

Best Practices For Challenging Times

Presented by:

Ray Croff

Turtle Creek Financial

Leigh Hilton, Attorney

Estate Planning and Elder Law

Barbara Saunders, CFP[®]

Saunders & Associates

Bill Sims, CPA

Salmon Sims Thomas & Associates

Best Practices For Challenging Times

Educating Your Donors About Planned Giving

- Challenges facing nonprofits
- What are your donors thinking?
- How your organization can benefit?
- Why don't people remember charities in their wills?

Best Practices For Challenging Times

Educating Your Donors About Planned Giving

- Principal \$1,000,000
- Lifetime income \$60,000
- Charity \$ 996,059 at donors death

Option 1

Case Study

- \$ 1,000,000
- \$ 60,000
- \$ 175,000 to charity now

Option 2

Income tax deduction \$ 504,174 spread out over 5 years.

Will save \$166,378

Estimated income over 12.1 years \$ 726,000

Effective rate of return 7.2%

Best Practices For Challenging Times

Managing Investment Decisions

Review your current investments

- Do you have a written, formal process for evaluation?
- Review the goals and objectives . Are they clearly stated in the Investment Policy Statement?

Best Practices For Challenging Times

Managing Investment Decisions

Review your current investments

- Review the assumptions that you are using. Are they still valid?
- Review the legal and Legislative environment that you are working in? Do you need to make adjustments?

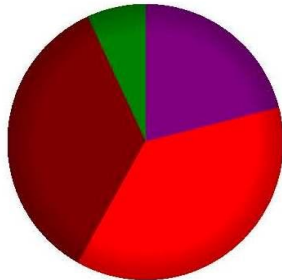


Managing Investment Decisions

Design the Optimal Portfolio

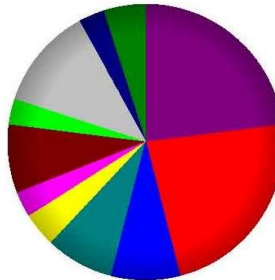
Asset Allocation Comparison

Your Current Allocation



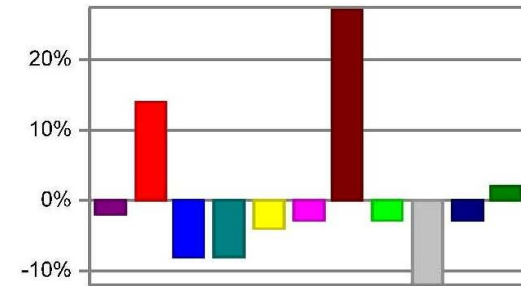
Large Growth	21.00%
Large Value	37.07%
Mid Cap Growth	--
Mid Cap Value	--
Small Growth	--
Small Value	--
Lg Foreign	35.02%
Small Foreign	--
It High Qual Bd	--
St High Qual Bd	--
Cash	6.91%

Target Allocation



Large Growth	23.00%
Large Value	23.00%
Mid Cap Growth	8.00%
Mid Cap Value	8.00%
Small Growth	4.00%
Small Value	3.00%
Lg Foreign	8.00%
Small Foreign	3.00%
It High Qual Bd	12.00%
St High Qual Bd	3.00%
Cash	5.00%

Difference



Large Growth	-2.00%
Large Value	+14.07%
Mid Cap Growth	-8.00%
Mid Cap Value	-8.00%
Small Growth	-4.00%
Small Value	-3.00%
Lg Foreign	+27.02%
Small Foreign	-3.00%
It High Qual Bd	-12.00%
St High Qual Bd	-3.00%
Cash	+1.91%

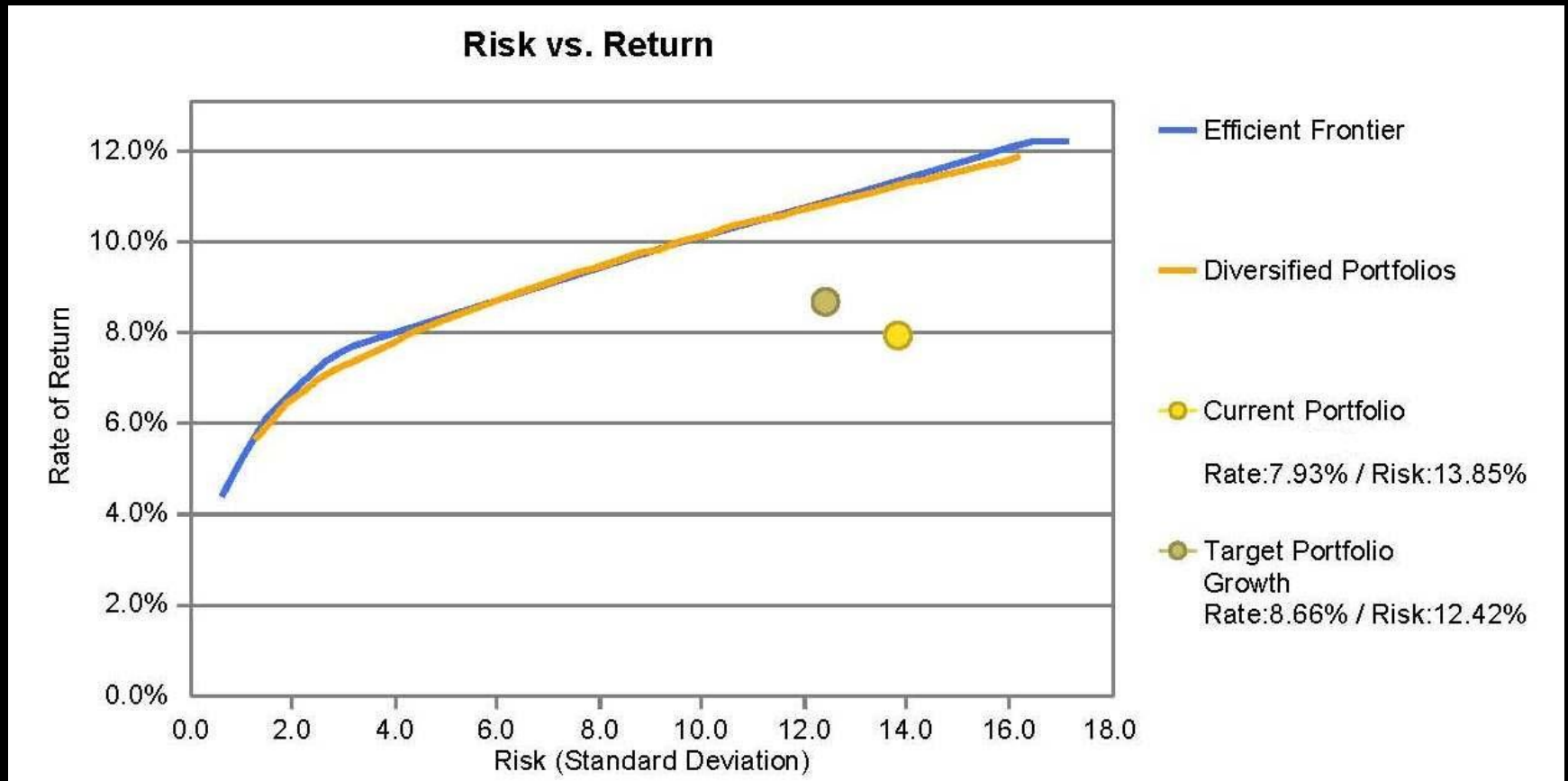


SAUNDERS & ASSOCIATES

FINANCIAL MANAGEMENT

Managing Investment Decisions

Risk vs. Return Analysis



Best Practices For Challenging Times

Managing Investment Decisions

Common Mistakes

- No investment policy statement
- No periodic meetings with the investment manager
- Too many meetings with the investment manager that are a waste of time.
- Board tries to micro-manage the investment manager
- The roles and duties of the fiduciary steward are not clearly understood



Best Practices For Challenging Times

Ten Responsibilities Of A Board

5 major areas:

- Mission
- Leadership
- Conduct of Operations
- Financial Health
- Board Organization

Best Practices For Challenging Times

Mission

- Determine mission and purpose

Best Practices For Challenging Times

Leadership

- Select executive director
- Evaluate executive director

Best Practices For Challenging Times

Operations

- Ensure effective planning
- Monitor programs and services
- Ensure legal and ethical integrity

Best Practices For Challenging Times

Financial Health

- Ensure adequate resources
- Protect assets and provide financial insight

Best Practices For Challenging Times

Board Organization

- Build a competent board
- Be a voice in community

Best Practices For Challenging Times

Questions?