaders of private corporations, public institutions, and social agencies. Each contributes a different dimension of power, be it legitimacy, control over resources (both people and money), or influence. Both its volunteer structure and the prominence of its member agencies contribute to United Way's strength and visibility.

In organizing these people and institutions, United Way extends its influence far beyond the actual quantity of money that it raises during its annual campaign. It is usually the only organized structure for community-wide charitable activity. And this access to the decision makers within the community gives United Way the potential to assume a dominant role in defining community priorities and in directing the resources that these leaders control. Differing values among the leadership prevent this from taking place to any significant extent, but the role itself has an enormous appeal to people in United Way, especially the professionals —and it does affect decision making.

Given this orientation, it is easy to see why United Way's interest is primarily directed toward strengthening its power base. And it is also easy to discern that if your agency is to be considered for admission, you must either be perceived as part of that power base or develop a power base of your own.

A Base of Your Own

To develop your power base, you should focus your efforts on four areas: board development, community visibility, constituency building, and fund raising.

Board Development. A powerful board of directors is a prime requirement. Your brother-in-law may be a great guy, but if he isn't the head of the power company, let him join Rotary. Building a good board takes a certain amount of ruthlessness as you select people who consistently show themselves to be leaders—whether because of their money, position, or influence. And remember, it is not enough to include these people on your letterhead; if they are not willing to give their time and money to your efforts and to bring other active people into the agency, they are wasting both your time and theirs. You should also pay attention to the size of your board—it should be large enough to accommodate your agency's need for power, skill, wealth, and workers (yes, you need them, too).

Building a strong board takes time, though, so begin early. Note, too, that good board volunteers won't stay unless they believe in what you do, have specific duties that they can perform successfully, and stand to gain public recognition for their efforts (which translates into status for them as affiliates of your agency).

Developing a strong board is probably the area that is most frequently overlooked by agencies with limited community funds. Your board may be nothing more than a rubber stamp for your grant proposals. If it is, get some people who want to build the agency and who have the means to do so. It may be a painful transition, but in the long run it may save your organization from oblivion.

To get started on your board development process, review your by-laws for terms of office, prerequisites for membership, and number of members. If you are going to attempt

Common Reasons Agencies Were Not Funded by United Way

1. They were unprepared.
2. They asked for more money than they were worth to United Way.
3. They were unprepared and disorganized.
4. They exhibited weak management and weak leadership.
5. Their programs were weak—i.e., their effectiveness could not be proven; they were costly in relation to their return; few people were served; their orientation toward the client was to maintain dependency and not to foster growth; or there was no need for the service.
6. They were unprepared and insincere.
7. They were unable to communicate what they did in a clear, concise, and businesslike manner.
8. They showed no evidence of community support—either volunteer or money.
9. They had no knowledge of United Way—how it operates, its policies, etc.
10. They had poor accountability in terms of budgeting, services, and performance.
11. They exhibited financial instability.
12. They were unprepared and unwilling to learn how to go through the process.

—*J.D.H.*

some community fund raising (another sign of legitimacy in the eyes of United Way), consider expanding your board to at least 20 to 25 members.

As you identify those whom you want to include on your board, try to think in long-range terms. Plan how people would be brought into the organization and moved into different officers' slots according to some predesignated process. This allows you time to train volunteers, keep the good ones around for a while, and eliminate the weak ones without elevating them to positions that could prove disastrous.

When it actually comes time to recruit board members, put together a nominating committee made up of their peers. (These people should already be affiliated with your agency.) As executive director of the agency, you do not have enough power to recruit board members—or if you do, you shouldn't.

You must always draw up precise job descriptions so that board officers will know what your agency expects of them. It is also important to match personalities with jobs so as to make the most productive use of people's abilities and interests.

Finally, spend some time attending seminars on board development and training programs for volunteers. United Way offers these courses in some areas, as do many nonprofit training centers. Last but not least, do not be afraid to ask other agency directors how they developed successful boards, and don't be hesitant about approaching volunteers who are already associated with other agencies. Most community leaders serve on a number of different boards of directors.

Community Visibility. Another key factor in gaining entrance into United Way is your public visibility as an

HOW THE VENTURA COUNTY UNITED WAY ALLOCATES FUNDS

If you have never applied to a United Way for funding, you may want to do so for the experience as well as for the possibility that you will be funded.

The following is a description of how the Ventura County United Way allocations process worked in 1982 (the process can vary from year to year in certain respects, but on the whole the steps are the same). Keep in mind that each United Way is autonomous and has its own policies, procedures, internal politics, funding priorities, fund limitations, and human quirks; therefore, the way Ventura allocates funds is not necessarily the way Peoria does so.

Beginning in January, applications were sent to member agencies, and announcements were made in the local newspapers that United Way was accepting applications for membership.

All agencies were given a certain period of time to complete the applications and turn them in to the United Way office, where they were reviewed for accuracy and completeness. These applications were then returned to the agencies for correction, and the final copies were turned in some 10 days later.

At the same time, members were recruited for the Allocations Committee by the chairman and vice chairman of the committee—both officers of the United Way board. This committee is made up of volunteers who make the decisions regarding which agencies to fund and how much funding to provide. Volunteers were solicited from the previous year's committee, from among prominent people in the community, from other United Way volunteer committees, and from the community at large. The Allocations Committee initially included 170 people but had dropped to about 150 participants by the end of the process.

Participants were divided into 12 panels, and each panel was given the responsibility of reviewing three to four agencies. A chairman and a vice chairman were selected for each panel, and these members, together with the chairman and the vice chairman of the parent Allocations Committee, made up the Allocations Executive Committee.

A special Audit Committee composed of auditors, CPAs, and financial experts was also chosen. Its job was to review agency applications, especially budget material, and to generate questions for the allocations panels on the basis of whatever inconsistencies or problem areas

organization that is providing a vital service. If you dispense mantrās to the rich, try to stay as low key as you can, but if you are doing something worthwhile, then publicize, publicize, publicize. Ninety percent of this visibility comes from cultivating the media and making them work for you. Decide on the image you want to present, and then push it until no one can remember thinking anything else but that about you. Media include radio, television, newspapers, and publications—your own as well as those printed in house by companies and public organizations. Cable television is a rapidly expanding means of getting local coverage, and most cable stations are starved for programming. Work with them to get regularly scheduled time, and establish yourself as a professional agency with a concern for public service.

Cultivation of the media is an ongoing process that should be done at both a professional and a personal level. Get to know the people who cover your type of news so that when you need publicity, you will be on a first-name basis. It also helps to be known as a reliable "source."

Speakers' bureaus provide another good means of keeping clubs and service organizations abreast of what you do. United Way is made up primarily of the business leaders of the community, and they are the ones who attend these functions. If you get their attention, they may remember you later.

In the same vein, playing a central role in the community will help you in your efforts to be considered an agency that is deserving of funds. Convene conferences or sponsor forums to discuss serious issues. If you take a leadership position, you may find that people see you as having more power than you actually do have. This can be risky if you tackle the wrong issue—but if you exercise good judgment, you can be perceived as being in the forefront of public opinion.

were revealed. Each agency's budget was reviewed by an auditor.

The Allocations Executive Committee established some general guidelines for the process and for increases to member agencies. Generally, agencies could expect to receive a seven to eight percent increase in their allocations unless they had new programs that justified additional funding or unless problems in an agency justified a smaller increase or none at all. These guidelines were given to the panels at the time members were being trained by the chairmen and vice chairmen.

Trainers of the allocations volunteers stressed that each agency should be evaluated on the basis of the need and cost-effectiveness of its services, the impact of its programs on its client group, the qualifications of the agency's staff to provide its services, the agency's relationship to other agencies in the community, the way in which volunteers were used and the strength of the agency's board of directors, the manner in which United Way funds would be used, and the reason for the increase in the agency's request from United Way.

Members of the three panels that were considering the admission of new agencies were told that these agencies had to (1) be nonprofit, tax-exempt corporations; (2) operate in the health, welfare, recreation, or character-building field; (3) serve the people of Ventura County; (4) have been in existence at least two years prior to application; (5) have a sizable and active board and membership; (6) offer services that do not duplicate those of other agencies; and (7) show evidence of broad community support in both funding and leadership.

Both member and nonmember agencies were also eligible to seek grants aside from or instead of an allocation. These were given to member agencies to start up new programs on a pilot basis as well as to new agencies that did not qualify as members but did qualify for some support.

All allocations panels were instructed not to fund an agency for more than 50 percent of its entire budget, as this was felt not to be in the best interest of either the agency or United Way.

After training, panel members paid a two-hour visit to each agency that they were assigned to review. During these visits, they toured the agencies' facilities and asked questions regarding the material in the applications.

A second meeting between each agency and the panel took place in May. At this time, the panel resolved any questions that had arisen. Following this meeting, the panel developed a recommended funding level for each agency as well as some comments that were forwarded back to the agency.

After each panel had had a final meeting with the agencies and had made its recommendations, the Allocations Executive Committee met to go over all the recommendations. They then finalized the recommendations and forwarded them to the United Way board of directors.

The chairman and vice chairman of the Allocations Committee presented the recommendations to the board's Executive Committee and finally to the full board. They were approved at the June meeting and formed the basis for the fall campaign.

—J. D. H.

Constituency building. You cannot always count on having a group of loyal supporters among the public at large, so the next best thing is to form your own constituency among the middle class. (You may serve the poor, but if you do not have middle-class support, you'd better stick with the government.)

Create a volunteer force to help you run agency programs, conduct fund-raising events, and serve as public spokespersons for your agency. United Way multiplies its efforts tenfold by using volunteers, and so can you. Identify the work that needs to be done, break it down into parts, and assign it to volunteer committees to complete. This entails changing some or all of your staff from doers to managers of volunteers. There is a trade-off here—loss of internal control and professionalism in exchange for constituency participation—but it can pay off in increased visibility, fund-raising potential, and a sense of legitimacy in the community. Besides, professionalism isn't all it's cracked up to be any more, anyway.

In building this megastructure, however, you should make sure that all of your volunteers are well trained and are moving in the same direction. If you don't do this, you will create a monster.

Fund Raising. Developing your own fund-raising potential also provides an effective means of attracting United Way's attention. United Way always seeks to include agencies that are successful competitors, so hold events that raise funds and give your agency visibility. The more attention and money you take away from United Way, the more it will be interested in including you in its campaign.

From an organizational standpoint, fund raising is best handled by a board committee or an auxiliary. Have it staffed by community leaders who can, by virtue of their presence, attract others to events. This committee can be used either to sponsor events or to personally solicit gifts from corporations or from wealthy individuals. Your constituency can be an additional source of funds, depending upon your programs.

In conducting fund-raising events, you should start small and build each year. You might consider attending professional seminars on how to put on an event, which are offered by many organizations—or you can talk to other agencies that have sponsored successful events in the recent past. In any case, fund-raising events are a great way to motivate your constituency, get publicity, and, incidentally, raise funds.

Other Criteria

It is crucial to get to know the people who operate your local United Way. Meet with the executive director and with key staff people. Take them to lunch and find out what makes the organization tick. Ninety percent of the decisions in United Way are made by staff and by a few key volunteers, so find out how they think.

Check out how they allocate funds. Do they have funding priorities? If so, what are they? Do they have money to give to new agencies? If so, how much? Who is on their board of directors? What are the sensitive political issues for them and for the community, and what are they doing about these issues? What agencies have they admitted lately, and how much funding did the agencies receive? As with the media, try to establish a personal relationship with key people in the organization. They can help you get through the process and can also give you good advice.

Before you apply to United Way, get your act together. If you are poorly managed and aren't clear about why you are in business, don't waste United Way's time. Instead, get your own house in order. If you have nothing else going for you other than the fact that you run a cost-efficient, effective, and necessary program, the odds are good that you will be considered by United Way. It is important to be open about the value of your program. Even if you have a dubious program but enough power to get admitted, you may join—but it will get uncomfortable after a while.

If you apply to United Way and don't receive support or admission, don't go home and sulk. Set up an appointment with key volunteers and staff within the organization, and, in a businesslike manner, find out why you weren't successful. Use this information the next time around.

If you come to the conclusion that your local United Way will never fund your agency, you have several options:

—Cut your losses and look elsewhere for funding (which is something you should always be doing, anyway).
—Set up a competitive fund-raising federation. This is difficult to accomplish, but successful examples of such federations can be found.
—Find out what the designation policy of your local United Way is and try for it.
—Form a coalition with other agencies outside United Way and apply as a bloc.
—Make a public issue of the fact that you were denied funding. Bear in mind, however, that this tactic has been overused in the past, so it may do you more harm than good.
—Examine why you have been turned down. Perhaps you shouldn't be in business in the first place.

And finally, it is important to remember that United Ways are very sensitive to community pressure. If you want to be a part of the federation, learn to use whatever leverage you have or can create to get you into the club. Power is what underlies a great deal of the decision making in United Way, so the more you have or the more you can project, the easier it will be for you. Another thing to keep in mind is that you are competing with other agencies that also have a certain amount of power. Learn to win or lose gracefully and to accept your place in the pecking order. Remember that playing the game is most of the fun—or the fund, as the case may be.

J. Dawn Hodson is a former associate executive director for allocations and planning with the Ventura, California, United Way. She is currently the head of J. D. Hodson & Associates, a management/planning consulting firm in Ventura, California.

Yale Study Looks at United Way

In recent years, the United Way network of federated fund-raising organizations has been charged with failing to open up membership to new charitable organizations and with allocating funds largely to "traditional" agencies at the expense of agencies that provide innovative or "controversial" services or services to women and minorities.

To subject these allegations to factual testing, the Program on Nonprofit Organizations at Yale University sponsored a study by Dr. Deborah Polivy, a specialist in social welfare research, that examined these issues on the basis of field studies in eight cities: Hartford, Syracuse, Providence, Newark, San Francisco, New Orleans, Portland, Maine, and Worcester, Massachusetts.

The project focused on four questions: first, is United Way opening up membership to new agencies, and, if so, how much money is being allocated to them? Second, what kinds of agencies have these local United Way organizations admitted, and what services do the new member agencies provide and to whom? Third, what forces aid and impede the admission of new agencies into United Way? And fourth, what process is used to determine which applicant agencies are admitted to United Way? Although the admission of new agencies was the primary focus of this research, the study also sought to discover the extent to which the member agencies of local United Way organizations respond to new community needs through changes in their programs—and whether or not United Way encouraged such changes by providing financial support or other inducements.

Dr. Polivy emphasizes that her study was not based on a scientific sample of United Way organizations across the country and therefore does not offer any conclusions about United Way policies and practices beyond the results of the eight cities. Dr. Polivy's summary of her findings follows.

Between 1970 and 1981, the United Ways that participated in our study admitted 174 agencies, although 15 of these were dropped from membership, resigned, merged with other agencies, or just "went out of business." Thus, 159 newly admitted agencies remain members in 1981.

Although the admission of agencies took place with more regularity in some United Ways than in others, it was not an annual occurrence in any of the United Ways. When admissions did occur, the United Ways rarely allocated in any one year more than three percent of their funds to agencies admitted in that year, and more often than not they allocated one percent or less to new agencies in the year of admission.

Critics of United Way have claimed that it admits few agencies that serve women or minorities or that provide nontraditional or controversial services. We attempted to examine these claims in relation to the United Ways in our study. We asked the United Ways for information on the primary target populations and services provided by their new agencies [those admitted between 1970 and 1981], and we analyzed the data received in the following way:

First, we selected a subset of categories for each of the variables that we chose to examine. For example, for the variable of race, we used the categories of "black," "white," "Hispanic," and "other." We then calculated the amount of money allocated in 1981 to newly admitted agencies in those categories—for example, those agencies primarily serving Hispanics. However, because the United Way in San Francisco had admitted so many more agencies and had allocated so much more money to new agencies than had the other United Ways, a simple aggregation of the total allocations in each category would have biased the results toward the funding pattern in San Francisco. Therefore, for each category we figured the percentage of money allocated to that category in each city, and then we took the average or mean of those percentages.

Of total funds allocated in 1981 to all 159 new agencies by the United Ways in our study, the average percentages devoted to those serving particular population groups were as follows:

Agencies serving:
—all races: 49 percent
—primarily whites: 23 percent
—primarily Hispanics: 14 percent
—primarily blacks: 12 percent
—primarily "other" groups: 2 percent

Agencies serving:
—all age groups: 19 percent
—persons 12 to 58: 25 percent

—persons 6 to 18: 18 percent
—persons under 5: 8 percent
—persons over 58: 2 percent
—persons from more than one but not all of the above groups: 28 percent

The agencies admitted to the United Ways provided an array of services. Agencies that provided services to prevent delinquency received the largest share—an average of 14 percent of the total amount allocated to the new agencies in 1981. Those agencies which received an average of 5 percent or more of the total amount granted to new agencies in 1981 delivered the following services: day care (10 percent); community organization (9 percent); short-term emergency services (7 percent); multiservice centers (7 percent); health services (6 percent); shelters and halfway houses (6 percent); and education, primarily tutoring and classes in English as a second language (6 percent).

We also grouped the new agencies according to whether they delivered nontraditional or traditional services and controversial or noncontroversial services. Briefly stated, we defined "nontraditional" services as those not commonly funded by United Ways generally and/or those addressed to a population group that had been newly recognized as needing special services. We defined "controversial" services as those that caused concern within the United Ways about possible negative donor reaction.

An average of 27 percent of the total amount granted in 1981 to all new agencies went to agencies providing nontraditional services, and 73 percent went to agencies providing traditional services. Agencies providing controversial services received an average of 7 percent of total allocations, and agencies providing noncontroversial services received an average of 93 percent.

When the agencies providing controversial or nontraditional services or services delivered to primarily minority populations are grouped together, their average 1981 allocation was 57 percent of total United Way allocations to the new agencies. If agencies primarily serving women are added to this group, the average amount was 60 percent of the total allocated in 1981 to new agencies.

Since admissions did not occur annually in any of the United Way organizations in our study, we tried to determine the factors that caused the United Ways to open and close admissions. Several factors motivated the United Ways to open admissions. The first was the availability of "new" campaign money—that is, the amount raised over the total collected in the previous year.

Other factors included donor demand for the expansion of the United Way "package" of services and direct pressure on a local United Way by nonfunded groups. It appeared from our interviews with United Way executive directors that "indirect pressure" also influenced these United Ways to open admissions. These directors alluded to the criticism United Ways had received nationally, and they expressed an awareness that their organizations were not impervious to local attacks. Admissions were viewed by these directors as a means of avoiding criticism of their organizations.

Finally, these United Ways were more apt to admit agencies or develop special relationships with agencies when there was a threat of a competing fund-raising campaign within their communities. In other words, if agencies that were not included in the United Way formed their own alternate fund-raising drive or federation, such as the Black United Fund or the Combined Health Agencies Drive, the United Ways were more likely to accommodate these agencies in some new way.

Only one factor appeared to serve as a serious barrier to the admission of agencies, and this was the relationship of United Way member agencies to the federation. Year after year, the member agencies received a similar proportion of United Way funds—often referred to as "base allocations"—which were usually increased on an annual basis to account for inflation. Since United Way campaign receipts—on the average—have barely kept up with inflation in most of the study cities, there was little money left over after these allocations to the member agencies for funding of new organizations. Thus, the member agencies of the United Ways were described by respondents as unenthusiastic about admitting agencies and "dividing the pie" into additional pieces.

We found that three factors influenced admission decisions. The first was formal admissions criteria that had been developed to determine which agencies were appropriate for membership. The second was pressure from specific donor groups for the admission of particular agencies. And finally, admission decisions were influenced by the values, knowledge of particular agencies, and personal predilections that the volunteers brought to the decision-making process and that helped some agencies be admitted to the exclusion of others.

Some United Way organizations in our study have developed responses other than admissions to help community groups and new agencies. These include the establishment of special short-term funding arrangements and the provision of technical assistance. The United Way in San Francisco has developed a donor option plan that permits a donor to designate any nonprofit health and welfare agency within the state of California, and United Way disburses the designated funds after deducting its own administrative costs.

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