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“A Full Service Fundraising and Public Relations Firm Serving the Non-Profit Community since 1979”

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Ask George

By George C. Ruotolo, Jr., CFRE, Chairman and Chief Executive Officer



I was recently asked to provide the answer to the “Question of the Month” for a recent issue of National Catholic Development Conference’s monthly newsletter, *Dimensions*.

“What makes a major gift a major gift?”

TRANSFORMATIONAL, LEAD, ADVANCED, MAJOR, and SPECIAL: All these terms are used to describe various levels of philanthropic giving. How one quantifies these terms is in direct relationship to the impact a gift will have on the financial goals of the institution or organization.

One constant of the campaign dynamic is that gifts of 10 percent or more of the ultimate goal are so very key to the success of the campaign. Therefore, a strategy, or gift pyramid, identifying various levels of donations that are required to achieve the goal should be created and discussed with key stakeholders and supporters of your institution.

One prerequisite for a major gift is that it requires personal communication and outreach, which must occur in a one-on-one meeting or a small group atmosphere. Also, the top administrator, development officer, volunteers or, if appropriate, the consultant all need to be involved in a solicitation with a major gift status.

Every request should be individualized and should consider the type of campaign (annual/capital/endowment), the affluence or ability of its prospect, how the gift will be structured, the budget and ultimate goal of the fundraising endeavor.

Strategic Planning: Is Your Organization Ready?

By Audrey DeLoffi, Senior Associate



The majority of our readers have participated in some type of strategic planning. Usually remembered as an arduous process, an effective strategic plan involves more than just a day of visioning for the future and a subsequent report that sits on the shelf in the CEO's office.

According to Simone Joyaux, a recognized leader in the philanthropic field, you and your organization must be ready to develop an effective strategic plan.

How to determine if you are ready:

1. Effective organizations are adaptive. This means that your organization regularly changes in response to what is happening both inside and outside of your organization. Is your organization receptive to change, or do you tend to hold on to the way things are?
2. The community decides the organization's relevancy. A strategic planning process must involve the stakeholders by obtaining their input into what is positive and what could be changed about your organization. Do you feel comfortable having the police chief, the parents of your students, or the chair of the education board provide input about your organization?
3. Planning evaluates a non-profit's reason for being. Your organization's mission states why your group exists. Every five to 10 years it is important to reexamine the validity of your mission. This statement should continue to answer the following questions:
 - Why does your organization exist?
 - What are the benefits of its operations?
 - What would be lost if your organization ceased functioning?
 - What are the basic means to achieving your goal?
 - Who is your target audience, and what is the geographic reach?
4. Planning focuses on learning and change. Part of the planning process is obtaining quality information prior to the planning retreat. Key information includes analysis of trends and their implications, research initiated by your organization (focus groups, demographics, etc.), and information available in the community (United Way, community services, etc.). To make good

decisions, you need to have good information. Once your organization has the information, how will you use it?

5. A strategic plan describes how you intend to move from today to the future. The written document outlines the decisions made in the visioning process. After the plan is approved by the board, then the organization's leadership must work with staff on how to implement what has been agreed upon. The strategic plan should be "annualized" so that there are priorities for each year, with measurable benchmarks. Utilizing your plan effectively results in self-monitoring.

It is important to have some good board discussion before a planning process is initiated so that everyone understands the challenges associated with the launching of a strategic plan.

Remember "It's what we think we know already that often prevents us from learning."
Claude Bernard, French physiologist

Congratulations to Our Clients!

Cathedral High School Launches
General Phase of Capital Campaign
At a media conference on April 6,
Ruotolo Associates' client Cathedral
High School, located in St. Cloud,



Minn., announced it was embarking on the General Phase of its \$6 million capital campaign. This is the first capital campaign for Cathedral in almost 30 years. To date, nearly \$4 million in cash and pledges has been raised in the Advanced Gift Phase.

Forty percent of the dollars raised in the *Investing in Our Future Campaign* will be committed to the Education Foundation, which currently amounts to \$6 million. Most of the interest from this fund is used to assist families who need financial help with tuition. Currently, about 30 percent of Cathedral's students receive need-based assistance. The remaining funds will be used for school renovations.

During the past few years, Cathedral High School has gone through an extensive visioning process, which has been instrumental in crystallizing the school's plan for the future. As part of this process, school leadership identified future facility and program needs that were important for Cathedral to remain a premier educational opportunity for families in the St. Cloud area. It was determined that the most critical needs included both capital improvements and a significant increase in the Education Foundation.

Following a feasibility study that involved more than 200 members of the school community, it was determined that there was potential financial support and volunteerism

to conduct a major fundraising effort. Ruotolo Associates began working with the high school in the Advanced Gifts Phase of the campaign in February 2005.

The General Phase will be conducted through November 2006 and will include socials for parents and grandparents, alumni gatherings, past parent and former donor socials, student participation, phone-a-thons, and direct mail appeals.

Congratulations to Bob Stewart, president, Shari Wahlin, director of foundation/development, the campaign chairs, and all the dedicated volunteers who have worked tirelessly in this most defining moment for Cathedral.

St. John Villa Academy Celebrates Opening of a New High School



Ruotolo Associates congratulates St. John Villa Academy in Staten Island, N.Y., on the opening of a new high school building. The official ribbon-cutting ceremony was held on May 16. Ruotolo Associates provided counsel to St. John Villa Academy for a planning study, the establishment of a Development Office, and for a capital campaign in support of the building project.

For more than 80 years St. John Villa Academy has provided quality education for the children of Staten Island. Today, St. John Villa Academy has a strong enrollment with 625 young women in ninth through 12th grades. With a commitment to educating students for the future, the Academy developed a strategic campus building plan. To maintain programs and to expand other areas of the curriculum, the Academy proposed a \$5 million renovation and construction project. St. John Villa Academy undertook a fundraising campaign in support of the project and received a \$100,000 challenge grant from SI Bank & Trust Foundation.

The building project primarily consolidated the high school's academic space into one building. The new three-story wing is connected to the old two-story building. In the new and renovated areas, there are 16 additional instruction spaces, including 13 general classrooms, an art room, and a music room. As part of the plans, there is also a prayer room and a new high school administrative area with space for a principal, two assistant principals and support staff, as well as a conference room and a reception area for visitors.

Planned Giving Benefits Individuals and Charities

By Daniel C. Fogarty, CLU, ChFC

Fogarty Associates, Inc.

67 Water Street, Suite 101

Laconia, NH 03246

(603) 534-6763

Planned giving can be a difficult topic to discuss with your constituents, and many small and mid-size non-profits lack the staff and/or expertise to fully implement a planned giving program. Below is some language that might provide ideas of how to discuss planned giving with your donors. For additional information, please feel free to contact me.

Of course you would like to do something special financially for your favorite charity, but wouldn't it be nice if the giving method you chose also provided some benefits to you?

If you own a substantially appreciated asset with significant capital gains since you bought it (i.e., stocks or real estate), perhaps you're reluctant to sell it outright and face immediate capital gains tax. This may be true even if you would prefer to reposition the value of that asset into an investment more appropriate to your current financial situation.

There is a financial planning tool, known as a charitable remainder trust, that can help you reposition assets without paying capital gains tax while also providing a number of other advantages. If you transfer the asset to a charitable remainder trust that you create, there will be no capital gains tax due on the transfer. (Other taxes and penalties may apply.)

In exchange, the trust agrees to provide you with a current income, typically between five and 12 percent of the value of the asset, for either your lifetime or a period certain up to 20 years. Since a portion of the asset will eventually pass to the charity you choose, you get a current income tax deduction of the present value of the gift that will occur in the future.

Charitable remainder trusts are typically arranged by an experienced legal professional and come with a number of variations. After converting the ownership of the asset, you can often select a fixed income that does not vary, or you can choose an income that has the potential to increase if the value of the underlying assets in the trust increases. The latter approach can help your income stream keep pace with inflation.

After the income stream ceases, your designated charity receives the balance of the trust assets. By gifting to charity in this way, you achieve the following results: avoid capital gains tax on appreciated assets; possibly increase the cash flow from those assets if the trust sells them and reinvests in something providing an enhanced income stream; receive a current income tax deduction for a portion of the gift; and do something nice for your favorite charity.

If your proposed gift is modest in amount, many charities have pre-arranged plans, called pooled income funds, which can generate similar benefits without the need to have your own trust drafted. Contact your favorite charity to discuss whether it has made such arrangements.

One final note – your family may express concern that you plan to give away assets they would inherit in the future. A wealth replacement trust can be created to generate a similar amount of money for your family using a portion of the increased cash flow you get from this arrangement. These trusts take advantage of the financial leverage that life insurance can provide.

For informational purposes only. This is not intended as tax or legal advice to you. Please consult your advisors before taking any action with regard to this information.

Ruotolo Associates Announces New Partnership



Ruotolo Associates has joined with Partners for Sacred Places, a national, non-profit organization headquartered in Philadelphia, to train clusters of congregations on how to broaden their sources of funding for capital repairs and community programs. The training program is called New Dollars/New Partners, and it focuses on congregations with older or historic properties. Although Partners' staff leads much of the training, consulting firms such as Ruotolo Associates help to facilitate one-day training sessions focusing on the internal or membership component of a capital fundraising effort.

To date, Ruotolo has worked with Partners to assist more than 50 congregations in Minneapolis, Chicago, Hartford, Binghamton, and Long Island. The program has been widely acclaimed across the nation and is supported by major foundations such as the Lilly Endowment.

A Question for You

Ruotolo Associates is in the process of planning a day-long Chief Executive Officer/Chief Development Officer Summit in the fall or winter of 2006-2007. The conference will focus on trends in non-profit governance and giving, as well as philanthropic and management issues that affect non-profits of any size. The summit will be held in a convenient location in the Northeast. We would love to gather input about what topics you would like covered. Please e-mail us at info@ruotoloassoc.com to send us your thoughts or to request additional information.



Staff Highlights

Todd Gibbs Promoted to Senior Associate

Ruotolo Associates congratulates Todd Gibbs, who was recently promoted to the position of Senior Associate. Since joining Ruotolo Associates in 2004, Todd has worked with a diverse group of clients in the firm's New England Division, successfully directing numerous institutional and parish capital campaigns along with feasibility and planning studies. He has provided distinguished counsel to clients in the areas of capital campaigns, major gifts, development office operations, strategic planning, volunteer management, board development, special events and public relations. "Providing effective fundraising counsel is a responsibility I take very seriously," said Todd. "The rewards of our work are revealed in our clients' successes."

Todd first worked with Ruotolo Associates while serving as the associate director of development and alumni affairs at Holy Cross High School in Waterbury, Conn. Ruotolo Associates was retained by the school to provide capital campaign counsel, and Todd joined forces with Jay Caporale, Ruotolo Associates' president, to execute the school's first major fundraising initiative to construct a new arts and technology center.

"Todd has brought to our organization significant fundraising experience, specifically in academia," said Jay. "His promotion to the position of Senior Associate is a recognition of the talents he has brought to his job, including his ability to collaborate with staff, clients and volunteers alike; his attention to detail; and his expert management of complex projects. Additionally, Todd's promotion underscores our firm's commitment to serving our clients and to providing the most talented philanthropic consultants in the field. We look forward to seeing Todd grow within Ruotolo Associates. We feel fortunate to have Todd in the firm, and I am proud to announce his well-deserved promotion."

Prior to joining the firm, Todd held the position of director of alumni and parent relations at his alma mater, Quinnipiac University, where he managed all aspects of the University's 25,000 member alumni association and a parent program that served 6,500 families. While at Quinnipiac, Todd was recognized as the Council for Advancement and Support of Education (C.A.S.E.) District I and II Rising Star for his significant professional accomplishments and great potential for leadership in the field of philanthropy.

Todd lives in Oakville, Conn., with his wife, Carrie, and daughter, Taylor.

Recent Presentations by Ruotolo Associates' Staff Members

Data Mining/External Research: Is it all it's Cracked Up to Be? - A Presentation to the National Catholic Development Conference – Greater New York Region
On Wednesday, May 17, Theresa Shubeck, senior vice president, co-presented with Susan Boyette, president of MaGIC, to the Greater New York Region of the National Catholic Development Conference on the methods of



identifying new prospects through electronic screening and then strategically utilizing research results. The seminar – “Data Mining/External Research: Is it all it’s Cracked Up to Be?” – encompassed primary internal research, the types of external research, and methods for using the research to effectively grow major gift cultivation and solicitation results.

Through its strategic partnership with MaGIC, Ruotolo Associates works with clients to increase major prospect potential and identify individuals with greater philanthropic capacity “hidden” within the client’s database.

Planned Giving: Integrating Planned and Major Gift Strategies for Maximum Results



Most non-profits are underutilizing planned giving, and, as a result, many are missing out on some of the largest gift possibilities in their constituency. On May 25, Theresa Shubeck, senior vice president, and Steven Kavanaugh, consulting associate, presented to the New Jersey Planned Giving annual conference held at Rutgers University on the value and techniques for creating strategies that encompass a prospect’s new and long-term philanthropic interests.

For the presentation, Steve drew on his more than 25 years of planned giving experience and insights into communication challenges faced by major and planned gift program staff. Theresa, whose nearly 25 years of service to the non-profit world are equally divided between the institutional world and Ruotolo Associates, presented various models and case studies to illustrate techniques and motivations for reaching a point of maximum convergence of prospect and institutional needs.

Building Lay Involvement through Board Development

On June 8, the Diocese of Brooklyn sponsored a day-long seminar for pastors and principals that focused on the need to build strong lay leadership. The event was organized in partnership with Ruotolo Associates. Keynote speaker Msgr. John Jordan, executive director of the Nativity & Miguel Schools, described the evolution of Catholic education in the United States and the imperative for strong lay leadership. George C. Ruotolo, Jr., chairman and chief executive officer, and Theresa Shubeck, senior vice president, participated in several panels, including “How to Start and Set-Up a Board,” “Board Structure and Responsibilities,” and “Building Board Leadership – A View from the Field.”



Spring Staff Retreat Focuses on Maximizing Effective Client Relations



In early May, the staff of Ruotolo Associates gathered at the Jersey Shore for a two-day retreat focused on maximizing the quality of service the firm provides to clients.

The retreat was facilitated by John Uzzi, president of Roy W. Walters & Associates, Inc. John has 27 years of experience as a consultant to leading organizations that are navigating large-scale change through improvement initiatives. He also works closely with small and mid-size companies to design and facilitate strategic planning and organizational retreats.

John utilized information from *The Trusted Advisor*, by David H. Maister, during the retreat. The book discusses how to earn the trust of clients to provide the best service possible.

“The retreat focused on maximizing communications between our consultants and senior management, board members, and volunteers we work with at non-profits to ensure that we exceed an organization’s goals,” said George C. Ruotolo, Jr., CFRE, chairman and chief executive officer. “By gathering together and taking time away from the day-to-day life of our firm, we have demonstrated our commitment to support all members of staff as they continue to develop the skills and talents that will allow them to serve as a trusted advisor to our clients.”

UPCOMING EVENTS

July 13-16, 2006
Giving Institute 2006 Summer Institute
Silverado Resort, Napa, California

October 1-4, 2006
National Catholic Development Conference
Chicago Marriott Hotel – Downtown

October 1-4, 2006
International Catholic Stewardship Conference
Hynes Convention Center and Sheraton Hotel, Boston

October 17, 2006
Association of Fundraising Professionals
Massachusetts Chapter
2006 Annual Conference on Philanthropy
Sheraton Hotel, Boston



November 3, 2006
Association of Fundraising Professionals
New Jersey Chapter
Hanover Marriott, Whippany, New Jersey

CURRENT CLIENT LISTING

- Archbishop Stepinac High School, White Plains, NY
- Blessed Stephen Bellesini, O.S.A. Academy, Lawrence, MA
- Brooklyn Friends School, Brooklyn, NY
- Casita Maria, Inc., Bronx, NY
- Cathedral High School/John XXIII Middle School, St. Cloud, MN
- Diocese of Brooklyn, Brooklyn, NY
- E.C. Scranton Memorial Library, Madison, CT
- Estes Park Medical Center Foundation, Estes Park, CO
- Flint Public Library, Middleton, MA
- Grace Episcopal Church, Hastings-on-Hudson, NY
- Little Sisters of the Assumption, Walden, NY
- Mercy Hospital of Tiffin, Tiffin, OH
- Merrimack Valley Hospice, Lawrence, MA
- Mount St. Charles Academy, Woonsocket, RI
- Mu Alumni Association, Hoboken, NJ
- National Council on Problem Gambling, Washington, D.C.
- New Jersey SEEDS, Newark, NJ
- Niagara University, Niagara University, NY
- Northeast Family YMCA, Haverhill, MA
- Notre Dame High School, Easton, PA
- Notre Dame High School, West Haven, CT
- Our Lady of Perpetual Help Parish, Bernardsville, NJ
- Our Lady of Perpetual Help Parish, Oakland, NJ
- Our Lady of the Lake Parish, Sparta, NJ
- Palisades Medical Center Foundation, North Bergen, NJ
- Pearle L. Crawford Memorial Library, Dudley, MA
- Randolph Township Free Public Library, Randolph, NJ
- Queen of Peace High School, North Arlington, NJ
- Sacred Heart Parish, Bloomfield, NJ
- St. John the Evangelist Parish, North Chelmsford, MA
- St. Joseph's Parish, Medway, MA
- St. Mary's Parish, Holliston, MA
- St. Raphael Academy, Pawtucket, RI
- The Children's Home, Cromwell, CT
- The Friendship Service Center, Inc., New Britain, CT

- The Susan G. Komen Breast Cancer Foundation – North Jersey Affiliate, Summit, NJ
- VNA Care Network, Inc., Worcester, MA
- Woods Services Foundation, Langhorne, PA

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To learn more about the firm, visit our website at www.ruotoloassoc.com.

Ruotolo Associates Inc. Headquarters
Horizon Square
29 Broadway, Suite 210
Cresskill, NJ 07626
(201) 568-3898
www.ruotoloassoc.com