

W7

**Wednesday
Morning**

Fax

from

**The
Castle
Press**

Missouri nonprofit allegedly in conflict of interest

The Saint Louis Post-Dispatch reports that Reach Our Children, a Missouri-based charity that mails donor solicitations nationally, paid more than \$3 million in the 2003-2006 period to a marketing consultancy co-owned by the wife of the nonprofit's president.

Reach Our Children was founded in 1994 to help disadvantaged youngsters, especially those ill with cancer, and their families. Its president, David J. Lovell, insisted that the newspaper's report was off-base. He called the arrangement between his organization and Precision Performance Marketing "completely legal and ethical."

- Nancy Lovell, David Lovell's wife, is an owner of Precision Performance Marketing.
- The Better Business Bureau's national watchdog on nonprofit fundraising activities, the Wise Giving Alliance, commented that the Reach Our Children-Precision Performance Marketing relationship "is not in line with the Alliance's conflict-of-interest standard."
- The Post-Dispatch also reported that Reach Our Children did not, as required by law, disclose Mrs. Lovell's connection with Precision Performance Marketing in its 2003-2004 tax returns.
- Reach Our Children's IRS filings indicate that the charity received \$4.8 million in cash donations in 2004 and it paid more than \$3.8 million to fundraisers.

**The Castle
Press** provides
a technical phone
hotline to help you
achieve top printing
impact.

*"Caesar's wife must be above suspicion."
— Julius Caesar*

Only about \$300,000 of the \$4.8 million — or 6.25¢ of every donated dollar — went to assist ill children and their families, the Post-Dispatch reported.

- Daniel Borochoff of Chicago's American Institute of Philanthropy, said that he is "especially concerned" that such a small percentage of Reach Our Children's donations finds its way to needy children and their families.

The Chicago group reported that between 22% and 41% of Reach Our Children's budget goes for "program services" to recipients. The Institute's suggested goal is 60% or more.

- David O. Renz of the University of Missouri's nonprofit watchdog unit commented that "close relationships between charity officials and outside vendors could be viewed suspiciously by potential donors."

"It's important to take the high road," he advised.

The Castle Press — your best choice for a
printing partner since 1931.



1222 North Fair Oaks Avenue
Pasadena, California 91103
1-800-794-0858
www.castlepress.com

(2.7.07)