

# United Way Silicon Valley

## Committed to Transparency and Accountability

A 5-Year Report on the  
Recommendations of the  
Community Oversight Board

March 2005



Cover photos from left to right:

- Mark Walker, President & CEO, United Way and Joe Natoli, former President & Publisher of the San Jose Mercury News
- Don Watters, 2005 United Way Board Chair, presents the 2003 Philanthropists of the Year Award to Dean and LaVon Morton
- Erika Ammons, Manager Community Relations, Intel and Afira DeVries, Vice President Community Giving, United Way

# **United Way Silicon Valley**

## **Committed to Transparency and Accountability**

**A 5-Year Report on the  
Recommendations of the  
Community Oversight Board**

**March 2005**

# Contents

|  |    |
|--|----|
| Letter to the Community .....                                  | 5  |
| Board of Directors .....                                       | 6  |
| Acknowledgements .....   | 7  |
| Executive Summary .....  | 8  |
| A New Strategic Focus .....                                    | 9  |
| Community Impact .....   | 11 |
| Performance Indicators .....                                   | 12 |
| Community Oversight Board – Recommendations and Response ..... | 13 |
| Committee on Operations .....                                  | 13 |
| Committee on the Future of Community Giving .....              | 16 |
| Committee on Allocations .....                                 | 18 |
| Community Call to Action .....                                 | 19 |

United Way Staff at 2003 Campaign Kickoff



# Letter To The Community

March 2005

Dear Community Members,



Mark Walker



Don Watters

In April 1999, United Way Silicon Valley, then known as United Way of Santa Clara County, suffered a serious financial crisis. The organization faced an \$11 million deficit that could have resulted in the inability to pay allocations to partner agencies, thus jeopardizing service delivery. Fortunately, the immediate crisis was resolved through an outpouring of support from numerous philanthropic, corporate and community leaders.

To address the underlying causes of the crisis, United Way's Board of Directors convened a group of prominent community leaders as the Community Oversight Board. Their charge was to conduct a thorough study and provide recommendations to the board.

In the last six years, United Way has implemented the majority of Community Oversight Board recommendations. In addition, we have undergone major streamlining and instituted new policies and procedures that emphasize efficiency and provide transparency to our donors and partner agencies. We are currently implementing a new Community Impact organizational model that will expand our role beyond fundraising to allow us to have a greater, measurable impact on the health and well being of our community.

Our goal in telling this story is two-fold: first, as a measure of accountability we wanted to create a "report card" that clearly demonstrates our organizational improvement. Second, we hope to renew credibility and rebuild trust with our donors and the community by sharing the details of United Way's reinvention.

We invite you to share your comments and suggestions with us directly. Thank you for your interest and support.

Sincerely,



**Mark Walker**  
President & CEO  
United Way Silicon Valley



**Don Watters**  
Chairman  
United Way Silicon Valley  
Board of Directors

# Board of Directors

## United Way Silicon Valley Board of Directors 2004 – 2005

**Board Chair: Don Watters**

Community Volunteer

**Board Vice-Chair: Del Borgsdorf**

City Manager, City of San Jose

**Treasurer: Rick Fezell**

Partner, Ernst & Young LLP

**Secretary: Luba Kipnis**

Manager, California Corporate Services

Intel Corporation

**Board Members:****Becky Baybrook**

Vice President, Human Resources  
PDF Solutions, Inc.

**Lisa Buckingham**

Vice President and Chief Financial Officer, San José Mercury News

**Greg Davidson**

Partner  
Gibson, Dunn & Crutcher LLP

**Gary Effren**

Vice President/Finance  
Knight Ridder, Inc.

**John Eichhorn**

Director of Finance  
Creative Pro Business Unit  
Adobe Systems, Inc.

**Raquel González**

Market President, Bank of America

**Autumn Gutierrez**

Community Volunteer

**Jeanette Horan**

Vice President, Worldwide  
Data Management Development  
& General Manager  
IBM Silicon Valley Laboratory

**Cynthia Johnson**

Vice President, External Affairs  
and Global Policy  
Agilent Technologies

**Don Kassing**

Interim President  
San José State University

**Hsing Kung**

Sr. Vice President, Pine Photonics  
Opnext, Inc.

**Dick Levy**

Chairman and CEO  
Varian Medical Systems

**Laura Lundy**

Sr. Loan Consultant  
Washington Mutual Bank

**Philip Ma**

Principal, McKinsey & Co

**Magda Madriz**

Vice President, Human Resources  
Phoenix Technologies

**Carol Mills**

Vice President and General  
Manager, Infrastructure Group  
Juniper Networks

**Kevin O'Connor**

Executive Vice President  
Human Resources  
Soletron Corp.

**Susan Prescott**

Vice President, Professional Markets  
Apple Computer

**David Sandal**

Global Operations Planning  
and Support  
Applied Materials

**Anil Singh**

President, S.E. Laboratories

**Steve Smith**

Sr. Vice President, Peninsula  
Commercial Banking Group  
Wells Fargo Bank

**Linda Sullivan**

President & General Manager  
NBC11 KNTV

**Richard Terrell**

Vice President, NonStop  
Hardware Development  
Hewlett-Packard Co.

**Stan Williams**

General Manager  
Santa Clara Valley Water District

**Ex-officio Member****Tom Myers**

Executive Director, Community  
Services Agency of Mountain View  
& Los Altos

# Acknowledgements

**U**nited Way Silicon Valley acknowledges the Community Oversight Board for United Way of Santa Clara County for their exemplary stewardship of United Way during its financial crisis of 1999.

We applaud the leadership of Mike Fox, Sr. and Dianne McKenna who served as board chairs during the crisis and successfully mobilized a group of valley leaders to assist United Way in regaining its financial stability.

We acknowledge the work of United Way's Interim CEO Les White, previous CEO Greg Larson and previous board co-chairs Ann Skeet and Mark Jensen, whose courage and tenacity in times of severe turbulence made all new things possible.

Our special thanks to all those who contributed to the Emergency Response Fund which enabled United Way agencies to continue providing essential health and human services to our community in 1999.

Our deep appreciation to the members of the United Way Board of Directors that served in the last six years, including the present, for their leadership and stewardship under challenging circumstances.

Finally, our thanks and appreciation to all individuals, companies and philanthropists who support United Way Silicon Valley and our 90 partner agencies.



United Way Board  
Members:  
Stan Williams,  
Santa Clara Valley  
Water District,  
Richard Terrell,  
Hewlett-Packard Co.,  
William Hahn,  
Agilent Technologies

## Community Oversight Board for United Way Silicon Valley

**Jay T. Harris, Co-chair, (Former)**  
**Chairman and Publisher, San Jose**  
**Mercury News**

**Peter Hero, Co-chair, President,**  
**Community Foundation Silicon Valley**

Phil Boyce, Chairman, Valley Foundation

Leonard Ely, Community Volunteer

Susan Hammer, (Former) Mayor of San Jose

Mary Hiland, (Former) President, Association  
of United Way Agencies and (Former)  
President, Alliance for Community Care

Gail Hilstrom, Managing Director, Global  
Internal Audit, Applied Materials

Paul Locatelli, S.J., President,  
Santa Clara University

David W. Mitchell, Partner, Hoge, Fenton,  
& Appel, Inc.

J. Michael Patterson, Partner,  
PricewaterhouseCoopers

Pete Peterson, Senior Vice President, Human  
Resources (Retired) Hewlett Packard

Christine Hardwick Vianson, Member,  
Corporate Community Relations  
Consortium and Director, Staffing and  
Community Relations, SGI

T. Chester Wang, Chairman, Pacific Rim  
Financial Corporation

Cole Wilbur, Trustee, The David and Lucile  
Packard Foundation

### Ex Officio:

Harry Saal, (Former) Chairman, Community  
Foundation Silicon Valley

Mary Katherine Kelley, Community Volunteer

# Executive Summary



Gary Effren, Vice President/Finance, Knight Ridder served as chair of the United Way Audit Committee in 2003-04.

In September 1999, the Community Oversight Board presented the United Way Board of Directors with a list of recommended actions developed by its Committee on Operations, Committee on the Future of Community Giving and Committee on Allocations. United Way has successfully implemented the majority of recommendations as part of the ongoing rebuilding efforts.

In 2002, United Way began its transition to a Community Impact organization. This model evolved from a strategic planning process undertaken by board and staff with pro bono support from McKinsey and Company. It complements the national United Way of America strategy. The Community Impact model expands United Way's role from primarily a philanthropic agency to a community solutions provider that facilitates problem solving strategies through partnerships with service providers, government and community based organizations. It moves us from being a transaction-based business to a relationship business.

The following list of activities reflects United Way's response to the oversight committee's recommendations as well as an ongoing commitment to transparency, accountability and best practices throughout the organization.

1. Created greater transparency through web-enabled communications including a donor website, annual report to the community, audit report and Form 990. In addition, a customer service line with 24-hour response time has been implemented.
2. Changed the timing/date when booking allocations to member agencies in order to reflect liabilities in the same year as funds raised. Also, the allocations budget is based only on cash received and written promise to pay.
3. Reviewed and improved internal controls including cash management, restricted/ unrestricted fund reporting and reconciliations. An internal audit is conducted on all campaigns.
4. Established an independent audit committee – a five-member committee composed of financially astute board members.
5. Set high standards for reporting – reviewed and updated revenue recognition policy (which serves as a model for United Way of America), restated two prior years' financial reports and adopted an ethics policy.
6. Focused on efficiency in operations—created an Operations Committee which developed a scorecard for measuring effectiveness, reengineered administrative processes allowing for reduction in staff and overhead spending. We are currently pursuing a strategy to combine back-office operations with other United Ways to reduce costs and enhance service quality to donors and agencies.

# A New Strategic Focus

## Strategic Model for United Way Silicon Valley

**United Way's mission:**  
*To improve lives by mobilizing  
the caring power of the community.*



In June 2002, the Board of Directors adopted a new strategic focus that offers the following new roles and opportunities for United Way:

## Community Catalyst

Take the lead in working with the community to identify needs, assets and values and develop strategies for filling needs and catalyzing the community to action.

## Leadership Network

Demonstrate leadership in advocating for solving community issues and building a network of civic, agency and business leaders invested in United Way's mission.

## Donor Support

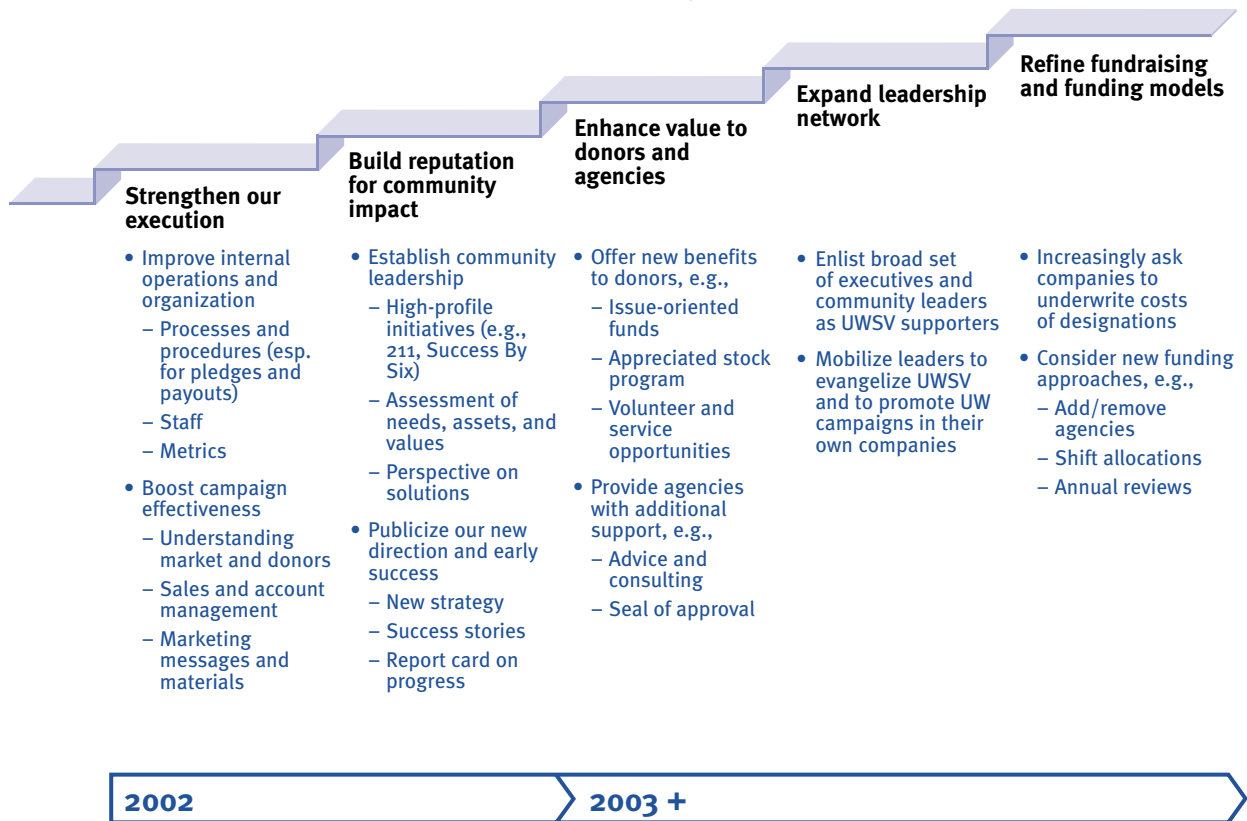
Build flawless execution capabilities, e.g. transparent, fast, reliable and cost effective, and demonstrate value and impact through product offerings and donor support services.

## Agency Support

Provide general support via allocations, act as convener for agencies to discuss and resolve issues around operations, consolidations and provide United Way stamp of approval through the agency review process.

# Executing the Strategies

## Executing on Strategic Imperatives Over Time



# Community Impact

The Community Impact model expands United Way's role from primarily a philanthropic agency to a community solutions provider. Integral to this model is the recently completed community needs assessment that will serve as a foundation for identifying our community's highest priority health and human service needs. United Way will convene a Health and Human Services Summit in Spring 2005 as a call to action to mobilize greater resources to address community needs.

## Model Comparison

| Traditional United Way Silicon Valley                      | Community Impact Model  |
|--|---|
| Fundraising Organization                                   | Community solutions provider  |
| Addresses many worthy causes                               | Focuses on priority issues and sustained outcomes                                   |
| Sees community issues through viewpoint of member agencies | Proactive in assessing needs and forming new partnerships to address priority needs |
| Success tied to funds raised                               | Success tied to measurable impact   |

United Way has spearheaded the following initiatives as a part of its new Community Impact strategy:

- Success By 6 Early Childhood Education Initiative
- Emergency Assistance Network
- Silicon Valley 2-1-1
- Strategic Alliance Fund
- Greater San Jose Alternative Education Collaborative

Preschoolers at Estrella  
Family Services



# Performance Indicators

## United Way Silicon Valley

### Performance Indicators A Comparison Between 1999 and 2004

|  | 1999                        | 2004           |
|--|-----------------------------|----------------|
| # Employees  | 66                          | 34             |
| # Board members  | 21                          | 29             |
| Operating budget   | \$7.9 million               | \$4.3 million  |
| Overhead percent   | 31%                         | 19%            |
| Reserves (unrestricted)  | \$2.8 million               | \$3.0 million  |
| Cash reserves (unrestricted)<br>Covers total cash obligations for this period of time<br>(allocations, operating expenses, etc.) | <2.8> months                | 3.4 months     |
| # United Way Partner Agencies  | 101                         | 90             |
| Partner agency allocations   | \$2.2 million*              | \$4.05 million |
| Average time to pay recipient agencies   | Outsourced –<br>not tracked | within 30 days |
| Number of company campaigns  | 487                         | 529            |
| Number electronic campaigns  | none                        | 57             |
| Total campaign revenue   | \$20.8 million              | \$14.2 million |
| Total \$ to the Community Fund   | \$14.2 million              | \$7.9 million  |
| Donor designation rate   | 40%                         | 38%            |
| # Alexis de Tocqueville Society members<br>Donors who contribute at or above<br>the \$10,000 level.                              | 88                          | 105            |
| # Young Leaders Society members<br>Donors under 45 who contribute<br>at or above the \$1,000 level.                              | 0                           | 186            |

\*An additional \$6.2 million in board-designated funds allocated from the Relief Fund was paid in 2000.



Steering Committee for the Young Leaders Society (founded in 2004) – Rob Trice, Nokia Venture Partners; Monica Gallegos, United Way; David Sandal, Applied Materials; Mark Tolley, United Way; Jason DeVries, Bank of America; Katherine Federovitch, American Red Cross; Darren Albert, Phoenix Technologies

# Recommendations and Response

## Committee on Operations

### Recommendations and United Way Response

#### Fiscal year and fund distribution:

1. *By 2000, the campaign year and fiscal year should be aligned with one another.*
  - ▣▣▣▣▶ The campaign year is aligned with the fiscal year and runs from July 1 to June 30.
2. *No money should be distributed which has not been collected.*
  - ▣▣▣▣▶ Payouts to agencies are made monthly on the basis of matching actual donor funds received to each donor's corresponding pledge. This ensures that no payments are made to agencies until the funds are in hand.
3. *Fund distribution should no longer be based on projections – agencies should be advised that the actual payment of allocations from the Community Care Fund will be based on actual collections.*
  - ▣▣▣▣▶ Agencies are advised of their allocation amount prior to June 30 so they can include the amount in their budget for the new fiscal year. We also recognize the allocation expense to agencies in the same year as the campaign that generated the funds. In this way, our fund balance at year-end is conservatively stated and sufficient cash operating reserves are designated for the payment of allocations in the subsequent fiscal year. Additionally, we only budget based on written promise to pay and cash in hand.

#### Accounting and reporting systems:

1. *The situation whereby internal computer systems cannot “talk” to each other must be corrected.*
  - ▣▣▣▣▶ Upgraded internal computers systems, including the Andar™ pledging and payout system, have been in operation since April 2002 and are “best in class” among United Ways. In 2002-2003, United Way of America created more conservative financial reporting standards.
2. *A standardized method of reporting and accounting for designations and contributions needs to be developed.*
  - ▣▣▣▣▶ Standards for recognizing campaign funds and designated pledges have been established and comply with United Way of America guidelines which avoids “double counting” with other United Ways. United Way Silicon Valley was a leader among United Ways in establishing these revenue recognition policies.
  - ▣▣▣▣▶ Donors and agencies can track the status of their donations in real time by logging on the secure United Way website.
3. *Designations should be kept in segregated funds and disbursed as rapidly as possible.*
  - ▣▣▣▣▶ Designated funds are identified and accounted for separately in both the campaign processing and financial reporting systems. The application of cash to donor pledges and subsequent payout to designated agencies happens within 30 days in most circumstances. Donors and recipient agencies can view these transactions through secure websites established for this purpose.
4. *A new auditor should be selected to perform next year's audit and to review the audits from the*

*“A great system that we can use to verify and cross check with our donor database. . .”*

Amari Romero Vorwerk,  
Executive Director,  
Sacred Heart  
Community Services

# Recommendations and Response

*last two years.*

- ▣▣▣▣▣ Hood & Strong, LLP conducted the audit for 2000, 2001, 2002. Mohler, Nixon and Williams succeeded them on the 2003 and 2004 audits. Complications from the closure of United Way's third party pledge processor Charitableway.com required a restatement of the audit reports issued by Hood & Strong for the years ending June 30, 2000 and 2001.

## **Budgets and reporting:**

1. *Expense budgets (i.e. overhead and staff) should be established annually and all operating costs expensed in the same year that they are incurred. United Way's current practice has been to apply these liabilities against campaign revenue anticipated in the subsequent year.*
  - ▣▣▣▣▣ All operating costs and allocated funds to member agencies are expensed in the year that they occur. Any amounts not disbursed by the end of the fiscal year appear as a liability and do not remain in net assets. The board took a further precaution by adopting a new reserve policy in 2004 that ensures there are sufficient cash reserves available for ongoing United Way operations, building maintenance and responding to community disasters.
2. *There should be an overhead charge for administering designations, or company matching funds (i.e. matching designations) that should be credited to the Community Care Fund.*
  - ▣▣▣▣▣ The United Way Board decided in June 2002 to wait until the relationship with donors improved before implementing a fee for designated contributions. The board is reviewing this policy currently and may adopt other cost recovery solutions in the 2005 campaign year.

## **“Old” United Way vs. “New” United Way**

1. *United Way should take whatever steps are necessary to put a “fire wall” between the obligations and liabilities incurred under prior leadership and the organization moving forward.*
  - ▣▣▣▣▣ A "fire wall" was created between "old liabilities" and "new liabilities" and all previously outstanding accounts were reconciled as of June 30, 2004.

## **Independent management of the building**

1. *United Way should not be directly involved in the real estate management business and the building should be managed as an asset, not simply to give United Way a home.*
  - ▣▣▣▣▣ United Way has employed a property management firm to oversee tenant relations and maintenance of the building. Approximately 50% of the building is currently leased to other nonprofit organizations with lease terms ranging from 3 to 7 years. Approximately 25% of the space is used for community rooms, provided at a discounted rate to nonprofit organizations and building tenants. Approximately 25% of the building is used by United Way. Currently, the revenue received from building leases and conference room fees provides a positive cash flow after deductions for building maintenance. There is a remaining bond obligation on the building that will be fully paid in 2012.

## **Human resources**

# Recommendations and Response

1. *Existing policies should be reviewed and revised as necessary.*
  - ▶ In 2000, a formal review of personnel policies was completed.
2. *The Board committee on human resources/staff should be reactivated.*
  - ▶ The Human Resources Committee is currently active and in 2003, reviewed the United Way salary structure.
3. *The arrangement with the AFL-CIO South Bay Labor Council should be changed.*
  - ▶ As of 2000, the staff has been relocated to the South Bay Labor Council. Also in 2000, a separate agency, Union Community Resources was created to support the health and human services needs of labor union members.

## Transition fund

1. *The United Way board should undertake a new transition fundraising drive to cover the following:*
  - a. *A projected shortfall in designations from Campaign Year 1998-1999 which were to be paid out during this fiscal year (beginning July 1, 1999).*
    - ▶ Transition fundraising effort was completed and funds were disbursed in the year ending June 30, 2000.
  - b. *A potential shortfall in the current Campaign Year (1999) that could not be passed on to United Way agencies without crippling their activities next year.*
    - ▶ This was accomplished by retaining sufficient reserves for continuing operations.
  - c. *A funding gap that would develop if the United Way changes to the Oversight Board recommended policy of making payments to agencies only after receipts have been collected.*
    - ▶ This has been accomplished as noted above.
  - d. *Reestablishment of reserve funds.*
    - ▶ Adequate reserves were raised and a new policy was established to provide direction to future Boards on adequacy of reserves.
1. *The new board of directors must have a clear understanding of the nature of the recent crisis,*
  - e. *Payment of existing liabilities of the "old" United Way to the extent the new United Way board decides to do so.*
    - ▶ This has been accomplished. No continuing obligations remain to agencies, former employees or vendors to United Way Silicon Valley as of June 30, 2004.

Del Borgsdorf, City Manager of San Jose served as the 2003-2004 United Way Campaign Chair



# Recommendations and Response



Luba Kipnis, Manager, California Corporate Services, Intel Corporation served as the original chair of the United Way Operations Committee formed in 2003

## Committee on the Future of Community Giving

### Major Recommendations and United Way Response

*internal operations and external expectations. With these in mind, the board must adopt measures to ensure continuous self-assessment and accountability.*

- ▶ All new board members attend an orientation where roles and responsibilities are defined and communicated. The board adopted new by-laws in 2003 that require a volunteer-led self-assessment. This is also a United Way of America membership requirement. Our board will complete this self-assessment in 2005 and every three years, thereafter.
2. *A new strategic plan must be developed based on the current environment, existing and emerging donor requirements and organizational capacity. The strategic plan should be updated regularly.*
    - ▶ A strategic planning process that proved critical to the reinvention of United Way was completed in 2002 by board and staff with pro bono support from McKinsey and Company. The end result was a process with five well-defined steps: 1) strengthening our execution, 2) building a reputation for community impact, 3) enhancing value to donors and agencies, 4) expanding leadership network and 5) refining fundraising and funding models. We are midway to completing implementation and right on schedule.
  3. *Ongoing evaluation and outcome measures must be put in place to ensure organizational effectiveness and avoid systemic failures.*
    - ▶ The volunteer-led Operations Committee is continually assessing best practices and benchmarks for all aspects of the organization including fund allocation, fund development and fiscal operations.
  4. *Exemplary financial, managerial and personnel policies must be adopted, adhered to and reported on to rebuild public confidence.*
    - ▶ This has been done with a new campaign funds raised policy, reserve policy and the adoption of new financial reporting practices that align with the United Way of America guidelines.
  5. *Accountability, reliability and ethical standards must be maintained in all aspects of doing business. Financial commitments, projections and budgets must be realistic. A website could be created to enable the community to monitor and review the progress being made towards goals.*
    - ▶ In 2003, the United Way Board of Directors adopted a new ethics policy – the full text of which can be viewed at [www.uwsv.org/youruw/code\\_of\\_ethics.pdf](http://www.uwsv.org/youruw/code_of_ethics.pdf). A new website was developed and implemented in 2004, which includes the annual audit report, IRS Form 990 and the annual Report to the Community.

# Recommendations and Response

6. *Communications with various stakeholders should be well planned, consistent and delivered through multiple channels.*
  - An integrated communications plan is in place that includes regular email newsletters to key stakeholders, an updated website, community and donor events, media outreach, campaign collateral, publications, an advertising campaign and public speaking engagements to business and community groups.
  - Strong branding has been a priority resulting from the redesign of the national and local logo and color palette. This has resulted in a clean, consistent, professional look.
7. *The United Way needs to differentiate its core products – the Community Care Fund and donor choice workplace campaigns. These programs must be delivered and solid returns must be communicated to community investors.*
  - United Way has renewed and strengthened its emphasis on marketing the Community Fund in the corporate workplace campaigns. This strategy has become essential as companies adopt campaign models that include a federation of charities rather than solely United Way. The Community Impact model will help to differentiate United Way from other charities in these federated campaigns.
  - Outcome statements collected from partner agencies are included in campaign collateral and the annual Report to the Community. Our move to the Community Impact model will also improve outcome measures and reporting.
8. *Significant changes in the financial operating model are required. United Way should immediately halt the practice of distributing allocations to agencies before the funds have been collected and transmitted from corporate payroll deductions.*
  - Payouts to agencies are made monthly on the basis of matching actual donor funds received to each donor's corresponding pledge. This ensures that no payments are made to agencies until the funds are in hand.
9. *United Way's activities in support of community building need to be de-emphasized during this period of transition; the primary focus of activities must shift towards the fundraising side.*
  - Since 2002, the strategic direction has focused on building a Community Impact organization. This provides added value to the donor, community and service providers and positions United Way as a collaborator, facilitator, convener and advocate in addition to a fundraiser.

Amari Romero Vorwerk, Sacred Heart Community Services  
and Janet Childs, Centre for Living with Dying  
at United Way's Campaign Kickoff 2003



John Eichhorn,  
Director of Finance,  
Adobe Systems, Inc.  
currently serves as  
chair of the United Way  
Marketing Committee



# Recommendations and Response

## Committee on Allocations

### Recommendations and United Way Response

1. *Payments for United Way agencies will continue from the two community foundations and the anonymous corporation at the rate of \$662,138 per month for October 1999 through June 2000. United Way would be responsible for the additional \$85,951 per month for a total payment to the agencies of \$748,089.*
  - ▶ This was completed in accordance with the outlined payment schedule.
2. *Raise additional gifts this fall (1999) to cover:*
  - a. *Any remaining shortfall identified through the forthcoming audit to cover agency payout, operating expenses and other payables.*
    - ▶ In Fall, 1999, \$14.6 million were raised to cover agency payouts, operating expenses and all other payables.
  - b. *The rebuilding of a reserve.*
    - ▶ A reserve policy was adopted by the board in 2004. Policy provides for sufficient, building and community mobilization funds and balances the needs of the community with our need for adequate reserve funds. Currently, the amount in unrestricted reserves is \$3.0 million.
  - c. *The elimination of the previous approach to pay agencies and other costs prior to receiving campaign payments.*
    - ▶ Payouts to agencies are made monthly on the basis of matching actual donor funds received to each donor's corresponding pledge. This ensures that no payments are made to agencies until the funds are in hand.
  - d. *Overhead expenses so that donations from the United Way drive may be used 100% for the nonprofit agencies.*
    - ▶ Although this has not been the focus of the current board, this recommendation continues to have merit.
3. *Use current computer technology to allow for the payments of gifts and other appropriate functions at the United Way.*
  - ▶ United Way Silicon Valley has become a leader in the application of technology and has begun to share its technology network with other United Ways to defray cost and share the wealth.
4. *Appoint an Advisory Board of distinguished corporate CEOs and leading citizens who do not have the time to participate on the United Way Board but are willing to add their names, offer occasional advice and assist with fundraising.*
  - ▶ The Campaign Cabinet, a group of senior level campaign volunteers, was reintroduced in the 2002-2003 campaign with phenomenal results. The Campaign Cabinet continues to be an effective strategy to enhance workplace campaigns.
5. *Based on the earlier recommendations to align the agencies' campaign and fiscal years, we further recommend that all reports on agency operations (including monies raised and distributed as well as overhead) include information on a fiscal year basis so as to avoid confusion.*
  - ▶ The annual Report to the Community covers the fiscal year.
6. *A clear operating budget and cash flow figures should be provided to the public every year.*
  - ▶ The annual audit report is posted on the United Way website.
7. *The United Way should charge a fee to help cover its overhead costs for handling donor- designated gifts made directly to the non-profit agencies. See comments above.*
  - ▶ Although this has not been the focus of the current board, this will be revisited in June 2005.

# Community Call to Action

**W**e at United Way Silicon Valley are very grateful to the individuals who invested in our return to health via the 1999 Emergency Response Fund and to the community leaders who served on the Community Oversight Board. Without them, we would not be here to accomplish the important work of community impact in Silicon Valley.

United Way Silicon Valley has built tremendous organizational capacity in the last six years. We are taking a proactive role in identifying our community's priorities and partnering with some of the foremost leaders and thinkers in Silicon Valley to devise long-term solutions to our county's most pressing health and human services issues.

*In carrying out our mission, we will narrow our funding focus to two Community Impact Outcome Areas:*

**Self-sufficiency** — This outcome area will target the county's "working poor," where we will make longer term investment in services that build their capabilities to increase their standard of living.

**Priority services for this outcome area include:**

- Building Adult Living Skills
- Developing Children and Youth
- Broadening Leadership Capacity

**Stability** — This outcome area is for all residents experiencing personal and family crisis, where we will intervene in the shorter-term to resolve the immediate crisis.

**Priority services for this outcome area include:**

- Basic Human Needs
- Access to Healthcare
- Counseling and Support

We are currently in the process of mobilizing our community to address these issues. We are seeking specific investments in targeted Community Impact areas as well as in capacity building to accomplish strategic goal setting and gain stronger outcome measurement abilities.

*We invite you to visit us at [www.uwsv.org](http://www.uwsv.org) to volunteer, donate and learn more about our programs and initiatives.*

Vocational Students at Jewish Family Services



what matters.™

Since 1922



1922 The Alameda • San Jose, CA 95126-1430 • Phone: 408-247-1200 • FAX: 408-249-4422

[www.uwsv.org](http://www.uwsv.org)