



First Things First



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from the organized desk of
Nancy E. Peterman | Partner

Setting the Stage for Endowment Compliance

A vice president for advancement who read something our firm wrote several years ago on conducting an endowment compliance audit contacted us recently. She mentioned this is a present concern for her organization because it had not been a priority of those who preceded her.

Unfortunately, throughout the years, there have been numerous public cases where donors or their heirs believed that the terms of an established endowment were not carefully followed. Most notably is the case at Princeton University involving the A&P grocery chain heirs, and their very public case against the University.

Search the term "endowment misuse" and links to a number of articles will appear. It is wise to carefully monitor endowment funds, not only for investment growth, which is often the primary concern of boards or investment committees, but also to ensure the intent of the donor is at the forefront.

For organizations with a low threshold for endowment creation, over the years, the number of funds grows much faster than the staff monitoring the use of funds. Automation helps with labeling and categorization of line item expenditures, but human oversight from time to time is invaluable.

Providing good stewardship for endowments requires advance work.

[Here are several steps to keep in mind:](#)

About That Bumpy Ride...Don't Panic

Last month, Alexander Haas President & CEO David King wrote in this very newsletter that the new tax laws, put in place in January, would no doubt have some effect on philanthropic giving. He cautioned then that the next few months could get bumpy for fundraisers.

This month, ***The Chronicle of Philanthropy*** turned to David when reporting on new bumpy challenges for the philanthropy community....the Dow Jones decline. On February 5th, the Dow experienced its worst point drop in history. On February 8th, investors saw the second-worst point drop.

First tax rules, now the stock market...smells a lot like the Great Depression of 2008, which punched giving squarely in the gut.

from the article

*"When we see a drop in the Dow, we flash back to the fall of 2008 and think the sky is falling," says **David King, chief executive of Alexander Haas**, a fundraising consulting company in Atlanta.*

But experts say the Chicken Littles should chill - at least for now. A market crash is defined as an abrupt decline of 20 percent or more in value, as in 2008. So far, stock values have declined by no more than 10 percent compared with the year's high, far from crash territory.

"We saw organizations stop capital campaigns in 2009. But that's not where we are now," King says.

[Go here to read the article \(subscription may be required\)...](#)



Best of the Web: Navigating the New Tax Laws

This new calendar year brings with it a number of tax policy changes that will undoubtedly impact nonprofit organizations. Nonprofit leaders - particularly board members - seek quick information and statistics to navigate this new landscape.

A great resource for this type of information is **Independent Sector**, the only national organization that brings together nonprofits, foundations and corporations engaged in every kind of charitable endeavor.



From current updates on policy related to nonprofit organizations, to statistics dealing with volunteerism, this organization provides a one-stop site to provide you with recent data and information.

Of current interest are two resources related to the changes in the tax laws:

[2017 Final Tax Bill Summary](#)
[2017 Final Tax Bill Dashboard](#)

With the amount of data circulating on the web, it is helpful to have one location to assist you in answering your volunteer and donor questions.

[Bookmark them..](#)

We'd Like You to *Know....*

Orchestrating Student Success

Dr. Kyle Marrero's background in music lends itself to planning for the future, guiding faculty and helping students achieve success at the University of West Georgia. As Dr. Marrero points out, each individual is important to the overall goal, but each must be allowed to play to his or her area of expertise. In this episode of **Futures in Fundraising**, Alexander Haas President & CEO, **David King** talks with Dr. Marrero about higher education, breaking down barriers and student success, both in the classroom and beyond.

Alexander Haas was proud to provide Campaign Counsel to the University of West Georgia.

Catch a new episode of **Futures in Fundraising** each month on Tuesdays at 10:00 am (EST) on Facebook Live.



[Listen here...](#)

Transforming Institutions

For more than 30 years, Alexander Haas has been a fixture in the Atlanta nonprofit community. We are honored to have worked with some of the largest, and some of the smallest, organizations that help make Atlanta a better place to live.

[Our Metro Atlanta Client Partners](#)

Our Transforming Services

You're just a jump away from learning about all the fundraising aids Alexander Haas has in its vault of Transforming Services.

[Jump!](#)

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