



United Israel Appeal Futures Committee
Report and Recommendations for UIA Mandate
ADOPTED BY THE UIA BOARD OF DIRECTORS - AUGUST 2013
ACCEPTED BY JFNA - NOVEMBER 2013

The United Israel Appeal (UIA) acts as an active link between the American Jewish community and the people of Israel.

To carry out its mandate of assisting in the building of a secure Jewish democratic State of Israel, UIA has a long-standing Operating Agreement with the Jewish Agency for Israel to serve as UIA's exclusive operating agent. UIA, as a wholly-owned subsidiary of the Jewish Federations of North America (JFNA), is the primary organization within the Federation system assisting donors, Federations, and other interested parties in accomplishing their philanthropic goals in Israel.

UIA provides support to Federations, donors, foundations and other organizations by complying with long standing IRS Letter Rulings which authorize both its work and that of the Israel Education Fund (IEF). Through compliance with these rulings, UIA assures Federations and donors of the US income tax deductible status of their gifts.

Accordingly, UIA's mandate encompasses a broad range of legal, fiduciary, and oversight functions enabling it to act in the best interests of the Jewish Federations in the United States and their donors.

I. UIA CORE FUNCTIONS AND RESPONSIBILITIES

UIA's core responsibilities center primarily on the following four areas:

- 1) The Jewish Agency for Israel
- 2) US Government Grant
- 3) Israel Education Fund
- 4) Israeli NGOs (Amutot)

- 1) The Jewish Agency for Israel

The Jewish Agency for Israel is the major beneficiary of UIA funding. UIA has an Operating Agreement with the Jewish Agency for Israel naming the Agency as its

exclusive operating agent in Israel. The working relationship between UIA and the Jewish Agency manifests itself in the following various ways.

- a) In keeping with its role as the representative of the Federation system, UIA appoints members of the Jewish Agency Assembly, and nominates members of the Board of Governors and Executive to serve as monitors and overseers of the budget, programs and management of the Agency. By having its nominees serve on the Jewish Agency Board and Committees, UIA exercises oversight of and has input into the work of the Jewish Agency.
- b) UIA allocates funds derived from Federation campaigns to the programs of the Jewish Agency on a line-item basis. On an annual basis the Jewish Agency is asked for its input to the UIA Allocations Committee for its annual core budget needs. The Committee reviews the requests and makes recommendations for action on UIA funds to the UIA Board.
- c) The UIA Israel Representative, on behalf of the UIA Board, participates in any and all levels of fiscal conversation with the Jewish Agency as part of the monitoring functions of UIA. These functions include active participation in the development of the Jewish Agency budget. The Israel Representative also participates in the oversight of the Jewish Agency's programs.
- d) The UIA Israel Representative serves on the Companies Bureau. The principal function of the Companies Bureau is to protect and promote the interests of the Jewish Agency through companies in which the Jewish Agency and its affiliated bodies own all or a part of the share capital. In all, there are 154 such companies of which 80 are IEF companies including four colleges.
- e) The UIA Board reviews the ongoing work of the Jewish Agency. The Jewish Agency provides UIA with periodic reviews of its work, program evaluations, and budget expenditure updates. These matters are covered in the UIA/JAFI Operating Agreement.
- f) UIA has a role in educating donors and federations about the work of the Jewish Agency. Members of the UIA lay leadership and staff are called upon to meet with Federation leadership to explain the work of its agent, the Jewish Agency.

- g) UIA acts as the responsible party within JFNA to engage directly with and monitor the progress of new initiatives of the Jewish Agency.

2) US Government Grant

UIA is the recipient of a United States Government Grant for the resettlement of immigrants from countries of distress to Israel. UIA has been successful for more than 40 years in making the case to the Government and leadership of the United States that there are Jews in places where a real threat to their lives exists. On the basis of US humanitarian and resettlement programs these individuals and communities have been supported in their immigration to Israel and given the opportunity to participate in the rebuilding of the Jewish commonwealth.

Since 1973, the grant has provided more than \$1.7 billion to UIA to further the efforts to rescue and resettle Jews from the four corners of the world. The work of the UIA Grant Committee is supported by a year-round effort of educating members of the US Congress and the Administration about the needs of migrant Jews in distress. The US Government reporting requirements include a series of annual, semi-annual and quarterly reports presented to both the Department of State and the Department of Health and Human Services which UIA prepares and files. The Department of State also makes its own site visits to verify the work of UIA and the Jewish Agency.

3) Israel Education Fund

The Israel Education Fund was started by UIA as a joint campaign effort which included the United Jewish Appeal and the Jewish Agency for Israel. Its purpose is to provide donors with opportunities to support the capital and scholarship/educational needs of the Jewish Agency. Since its inception, IEF has funded the development of 1,200 properties in Israel and organized 80 operating companies to manage educational programs.

UIA periodically inspects these properties for proper use, function and maintenance. Operating companies are checked for legal registration and fiduciary oversight. UIA provides information to donors about existing funded projects as well as assists in identifying additional giving opportunities.

The IEF campaign, under the guidance of UIA, develops opportunities for increased donor participation.

4) Israeli NGOs (Amutot)

UIA provides services to donors, Federations, and affiliated foundations enabling each to fulfill its philanthropic aspirations in Israel beyond the scope of the Jewish Agency.

UIA maintains a database of over 1,200 Israeli NGOs (*amutot*, as defined by Israeli law), and verifies the legal and operational status of those NGOs on an ongoing basis. UIA acts as the funding agent for programs identified by Federations and/or their donors and implemented by verified NGOs.

II. UIA VALUE ADDED SERVICES

In keeping with its current structure and responsibilities, UIA is extending its service delivery system in the following four areas:

1) Philanthropic Services

UIA will continue to serve the needs of donors and the more than 1,200 NGOs to which support is provided. UIA will continue to develop and maintain its database and its capacity for monitoring NGO funding. UIA is prepared to expand this role and serve the needs of non-Federation donors and foundations in pursuit of their own philanthropic goals in Israel. This service will be on a fee basis.

2) Federation and Donor Education about the Jewish Agency for Israel

UIA will continue and expand its historic role of providing education to the Federation system on the work of the Jewish Agency as part of the overall work of the JFNA.

3) IEF Oversight

UIA will increase its participation in and monitoring of its companies through active engagement in the appointments to the boards of directors of the companies. Over the next few months an evaluation will be undertaken of the opportunities for increased oversight from the UIA and Jewish Agency boards, as well as the recruitment and involvement of new company board members. This is a complex project with far reaching implications and will require an extended period to implement.

4) IEF Campaign

As a direct effect of increasing oversight of IEF properties and companies, UIA believes that there will be new opportunities to present IEF projects both to existing and new donors. Additional Jewish Agency initiatives may also present opportunities for IEF financial resource development.

III. UIA STRUCTURAL ENHANCEMENTS

UIA's intention to develop these value-added services from its existing base of operations, and the potential for development of increased resources, will require certain changes to UIA's current structure.

UIA operations and governance will both play a role in extending UIA's services to the philanthropic community.

UIA will need to enhance its staff in order to increase property and companies oversight as well as to fulfill the anticipated greater services to donors, federations, and foundations. The intention is to make changes on a methodical and considered basis, within a budgetary framework taking into account all sources of support for UIA.

UIA Governance

The UIA Board is currently comprised of 32 members, many of whom participate by position (e.g., JFNA Board Chair and Executive Committee Chair). While the current structure of the UIA board is suited for oversight of core UIA functions, we feel it is not sufficient to oversee the proposed development of UIA value-added services or to provide the lay interface to the donor community that will support those services.

We recommend that the UIA Board develop an invigorated committee system. At a minimum, UIA board committees may include an Executive Committee; Allocations, potentially with both Jewish Agency and NGO subcommittees; Nominations; IEF Company Oversight (in planning); Federation/Donor Relations, with opportunities for both written and personal communication; and Government Relations. (This list is for demonstration purposes only and is neither exhaustive nor all-inclusive.)

Appointments to UIA board committees should reach beyond the current UIA board membership. Also, consideration should be given to rearranging UIA board appointments and/or expanding the board membership to accommodate new committee

roles. The evolution of the relationships between American donors and Jewish Agency programs and Israeli NGOs should further inform these appointments.

We additionally recommend that a classification of associate membership be considered so that all UIA appointees to the Jewish Agency Board of Governors and Committees who are not UIA board members may participate on the UIA board on an ex-officio basis.

UIA believes that realigning its board and committee structure will create meaningful and tangible volunteer engagement experience which will provide JFNA and our federations with leadership who are knowledgeable, capable and experienced in supporting our work with the Jewish Agency.

UIA Operations

The current UIA staff numbers 14 full-time equivalents (FTEs). This includes, in addition to the Executive Vice Chairman and two full-time staff for the Israel Education Fund, four staff (FTEs) in the JFNA Finance Department, one grants officer, one program staff member in New York, and a five-person office in Israel. There is one program position currently vacant.

Additional staff will be needed to increase monitoring of properties and IEF companies, support a revamped committee structure and grow philanthropic services. All UIA sources of support will be considered in these matters, including fee-for-service opportunities.

IV. CONCLUSION/RECOMMENDATION

UIA has held firm to its fiduciary obligations to its parent and beneficiary organizations and to its responsibility toward transparency, but this commitment is only half of the equation. In this document UIA has laid out a path toward meeting not only the letter of the law, but also the spirit of contemporary donors who are more engaged and informed, and expect a standard of care beyond that of organizational dictates.

By clearly stating its core principles, UIA reinforces a solid organizational foundation that now enhances and benefits the Jewish Federations of North America, Federations, donors, and the people of the State of Israel.

UIA's operating relationship with its agent, The Jewish Agency for Israel, will continue to evolve with closer oversight, deeper engagement, and enhanced education to the donor and Federation community about the work of the Jewish Agency.

UIA proposes careful and methodical extension of its existing programs to new constituencies both in the US and Israel. UIA intends to present opportunities in keeping with current trends in philanthropy that will strengthen donor engagement and financial resource development. UIA will provide services based on both collective and individual philanthropic goals that enhance JFNA, the Federation system, and new donor groups.

Based on the foregoing, it is recommended that the UIA Board approve the following:

UIA shall consider as its mandate the functions and activities outlined herein; and shall undertake the implementation, subject to budget approval and bylaw/charter compliance, of the structural and other changes described above.

Committee Co-chairs: Norman Goldstein and Fred Zimmerman

Committee Members: Caryn Rosen Adelman, Richard Bernstein, Harold Gernsbacher, Mary Beth Leibowitz, Mark Levy and Terry Meyerhoff Rubenstein.