

Report To The Mississippi Legislature



A Review of the Mississippi Firefighters' Memorial Burn Center and the Mississippi Firefighters' Memorial Burn Association

June 11, 1996

The Mississippi Firefighters' Memorial Burn Center is an operational unit of the Delta Regional Medical Center in Greenville, Mississippi. The Mississippi Firefighters' Memorial Burn Association is a private, nonprofit organization which solicits public and private funds to help offset the Burn Center's expenditures.

Senate Bill 3032, 1996 Session, prohibited expenditures from the Burn Center's FY 1997 special fund appropriation until PEER could report on its investigation of alleged misuse of funds. PEER documented managerial and administrative inefficiencies on the part of the Burn Association rather than misappropriation or misuse of public or private funds, and recommends that the Budget Committee approve the disbursement of funds appropriated.

From FY 1993 through FY 1995, the Burn Association remitted one hundred percent of public funds collected to the Burn Center. Of the private funds collected, the Burn Association retained approximately eighty-four percent to pay its administrative and fundraising expenses. Thus the majority of private donations goes toward supporting the activities of the Burn Association rather than directly benefiting the Burn Center.

The PEER Committee

PEER: The Mississippi Legislature's Oversight Agency

The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A standing joint committee, the PEER Committee is composed of five members of the House of Representatives appointed by the Speaker and five members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms with one Senator and one Representative appointed from each of the U. S. Congressional Districts. Committee officers are elected by the membership with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of three Representatives and three Senators voting in the affirmative.

Mississippi's constitution gives the Legislature broad power to conduct examinations and investigations. PEER is authorized by law to review any public entity, including contractors supported in whole or in part by public funds, and to address any issues which may require legislative action. PEER has statutory access to all state and local records and has subpoena power to compel testimony or the production of documents.

PEER provides a variety of services to the Legislature, including program evaluations, economy and efficiency reviews, financial audits, limited scope evaluations, fiscal notes, special investigations, briefings to individual legislators, testimony, and other governmental research and assistance. The Committee identifies inefficiency or ineffectiveness or a failure to accomplish legislative objectives, and makes recommendations for redefinition, redirection, redistribution and/or restructuring of Mississippi government. As directed by and subject to the prior approval of the PEER Committee, the Committee's professional staff executes audit and evaluation projects obtaining information and developing options for consideration by the Committee. The PEER Committee releases reports to the Legislature, Governor, Lieutenant Governor, and the agency examined.

The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.

**A Review of the Mississippi Firefighters' Memorial Burn Center and
the Mississippi Firefighters' Memorial Burn Association**

June 11, 1996

**The PEER Committee
Mississippi Legislature**

The Mississippi Legislature

Joint Committee on Performance Evaluation and Expenditure Review

PEER Committee

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June 11, 1996

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At its meeting of June 11, 1996, the PEER Committee authorized release of the report entitled **A Review of the Mississippi Firefighters' Memorial Burn Center and the Mississippi Firefighters' Memorial Burn Association.**



Senator Bill Canon, Chairman

**This report does not recommend increased
funding or additional staff.**

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A Review of the Mississippi Firefighters' Memorial Burn Center and the Mississippi Firefighters' Memorial Burn Association

June 11, 1996

Executive Summary

Introduction

In early 1996, a series of *Clarion-Ledger* newspaper articles alleged that the Mississippi Firefighters' Memorial Burn Association might have excessive administrative expenditures and that the Delta Regional Medical Center might have used funds intended for the Mississippi Firefighters' Memorial Burn Center for Medical Center projects. As a result of public interest in this issue, the Legislature passed Senate Bill 3032 (1996 Session) prohibiting expenditures from the Burn Center's FY 1997 special fund appropriation (\$8,712.32) until the PEER Committee could complete an investigation of alleged misuse of funds and present the findings to the Joint Legislative Budget Committee.

Overview

The Mississippi Firefighters' Memorial Burn Center, an operational unit of the Delta Regional Medical Center in Greenville, Mississippi, provides specialized care for burned patients admitted to the Medical Center. The Medical Center provides all administrative functions for the Burn Center. The Mississippi Firefighters' Memorial Burn Association is a private, nonprofit organization which solicits public and private funds to help offset expenditures of the Burn Center.

The Burn Center receives revenues from two primary sources—those generated directly by the provision of services to patients (payments from Medicare, Medicaid, private insurance, worker's compensation insurance and self-pay patients) and those provided through the Burn Association, including public and private contributions and trust fund proceeds. (Occasionally, the Legislature appropriates funds directly to the Burn Center for specific projects.) During fiscal years 1993 through 1995, the Burn Association remitted one hundred percent of public funds collected (\$2,267,969) and fifteen percent of private funds collected (\$165,623 of \$1,138,726 collected) to the Burn Center. The Burn Association retained the remaining eighty-five percent of private funds for its administrative and

fundraising expenses (\$959,537) or future transfers to the Burn Center (\$13,566).

The percentage of total gross revenues the Burn Association expends on administrative expenditures compares favorably with those of similar charitable fundraising organizations, and exceeds the standards recommended by national groups which evaluate expenditures and activities of charitable nonprofit organizations. However, the Burn Association uses eighty-four percent of its private contributions to fund administrative and fundraising expenditures. Thus the majority of private donations goes toward supporting the activities of the Burn Association rather than directly benefiting the Burn Center.

During the course of this review, PEER found that the Burn Association has not complied with state law requiring annual registration with the Secretary of State's office as a charitable organization, nor has the association filed required annual reports.

Recommendations

Legislative

1. Because PEER's review documented managerial and administrative inefficiencies primarily on the part of the Burn Association rather than obvious misappropriation or misuse of public or private funds by the Burn Association or Burn Center, the Joint Legislative Budget Committee should approve the disbursement of funds appropriated during the 1996 legislative session for the operation and maintenance of the Burn Center (\$8,712.32).

Administrative

2. Delta Regional Medical Center, Burn Center, and Burn Association managers should distinguish clearly in their publications and

oral presentations the roles and management of the entities.

3. The Burn Association's board of directors should review its fundraising methods in an effort to minimize administrative and fundraising expenditures while maximizing contributions of public and private funds to the Burn Center. Improvements in the Association's fundraising methods should include a formal plan of work based on established criteria and periodic reporting to the board of work accomplished and results of such efforts. Such methods could also include the Burn Association encouraging volunteer groups and organizations to lobby their local counties and municipalities to contribute regularly to the Burn Center.
4. The Burn Association's board of directors should implement recommendations of its certified public accountant regarding the identification, classification and documentation of project and other costs of the Burn

Association. In addition, the board should regularly review and monitor the Burn Association's expenditures in an effort to ensure the appropriateness of such expenditures with the organization's purpose.

5. The Burn Association's board of directors should regularly produce annual reports which present all public and private contributions, expenditures, remittances to the Burn Center and percentage of the Association's administrative costs to total, public, and private contributions. The Burn Association should automatically provide such annual reports to all public entities which contribute funds to the Burn Center as well as all private individuals or organizations who contribute more than \$1,000 annually to the Burn Association.
6. The Burn Association's board of directors should comply with state statutes regarding annual registration with the Secretary of State's office as a charitable organization and submittal of required annual reports.

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A Review of the Mississippi Firefighters' Memorial Burn Center and the Mississippi Firefighters' Memorial Burn Association

Introduction

In early 1996, a series of *Clarion-Ledger* newspaper articles alleged that the Mississippi Firefighters' Memorial Burn Association might have excessive administrative expenditures and that the Delta Regional Medical Center might have used funds intended for the Mississippi Firefighters' Memorial Burn Center for Medical Center projects. As a result of public interest in this issue, the Legislature passed Senate Bill 3032 (1996 Session) prohibiting expenditures from the Burn Center's FY 1997 special fund appropriation (\$8,712.32) until the PEER Committee could complete an investigation of alleged misuse of funds and present the findings to the Joint Legislative Budget Committee.

Authority

In accordance with MISS. CODE ANN. § 5-3-57 (1972), the PEER Committee conducted a review of the Mississippi Firefighters' Memorial Burn Center and the Mississippi Firefighters' Memorial Burn Association.

Scope and Purpose

In conducting this review, PEER staff sought to determine:

- the operational and statutory relationship between Delta Regional Medical Center (Medical Center), the Mississippi Firefighters' Memorial Burn Center (Burn Center), and the Mississippi Firefighters' Memorial Burn Association (Burn Association);
- the types and amounts of revenue and expenditures the Burn Center has received or incurred since creation;
- how the Burn Association's percentage of gross revenues expended on administrative expenditures compares with such expenditures of similar charitable fundraising organizations;
- whether the Burn Association has retained for its use any funds intended for the Burn Center; and,

- whether the Burn Association has complied with applicable state laws regarding registration of charitable fundraising organizations.

Method

During the course of the review, PEER:

- interviewed Burn Association personnel, Delta Regional Medical Center administrator and chief financial officer, hospital and association board members, and the Burn Association's certified public accountant;
- reviewed board minutes for the hospital and association;
- analyzed the hospital's and association's financial audits and other relevant financial and administrative records; and,
- analyzed relevant information from the Secretary of State's office, Internal Revenue Service, National Charity Information Bureau, and The Council of Better Business Bureaus.

Overview

The Mississippi Firefighters' Memorial Burn Center, an operational unit of the Delta Regional Medical Center in Greenville, Mississippi, provides specialized care for burned patients admitted to the Medical Center. The Medical Center provides all administrative functions for the Burn Center. The Mississippi Firefighters' Memorial Burn Association is a private, nonprofit organization which solicits public and private funds to help offset expenditures of the Burn Center.

The Burn Center receives revenues from two primary sources--those generated directly by the provision of services to patients (payments from Medicare, Medicaid, private insurance, worker's compensation insurance and self-pay patients) and those provided through the Burn Association, including public and private contributions and trust fund proceeds. (Occasionally, the Legislature appropriates funds directly to the Burn Center for specific projects.) During fiscal years 1993 through 1995, the Burn Association remitted one hundred percent of public funds collected (\$2,267,969) and fifteen percent of private funds collected (\$165,623 of \$1,138,726 collected) to the Burn Center. The Burn Association retained the remaining eighty-five percent of private funds for its administrative and fundraising expenses (\$959,537) or future transfers to the Burn Center (\$13,566).

The percentage of total gross revenues the Burn Association expends on administrative expenditures compares favorably with those of similar charitable fundraising organizations, and exceeds the standards recommended by national groups which evaluate expenditures and activities of charitable nonprofit organizations. However, the Burn Association uses eighty-four percent of its private contributions to fund administrative and fundraising expenditures. In effect, the majority of private donations goes toward supporting the existence of the Burn Association rather than directly benefiting the Burn Center. Because the percentage of private funds used for administrative and fundraising expenditures appears high and because many of the expenditures in PEER's sample were undocumented, the Burn Association should minimize expenditures, improve documentation, and maximize use of contributions.

During the course of this review, PEER found that the Burn Association has not complied with state law requiring annual registration with the Secretary of State's office as a charitable organization nor has the Burn Association filed required annual reports.

Because PEER's review documented managerial and administrative inefficiencies rather than obvious misappropriation or misuse of public or private funds by the Burn Association or Burn Center, the Joint Legislative Budget Committee should approve the disbursement of funds appropriated during the 1996 legislative session for the operation and maintenance of the Burn Center (\$8,712.32).

Chapter One

What is the relationship among Delta Regional Medical Center, the Mississippi Firefighters' Memorial Burn Center, and the Mississippi Firefighters' Memorial Burn Association?

The Mississippi Firefighters' Memorial Burn Center, an operational unit of the Delta Regional Medical Center in Greenville, Mississippi, provides specialized care for burned individuals admitted to the Medical Center. The Medical Center provides all administrative functions for the Burn Center. The Mississippi Firefighters' Memorial Burn Association is a private, nonprofit organization which solicits public and private funds to help offset expenditures of the Memorial Burn Center.

Roles and Descriptions of the Entities Involved

Mississippi Firefighters' Memorial Burn Association

A group of firefighters and other individuals established the Mississippi Firefighters' Memorial Burn Association in 1976 as a nonprofit corporation. According to its by-laws, the Burn Association is to:

. . .receive and maintain funds and apply the income and principal thereof to develop and administer programs for burn patients in the State of Mississippi, to establish and maintain Burn Centers, burn units, and burn treatment facilities throughout the State of Mississippi for the treatment, rehabilitation, welfare, and health of said patients.

Although the Burn Association's bylaws provide authority for the establishment and maintenance of burn centers and units throughout the state, the Burn Association, by formal agreement, has chosen to assist the Mississippi Firefighters' Memorial Burn Center, located at the Delta Regional Medical Center. Since creation of the Mississippi Firefighters' Memorial Burn Center in 1982, the Burn Association's chief purpose has been to solicit public and private funds to help offset certain expenditures of this Burn Center. The Burn Association's fiscal year begins on January 1 and ends on December 31.

The Burn Association is governed by a nine-member board of directors nominated and elected by the board itself. The Burn Association employs an executive director, two administrative employees, and a part-time accountant who handle fundraising and administrative responsibilities. The Burn Association's offices are housed in a trailer owned by the Medical Center located at the rear of the Medical Center.

*Mississippi Firefighters' Memorial Burn Center
and Delta Regional Medical Center*

Delta Regional Medical Center is located in Greenville, Mississippi. The Mississippi Firefighters' Memorial Burn Center, an operational unit of Delta Regional Medical Center, is physically attached to the hospital, but is a separate and identifiable addition to the hospital. The Burn Center provides specific care for burned individuals admitted to the Medical Center. The Medical Center's fiscal year begins on October 1 and ends on September 30.

The hospital and Burn Center's relationship is similar to any other hospital and any other specific unit within the hospital, such as an Intensive Care Unit. The hospital handles all administrative functions such as admitting patients, billing patients, maintaining the facility, and purchasing supplies or equipment. The hospital pays the Burn Center's expenditures, hires its medical personnel, and ensures its continued operations. The Burn Center is only responsible for providing medical services to the patients admitted. According to the hospital's board minutes, the hospital's Board of Trustees never intended for the Burn Center to operate independent of Delta Regional Medical Center.

**Legal Relationship Between the Burn Association,
the Burn Center, and the Medical Center**

Statutory Authority

The Burn Center was not created by general statute; the only statutes which address the Burn Center's existence do so in the context of sources of funding. The Burn Association is not addressed by general statute in any form. Despite occasional appropriations of state funds (see page 12), there is also no statutory description of the relationship between the Burn Center, the Medical Center, and the Burn Association. Finally, no statute addresses the scope and nature of the Burn Association's fundraising responsibilities on behalf of the Burn Center.

Legal Agreements

On September 20, 1977, the Burn Association entered into an agreement with Delta Regional Medical Center whereby the Burn Association agreed to:

- conduct an annual fundraising effort for the purpose of acquiring equipment for which no other funds of Delta Medical Center were available;

- assist patients who had been treated at the Burn Center in need of financial assistance; and,
- continue the public relations effort and education drive on behalf of burn victims and the Burn Center (a specialized unit within Delta Medical Center until the actual construction of the Burn Center in 1982).

Delta Regional Medical Center agreed to:

- name the Burn Center in memory of firefighters who gave their lives fighting fires;
- construct the Burn Center as a separate and identifiable addition to the hospital;
- use all funds raised, donated, and designated for construction for that purpose without commingling those funds; and,
- retain ultimate control and responsibility for the Burn Center.

Later in 1977, the agreement was amended so that if the Burn Center generated a profit, such profits would be used solely for the benefit of the Burn Center. However, it also provided that if the expenditures of the Burn Center placed a financial strain on the hospital, the Burn Center's operation could be curtailed.

On February 11, 1983, the Burn Association proposed to change the existing agreement with the hospital. The new agreement provided that all of the Burn Association's donated funds were to be used by the hospital to purchase Burn Center equipment and for bad debts incurred in the Burn Center, canceling all other provisions of the prior agreement. On March 15, 1983, the hospital board accepted this offer, thereby creating the most recent agreement between the Burn Association and Delta Regional Medical Center.

Management of the Burn Association and Burn Center

Part of the recent interest and controversy surrounding the Burn Association and Burn Center focused on the management responsibilities of the Burn Association's executive director. Contrary to possible public perception, the Burn Association's executive director has no formal relationship with or management responsibilities within the Burn Center. In general terms, the executive director is a fundraiser and coordinator of contributions on behalf of the Burn Center. The Burn Center is an operational unit of the Delta Regional Medical Center and has no executive director. Day-to-day operations of the Burn Center are managed by a hospital assistant administrator, who is also responsible for other

departments within the hospital. Given their similarity of names--Mississippi Firefighters' Memorial Burn Association and the Mississippi Firefighters' Memorial Burn Center--it is plausible that confusion could arise regarding their identity and management.

Chapter Two

What are the types and amounts of revenue and expenditures the Burn Center has received or incurred since its creation?

Since 1982, the Burn Center has received \$36,374,725 in revenues from services provided to burned patients and \$6,406,367 in contributions from the Burn Association. The Burn Center's total expenditures since 1982 have amounted to \$37,962,602.

Revenues

Types of Revenues

The Burn Center receives revenues from two primary sources--those generated directly by the provision of services to patients (payments from Medicaid, Medicare, Insurance, Worker's Compensation and self-pay by patients) and those provided by the Burn Association, including public and private contributions and trust fund proceeds. (Occasionally, the Legislature appropriates funds directly to the Burn Center for specific projects.) Exhibit 1, page 9, presents the Burn Center's revenues by its primary sources for fiscal years 1982 through 1995. Exhibit 2, page 10, illustrates the flow of public and private contributions from donors through the Burn Association to the Burn Center. With the exception of revenues from the provision of care, revenues received by the Burn Center flow through the Burn Association's account.

Public Sources of Revenue

Counties and Cities--State law authorizes counties and municipalities to contribute to the Burn Center's operations at their discretion. MISS. CODE ANN. § 21-19-58 authorizes contributions from general fund or federal revenue sharing funds of the county or municipality, when such funds are available. Section 27-39-331 further authorizes county boards of supervisors, in their discretion, to authorize the use of general fund moneys for the benefit of the Burn Center. Finally, § 27-39-332 authorizes boards of supervisors, in their discretion, "to levy a tax not to exceed one (1) mill per annum upon all taxable property of the county" to support the Burn Center. All county and municipal money described above is discretionary funding, not mandated by statute. Exhibit 3, page 11, itemizes calendar year 1994 and 1995 contributions made by counties and cities to the Burn Association to benefit the Burn Center.

Trust Fund Proceeds--MISS. CODE ANN. § 7-9-70 establishes the Mississippi Fire Fighters Memorial Burn Center Fund in the State Treasury. State law requires the state treasurer to deposit into the fund fees

Exhibit 1

Burn Center Total Revenues

From October 1, 1981, through September 30, 1995

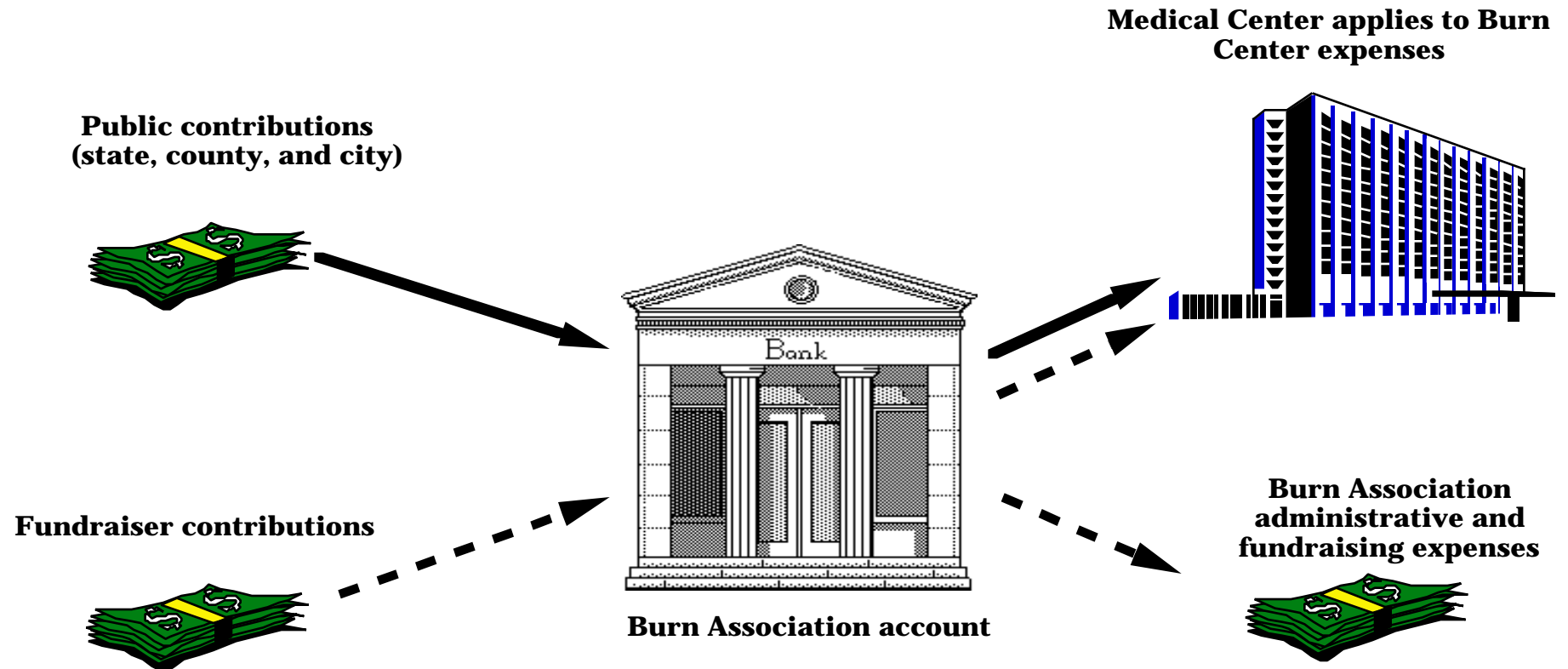
Fiscal Year Ended*	Revenue From Services	Assoc. Revenue	Total Revenue
9/30/95	\$4,688,006	\$844,054	\$5,532,060
9/30/94	3,777,815	751,230	4,529,045
9/30/93	2,761,851	732,683	3,494,534
9/30/92	3,219,299	674,940	3,894,239
9/30/91	4,083,284	632,721	4,716,005
9/30/90	3,763,675	524,384	4,288,059
9/30/89	2,540,812	457,223	2,998,035
9/30/88	2,491,065	435,732	2,926,797
9/30/87	2,479,519	385,992	2,865,511
9/30/86	3,424,341	298,502	3,722,843
9/30/85	3,145,058	242,396	3,387,454
9/30/84	N/A	158,510	N/A
9/30/83	N/A	134,000	N/A
9/30/82	N/A	134,000	N/A
Totals	\$36,374,725	\$6,406,367	\$42,354,582

* Based on Medical Center fiscal year end

SOURCE: Prepared by PEER staff.

Exhibit 2

Flow of Public and Fundraiser Contributions through the Burn Association to the Burn Center



SOURCE: PEER analysis.

Exhibit 3

Public Contributions to the Burn Center for Calendar Years 1994 and 1995

Government Entity	1994 Contributions	1995 Contributions		Government Entity	1994 Contributions	1995 Contributions
State	\$0	\$2,784		Leflore	\$28,199	\$29,380
Counties				Lincoln	41,250	45,375
Adams	8,000	12,000		Lowndes	10,000	10,000
Alcorn	2,500	0		Marion	17,000	17,000
Amite	2,500	2,500		Marshall	5,000	5,000
Attala	12,500	12,500		Monroe	2,500	2,500
Bolivar	32,897	33,873		Montgomery	6,000	7,000
Calhoun	16,239	22,066		Neshoba	12,000	12,000
Carroll	10,000	12,500		Newton	7,500	0
Claiborne	7,000	7,000		Noxubee	8,100	9,515
Clarke	10,000	10,000		Oktibbeha	27,466	28,173
Clay	0	6,000		Panola	5,250	6,000
Coahoma	3,819	12,750		Pearl River	12,000	12,000
Copiah	18,043	19,040		Perry	1,000	1,000
Covington	3,500	5,000		Pike	26,992	27,959
Forrest	5,000	5,000		Prentiss	12,500	0
Franklin	5,417	5,000		Pontotoc	11,000	12,000
Grenada	21,000	21,000		Scott	27,800	32,500
Hancock	0	2,500		Sharkey	5,000	5,000
Hinds	0	15,000		Simpson	2,125	8,500
Holmes	0	4,000		Smith	11,691	14,614
Issaquena	3,788	3,637		Sunflower	22,000	22,000
Itawamba	5,000	5,000		Tallahatchie	20,000	10,000
Jackson	30,000	30,000		Tunica	8,098	13,904
Jasper	10,428	10,929		Union	5,385	5,579
Jefferson	0	6,500		Warren	0	50,000
Jones	20,000	20,000		Washington	48,439	86,667
Kemper	2,000	2,000		Webster	10,520	10,338
Lafayette	6,000	12,000		Wilkerson	7,434	7,503
Lamar	10,000	0		Yalobusha	6,750	6,750
Lauderdale	25,000	15,000		Cities		
Lawrence	0	10,000		Grenada	1,000	0
Leake	10,250	11,000		Tupelo	726	683
Lee	48,900	48,900		Yazoo City	1,000	1,000

SOURCE: PEER analysis.

from the sale of distinctive license tags to firefighters and any gifts, donations, endowments, etc. Section 7-9-70 states that the principal of the trust fund shall remain inviolate while interest and income derived from investment of the principal of the trust fund may be appropriated by the Legislature for the support and maintenance of the Burn Center.

State Appropriations--Although the Legislature has occasionally appropriated funds to the Burn Center, the center has never received regular appropriations of funds, other than the trust fund interest described in CODE § 7-9-70. In 1979, the state contributed \$750,000 to aid in the Burn Center's construction. In 1995, the Legislature appropriated another \$500,000, earmarked for new equipment for the Burn Center. This appropriation followed the Governor's 1994 veto of both a \$100,000 general fund appropriation to the Burn Center and of the trust fund interest.

Private Sources of Revenue

Local fire departments and other charitable and civic groups assist the Burn Association in raising the majority of the Burn Association's privately donated funds through events such as golf tournaments, boat races, roadblocks, horse shoe pitching contests, trail rides, and rodeos. While some groups make unsolicited contributions, the Burn Association issues a solicitation mailout each year to local fire departments requesting assistance in the Burn Association's annual roadblock fundraiser. The table below itemizes the Burn Association's sources of private funds for calendar years 1994 and 1995.

<u>Sources of Private Funds</u>	<u>CY 1994</u>	<u>CY 1995</u>
Individuals	\$ 21,587.92	\$ 17,889.50
Business/Industry	41,186.32	67,490.26
Clubs/Organizations	153,711.25	230,468.89
Other Donations	104,691.97	129,212.16
Memberships	475.00	550.00
Interest and Miscellaneous Income	<u>2,404.40</u>	<u>3,609.68</u>
Totals	\$324,056.86	\$449,220.49

Expenditures

Types of Expenditures

Direct Care Expenditures

The major portion of the Burn Center's expenditures relate to the provision of care to burned patients. These expenditures involve room and board within the Burn Center and related Medical Center services such as operating room, emergency room, blood, pharmacy, radiology, laboratory,

supplies, physical therapy, occupational therapy, speech therapy, respiratory therapy, hemodialysis, and ambulance services. For fiscal years 1982 through 1995, the Burn Center and Medical Center incurred \$37,296,771 in expenditures for the provision of direct care to burned patients.

Indirect Cost Allocation

The Medical Center charges the Burn Center an average of \$76,600 annually to offset identifiable administrative and operating costs incurred by the Medical Center on behalf of the Burn Center. (The annual allocation does not represent start-up costs or total operating costs for services rendered by the Medical Center to the Burn Center.) The Medical Center computes the Burn Center's annual allocation by using a Medicare cost allocation procedure approved by the federal government for the allocation of indirect costs to identifiable cost centers within hospitals. The Medical Center's use of the Medicare cost allocation procedure ensures that the hospital properly identifies the Burn Center's administrative expenditures and that operating expenditures from other cost centers of the Medical Center are not shifted to the Burn Center.

Use of Burn Association Contributions

- *From FY 1987 through FY 1995, the Burn Association contributed \$5,438,959 to the Burn Center to purchase equipment for and offset a portion of the Center's uncompensated care expenditures. Without such contributions, the Burn Center would have experienced an operating deficit of \$1.1 million. However, with such contributions, the Burn Center produced a 'profit' of \$4.3 million for use by the Medical Center.*

For the period FY 1987 through FY 1995 (the period for which specific payments by types of coverage could be identified), the Burn Center incurred expenses of \$30,946,088 for provision of care for burned patients, the purchase of equipment, and administrative overhead. During the same period, the Burn Center received revenues of \$29,805,327 from Medicare, Medicaid, private insurance, worker's compensation insurance, and private pay patients. As presented in Exhibit 4, page 14, the Burn Center experienced an operating deficit of \$1,140,761 for the nine-year period because its identifiable expenditures exceeded its operating revenues.

During the period FY 1987 through FY 1995, the Burn Association provided \$5,438,959 to the Medical Center, which the hospital used to purchase equipment for the Burn Center and to offset a portion of direct care expenses for patients who had no other means to pay for such services. Given the Burn Association's contributions for the nine-year period, the Burn Center actually experienced a surplus of \$4,298,198 for fiscal years

Exhibit 4
Burn Center Operating Gains and Losses
For Fiscal Years 1987 to 1995

	Direct Care Costs	Admin. Overhead	Equipment Costs*	Total Costs	Cash from Others	Gain/Loss w/o Assoc.	Assoc. Contr.	Total Gain/Loss
FY 1987	\$2,653,331	\$88,385	\$5,354	\$2,747,070	\$2,479,519	(\$267,551)	\$385,992	\$118,441
FY 1988	2,446,362	79,929	11,109	2,537,400	2,491,065	(46,335)	435,732	389,397
FY 1989	2,461,259	73,865	3,254	2,538,378	2,540,812	2,434	457,223	459,657
FY 1990	3,275,477	75,077	63,558	3,414,112	3,763,675	349,563	524,384	873,947
FY 1991	3,259,983	79,124	21,341	3,360,448	4,083,285	722,837	632,721	1,355,558
FY 1992	3,530,859	68,203	90,384	3,689,446	3,219,299	(470,147)	674,940	204,793
FY 1993	3,962,510	77,903	18,658	4,059,071	2,761,851	(1,297,220)	732,683	(564,537)
FY 1994	4,141,477	91,266	328,189	4,560,932	3,777,815	(783,117)	751,230	(31,887)
FY 1995	4,028,466	0	10,765	4,039,231	4,688,006	648,775	844,054	1,492,829
Combined Total	\$29,759,724	\$633,752	\$552,612	\$30,946,088	\$29,805,327	(\$1,140,761)	\$5,438,959	\$4,298,198

*Equipment purchases made with Burn Association donations for Burn Center equipment.

SOURCE: Prepared by PEER staff.

1987 through 1995, which remained in the Medical Center's accounts for future use by the Medical Center or Burn Center.

While the Burn Association's contributions to the Burn Center contributed to the Center's surplus, they do not fully account for or explain the surplus. The Burn Center is not unlike other hospital facilities in that it receives more revenues from some types of patients than it cost to provide care to those patients. The table below details the Burn Center's FY 1987-1995 surplus according to the gains and losses by sources of patient revenues.

<u>Source of Patient Revenues</u>	<u>Amount</u>
Medicaid	-\$3,653,303
Medicare	-1,849,692
Private Insurance	4,108,955
Worker's Comp Insurance	6,656,537
Private pay by patients	-944,453
Contractual Adjustments	<u>-19,846</u>
Total	\$4,298,198

It should be noted that although the Medical Center primarily applied the Burn Association's contributions to uncompensated care of burn patients, as required by its agreement with the Burn Association, revenues provided by patients still resulted in a deficit of \$944,453 for that particular category. In addition, the 1977 agreement between the Burn Association and Medical Center acknowledged that the Medical Center would curtail the Burn Center's activities rather than experience financial losses from its operations. In the spirit of the agreement, the Medical Center absorbs any financial gains from operation of the Burn Center for its future use or that of the Burn Center.

Burn Association Expenditures

- *During fiscal years 1994 and 1995, approximately eighty percent of the Burn Association's expenditures related to salaries and benefits, travel, and promotional projects.*

As described on page 4, the Burn Association is a free-standing nonprofit corporation which has entered into an agreement with the Delta Regional Medical Center to raise funds for the Burn Center. As such, the Burn Association depends on contributions from its fundraising efforts to finance its operations and provide such funds for the Burn Center. The table on page 16 details the Burn Association's expenditure categories for FY 1994 and 1995 (see Exhibit 1, page 9, for contributions made by the Burn Association to the Burn Center during 1994 and 1995).

<u>Type of Expenditure</u>	<u>FY 1994</u>	<u>FY 1995</u>
Salaries and Benefits	\$119,857	\$138,863
Promotional Projects	66,469	90,860
Travel and Related Expenses	52,895	48,364
General Administration	31,505	30,555
Depreciation	16,628	19,317
Telephone	10,414	11,028
Deferred Compensation	1,044	1,140
Interest Expense	<u>1,454</u>	<u>559</u>
Total	\$300,266	\$340,686

During fiscal years 1994 and 1995, approximately eighty percent of the Burn Association's total expenditures related to salaries and benefits, travel, and promotional projects.

Salaries and Benefits

During FY 1994 and 1995, the Burn Association expended \$119,857 and \$138,863, respectively, for salaries and fringe benefits, which represented approximately forty percent of the Burn Association's total expenditures for those years. The Burn Association presently employs three full-time and one part-time employees, as listed below.

<u>Position Title</u>	<u>1994 Salaries</u>	<u>1995 Salaries</u>
Executive Director*	\$54,941.04	\$64,965.72
Administrative Clerk	19,678.75	23,706.85
Receptionist	17,071.63	18,535.47
Accountant (Part-time)	3,900.00	3,575.00

NOTE: Includes all amounts reported to the Internal Revenue Service; excludes retirement plan expenses and payroll taxes paid by the Burn Association on behalf of the employees.

* The 1995 amount for the Burn Association's executive director includes a \$7,500 bonus granted by the board of directors for services rendered to solicit funds for the Burn Center.

Travel

During FY 1994 and 1995, the Burn Association expended \$52,895 and \$48,364, respectively, for travel and related expenses, which represented approximately seventeen and fourteen percent, respectively, of the Burn Association's total administrative expenditures for those years. The Burn

Association's board of directors has adopted a fundraising approach which utilizes 'face-to-face' meetings between the Burn Association's executive director and potential contributors. The executive director also travels extensively to facilitate and coordinate fundraising efforts by volunteer clubs and organizations on behalf of the Burn Center.

The board has chosen this approach instead of requiring that the executive director use less expensive telephone and mail solicitations. By choosing to support the travel expenses necessary for face-to-face contact with potential contributors, the board expresses its apparent belief that the benefits of this approach--contribution rates that presumably are higher than if less expensive approaches were used to solicit funds from the same potential contributors--outweigh the travel costs associated with this policy.

Because the solicitation method that the board has chosen is relatively expensive, the board should ensure that its executive director implements this policy in a manner that ensures maximum benefit. However, the board has not supplemented this policy with implementation requirements designed to minimize travel expense while maximizing contributions.

To ensure cost-effectiveness, the board should require its executive director to establish formal methods for selecting meetings and planning trips. To operationalize the board's policy on face-to-face meetings, the executive director could use such criteria as the size of the potential contribution, cost of the trip, likelihood of success, likelihood of sustained contributions, opportunity to develop additional contacts, and opportunity to link a proposed meeting with other promising destinations to minimize backtracking and overlap while maximizing the benefit derived from travel expenditures. The executive director also should demonstrate through periodic reports to the board that his travel decisions have been consistent with these criteria and that expensive trips typically have yielded high contributions.

By not requiring its executive director to establish formal criteria for determining which potential contributors should be contacted face-to-face and for developing travel itineraries, the board risks unwarranted expenditure of travel funds that could otherwise have been forwarded to the Burn Center.

In April 1996, the Burn Association's board president instituted a new policy which prevents the executive director from receiving cash advances for travel (and other expenditures). The new policy also canceled one of two credit cards which had been available to the executive director for travel (and other purposes). In addition, the board's finance committee will review and approve all expenses incurred by the Burn Association's executive director.

Promotional Projects

During FY 1994 and 1995, the Burn Association expended \$66,469 and \$90,860, respectively, for promotional project expenses, which represented approximately twenty-two and twenty-seven percent, respectively, of the Burn Association's total expenditures for those years. As stated on page 17, the Burn Association, through its executive director, assists volunteer clubs and organizations in sponsoring events to raise funds for the Burn Center. The Burn Association usually provides such assistance by purchasing items such as food, beverages, trophies, raffle items, and providing advertisements for the events.

During his 1995 financial audit, the Burn Association's certified public accountant noted that some of the association's promotional project expenditures were not clearly identifiable with specific projects, while some were not properly supported with receipts or other documentation. This deficiency prevented the Burn Association's board of directors from being able to review the expenditures to determine their necessity and appropriateness to the Burn Association's purpose. This deficiency also prevented the Burn Association's board from determining whether the promotional costs of an event exceeded revenues received from the event.

Chapter Three

How does the Burn Association's percentage of gross revenues expended on administrative expenditures compare with such expenditures of similar charitable fundraising organizations?

During fiscal years 1987 through 1995, the Burn Association expended 27% of its gross revenues on administrative and fundraising expenditures, which compares favorably with percentages of administrative expenditures of selected nonprofit organizations. However, for fiscal years 1993 through 1995, the Burn Association expended eighty-four percent of its private source revenues on administrative and fundraising expenditures.

Recommended Limits on Charitable Organizations' Administrative and Fundraising Expenditures

As stated on page 4, the Mississippi Firefighters' Memorial Burn Association was established in 1976 as a nonprofit corporation. Thus the Burn Association must comply with federal and state laws or regulations regarding registration and financial reporting. Despite such requirements, no federal or state laws or regulations limit the amounts nonprofit corporations or charitable organizations may expend on administration or fundraising. Although nonprofit organizations that receive federal grants and contracts must comply with the federal Office of Management and Budget Circular A-122, which establishes standards for expenditures, the Burn Association does not receive federal funds and such requirements do not apply to its expenditures.

States' efforts to regulate expenditures of nonprofit organizations have met with little success. For example, during the late 1980s, the state of North Carolina attempted to regulate expenditures of nonprofit organizations by requiring the registration of professional solicitors and establishing percentages of collections that such individuals could be paid by nonprofit organizations. North Carolina's law was challenged in the case of *Riley v. National Federation of the Blind of North Carolina, Inc.*, 487 U.S. 781, 108 S.Ct. 2668, 101 L.Ed. 669 (1988). The United States Supreme Court held that the regulation of administrative fees for solicitation activities and the percentages of donation to the purpose of the charity was unconstitutional as a violation of the First Amendment. The Court stated that North Carolina's definition of "reasonable fee," using percentages, was not narrowly tailored to the state's interest in preventing fraud, and therefore unduly restricted a solicitor's freedom of speech.

In the absence of federal and state laws regarding the amounts nonprofit organizations should expend on administrative and fundraising

activities, the National Charities Information Bureau and Council of Better Business Bureaus have established recommended standards.

The National Charities Information Bureau, an evaluator of national and international charities, annually collects information on over four hundred charities. Based on an evaluation of this information, the bureau recommends that a charitable organization:

- spend at least sixty percent of its annual expenditures for program activities, with no more than forty percent of total contributions spent on administrative or fundraising expenditures;
- ensure that fundraising expenditures, in relation to fundraising results, are reasonable over time;
- have net assets available for the following fiscal year not usually more than twice the current year's expenditures or the next year's budget.

The Council of Better Business Bureaus, an organization that establishes ethical conduct standards for charities, recommends that a charitable organization:

- spend at least fifty percent of total income from all sources on programs and activities directly related to the charity's purpose;
- spend at least fifty percent of public contributions on the programs and activities described in solicitations;
- limit fundraising costs to not more than thirty-five percent of related contributions; and,
- limit total fundraising and administrative costs to not more than fifty percent of total income.

In summary, these two national organizations recommend that charitable organizations limit their administrative and fundraising expenditures to forty to fifty percent of total contributions.

Comparison of the Burn Association's Administrative and Fundraising Expenditures to Recommended Limits

Exhibit 5, page 21, depicts the Burn Association's gross revenues, administrative and fundraising expenditures, and contributions to the Burn Center for fiscal years 1987 through 1995 (years for which such revenues and expenditures could be readily identified). The exhibit shows that the Burn Association's percentage of gross revenues used for administrative and fundraising expenditures for the nine-year period was

Exhibit 5
Distribution of Burn Association Revenues
Fiscal Years 1987 through 1995

Fiscal Year	Revenues	Association Administrative and Fundraising Expenditures	Funds Contributed to the Burn Center	Percentage of Gross Revenues Used for Administrative and Fundraising Expenditures	Percentage of Gross Revenues Contributed to the Burn Center
1995	\$1,334,913	\$340,687	\$964,844	26%	72%
1994	1,067,128	300,266	763,188	28%	72%
1993	1,004,654	318,586	705,560	32%	70%
1992	965,262	274,775	698,936	28%	72%
1991	889,056	237,671	643,354	27%	72%
1990	739,919	178,233	558,195	24%	75%
1989	615,192	152,377	455,709	25%	74%
1988	591,171	141,986	446,925	24%	76%
1987	452,938	129,784	327,749	29%	72%
Total	\$7,660,233	\$2,074,365	\$5,564,460	27%	73%

Note: Records are not readily available to identify revenues and expenditures for fiscal years 1982 through 1986.

SOURCE: PEER analysis.

twenty-seven percent, well below the forty percent to fifty percent recommended by the National Charities Information Bureau and Council of Better Business Bureaus.

PEER also compared the Burn Association's percentage of FY 1994 (the most recent fiscal year available) administrative and fundraising expenditures to those of selected in-state charitable organizations (see Exhibit 6, page 23). While none of these organizations is identical to the Burn Association in scope and funding, they represent a statewide interest in charitable causes similar to the Burn Association's and receive approximately the same level of annual contributions as the Burn Association. The Burn Association's FY 1994 percentage of administrative and fundraising expenditures compares favorably to these nonprofit organizations. (It should be noted that the scope of PEER's review did not include an audit or analysis of the efficiency of the Burn Association's administrative and fundraising expenditures. It is possible that the Burn Association could expend a smaller percentage of funds on administration and fundraising if it implemented additional economy and efficiency measures.)

Given the amount of public funds it receives, the Burn Association is unlike most nonprofit charitable organizations which are heavily dependent on private contributions for their financial stability. As previously stated, the Burn Association receives two-thirds of its total contributions from public entities, with only one-third being provided from private sources. For fiscal years 1993 through 1995, the Burn Association used eighty-four percent of its private funds for its administrative and fundraising expenditures. In effect, the majority of private donations goes toward supporting the existence of the Burn Association rather than directly benefiting the Burn Center. Because the percentage of private funds used for administrative and fundraising expenditures appears high and because many of the expenditures in PEER's sample were undocumented, the Burn Association should minimize expenditures, improve documentation, and maximize use of contributions.

Exhibit 6

Selected Nonprofit Organizations' Use of Revenues for Administrative and Fundraising Expenditures Fiscal Year 1994

Organization	Gross Revenues	Administrative and Fundraising Expenditures	Funds Used for Organization's Program Activities	Percentage of Gross Revenue Used for Administrative and Fundraising Expenditures
American Heart Association of Mississippi	\$1,260,401	\$62,745	\$1,197,656	5%
Mississippi Committee for the Prevention of Child Abuse	\$737,375	\$99,970	\$637,405	14%
Hospice of Central Mississippi	\$1,774,875	\$428,777	\$1,346,098	24%
Mississippi Firefighters' Memorial Burn Association	\$1,067,128	\$300,266	\$763,188	28%
Children's Hospital--University Medical Center Foundation	\$2,951,818	\$1,330,315	\$1,621,503	45%
Child Care Assistance Relief Effort	\$749,346	\$450,961	\$298,385	60%
LeBonheur Health Systems: Children's Medical Center (Memphis, Tennessee)	\$3,185,606	\$2,118,878	\$1,066,728	67%
Heart Support of America	\$2,468,794	\$1,764,725	\$704,069	71%

SOURCE: PEER analysis of Internal Revenue Service 990 reports filed by organizations with the Secretary of State's office.

Chapter Four

Has the Burn Association retained for its use any funds intended for the Burn Center?

During fiscal years 1993 through 1995, the Burn Association remitted one hundred percent of public funds collected and fifteen percent of private funds collected to the Burn Center. The Burn Association retained the remaining eighty-five percent of private funds for its administrative and fundraising expenses or future transfers to the Burn Center.

The Burn Association's Use of Public and Private Funds

During fiscal years 1993 through 1995 (years for which the use of revenues could be readily identified), the Burn Association collected \$3,404,695 through its solicitation efforts on behalf of the Burn Center. The Burn Association received \$2,267,969 (66%) from public sources, with the remaining \$1,138,726 (34%) of contributions being provided by private sources. With the exception of the \$500,000 state appropriation paid directly to the Medical Center and funds generated by the provision of care, the Burn Association provided the Burn Center with its only source of revenues for FY 1993-1995 (as well as other fiscal years).

As depicted in Exhibit 7, page 25, the Burn Association remitted one hundred percent of all public contributions received during fiscal years 1993 through 1995 to the Medical Center to purchase equipment for and offset a portion of uncompensated care expenses of the Burn Center. (See Appendix A, page 31, for details of each fiscal year.) Although the Burn Association is not precluded by state law from using public funds for its administrative or fundraising expenditures, the association's certified public accountant recommended that none be used for such expenditures to avoid possible violation of state purchasing laws, which would apply to the use of public funds. In March 1996 (following the recent concerns raised about the Burn Center), the Medical Center established a separate checking account into which it deposits public funds received by the Burn Association for the Burn Center. Prior to March, the Medical Center deposited association funds into the hospital's general checking account, with identity of the funds being maintained in the Medical Center's accounting records.

Exhibit 7 also shows that the Burn Association remitted fifteen percent of private funds collected to the Medical Center, while retaining eight-five percent to fund its administrative and fundraising expenditures or to be transferred to the Medical Center in the future. Although there are no laws, regulations, or standards regarding administrative expenditures of nonprofit organizations (as discussed in Chapter Three) and while PEER does not suggest any wrongdoing in the Burn Association's expenditure of private contributions, private contributors to the Burn Center must be

Exhibit 7

Burn Association's Use of Funds for Fiscal Years 1993 through 1995

	Public Contributions		Private Contributions		Combined Contributions	
		%		%		%
Total Revenues	\$2,267,969		\$1,138,726		\$3,406,695	
Administrative and Fundraising Expenditures	\$0	0%	\$959,537	84%	959,537	28%
Held for Future Use or Transfer to Medical Center for use by the Burn Center	\$0	0%	\$13,566	1%	13,566	0%
Transferred to Medical Center for use by the Burn Center	\$2,267,969	100%	\$165,623	15%	2,433,592	71%
Total	\$2,267,969	100%	\$1,138,726	100%	\$3,406,695	100%

SOURCE: Prepared by PEER staff.

aware that the Burn Association uses the vast majority of its contributions to operate the Burn Association and solicit public funds, which could be contributed with minimal solicitation effort.

Chapter Five

Has the Burn Association complied with applicable state laws regarding registration of charitable fundraising organizations?

Contrary to MISS. CODE ANN. § 79-11-501 et seq., the Mississippi Firefighters' Memorial Burn Association has not registered annually with the Secretary of State's office as a charitable organization or filed required annual reports.

State Registration of Charitable Organizations

In addition to state laws which govern the incorporation of nonprofit corporations in Mississippi, in 1991 the Legislature passed a law to regulate charitable solicitations (MISS. CODE ANN. § 79-11-501 [1972] et seq.). Section 79-11-501 defines a charitable organization in part as “any voluntary health and welfare, benevolent, philanthropic, patriotic or eleemosynary organization or one purporting to be such which solicits and collects funds for charitable purposes. . . .” Because of its role as fundraiser for the Burn Center, the Burn Association falls within the purview of this statute.

With regard to the registration of charitable organizations, MISS. CODE ANN. § 79-11-503 (1972) states the following:

. . .prior to any solicitation of contributions, every charitable organization. . .which solicits or intends to solicit contributions by any means whatsoever shall file a registration statement with, and pay a filing fee of Fifty Dollars (\$50.00) to the Secretary of State.

Section 79-11-503 requires charitable organizations to renew their registrations annually. In addition to descriptive information, the registration form requires charitable organizations to report to the Secretary of State information such as:

- the purpose for which the organization and the purpose or purposes for which the contributions to be solicited will be used;
- methods by which solicitations will be made;
- disclosure of the exact percentage to be awarded to the charity by any solicitor; and,
- the board, group, or individual having final authority over the distribution and use of contributions received.

Section 79-11-507 states that:

Every charitable organization. . .which shall receive in any twelve-month period ending June 30 of any year contributions in excess of Fifty Thousand Dollars. . .shall file a written report with the Secretary of State on or before six (6) months after the close of the charitable organization's fiscal year, which shall include a financial statement covering the immediately preceding twelve-month period of operation.

Section 79-11-509 subjects persons (which includes individuals, organizations, groups, associations, partnerships, corporations, or trusts) who violate the registration and reporting requirements to administrative penalties imposed by the Secretary of State, which could include a penalty of up to \$25,000.

According to records of the Secretary of State's office, the Burn Association, which was chartered as a nonprofit organization in 1976, has not registered as a charitable organization with the Secretary of State's office since the Legislature enacted the registration requirement in 1991 or submitted required annual reports. The Burn Association's board president, executive director, and certified public accountant contend that they were unaware of the statutory requirement to register the Burn Association as a charitable organization. By failing to register with the Secretary of State's office and submit required annual reports and financial statements, the Burn Association has limited contributors' access to the type of information required by the Legislature and needed by individuals and entities when making contribution decisions.

Recommendations

Legislative

1. Because PEER's review documented managerial and administrative inefficiencies primarily on the part of the Burn Association rather than obvious misappropriation or misuse of public or private funds by the Burn Association or Burn Center, the Joint Legislative Budget Committee should approve the disbursement of funds appropriated during the 1996 legislative session for the operation and maintenance of the Burn Center (\$8,712.32).

Administrative

2. Delta Regional Medical Center, Burn Center, and Burn Association managers should distinguish clearly in their publications and oral presentations the roles and management of the entities.
3. The Burn Association's board of directors should review its fundraising methods in an effort to minimize administrative and fundraising expenditures while maximizing contributions of public and private funds to the Burn Center. Improvements in the Burn Association's fundraising methods should include a formal plan of work based on established criteria and periodic reporting to the board of work accomplished and results of such efforts. Such methods could also include the Burn Association encouraging volunteer groups and organizations to lobby their local counties and municipalities to contribute regularly to the Burn Center.
4. The Burn Association's board of directors should implement recommendations of its certified public accountant regarding the identification, classification and documentation of project and other costs of the Burn Association. In addition, the board should regularly review and monitor the Burn Association's expenditures in an effort to ensure the appropriateness of such expenditures with the organization's purpose.
5. The Burn Association's board of directors should regularly produce annual reports which present all public and private contributions, expenditures, remittances to the Burn Center and percentage of the Burn Association's administrative costs to total, public, and private contributions. The Burn Association should automatically provide such annual reports to all public entities which contribute funds to the Burn Center as well as all private individuals or organizations who contribute more than \$1,000 annually to the Burn Association.

6. The Burn Association's board of directors should comply with state statutes regarding the registration with the Secretary of State's office annually as a charitable organization and submittal of required annual reports.

Appendix A
Burn Association's Distribution of Funds
By Calendar Year, 1993 through 1995

Calendar Year 1995

	Public Contributions	%	Private Contributions	%	Combined Contributions	%
Total Revenues	\$882,635		\$452,278		\$1,334,913	
Administrative and Fundraising Expenditures	0	0%	340,685	75%	340,685	26%
Held for Future Use or Transfer to Hospital for use by the Burn Center	0	0%	29,384	6%	29,384	2%
Transferred to Hospital for use by the Burn Center	882,635	100%	82,209	18%	964,844	72%

Calendar Year 1994

	Public Contributions	%	Private Contributions	%	Combined Contributions	%
Total Revenues	\$741,625		\$325,503		\$1,067,128	
Administrative and Fundraising Expenditures	0	0%	300,266	92%	300,266	28%
Held for Future Use or Transfer to Hospital for use by the Burn Center	0	0%	3,674	1%	3,674	0%
Transferred to Hospital for use by the Burn Center	741,625	100%	21,563	7%	763,188	72%

Calendar Year 1993

	Public Contributions	%	Private Contributions	%	Combined Contributions	%
Total Revenues	\$643,709		\$360,945		\$1,004,654	
Administrative and Fundraising Expenditures	0	0%	318,586	88%	318,586	32%
Transferred from reserves to Hospital for use by the Burn Center	0	0%	(19,492)	-5%	(19,492)	-2%
Transferred to Hospital for use by the Burn Center	643,709	100%	61,851	17%	705,560	70%

SOURCE: Prepared by PEER Staff.

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