

## **FACT SHEET REGARDING THE DONATION AND OUR FINANCIAL SITUATION**

Q: What efforts have been made to contact the donor or persuade the donor to continue to support the Council?

A: Shortly after the June 2009 board of directors meeting, both Ronald Lindsay, president and CEO of CFI and its affiliates, and Tom Flynn, executive director of the Council, telephoned the donor and left messages. These were courtesy calls, to inform an important donor about the decisions of the board, which included Richard Schroeder replacing Paul Kurtz as chair. The donor did return Flynn's call a day or two later. Flynn was not available. A subsequent follow-up phone call from Flynn elicited no response.

Ronald Lindsay and Tom Flynn tried to contact the donor by telephone again in the late fall of 2009 with no success.

On or about January 19, 2010, Tom Flynn sent an e-mail to the donor. No response was forthcoming.

In March, Richard Schroeder, board chair, asked Paul Kurtz to contact the donor. Schroeder suggested that he and Kurtz write a joint letter to the donor. Kurtz declined. Neither the board of directors nor management has any evidence that Kurtz attempted to contact the donor.

In early April, Richard Schroeder and Ronald Lindsay sent the donor a letter discussing the financial situation of CFI and its affiliates and asking for clarification of the donor's intent. There was no response to this letter.

On or about April 20, Ronald Lindsay and Paul Kurtz had a conversation that addressed, in part, the financial situation of CFI and its affiliates. After confirming that Kurtz was very unhappy about his presence in the organization, Lindsay offered to resign effective December 31, 2010, if Kurtz succeeded in persuading the donor to make his usual donation by May 19 (the first day of the semi-annual board of directors meeting). It is unclear whether Kurtz made any effort to contact the donor. In any event, no donation was forthcoming.

Paul Kurtz, on his own initiative, resigned from the boards of CFI and CFI's affiliates on May 18, at which point no further effort was made to involve Paul Kurtz in communications with the donor.

Tom Flynn has telephoned the donor within the last two weeks. There has been no response to these phone calls.

Q: So is the donor not giving because the donor disapproves of some or all of the board of directors' actions concerning Paul Kurtz or is disappointed in Paul Kurtz's decision to resign from the board?

A: We simply do not know. Even though Paul Kurtz did have a personal relationship with this donor, it would be speculative to draw the conclusion that the donor is not giving because of disapproval of the board's decisions. It is possible the donor has experienced financial problems, needs the money for other purposes, has stopped being a supporter of secular humanism, or just plans to make a donation late in the year. It is also possible, of course, that the donor does disapprove of some or all of the board's actions. Unless and until we hear from the donor, we cannot draw any firm conclusions.

Because the donor has not been responding to communications for months, it does not seem likely that the donor's failure to give has anything to do with Paul Kurtz's recent resignation.

Q: Is it fair to say that CFI and its affiliates are losing a lot of donor support because many donors are unhappy about the board's decisions concerning Paul Kurtz?

A: No, this conclusion is not supported by the available evidence. The public support for all three operating affiliates (CFI, CSI, and Council) was about \$3.3 million in 2009, compared to \$2.9 million in 2008. Moreover, the number of individual donations increased.

Of course, if the anonymous donor is not contributing because of dissatisfaction with the board's decisions, the donor's dissatisfaction is undeniably significant in light of its financial impact. Still, this is the decision of one donor. It does not represent a trend.

Q: If it is the Council for Secular Humanism (Council) that will not be receiving the donation, why is the Center for Inquiry (CFI) or the Committee for Skeptical Inquiry (CSI) affected?

A: Council will be the organization most directly affected, but CFI is officially categorized as a "supporting organization" under IRS regulations. Effectively, what this means is that CFI is obliged to support Council and CSI, logistically and financially. If CFI had a surplus, it would be made available to assist Council in eliminating its deficit. Unfortunately, CFI is not likely to have a surplus this year, absent an extraordinarily successful fundraising effort. CFI will probably have to withdraw funds from its endowment to help sustain Council's operations.

CSI is affected because to the extent CFI is required to support Council financially, fewer funds will be available to support CSI.

Q: Is CFI going to be shutting down operations entirely in Florida and Washington, D.C.?

A: No. CFI will have no central office in Tampa, but there are several CFI branches in Florida, including Tampa, and these will continue to operate on a volunteer basis. They will continue to receive support from the national organization consistent with the level of support provided other volunteer branches.

In Washington, D.C., we plan to maintain an active branch with Melody Hensley as executive director. The D.C. branch will not have the benefit of a fixed location for a period of time, but we have a similar arrangement in New York City, and we have been fairly successful in staging events and running programs without the benefit of a leased building.

Q: Do CFI, the Council, and CSI have a future? What if your special fundraising appeal does not raise anything close to what you need to fill the gap resulting from the donor's decision not to give?

A: There is no question that CFI, Council, and CSI have a future. Even without the large gift from the anonymous donor, or any monies we raise from this extraordinary appeal, the combined organizations can be expected to raise somewhere around \$2.5 million annually in public support, with another \$2.2 to \$2.4 million in revenue from our operations, such as subscriptions to *Free Inquiry* and *Skeptical Inquirer*. In the worst case scenario, we would need to make further cutbacks, including some additional reductions in staff, but the organizations would continue. However, we would not be nearly as effective as we can be, and for those who share our vision of a secular society based on science, reason, freedom of inquiry, and humanist values, that is a matter of concern.