

One of the major functions of the United Fund is to distribute the money that is raised in the fall campaign to the participating member agencies. This decision-making begins with the I20 budget panel members who have the responsibility of reviewing the agencies' budgets to insure the maximum and best utilization of United Fund monies.

The I20 panel members are representative of the business and professional community ; they bring expertise to the budgeting process from almost every business and profession. Of course, these persons are volunteers and receive no compensation. They take their job seriously and go through a painstaking process to insure that the money raised by the United Fund is distributed properly. You are aware that the many agencies supported by the United Fund are involved in numerous activities of health, social welfare, character building and recreation involving all age groups, working toward the solution or prevention of the problems of people. These agencies' services are available to the entire community regardless of race, color, creed or socio-economic groups.

During 1972, the United Fund is seeking to improve its ways of doing business. Therefore, all agencies who are receiving an allocation as a result of the Campaign this year are reporting on the Uniform Standards of Accounting. This

means, in essence, that there is a shift to a "functional" basis of accounting which requires expenses to be reported by program services or functions, to be identified as part of the cost of a specific program.

Thus, this new budgeting process by functions will identify the major programs supported by the United Fund and specifically will show the cost of each particular service. Functional budgeting will be an important tool for the administrative head and the Board of Directors in controlling all agency financial operations. This will help strengthen the administrative capabilities of the United Fund member agencies. In addition, the United Fund requires an independent audit of financial records each year, usually by a certified public accountant. Effective business administration in an agency is just as essential as it is in business and industry. We feel that public confidence in an agency often begins with confidence in its financial integrity. An important point to remember is that money is not raised for the United Fund but by it for services performed by agencies. The United Fund is obligated to account properly for this money. This can only be done when proper and adequate financial information is furnished to the United Fund and reviewed, as indicated earlier, by the I20 business and professional persons who are members of the budget panels.

The budgeting process of the United Fund also reviews

requests of new agencies for admission to the United Fund. The United Fund maintains an open-door policy for admission of new agencies. New agencies requesting admission to the Fund are carefully studied, and they must meet numerous criteria to prove they are viable and capable community services with capable management and administrations. The budget panels review new agency requests for admission from a program and administration standpoint, just as they review all existing member agencies on a yearly basis. The budget panels also make recommendations to the Agency Relations Committee concerning all matters related to an agency's operation. This Committee is made up of the Chairmen and Vice Chairmen of each of the eleven budget panels, plus four members-at-large from the Executive Committee. In turn, recommendations of the Agency Relations Committee are made for final approval to the United Fund Executive Committee.

An agency which requests permission for a Capital Fund Campaign to either build new facilities or make repairs on existing ones, must first document its request for review by its budget panel. The panel will review a request of this nature very carefully to insure that the renovation or new facility is needed. However, this evaluation of need is only part of the study of a Capital Fund request. We must be convinced that because of renovation or a new facility addition, that the additional operating income will be

forthcoming from some source. This intense study is, of course, to guard against building and equipping a new facility without sufficient financial resources for a staff and an operating budget. The panel recommendations are forwarded to the Agency Relations Committee and then to the Executive Committee for final approval.

Agencies of the United Fund are expected to raise some of their own income. This is done either through fees for services, sale of items, such as Girl Scout cookies, income from endowments, etc. In that each of the over 100 member agencies receive only a portion of their budgets from the United Fund, they are expected to pick up other income from fees based on ability to pay, etc. Thus, United Fund money is used for only that portion of the budget that cannot be obtained from other sources.

You should know that the United Fund has a Steering Committee, appointed in late 1970, which has been working seriously, attempting to more clearly define the role of the United Fund for the immediate years ahead. Among the reasons this is necessary, and of interest to the Agency Relations Committee, are the following:

Contributions to the United Fund of Greater St. Louis and to many other United Funds across the country have plateaued over the past few years.

New needs and increased requests for services from minorities, neighborhood groups, and middle class Americans have arisen.

Inflation has been a factor in the inability to provide for the increased needs.

Taxes, both personal and corporate, have continued to increase, and much of the increase has gone into greatly expanded governmental programs in social welfare, which has created some confusion in the minds of contributors around the question of whether services are being duplicated.

The attitudes of people have changed over the past ten years with a more questioning approach toward "established organizations," and these individuals are subject less to the influences of employers and other leaders than they were in the past.

Large contributors, who by and large have received little praise for their efforts, but who have been criticized by the media, environmentalists, minorities, and government, and faced with a multiplicity of appeals that have sprung up in all fields, have seemingly lost some enthusiasm.

We don't believe that the problems people face have changed over the years, but they are, perhaps, more visible, due to the efforts of media and spokesman groups. We are all much more aware of the problems than we ever were before.

Because of fewer new dollars raised in campaigns,

many United Funds have tried to shift dollars through the

allocations process to meet what they consider more urgent and pressing needs, according to some priority system. These systems for establishing priorities have been less than satisfactory because the determinations are greatly subjective. In the process of shifting allocations, some agencies have been substantially reduced in support, and others substantially increased.

The response on the part of agencies to the same level of allocation or a reduction has been either to reduce program services, to start or expand supplemental fund raising efforts, or to seek to attract government dollars available through many federal and state agencies.

In some instances, the United Funds have helped the agencies and encouraged them in their quest for governmental dollars, in others the United Fund has not taken an official position in the matter.

United Funds, in response to demands for greater assurance of agency effectiveness and efficiency in the use of allocated dollars, have instituted, as we have here in St. Louis, programs designed to more accurately measure the output of agency efforts.

Expanded data collection processes are underway to find out more about the problems in terms of their scope in the community, and their severity. We will have a complete report on all governmental services in social welfare in our United Fund area, so that we can better understand where

there is duplication and where there is not.

Defining a role for the Greater St. Louis United Fund is difficult, but the Steering Committee plans to develop a role for the United Fund which we hope will be acceptable to the large and small contributor so that more money can be raised, that will be workable with the participating agency members, which will be more acceptable to the community at large, and which will provide the Agency Relations Committee guidelines to help them in the difficult decisions they must make.

They will not propose a revolutionary program, but rather one that would evolve over a period of time, based on criteria the group would establish. They will, hopefully, find a niche for the United Fund of Greater St. Louis which would not compete in areas of major governmental expenditures, and which would do those things which we are most able to do in fields the government does not monopolize. They will not be able to present guidelines and principles that are absolutely firm, but some clear concepts are emerging.

One of these has to do with the acceptance of governmental funds by United Fund agencies. We are in general agreement that the use of governmental dollars in our community will be made more effective if they are directed by and under the control of local lay people. A list of

guidelines will have to be developed to avoid as much as possible the many pitfalls and problems that can come with the acceptance of government money.

In addition, if properly carried out, a program such as this will allow us to have as great an input as possible into the direction of the expenditure of our tax dollars, so that we are best able to cope with total community needs.

With the United Fund and its member agencies working cooperatively in this new area, we are at a point where we must consider whether our previous role should be expanded and made more important in our area than ever before. Voluntary efforts of citizens through organizations like the United Fund and the member agencies have meant a great deal more to the country than the billions of dollars contributed annually to them.

As voluntary agencies, under no legal mandate to provide services, their motivation is out of a pure desire to solve, or at least cope with community problems. They attract volunteers with sound judgment and skilled experience to give direction to their programs, they have the flexibility to change, alter, or accept new services without legislation, and they have freedom to experiment and innovate.

In addition, in an era of depersonalization, they



can be concerned about the problems of an individual or of the unique case.

Perhaps the most important single thing offered to this community by the United Fund is that it provides the only forum of expression for all of the diverse elements in a community - labor and management, Catholic, Protestant and Jew, black and white, Republican and Democrat - all have an opportunity for expression and service not available through any other organization.

The United Fund and its member agencies are in a position to help the progress toward reuniting a divided community and to try to get the strengths of all in the community working toward the solutions to the many problems that face our community.