

The Synergos Institute
Voluntary Sector Financing Program
Case Studies of Foundation-Building
in Africa, Asia and Latin America

Child Relief and You-Cry (India)

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1997

The preparation of this series of case studies was made possible by support from the Ford Foundation, the Aspen Institute, the C.S. Mott Foundation and the Compton Foundation.

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Voluntary Sector Financing Program

Case Studies:

- The Foundation for the Philippine Environment
- The Esquel Ecuador Foundation (Fundación Esquel-Ecuador)
- Child Relief and You - CRY (India)
- Foundation for Higher Education (Colombia) (Fundación para la Educación Superior - FES)
- Philippine Business for Social Progress
- The Puerto Rico Community Foundation
- The Mexican Foundation for Rural Development
- The Kagiso Trust (South Africa)

Cross-Case Analyses:

- Formation and Governance
- Organizational Financing and Resource Generation
- Program Priorities and Operations

Contents

Synopsis	1	Tables	
Preface	2	1: Project Selection Procedure Chart	19
Genesis and Origins	5		
The Founders: Their Motivations and Impact	5	Annexes	
Choosing A Name and A Persona	7	1: CRY Organizational Structure	30
Creating a Financial Base	8	2: CRY Program Support Unit Project Support Criteria	31
		3: Growth in Operations, 1980-1995	32
Governance	9	4: Areas of Development and Total Allocation, 1992-1993	33
Cry Mission and Vision: A Situational Response	9	5: CRY Overview, 1979-1995	34
Governance Structure and Evolution of Trustees' Role	10		
Evolution in Governance	10		
CRY's Growth and Expansion	13		
Program Operation and Evolution	15		
Programs, Resource Generation and Support Functions	15		
Strategy Adaptation	15		
Projects, Allocations and Beneficiaries	17		
Grantmaking	18		
Project Monitoring	19		
Planning for the Future	20		
Financing CRY	21		
Resource-generation Approaches	22		
Beginnings of an Endowment	24		
Budgeting and Financial Reporting	25		
Sources	26		
Addendum - CRY TODAY	28		

Synopsis

Origins

Child Relief and You (CRY), founded in 1979, is dedicated to restoring to deprived Indian children their basic rights to food, shelter, health and education. Its role is to fill the gap left after government and foreign aid do what they can to help children in need.

CRY originated through the efforts of one man, the late Rippan Kapur, combined with the ideas of a small group of friends and family. CRY was partly modeled after UNICEF in that it combines development with enlisting public support through greeting card purchases and donations. CRY now also sells calendars, address books and stationery.

Financing

Fundraising during CRY's initial years was through person to person solicitations and marketing of greeting cards and promotional events. Almost all of CRY's staff is engaged in fundraising in some way. The organization has benefited from sales and income tax exemptions, reduced rentals, strong government cooperation, and permission to accept foreign currency donations.

One specific promotional strategy is cause related marketing, in which CRY works with a specific company that sells an item and also lets the consumer know that a percentage of the price is given to CRY. CRY also has donation boxes in shops, theaters and restaurants.

Internationally, the Ford Foundation and other private and official donors have supported the organization. CRY has also targeted non-resident Indians for fundraising, via a 501(c)(3) organization in the US.

Governance

CRY's founding board was largely a group of friends. Though some of the founders left the board when Kapur brought in a professional manager as staff director, the culture of CRY remains personal. Many of the staff are volunteers. At present, the two governing bodies are the trustees and a management committee of senior staff. Each meets at least four times a year. It is noteworthy that CRY has adopted a dual legal status, as a trust and a society, each of which offers the organization different benefits under Indian law.

Programs

CRY currently supports 143 project partnerships addressing vocational training, foster care, child labor, street children, eradicating child prostitution, disaster relief and disabled children issues. Its program support has touched the lives of 650,000 children.

CRY links public education to its fundraising in an effort to change Indian attitudes toward underprivileged children. CRY's work extend to privileged students through its Youth Wing, which sensitizes and involves them in efforts to improve the situation of their less privileged peers.

Preface

Background

In Africa, Asia and Latin America, citizen participation through a range of civil society organizations has become a growing and vital force. Civil society organizations have brought significant material and human resources from the community level to bear on poverty problems through donations of time, energy, materials and money.

Locally managed and controlled organizations that provide direct financial support to other organizations within their societies have been established over the last decade in many southern countries. A few were established twenty or thirty years ago. These organizations are injecting critical financial as well as technical resources into local civil society and mobilizing resources from a wide variety of sources both domestic and international for this purpose.

Few of them were created with a single large endowment, as was the case with most northern private foundations. Most of them rely on a wide range of strategies to mobilize financial resources including earned income contributions from individuals and corporations and grants from international organizations. Some managed donor-designated or donor-advised funds following the US community foundation experience.

General consensus over terminology has yet been reached; these new types of organizations are usually referred to as "foundations" or "foundation-like organizations." Though many of these organizations have adopted legal identities as foundations or trusts, others are registered as nongovernmental organizations. In general, they differ in many ways from their northern counterparts. For example, they are more likely to mix program operation with grantmaking. Many of them act as convenors of civil society

groups, as bridging institutions to other sectors of society or as technical assistance and training providers.

To distinguish this type of southern foundation-like organization from northern foundations we can use a term such as "community development foundation" or "southern foundation" or use a new term. One new term which has been proposed is "civil society resource organization" or CSRO. This term refers to organizations which combine financial assistance to community-based organizations and NGOs with other forms of support for organizations or the civil society sector as a whole. In this series of papers we will use the terms "foundation" and "civil society resource organization" interchangeably.

This expanding universe of foundations/civil society resource organizations around the world has not been systematically studied. As one of the first steps towards developing an understanding of this sector, Synergos responded to a request from a group of southern foundations. In April 1993, a group of foundations from a dozen southern countries met with northern foundations and official foreign aid agencies to discuss the emerging role of foundations in strengthening civil society in Africa, Asia and Latin America. A major outcome of the discussion was a decision to learn more about how these organizations are created, how they develop and evolve, and how they sustain themselves as philanthropic entities. The group decided on case studies and analysis as the most fruitful approach. The Synergos Institute, which works with local partners to establish and strengthen foundations and other financing organizations, accepted the task of producing case studies of these organizations. These papers are one of the products resulting from this effort.

Methodology

A Global Advisory Committee of southern foundations guided the two-year effort by Synergos. The advisors selected eight geographically diverse cases from over sixty organizations identified through an initial survey. Local researchers were retained in each country and the Synergos research team worked with them and the Advisory Committee to develop a common protocol.

The protocol hypothesized four areas as key to the operational effectiveness and sustainability of southern foundations: origins and genesis of the institution; institutional governance; program evolution and management; and financing. The case researchers studied these issues via multiple data collection methods and sources. The primary method was to conduct direct structured interviews with individuals involved with each case organization, including board members or trustees, the managing director, staff members, grant recipients, and other relevant organizations. In addition to interviews, researchers gathered mission and vision statements, annual reports, operating strategies and plans, internal and external evaluations, financial plans and administrative procedure manuals. Data collected by the different methods were systematically organized into distinct databases which were the basis for each written case study. The case studies were coordinated by the Synergos research team, which then provided the funding to a cross-case analysis team for the preparation of three analytical papers. The two teams prepared condensed versions of the case studies for publication.

Use of the Studies

The eight case studies bring to light key factors that have led these organizations to be successful, and the studies document the crucial

processes they have gone through to respond effectively to the needs of their national civil societies. Across the very different conditions that brought about their formation, the cases reveal that foundations/CSROs can play a central and strategic role in strengthening civil society. Their comparative advantage as resource mobilizers enables them to have a large effect both in stimulating new financing and connecting financial resources to the community-level where they can have the greatest impact. In particular, they have excelled at:

- providing seed resources for the growth of civil society organizations in their countries;
- leveraging diverse sources of financing for the projects and programs of civil society organizations;
- assisting northern foreign aid to be channeled to civil society in more sustainable and effective ways; and
- acting as an interface for public policy dialogue between civil society and the government and business sectors.

The case studies and the related analytical papers are a useful tool for those who wish to build foundations/CSROs around the world. Synergos hopes they will be widely used as a catalyst for the development and strengthening of this important group of institutions that provide financing to the voluntary sector.

Acknowledgements

The case study project has involved the talent and contributions of many individuals and organizations over the last two years. We would like to acknowledge their efforts and emphasize that the project would not have been possible to complete without their contributions:

- The Global Advisory Committee: Graça Machel, Foundation for Community Development, Mozambique; Cornelio Marchán, Esquel Ecuador Foundation; Ethel Rios de Betancourt, Puerto Rico Community Foundation; Kamla Chowdhry, Center for Science and Environment, India; Aurora Tolentino, Philippine Business for Social Progress; Paula Antezana, Arias Foundation, Costa Rica; Maria Holzer, Polish Children and Youth Foundation; Eric Molobi, The Kagiso Trust, South Africa.
- The case writers: Teresita C. del Rosario, Alejandra Adoum with Angela Venza, Anthony D'Souza, Alfredo Ocampo Zamorano with Margee Ensign and W. Bertrand, Victor E. Tan and Maurino P. Bolante, Maria del C. Arteta and William Lockwood-Benet, Victor M. Ramos Cortes and Lauren Blythe Schütte.
- The case studies research team: Betsy Biemann, S. Bruce Schearer, John Tomlinson, David Winder and Eliana Vera at The Synergos Institute and Catherine Overholt at the Collaborative for Development Action.
- The cross-case analysis team: Darcy Ashman, L. David Brown and Elizabeth Zwick at the Institute for Development Research.

Financial support for the project was provided by the Aspen Institute, the Compton Foundation, The Ford Foundation, The W.K. Kellogg Foundation and the Charles Stewart Mott Foundation.

In addition, a number of individuals made very important contributions to various aspects of the research: Kathleen McCarthy at the Center for Philanthropy, City University of New York, and James Austin at Harvard University provid-

ed valuable research advice; staff and board members of the case organizations gave time, interviews and key background materials; Yvette Santiago, Miriam Gerace Guarena, Amelia Moncayo and Armin Sethna assisted in the coordination and production of the study documents.

Genesis and Origins

Despite considerable achievements since attaining independence in 1947, India still faces vast development challenges that adversely affect a large proportion of the population, especially children. Child Relief and You (CRY), founded in 1979, is an independent trust dedicated to the cause of deprived Indian children. CRY tries to provide a future for these children through their basic rights to food, shelter, health and education. CRY has evolved dynamic strategies to enable underprivileged children to realize their potential, and estimates it has helped 650,000 children.

CRY originated through the efforts of a single individual, founder Rippan Kapur, whose anguish over the situation of underprivileged Indian children translated into a drive to redress this issue. His conviction that generous indigenous support can be harvested and channeled to development partners to achieve CRY objectives has been corroborated by experience.

The programs that CRY supports — through funding implementing nongovernmental and community-based organizations — were focused initially on relief and specific project assistance. Today, program support is comprehensive and multi-sectoral, with a social development orientation. Issue-based advocacy, institutional and project partner networking, and social entrepreneurship development, are supplementary strategies.

CRY's formal governance structure, initially viewed only as a legal necessity, became more operationally focused as the organization grew. At times, Trustees' and managers' roles blurred and overlapped, with some individuals playing multiple roles. After 1989, by design, the governance functions became policy focused and

supported the implementation of an approved long-range operational strategy. In a similar vein, at operational levels, there has been pressure to shift from volunteers to a paid professional and qualified staff.

Since its inception, CRY has generated substantial resources through the sale of greeting cards and related paper products, and through donations solicited from individuals, groups, and corporations. Product sales and potential donor-base considerations have influenced decisions on expansion to metropolitan areas beyond Bombay. Targets have been achieved through a combination of professional social marketing approaches and organizational transparency. CRY's resource base extends beyond donations in cash or kind and revenue from product sales to substantive and varied voluntary personal services.

CRY's life span has embraced four development phases:

- 1979-1981, genesis and path-finding;
- 1982-1990, expansion and diversification;
- 1991-1993 long term strategy and consolidation; and
- 1994 - the present, "taking CRY forward," following the death of its founder in 1994.

The Founders: Their Motivations and Impact

Founder Kapur's social commitment developed during his childhood in Bombay. His mother, involved in social work for destitute girls, was a great source of inspiration, support, and strength. In school, he was active in the social service club, reading to the blind and visiting children in hospitals. Later, as President of a school club, he organized literacy classes for

children at a slum. In 1971, the year Kapur graduated from high school, he and some friends organized “Instant Karma I,” a rock show in which the musicians played for free to raise funds for children. He continued his social work through university. In 1976, the first year of his professional life, he set up “For my Children’s Children,” a short-lived predecessor to CRY, which closed down due to lack of funds.

In mid-1978, with a small group of friends, he began to plan CRY. Regina Thomas, now Branch Manager for CRY in Bangalore, recalls the intense discussions around Kapur’s mother’s dining table. She remembers that friends presented ideas, and Rippan assumed responsibility to implement plans as they evolved.

The founders were not inducted on the basis of specific sector or interest group representation. “Rippan inspired confidence in people...he empowered people...he would stress that nothing is impossible,” says Thomas. CRY founding members were friends who identified with Kapur’s cause and provided the legal base to start his life’s work, literally, a “dining room” cabinet! These founders were middle-class Indians of varied professions and religious persuasions — a composition that is represented in the Board of Trustees even today.

Kapur and six friends, the minimum required by Indian law to register a society under the Societies Registration Act, 1860, each contributed Rs.7.00 (US\$ 1.00 at the time) and signed a Memorandum of Association to form the Child Relief and You Society on November 27, 1978. The organization was officially registered on January 28, 1979, with an operating base of Rs. 50, and was also registered as a Trust under the Bombay Public Trust Act, 1950.

The rationale for this dual registration — as a society and a trust — related to the general legal environment, as well as the country’s

recent emergence from the ignominy of national “emergency” rule, as a result of which non-governmental organizations (NGOs) were particularly concerned about ensuring autonomy of their management.

The Societies Registration Act enables the formation of societies by groups of individuals for research, trust, professional, health, educational and development purposes. These societies may benefit from tax and other concessions, generally by conducting their affairs in conformity with the registered Memorandum of Association and Bylaws/Rules and Regulations. One disadvantage, however, is that this act provides for a “general membership body” to which any individual subscribing to the aims of the organization can apply, and governing Board members are to be appointed by the general body. This held the risk that the orientation of the organization could alter and that, with increases in membership, the number of inactive members would also grow.

Thus, being established in Bombay, CRY also found it advantageous also to register as a charitable trust under the Bombay Public Trust Act, 1950. Under these provisos, Trustees have more autonomy than their counterparts in Societies. The organization and its supporters have benefited through tax law and other concessions, that include sales and income tax exemptions, reduced rentals, government cooperation, and the ability to accept foreign currency donations.

At that juncture, four persons were on both the CRY Society and CRY Trust founding member lists: Rippan Kapur, Jayne Michael, Gulshan Ukaji, and Noshirwan Jehangir. It is notable that, by September 1982, the end of the organization’s genesis and path-finding phase, all Trustees but Kapur had resigned. Varied explanations are provided for resignations of

CRY founding members — relocations because of job change, marriage and family responsibilities. However, it is also apparent that some Trustees were disconcerted by the spontaneity, pace, scale, and implicit financial risk of Kapur's plans.

Amita Kapur, the founder's sister-in-law who is now CRY President, says of Rippan, "It was his life force that went into CRY, and in turn CRY became his life." His school friend and current Trustee, Ratan Batliboi, recalls Rippan's total absorption with CRY activities between his work assignments as a flight purser with Air India, the Indian international air carrier.

Establishing and energizing CRY were the main achievements of the founder and early Trustees. This was achieved through:

- Awareness building, mobilizing commitment, and fundraising (with two initial campaigns);
- Networking and exploring project partnerships; and
- Maintaining mandatory legal requirements of the Registered Societies Act, 1860, and Bombay Public Trust Act, 1950.

The organization's value system is rooted in the founding Trustees' personal values, which emphasized personal accountability and commitment; tenacity and personal sacrifice; approaches that were diverse, flexible and included risk; and an acceptance of the Indian dichotomy of extreme affluence and extreme poverty, social privilege and disadvantage, and the special challenges those pose to development.

Choosing a Name and a Persona

CRY was conceived as an Indian organization committed to the issue of deprived Indian chil-

dren using support and funds from indigenous sources. As a model, Kapur looked to UNICEF, the United National Children's Fund, with its focus on development for the underprivileged child and practice of garnering public support through greeting card purchases and donations. He considered UNICEF's cause to be meaningful and its role effective. The popularity at the time of the Spastic Society greeting cards, and the potential in the Indian market were added impetus for CRY's organizational choice. In the absence of an adequate supply of attractive and affordable cards, a practice of selling inexpensive, re-made used foreign greeting cards prevailed.

Richard Bridle, State Representative for UNICEF, Maharashtra State, says, "Rippan and I shared a common dream on the greeting cards front where, far from seeing each other as competitors, we looked forward to a day when everyone in the country would be buying a card for a child."

In choosing a name for the organization, it was decided to include CR for Child Relief in the name. Next, Kapur and a friend, going down through the dictionary, came across the word "cry" and decided it would be appropriate!

Amita Kapur, President, explains CRY's organizational role as a "catalyst" between people who are concerned and provide resources, and project organizations who target children and women's development.

In his last interview in which he discussed CRY, Kapur stated:

We also recognized that there would be others like us, people with full time jobs, or family responsibilities, who could not dedicate their whole life to child welfare, yet wanted to, and could, help somehow. The real task was to bring together these people and

transform their individual contributions — of skills, time, or money — into resources that would help neglected children.

The chief objective is to restore to Indian children their basic right to food, shelter, health and education — in short, a future. It aims to provide comprehensive support to development efforts for socially and economically deprived children, women and communities. CRY works towards its social objectives through two routes, namely, direct assistance to development projects all over the country; and awareness and sensitization programs for the public.

Creating a Financial Base

As mentioned earlier, CRY was started with small initial contributions from the founding members. Thus, its immediate preoccupation was resource generation to support individual projects around urban Bombay. In the early years of CRY's existence, the drive for resource mobilization was predicated on providing support to specific child relief causes rather than on developing a comfortable resource base to promote sustainability.

In 1980, CRY introduced its greeting cards, using two designs by Sanat Surti — an early and enduring supporter who also designed the CRY logo — and sold 30,000 cards. The second year of CRY was marked by growing activity, support and conviction. Two projects, one each in the first and second year of CRY's existence, received the funds raised.

Governance

CRY Mission and Vision: A Situational Response

There is no question that the original mission of CRY was essentially one man's — founder Rippan Kapur's. This individual's campaign expanded initially through the inclusion of a few similarly committed friends, colleagues, and staff. From his perspective, there was no need to further articulate a mission during the first decade of CRY's existence.

Amita Kapur, Regina Thomas, and Vanita Malhotra, three individuals who started CRY branch offices, emphasized Rippan's concern for institutionalizing the CRY mission and values through the examples of Trustees and staff. His interest in people, and the quiet rapport he established with individuals made it easy for them to assimilate his values and his vision.

From the organization's founder and division/branch heads through to its lowest levels — manual workers, office helpers, and the like — CRY's values were judiciously institutionalized over years of shared working experience. All activity in Bombay was carried out from the founder's home. The work culture that evolved was personal, family-like, and supportive, with everyone assuming multiple tasks. Prakash Chand, a young man from a poor family, joined CRY Delhi in 1984 as an office helper. He recalled, with nostalgia and obvious pride, packing and hand delivering cards to homes and offices, attending telephones when that utility eventually became available, banking checks, and mailing letters — all out of Amita Kapur's home. Today, while Mr. Chand places a high value on CRY's development, he misses the personal contact with the top managers as a result of the large staff increases.

Some time in 1990, the CRY staff decided it was time to articulate a mission statement. Per-

vin Varma, a member of the staff team charged with this task, recounts that they essentially translated the organization's action agenda of past years, with a later adjustment that emphasized the organization's enabling role — as a facilitator helping to empower beneficiaries and donors. Along with the mission, the team articulated CRY's objectives, values that maintain its organizational culture, and supportive guiding principles. Collectively, these statements provide a sense of the importance CRY assigns to its institutional capacity building and the organization's vision.

The rationale for articulating its mission, objectives, values and guiding principles becomes clear given the quantum increase in staff. CRY grew from one person, without an office, in 1979, to 187 persons, two corporate offices, and five branch offices in 1994. As activities diversified — with the shift in product sales approaches from personal card sales to retailing and distribution and the introduction of resource generation restructuring — more attention was given to reinforcing institution-building processes.

Before 1990 CRY had emphasized the external communication of its mission and vision primarily through its activities and their impact. Today, the organization has detailed "communications guidelines" that make explicit:

- What CRY is and how to project that;
- Do's and don'ts about tone and style of CRY communications; and
- Specific statutory requirements to be stressed in all communications.

Amita Kapur explains that while recruiting staff, the organization seeks to determine whether the individual is a "CRY person" — by exploring the applicant's reasons for joining, cultural sensitivity, and "people" values. Later induction

processes include orientation to maintain the organization ethos and philosophy, mission statement, guiding principles and financial norms.

Governance Structure and Evolution of Trustees' Role

Founder, trustee, president, executive director, corporate, divisional and branch manager, and staff member — Kapur combined all these roles at CRY's inception. And, though forced to develop appropriate organizational structure and to rely on larger numbers of people, he had difficulty in delegating and letting go. He viewed the Trust governance structure as a necessary evil to be accommodated to achieve his CRY mission. He guarded CRY's organizational autonomy and its flexibility to get things done expediently.

Since its founding, CRY trustee induction has been by invitation of the founder. In some instances other trustees may have nominated or introduced a friend or colleague to Kapur for trusteeship consideration. A statement by C.S. Mahesh, head of CRY's Product Marketing Division from 1990 to 1993, captures experiences of trustees and staff of Kapur's style of functioning:

Rippan had a lot of faith in his instincts and gut feel. He could envision, and when such a vision crystallized, he had to get there as quickly as possible. For professionals like me who had to translate this vision into action, working out the details of execution, its feasibility, time frame and resource generation capacity, this trait would be frustrating. Rippan was fairly clear about the what, and not always clear about the how. But he had infinite faith...if it were right, something would help make it happen....

Evolution in Governance

Amita Kapur notes that particular combinations of professional and individual expertise were needed during different phases of CRY's development. These needs, she indicates, have dictated the criteria for trustee search and selection — and turnover in the Board of Trustees' membership. For example, at first, governance and institutional development problems related to fundraising, promotion events, and product sales. Later, the key concerns were funds disbursement and identifying projects for funding. When CRY had achieved greater capacity to generate and disburse funds, governance and institutional issues arose, relating to developing CRY's internal organizational capacity; deciding whether CRY should own or rent office facilities rather than relying on donated, cramped and dispersed facilities; whether CRY ought to have regular employees and equitable wage structures instead of volunteer and/or part time services.

The contributions of trustees include personal time, resources, introductions to friends and contacts to enlarge the CRY support base. An analysis of the Board's membership roll between 1978 and 1994 indicates distinct increase in size, corresponding to the second phase of CRY's development — which involved rapid growth, geographic expansion, and the evolution of a corporate organizational structure. There was a wide range of occupational expertise represented — ranging from artistic to educational — and little continuity between the members during this phase and the CRY of the early 1990s. What is clear is that Board members, with Rippan Kapur, persevered in establishing the organization's credibility and enlarging its support base. More currently, questions of activity, growth, and diversity; and planning for CRY after Kapur are at the forefront.

Phase I: Genesis and Path-finding, 1979-1981

Regina Thomas, in recounting the meetings around the dining table some years before CRY's founding, notes that the group of Kapur's friends did not have to exercise any governance roles. In fact, they were apparently overwhelmed by the pace and scale of CRY's development. The "Circus Magic" event in 1981, which had three clowns coming voluntarily from the UK and exiting an Air India Boeing 747 on stilts, accompanied by a parade of school children, was an early example of Kapur's scale of operations. When CRY's greeting card production and sales picked up, and the organization expanded to Delhi, changes in the Board function were mandated.

Phase II: Expansion, Evolving Corporate Organization, 1982-1990

In this phase, Kapur sought out trustees who would play a more active role in CRY's development. The new group included another school friend, Cherylyn Desai, and Neera Kapur, his sister. During this phase, CRY governance and operational activities continued to be blurred. Mrs. Desai combined the responsibilities of trust vice president, executive director and a salaried position as head of All-India Products. Ms. Kapur combined banking and CRY administration with her role. During this phase, other Trustees brought in communications and educational expertise. Gloria D'Souza, head of one of CRY's first project partners, the Parishar Asha education project, also worked with the trustees assisting in developing materials for CRY's educational and promotional activities. Other friends of CRY, including individual donors, corporate organizations, educational institutions, project partners, government staff and organizations, augmented the assistance of the trustees.

Geographic expansion to Bangalore, Madras,

and Calcutta with formation of corporate divisions and continued central control from Bombay further blurred Trustee and staff roles.

By the late 1980s, tensions had developed between Kapur and the other Trustees. One cause was Kapur's proclivity for large-scale events that often entailed uncertainties and risk — in contrast to the trustees' preference for organized activity. But the major tension that led to an en masse resignation of trustees was their disagreement with Kapur's plan to appoint a professional staffer to run CRY, an MBA executive candidate whom he hoped to groom. The exit of key trustees/staff precipitated planning and restructuring at the operational and Board level.

Phase III: Strategic and Operational Development, April 1994

Since 1989, governance and operational restructuring have progressed towards more clearly defined roles for trustees and managers. Trustees represent expertise in finance, law, development communication, architecture, and education. They are also more engaged with policy and trust functions. Scheduled meetings with an agenda are supplementing earlier practices of consultative or one-on-one decision-making.

Other Governance Considerations

Community Representation

Formal mechanisms are not provided for community groups to influence the decision-making of CRY Trustees. However, the organization emphasizes sensitivity to feedback from CRY supporters, project partners, beneficiaries and the general public through communications, reporting and meeting schedules for each focal area, division, and regional and central levels.

Accountability

According to the statutes under which the CRY Society is registered, the trustees are accountable to the local and national government to ensure that the conduct of CRY affairs conforms with prescribed rules. This requirement is satisfied through program reports and annual audit reports. CRY trustees are also accountable to donors and grantees, and reporting takes place through an Internal Management Committee.

In practical terms, the organization's accountability structures at the operational level include: general financial administration policies; annual and quarterly review and planning (retreat) meetings; rolling three-year plans and budgets; financial reports and budget implementation review on regular schedule; and daily cash accounting daily.

At the Board/trustee level, the reporting structures include: consolidated annual report incorporating a review of the year's operations, resources mobilized and used, donor lists, balance sheet, and future plans; reports on work plan implementation with financial statements; regular audited accounts and reports, including periodic management audit reports, of corporate and branch organization levels; and resource/fund management proposals and status reports.

Appropriate reports and documentation are filed with the government according to legal requirements. And special attention is paid to maintaining communication links to individual and corporate donors, and to the public in general, through annual reports, dissemination of a periodic newsletter, "CRY in Action," media coverage, and project implementation reviews that emphasize community involvement.

¹The post of Executive Director was temporarily occupied by a retired officer of the Indian Administrative Services who was unable to continue on a full time basis due to personal reasons. He is now assisting CRY as an advisor. The Management Committee now "group manages" CRY and elects its own coordinator from the same committee. This change was directly authorized by CRY trustees.

Emerging Role of the Executive Director

The leadership and coordination responsibilities of the Executive Director have increased in size and complexity along with the organization's growth (see Annexes 3 and 4) and extended his responsibilities to personal coordination with branch managers as separate regional branches developed. Gradually, the Executive Director's coordination responsibilities with trustees shifted to policies related to expansion, development of special focus divisions, and organizational structuring. Leadership by delegation at the corporate office and decentralization at the branch operational level became priorities.

The planned increase in the number of regional branches and the geographic extension of the reach of existing branch offices have increased the complexity of coordination. Recruitment of staff increasingly focused on middle manager specialization at corporate and branch offices. The executive director's responsibilities expanded to include coordination of the managing committee (MANCOM) and other committees or groups.

In the wake of Kapur's passing, the organization has tended to view the executive director's role through a lens of corporate leadership, a view which varies appreciably in complexity from those of the founding trustee/managing director. The role of the executive director is viewed as that of team leader of a participatory organization. While Kapur's role is still held up as a model, CRY's stated emphasis is on professionalism, growth, diversification, and decentralization. In its words, CRY was seeking a dynamic and socially concerned individual with experience, sensitivity, maturity, and vision. The search took final shape through a national advertisement for the post of CRY executive director in March 1995.¹

Interface of Governance and Operations

For several years Kapur combined the responsibilities of Managing Trustee and Managing Director reasonably smoothly. But, around 1988, his declining health spurred his resolve to institutionalize structures for CRY's development, and a corporate and operational organization structure with linkages to the trustee/policy level was introduced (see Annex 1).

The President, at present, links the managing committee (MANCOM) with the Trustees. Membership of the MANCOM is drawn from among division heads and branch managers. All India divisions coordination, Accounts, Communications and Human Resource Development and Planning is coordinated through Bombay. Program Support, Resource Generation (Products, Corporate & Individual Partnerships, Direct Mail), and Human Resource Development are overseen by the Delhi office. Branch managers coordinate activities at the regional offices, including operational supervision of the regional coordinators/managers of national divisions. MANCOM members are also at Bombay and Madras.

At the national level, the trustees, Management Committee, and branch managers meet four times a year, or more often if needed. Meeting agendas, which can be influenced by initiatives from operational levels or the Board, focus on policy formulation and implementation, direction and strategy, and on relevant action plans. Involvement of CRY staff throughout the organization is facilitated through other scheduled meetings.

Scheduled monthly meetings of branch leadership at regional offices provide an opportunity for updating, coordination, planning, and presentations. In terms of CRY program operation and evolution, outcomes of these decentralized meetings are pulled together at the MANCOM. Since the introduction of this committee structure in 1992, the MANCOM has coordinated executive functions of CRY.

CRY's Growth and Expansion

The CRY organization grew first around Bombay and then expanded to Delhi, Bangalore, Madras, and Calcutta. As the venture to start each branch was made, CRY branch office managers were recruited through personal dialogue and exploration with Kapur. Without exception, each CRY branch was started in an individual's home — Amita Kapur in New Delhi, Regina Thomas in Bangalore, Vanita Malhotra in Madras, and Malini Narayan in Calcutta.

The branch managers functioned as regional operations managers, under Bombay control, reporting to and coordinating with Kapur on all activities. As the scale of activity increased and diversified, operational staff increased and a corporate structure developed in the late 1980s, with headquarters in Bombay housing national division managers, and branch offices in other cities. With dual reporting required of some branch office staff to branch managers and divisional managers, CRY coordination and management challenges increased.

As his health declined, Kapur remained involved, though increasingly dependent on colleagues for CRY management. In 1989, he initiated plans to accelerate CRY's growth and to develop an enabling structure for the organization, headed by an executive director. The opposition to his plans to install the MBA/executive whom he was grooming was a major personal disappointment for Kapur.

By 1992, the management committee structure was introduced. When Kapur's health improved briefly, he resumed active involvement in CRY and, through December 1993, the MANCOM role was reduced as a result and some MANCOM members left the organization.

CRY Staff Selection and Induction

CRY staff who joined the organization in its early years came to know about vacancies through

friends in the organization or through direct inquiry. Only recently, has there been a more formal recruitment process, with staff responding to advertisements.

The branch office heads identified with Kapur's and CRY's mission and took up the challenge to actualize it, even to the extent of accepting relatively low wages. Other staff who joined were seeking employment, but soon that group became a part of the core CRY organization. These few staff functioned in multiple capacities – product sales, promotion, and administration, with barely any organizational hierarchy. Newer staff were attracted to the organization because they had heard of its work. Some moved to CRY from the corporate sector knowing that the working conditions would be difficult and the compensation lower.

Program support-unit recruits in Bangalore and Bombay, who joined CRY about the same time, attended an induction and orientation training guided by Kapur and other branch and division heads. The general orientation has been augmented with inter-region divisional and branch office meetings on a regular schedule.

There are concerns among senior staff regarding integrating human resource development and organizational development planning. Newer staff, especially those with corporate training and experience, differ in orientation and approach from older staff. And, during slack periods for the Card Product Division, staff of this department have to be assigned to other activity areas. Due to their training, experience and work practices, this raises the issue of re-orientation.

CRY's ability to attract and retain staff is a current concern. In the past, the organization controlled overhead and administrative costs by saving on office rent, relying on volunteer services, and hiring "casual" or temporary workers during peak work periods. Except for staff at

the lower levels of the organization's hierarchy, CRY wages, allowances, and benefits are less than standard. Trustees and operational managers appreciate CRY's need to attract professionals from the corporate sector, but admit that the salary differential is a deterrent. The wage level is one reason for high staff turnover, which is also heightened by the fact that many young single women join the organization but often leave when they marry and move residence. The personnel & human resource division is evolving strategies to coordinate long range staff projections and CRY human resource development needs.

Operational Financial Control

The honorary treasurer is an officer of the Board of Trustees. Current treasurer, Nandan Maluste, is a financial consultant and provides technical supervision and advice on CRY's financial administration, which he sums up as having been brought up to date.

According to established guidelines, decisions involving large amounts of funding may not be made without the sanction of the trustees. In all instances when such sanctions are required between Board meetings, proposals are channeled through the MANCOM and the President of the trustees.

Program Operation and Evolution

Programs, Resource Generation, and Support Functions

CRY's main strategy for improving the situation of Indian children has been through generating resources, primarily from the public, and channeling them through project "partners" whose priorities include children, women, and comprehensive community development.

CRY currently supports 143 child development project partnerships. CRY's first project partnership was "Buy a Brick, Build a School" in 1979, with which funds were raised to help build the Shilpalaya Technical Institute, which provides vocational training and foster care. This was followed by urban-based program support activity in and around Bombay, which remained the prime focus through 1986. Support to rural projects was introduced about 1987-88, as new staff joined.

A Program Support Unit (PSU) was established in New Delhi in 1990 and CRY began emphasizing broader support to integrated development projects with a focus on children. PSU regional extensions followed at Madras in 1991, and in Calcutta and Bangalore in 1992.

Since then, CRY has refined and expanded its program focus to include urban and rural children in diverse geographic areas of India, with special attention to priority social issues, including: child labor, street children, the girl child, child prostitution, "scheduled caste and scheduled tribes," children as disaster victims, and disabled children.

Strategy Adaptation

Initially, the PSU focused on direct grant assistance. In 1987, a Multi Assistance Resource

Center (MARC) was set up to provide funding as well as non-financial support including training, information, and materials. In 1994, support strategies were extended to advocacy and policy influence on child related issues.

Key periods in the evolution of CRY's program support work can be characterized as:

- 1979: individual school focus, in Bombay;
- 1981: education for child development;
- 1983: support to women as related to child and community development;
- 1986: rural child focus;
- 1987: integrated project support with emphasis on multi-assistance resource center, training, information, materials support, on-going professional guidance;
- 1992: networking, communication; documentation;
- 1994: consolidation and upgrading program quality as a bridge towards the year 2000.

In sixteen years of existence, CRY's program support has touched the lives of 650,000 children through its projects, with total fund disbursements at Rs. 77 million (US\$ 2.5 million). At present, annual disbursement percentages are about equal for urban and rural areas.²

Through the mid-1980s, project support remained urban focused. The order in which CRY expanded to metro-city branches — from Bombay to Delhi, Bangalore, Madras, and Calcutta — was a result of resource building through product sales and donor support. Branch expansion contributed to the urban project concentration in the early years. The Regional Branch managers in Bangalore, Madras, and New Delhi were basically housewives committed to promoting CRY, first through

² India's population is three-quarters rural. (UNDP, *Human Development Report 1994*, p. 149.)

greeting card sales and later in other types of fundraising activities. They had limited time for, or experience, in project support activity.

Evolution of Program Targets

The CRY concept of “the situation of deprived Indian children” has progressively acquired a more precise meaning. In the context of CRY’s current program support strategies, the depiction is more holistic and nationally inclusive. CRY has prioritized vulnerable children, identified by location, ethnic grouping, issue and/or circumstance across India, as its primary target. Having learned, over time, that children’s rights and development/social issues could not be addressed in isolation, and that child relief activity is advanced by a larger community support base, beginning with the family group, CRY now includes women as a secondary target group. Concerted efforts have also been made to increase the level of community participation in all projects.

Nonfinancial Support

From evaluations of past partnerships, CRY staff determined that financial resources alone did not necessarily ensure the project’s development impact. CRY’s own situation reflects the exhaustive and diverse resource needs, beyond funding, that the organization has labored to harness. These insights influenced decisions to explore and include non-financial components in its project partnerships. Examples include:

- Strengthening project (team) management capacities through project development training, and on-going professional and expert guidance;
- Organizing seminars or workshops for project staff on specific topics such as, education, health, finance, organizational development, and community development;

- Developing a database and providing access to information through a Documentation Center; and
- Developing a Materials Bank in New Delhi, consisting of books, slates, toys, clothes, and materials for income-generation programs. These are collected from schools, individuals, colleges, and businesses, and disbursed to CRY-funded projects and others at a nominal cost. Nothing is given free so as to preserve the dignity of the recipient and ensure the product is valued. Expansion is planned to other regions, beyond Delhi.

New Initiatives

Fellowships

The Rippan Kapur Fellowship Program was launched in 1994 to support capable and committed individuals who would like to work with underprivileged children. CRY provides them with a monthly stipend that allows them to further explore and develop their ideas and to choose development as a full-time career.

In March 1994, the search for fellows began in Bangalore. Selections were finalized in August and support began in September. The pattern in other regions was similar and, within months of its introduction, there was evidence of the program’s popularity. By November 1994, the CRY selection panel had approved eighteen fellowships, eleven were in the process of selection, and five proposals were likely to be approved. Among the seven fellowships approved in Madras region, the action research proposals covered working with the disabled and spastics, use of traditional medicine, and outreach to gypsy groups.

Fellowship projections for 1995 and 1996 were to focus on initiatives targeting child labor, child

prostitution, and the needs of the girl child. Additionally, CRY plans to invest in in-house capacity building to strengthen its support base and monitoring capabilities. An evaluation of the fellowship program was planned at the end of the 1995-96 fiscal year.

Networking

CRY defines networking as enabling and aligning with groups and individuals working together to change the situation of vulnerable children and women. Viewing this role as being a “catalyst for macro-level impact,” CRY participates in the following types of networks:

- Among grass-roots level projects within a defined geographic area on common issues and/or priorities;
- Between resource/training organizations;
- Linking grass-roots projects to relevant resource/training organizations;
- Networking between donor agencies; and
- Issue-based networking involving a cross-section of grassroots projects, resource organizations and donor agencies, including the government if necessary.

Other activities of the Program Support Unit include:

- Internal audit: CRY advocates organizational audits to strengthen institutional capacity. Such audits are usually confined to its internal needs, and undertaken by a consulting agency. A management audit of the organization, and a public opinion survey on CRY by MARC, a market research organization, are examples of such activities that are emulated in divisional units and regions.
- Action research: Areas of interest in education include: development of non-

formal education curricula, children’s literature, literature for neo-literates, low-cost teaching aids, and health curricula for school children.

- Advocacy: This is seen as important to raise public awareness and influence pro-active change to assure deprived children their rights. Developing and maintaining an informed public ranks high on CRY’s agenda. Each branch maintains an impressive portfolio of media clippings and other coverage of CRY activities and partnership organizations. The program support division’s networking and fellowship activities are other means CRY uses to share information on grant-making.

Pervin Varma, All-India manager of communications, explains that CRY uses every opportunity to inform the public about its activities: newsletters, brochures, envelope backs, posters, print and other mass media, and numerous other means. A documentation center/data-bank component was being piloted as part of the Program Support Unit’s functions in Bombay.

Projects, Allocations, and Beneficiaries

Project assistance in terms of funding and non-monetary assistance varies depending on the type and size of project, and its tenure and history. The CRY annual reports written in average Indian reader-friendly format, provide an analysis of the total disbursements for the year. The distributions for 1992-1993 and 93-94 are depicted in Annex 4.

In 1992-93, 76.6% of CRY’s budget was dedicated to project support and training, and administrative costs constituted 23.4%. The majority of project funds went to education projects, followed by health. The breakdown is similar for 1993-94, with an increase in the health area.

Initially, projects were mostly supported in the northern and eastern regions of India. As the branch offices matured, the allocations have become more even, with a slight tilt in favor of the northern areas. By Amita Kapur's estimates, approximately 70% of CRY disbursements are directed to children in rural India and 30% to children in urban areas. CRY's Education Sponsorship Scheme estimates that Rs.400 (about US\$11.00) is needed to support a single child's education per year. This gives an indication of the impoverished socio-economic status of these children.

Grantmaking

Program support grant-processing activities are customarily scheduled by region, and are channeled through the All-India Program Support Manager and Executive Director to the Trustees for approval. The timing of these activities is organized to allow communications and disbursements aligned with the financial year. However, there are provisions for project support sanction even outside of routine Trustee meetings.

The criteria CRY has developed for support to projects are listed in Annex 2. To support the use of these criteria, the Project Support Unit has developed a detailed and comprehensive manual.

With the increases in staff size and number of projects supported, the geographic spread, and the move from a "child relief" focus to an "integrated" project support focus, CRY found it necessary to clearly articulate grant application requirements and procedure in 1987. The primary application requirement is that the non-governmental organization should be a registered body under the Societies Registration Act, 1860, and have proven experience and organizational capacity to undertake the proposed

development activity. The next important requirement is that the project proposal should address CRY's objectives for vulnerable children and women.

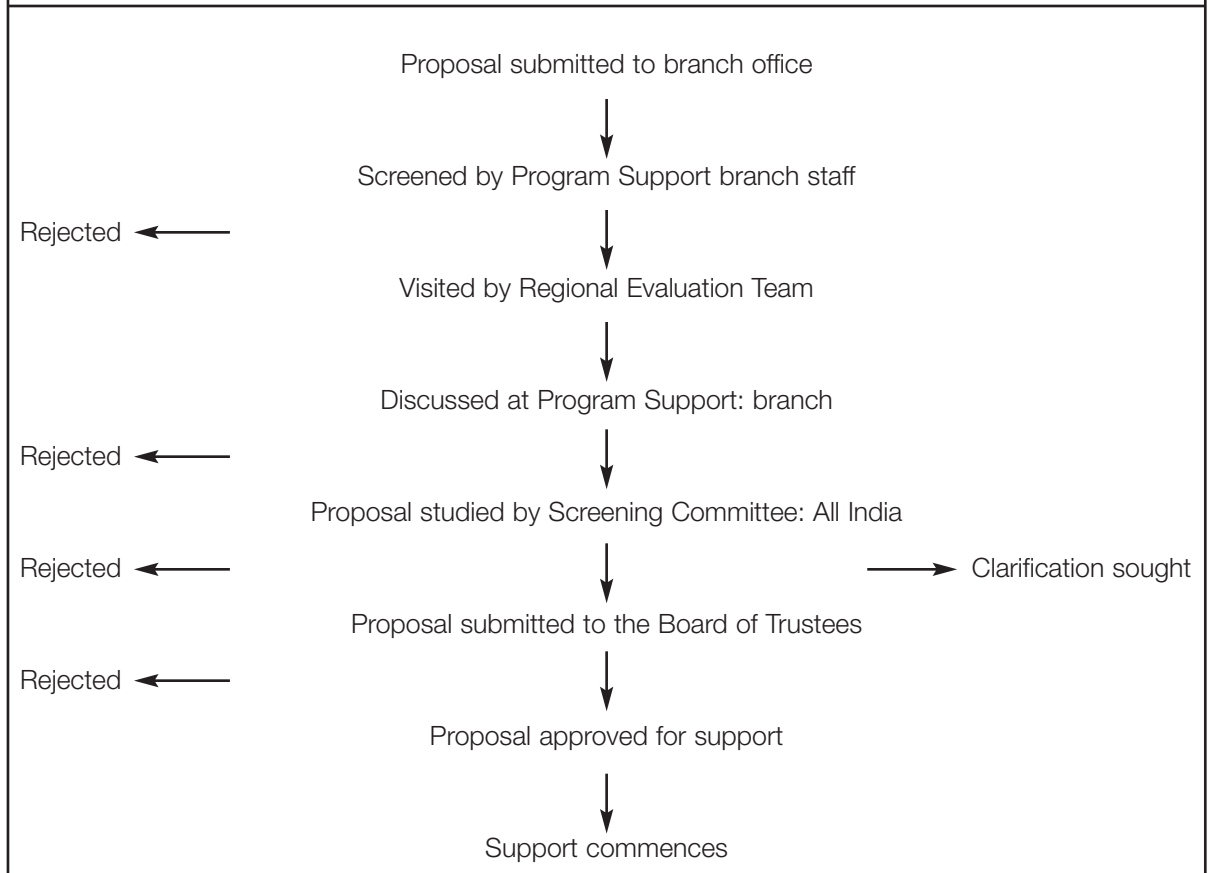
Other application preconditions include:

- Willingness to permit scrutiny of the organization's credentials;
- Assurance that there is no duplication in assistance from other source;
- Assurance that part of total project cost will be raised locally by the NGO;
- Agreement on a pre-funding evaluation and other terms and conditions to verify the project support justification; and
- Submission of the proposal to the local CRY branch office using the prescribed format (AFS) with clearly defined short-term and long-term objectives.

The proposal goes through various levels at which terms of support can be decided/recommended — proposal formulation, appraisal by regional program support team, review by branch staff, scrutiny by the All-India Committee, and final assessment by the Trustees. Program support staff only recommend projects, and the final decision rests with the Trustees. Proposals may be submitted to the Board at regular meetings or circulated to Trustees between meetings at any time when a "sound and worthy project is identified for CRY support."

Although CRY may anticipate supporting a project for a period of years, funds are committed only for one year at a time, and extension is dependent on the project's yearly performance and achievements. CRY support may extend for over five years, depending upon the achievements of the NGO. Table 1 provides a summary of the grant process. A program budget is pre-

Table 1: Project Selection Procedure Chart



pared annually and, once approved by the Board, disbursements to projects are made on quarterly or half-yearly basis, depending on an analysis of quarterly project reports and accounts, receipts, and annual audited accounts. Provisions are made that allow CRY accountants and external auditors to examine project accounts and report on compliance.

Project Monitoring

CRY subscribes to a proactive program support approach which translates into working in partnership with the grantee organization to monitor and evaluate the process. This includes:

- Pre-project appraisal by CRY branch program support unit staff, the all-India committee, and Trustees;

- Submission of quarterly/half-yearly and annual narrative reports in prescribed formats, and CRY program support unit staff monitoring through pre-planned field visits and review of project reports;
- Review of project reports from CRY branches at corporate level; and
- CRY accounts staff and external project audit, if deemed necessary.

Projects are expected to review their own plans and programs on an on-going basis. The report for the end of the fiscal year, March 31, must be submitted along with an audited account by the end of May. Indicators to measure outcomes in relation to plans are developed for specific sector support and type of assistance.

CRY has developed a comprehensive computerized management information system. This has been very helpful for providing further analysis of project support. This capability is evidenced by the graphic presentations that accompany annual audited accounts and balance sheets presented to the Trustees and other reports. Along with its Annual Report, CRY produces an information booklet for public dissemination entitled *Brief Outline of Projects Supported by CRY During the Year*, which profiles individual projects supported by region, along with the grant amounts.

Planning for the Future

The Program Support Unit develops an annual strategy for national and regional program support. For the fiscal year 1994-95, plans were to support more than ninety projects (54 of them on-going); thirty fellowships; and, as direct beneficiaries, 58,500 children and 33,000 women.

Referring to CRY's "Perspective Plan," staff member Shefali Chandel stressed that all regions would develop a panel of regional consultants or mentors to assist with project selection, inputs, and evaluation. The division anticipates that such technical support will facilitate achieving its objectives of consolidation and strengthening the quality of projects, systems, monitoring, personnel, evaluation, and policies, over the next two years. Some references have been made to CRY drawing on the experience of other national NGOs — which will facilitate the development of CRY's own internal expertise in specific sectors such as health or education, and also expand its networking initiative.

Though some risk is implicit in CRY's stated intent to emphasize help to small and struggling projects, the majority of its partnerships have been mutually successful experiences. An ele-

ment of risk has also derived from varying levels of staff experience with project support. In Bangalore and Madras, PSU staff admitted to initial "vagueness" about types of projects that would justify CRY support.

In the view of Amita Kapur, the future priorities of the organization will involve:

- Grooming and preparation to enter a phase of organizational maturity that does not curb its youthful spirit and quest for new experiences and learning.
- Establishing stronger relationships with existing supporters and expanding the network of the organization's friends.
- Generating awareness and support for specific child-related issues through CRY program support and innovative communications strategies.
- Enlarging the resources network of development practitioners through project partnerships and the CRY fellowship program.

Financing CRY

It is clear that Kapur's aggressive approach to fundraising has permeated the organization — largely to its benefit. Bombay office staff member, S. Srinivasan, comments, "I used to have a mental block about asking for donations and stuff like that. But Rippan had developed it into an art form and enjoyed it so totally because he believed so much in why he was doing it..."

"...Rippan was sensitive and caring all the time ...especially when interacting with the deprived," says Kumari Sree Prakash, branch manager of CRY, Madras. But, "when it came to the privileged, he never hesitated to ask....He believed they were just exercising their right to give!"

Resource-generation activities during CRY's early years emphasized person-to-person marketing of greeting cards, complemented by promotional events and donations. Staff members describe homes cluttered with stacks of cards, files, and other CRY office material at Bombay, Delhi, Bangalore, Madras. Thomas recalls evacuating card stocks from a flooded garage to her husband's office, loading her moped, and personally delivering boxes of cards. Later a new female colleague joined CRY, and they both took turns making the deliveries.

Although just over 50% of the organization's staff is officially engaged in resource generation, virtually every CRY staff member is involved with resource and support generation. During the research for this case study, there was ample opportunity to observe ways that staff pursued this organizational goal:

One set of interviews at CRY's Delhi operations was set up for late October just before the national "Diwali" festival, which marks the beginning of the peak sales period that continues into the Christmas and New Year season. Even while

juggling orders and interviews, staff were unfailingly pleasant, patient and accommodating with customers — realizing that this resource base needed to be cultivated.

In mid-December, in Bangalore, even while dealing with Christmas and New Year rush orders, staff were already organizing the next fundraising event — a premiere screening of the film "Aladdin." There was a brief interruption as staff huddled around a transistor radio while the pre-recorded appeals and comments of a PSU divisional coordinator were broadcast.

The functions of advocacy, fundraising and education are intermingled, as they are all seen as leading to the same goal — building support for CRY projects. A chronology of some of the major public events attest to this:

- 1979: Buy a Brick, Build a School (Bombay);
- 1981: Circus Magic: three clowns from London stage a traveling workshop for children and raise funds for CRY (Bombay);
- 1983: Children's Day: celebrated Indian artist M.F. Hussain paints in the company of 1,000 children (Bombay);
- 1985: Audio-visual screening of CRY activity for associations and schools (Bombay);
- 1986: School to School program to sensitize affluent children to the needs of the less fortunate (Bombay);
- 1988: Art for CRY: 144 artists donate 180 pieces of work to mark CRY's 10th anniversary; companies support the ensuing exhibit which travels across all CRY regions;
- 1993: Bal Sawaal (Bombay);
- 1994: Aladdin: premiere showing (in all regions);

- 1995: Art for Cry: 15th anniversary (Bombay and Delhi); and
- 1995: Remembering Rippan: a tribute (national);

A current initiative of CRY's Communication Division is a partnership with SOL Features, the first features agency in India. The planned "CHILDWATCH" Project will take a journalistic approach to raising awareness on child-related issues generally and for a targeted audience. This communications project is expected to:

- Commission feature articles for release in Indian publications after translation into Hindi, Bengali, Tamil, Marathi, Gujarati; and
- Publish CHILDWATCH, a magazine that will carry the combined editorial output of the project and be distributed by mail to a selected list of about 3,000 opinion leaders and influential people.

Resource-generation Approaches

CRY resource-generation approaches, which can be broadly differentiated into product sales and donation generation activities, target segmented sources and continuously seek new and varied support.

In terms of its products — greeting cards, wall and desk calendars, and related paper products — CRY welcomes purchases from any and everybody. But when it comes to grants, donations, and other financial support, however, CRY has defined specific policies intended to ensure its organizational autonomy to pursue its mission. The range of giving covers anything from volunteer time to large corporate donations.

Sources of Funds

Domestic: CRY, by policy, raises its funds from domestic sources, seeking to tap the vast potential in India and make Indians take responsibility for Indian children. For the year 1994-95, foreign funding will not exceed 5% of CRY's income.

International: There have been occasions when CRY has accepted funding from international sources for specific purposes — largely to support CRY's internal capacity building. Examples include: a Ford Foundation grant for staff salaries and administrative costs for three years; and funds from NORAD, the Royal Norwegian Agency for Development, to set up a Direct Mail Cell in Delhi and media sponsorship for CRY to advertise for fundraising. In 1994, CRY introduced a fundraising scheme targeting non-resident Indians settled overseas.

Public: In the past CRY did not accept direct funding from the government. This decision was reversed recently although CRY still considers the application process to be very difficult. As a registered NGO, it receives certain tax exemptions and waivers. The government also offers concessions and tax exemptions on donations for specific CRY schemes and funds. For example: donations to CRY Education Sponsorship, ESS/Project Funding are entirely tax exempt, while all other donations to CRY receive 50% tax exemption under the Income Tax Act. The implications of these concessions and exemptions for individual and corporate donors influences the choice of which CRY fund raising activity they prefer to support.

While business organizations and private corporations are a major source of support for CRY, individual donors form the largest group of CRY supporters. CRY also welcomes financial support from institutions whose objectives are in conformity with its own.

As the scale of fund raising has increased along with its geographic spread, CRY is conducting a cost-benefit examination of different fund raising methods which are:

- **Products:** The sale of products, introduced with greeting cards in 1980, is the first and most popular of all CRY's fund raising methods. Sales of the affordable-priced greeting cards, with Indian themes, have grown from 30,000 in 1980 to 5.2 million in 1993. CRY added a desk calendar as a new product in 1985, a wall calendar in 1986 and, since then, the product range was expanded to include telephone and address books and other paper products;

For bulk product purchasers CRY offers facilities by which the purchaser can imprint their own name onto the CRY product. CRY also undertakes exclusive design and production orders on its range of paper products for orders of a certain magnitude. A company placing such an order can choose a design that becomes exclusively theirs;

- **Donations:** Special promotional/fundraising events are regularly held to educate the public and generate funds. Examples include, "Buy a Brick, Build a School," the premiere of the movie "Aladdin," and the "Art for CRY, 1995 " exhibition and sale on CRY's 15th anniversary;

In 1983, CRY introduced its Education Sponsorship Scheme (ESS) to cover the education of one child for Rs.120 per year (raised to Rs. 240 per year in 1994). The scheme was popularized with individuals or groups of individuals in an organization, associations, and colleges. Resources collected are pooled and applied to support educational programs for children;

- **Designated Funds:** Companies and individuals can give a donation to CRY for a specific purpose. A donation could be made to support an entire development project or for a specific component of the project: education, health or infrastructural/operational requirement for CRY, such as the purchase of a delivery van, catalogue sponsorship, media sponsorship, hardware purchase, or rental of premises;
- **Cause-related Marketing:** Another newly-introduced concept allows a company to designate a percentage of its profit from a particular item to be donated to CRY. This is a unique way for an organization to participate in CRY's work, by doing what it does best: marketing. The company not only supports children through this exercise, but also encourages people to do the same through purchase of the products. One example in Bombay, was a car dealership that set aside a percentage on each sale of a special model for CRY. Another was a popular department store allowed CRY the use of one of its display windows for its products over the Christmas season;
- **Direct Mail:** CRY has introduced direct mail as a method to raise funds all over India. Personal appeals to individuals have yielded encouraging responses in the brief period since this strategy was introduced. CRY encourages continuation of donations through regular update, feedback and appeals to donors. In CRY's experience the success of this approach is related to accessing the mail list to target the appropriate people as well as to regular communications with its supporters. The estimated receipt from direct mail donors for the year ended March 31, 1994 was Rs. 4.7 million out of total estimated donations of Rs.17.74 million. There are plans to expand

this strategy to all the other CRY regions; and

- Simple and conveniently located donation boxes are another means of raising funds. These were introduced in shops, theaters, restaurants, schools, and colleges, in 1991.

From its inception to 1986, CRY's net income from product sales grew from Rs. 3,000 to Rs. 700,000 and support through donations increased at a similar pace. During the same period, allocations to project support grew from Rs. 87,000 for a single project to Rs. 488,000 towards seven projects. From 1987, when CRY branch offices began functioning, through to 1990 net product income grew from Rs. 1,400,000 to Rs. 6,500,000. Also in 1987, CRY recruited its first trained social workers for the project support unit and that year the number of projects assisted grew to 15, and project disbursements grew from Rs. 845,000 to Rs. 4,114,000.

Since 1990, the organization has expanded and diversified its resource generation and project support strategies, along with developing a professional organizational structure. Net product income in 1993 had grown to Rs. 15 million, and reserve funds — both corpus and specific purpose — were being developed. Project support allocations for fiscal 1993-94 were Rs. 16.5 million to 61 projects. Net income from product sales accounted for 39.3% of the Rs. 33.516 million mobilized during 1992-93, while donations accounted for 38.8% and interest/dividends for the remaining 5.4%.

CRY has control over the application of funds, within the framework of the registered objectives and rules of its trust deed. Also because CRY offers donors market segmentation, a choice of schemes and specific purpose funds to which donations can be specified, the organization ensures its autonomy. CRY staff report that

collections, in some instances, from retailers of CRY products, is difficult.

Beginnings of an Endowment

CRY introduced its Child Development Corpus Fund in 1987 to ensure the stability of the organization and, more importantly, of its support to project partners and fellows. Individuals, companies, trusts, and associations can donate to this corpus, which may not be used directly to support CRY projects but must be invested in government approved securities. The interest earned from the corpus investments is used for CRY's support activities.

Corpus fund donations accounted for 16.9% of total resources mobilized in 1992-93, and in the financial 1993-94 the corpus fund was expected to grow to approximately Rs. 17.5 million. Resource generation staff have developed strategies to canvass diverse targets. An important aspect of the strategy is that the same CRY staff maintain contact with the appropriate person in the donor organization.

CRY's registration under the Societies Registration Act, 1860, and as a charitable trust under the Bombay Public Trust Act mandates that the endowment be invested per Government direction — for example, in units from the Unit Trust of India or Fixed Deposits in the government Housing Development Financial Corporation. Similar regulations apply to other specific purpose funds and any unapplied surplus of the organization.

Prasana Srinivasan, former CRY planning manager, recalls that the decision to develop a CRY endowment/corpus was taken to ensure a working capital for salaries and product manufacture, since product sales are concentrated over a few months and sales receipts are not all realized at the time of sale. In the mid-1980s,

the Ford Foundation had given CRY a grant to cover staff salaries for a specific period and this amount needed to be generated on a sustainable basis.

Amita Kapur notes however, that founder Kapur was never comfortable with the decision to build the CRY corpus. He was concerned that it would provide too much insurance to the organization and thus run the risk of instilling complacency.

Budgeting and Financial Reporting

CRY has an organized budgeting procedure for the entire organization that includes review of performance and activity plan projections at regional branches for program divisions and other cost centers. Budget proposals are scrutinized by the MANCOM before submission with recommendations to the Board of Trustees for approval within a set time schedule.

Honorary Treasurer Maluste is involved in auditing and financial control functions of CRY. He notes that the financial control and auditing procedures are now reasonably well-organized in the wake of earlier concerns. In his opinion, reasons for previous financial disorganization included:

- Physical location: Earlier, the “finance department” was accommodated in the living room of the home of an elderly widow, who provided this space free between 10 a.m. and 4 p.m. This arrangement entailed packing away everything — account books and equipment — at the end of each work day. Consequently the book-keeping was difficult and delayed;
- Lack of clarity of financial management information systems: It was not clear, beyond reports to be generated for the Charity Commissioner, what other financial

management information systems were required; and

- Staff turnover.

The key requirement, now, in Maluste’s opinion, is to find a way for CRY to afford attracting and retaining a financial controller of corporate-sector caliber.

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Delhi

Ms. Amita Kapur, President & Managing Trustee

Ms. Meenu Venkateswaran, All India Manager,
Res. Gen: Indiv. Partnerships, MANCOM
member

Ms. Vimmi M. Budhiraja, Coordinator,
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Ms. Clementina Pacheco, Resource Executive,
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Ms. Bondana Dutta, Branch Manager & MAN-
COM member

Mr. Sony George, Divisional Manager,
Programme Support

Ms. Puja Marwaha, All India Coordinator,
Personnel & HRD

Mr. Prakash Chand, Stores Incharge

Ms. Susan Verghese, Customer Support Executive

Ms. Shefali Chandel, All India Manager, Program
Support & MANCOM member

Ms. Simran Anand, Executive, Resource Generation

Ms. Jyotsna Jain, Coordinator, Resource Generation

Mr. Prasanna Srinivasan, ex-All India Planning Manager

Mr. Ratan Batliboi, Hon. Trustee

Ms. Pervin Verma, All India Manager, Communications & MANCOM member

Mr. Nandan Maluste, Hon. Trustee & Treasurer

Bangalore

Ms. Regina Thomas, Branch Manager & MANCOM member

Mr. Roy D'Silva, Manager South, Program Support

Mr. S. Devakumar, Stock/Product Incharge

Madras

Mr Simon Joseph, Co-ordinator, Program Support

Bombay

Ms. Vanita Malhotra, Branch Manager

Ms. Anu George, Program Coordinator

Mr. Mahender Ashtekar, Program Coordinator

Ms. Manju Verma, Program Coordinator

Mr. Christopher Brien, Sr. Program Coordinator

Ms. Gopi Gandhi, Coordinator, Corporate Partnerships

Mr. Sunder Srinivasan, Product & Schemes Manager

Ms. R. Lakshmi, Documentation Coordinator

Mr. Prabakar Surve, Despatch Supervisor

Mr. Sashikant Salvi, Peon

Mr. Sharad Chintankar, Peon

Addendum - Cry Today

CRY, after its founder Rippan Kapur's death, has been, if possible, infused with even more zest and vigor to take forward his mission for India's disadvantaged children. There is no doubt that in these last two years this spirit has aggressively directed CRY to newer and broader vistas to benefit the lives and futures of these children who embody future India. The organization has witnessed a pace of evolution which has CRY poised, more appropriately, for its next stage of growth, which is after all a natural consequence. CRY is now considered the leading child development agency in India and has received various acknowledgments and recognitions at home and from abroad.

Two major factors that have influenced and facilitated this phase have been an unquenchable quest for improvements in organizational outlook, strategies and systems, and the empowerment of individuals in the Indian family.

The most important exercise conducted vis-à-vis improvements towards more meaningful impacts was an external evaluation of CRY's program support area in the year 1995/96. This elicited the sought for gaps as opportunities for improved systems, areas for stronger strategic alliances and CRY's future path. In the context of the future path, it became clear that CRY must now ready itself for a role it has long envisaged — that of advocacy. The organization is thus currently engaged in a relevant process of research and training.

As mentioned in the case study, CRY also has a Youth Wing which focuses on sensitizing privileged children to the issue of underprivileged children. The privileged children are reached through schools and colleges in Delhi, Bombay, Bangalore and Madras. Various core groups of privileged children from Standards VII to IX have

been formed and meet fortnightly. The focus is on the use of interactive methodologies such as debates, games, project visits and exposure camps. Since these children will be in responsible decision making positions in the future, CRY believes that the sensitization process must begin during their youth.

Continuing with the improvement and accountability, CRY has introduced within the field of project support administration the inputs of an audit firm regarding audits and training in accounting systems at the project level. Separately, this firm is also engaged in training CRY's project support personnel in financial monitoring and evaluation.

Efforts for research and improvement in other areas are ongoing. The next major component is seen to be in the field of resource mobilization. CRY has initiated a pay-roll giving scheme as its newest fundraising effort. The Government of India has granted to CRY a 100% Donation Tax Deduction facility which acts as a further incentive for potential donors.

Regarding team building and empowerment of CRY staff members — this has been done largely by delegating responsibilities and power to make decisions down the ranks through a group management system. Typically, any group would include individuals representing the different functions at CRY and the various geographical regions. These diverse perspectives influence decisions making them more pragmatic. At the highest staff level is the management committee which very successfully "group manages" CRY operations from the regional and divisional levels to central operations.

Networking being seen as an increasingly important activity, CRY is a member of various fora; for example, in India, the Campaign against Child Labour, Door Agency Network,

Indian Centre for Philanthropy. Internationally, it is a member of the South Asia Fund Raising Group and CIVICUS: World Alliance for Citizen Participation based in Washington DC. In India, CRY fosters several forms of geographic and issue-based partner networks.

CRY's greatest challenge today lies in its long term sustainability. Having concentrated its efforts directly on programs for children CRY's own growing infrastructural needs took a back seat. Historically, CRY has sought donations in cash and kind for its needs, but now the operational scope — with a projected Rs. 625 million (US\$1.7million) being disbursed in 1997/98 — makes it increasingly difficult to continue on this ad hoc basis. CRY has identified a strategy to grow its meager Corpus Fund to meet its basic operating costs through the generated interest. CRY is currently struggling to achieve this arduous objective.

Amita Kapur
Honorary Trustee - President, CRY
New Delhi, June 1997

Annex 1: Cry Structure

CRY Society: Corporate Offices, Bombay

Board/Trustees

Trustee/President

Managing Director

Managing Committee (MANCOM)

Program Division (All India)

Divisional Managers

Administration

Personnel and HRD

Finance

Planning

Resource Generation: Corporate* and Individual* Partnerships

Program Support *

Communications*

Regional Branches

Branch Managers

Bombay

Delhi*

Calcutta

Bangalore*

Madras

Division Coordinators./Managers

*MANCOM members

Annex 2: CRY Program Support Unit Project Support Criteria

- Focus on projects for vulnerable children and women, elaborated:

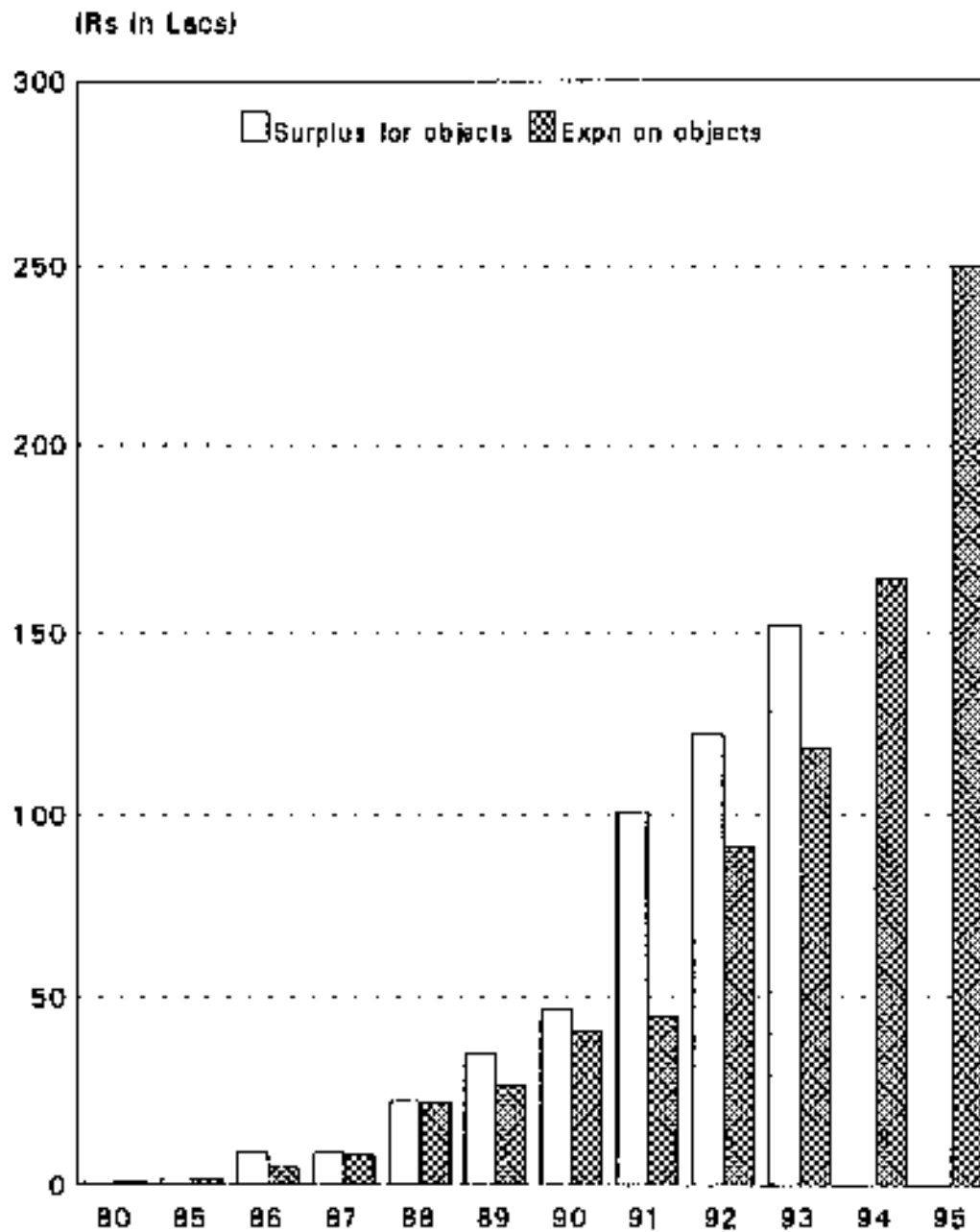
Vulnerable Children includes 'girl child, disaster victims, street children, orphans, working children, bonded labor children, working children, children of prostitutes and child sex workers, children from remand homes, tribals, schedule caste, physically and mentally disabled, and juvenile delinquents'.

Vulnerable Women includes 'minorities, abused, exploited, working women, sex workers, widows, distressed, deserted and women from destitute homes'.

- Focus on rural rather than urban projects, and small rather than the established projects.
- Priority to projects in areas where no other projects or facilities exist.
- Prefunding evaluation, with preference for team rather than one person evaluation, and recommendation that all governing board members of applicant project be met as part of the pre-funding evaluation.
- Administrative costs of project should optimally be less than 20% of the total project outlay.
- Project concepts should be holistic; development oriented: empowering and facilitating community participation; non-political.

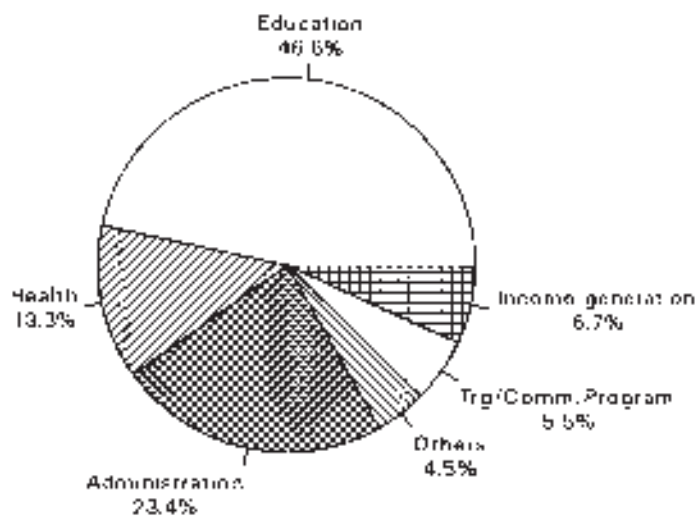
- Sustainability, replicability, income generation priority and other CRY sectoral priorities as foci.
- Co-funding options on mutual agreement.

Annex 3: Growth in Operations 1980-1995 Disposable Surplus and Expenditure on Objects of CRY

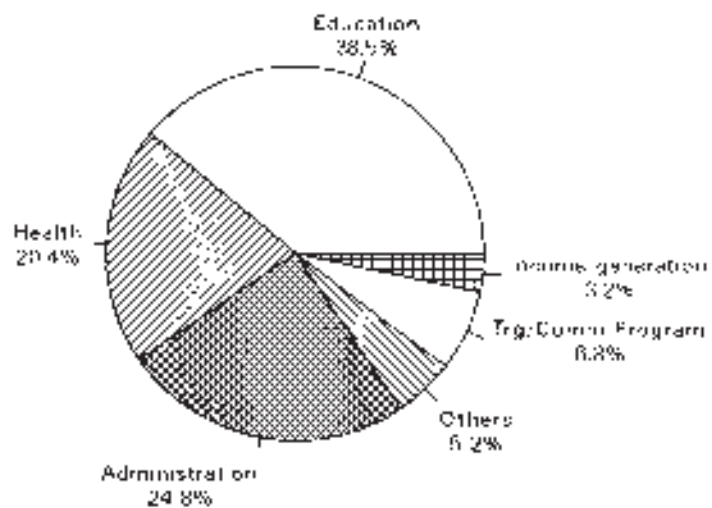


Surplus for objects	1.26	1.94	8.21	8.78	22.89	36.03	48.80	100.94	122.7	152.23		
Expn on objects	0.89	1.88	4.88	6.39	22.84	28.87	41.14	45.09	91.17	118	185	250*
Projects:	1	8	7	15	14	34	32	42	81	81	89	81
Follows:											5	36

Annex 4: Areas of Development and Total Allocation 1992-1993



1992-93 Total Allocation: Rs.119,00,000



Annex 5: CRY Overview, 1979-1995

Infrastructure Office Location	Staffing	Advocacy Events	Missionancing	Products	Program Support	Donations	Project Partnerships
				Card (Nos)*	Prod. Inc (Rs)*		Nos. Total Outlay* Surplus*
1979	Bombay: residence	Founder	Child Relief	Greeting Cards	Fundraising	Project Support	
1980		1			.3	.3	1 .89 1.26
1981		2			1.0	.1	1 .59
1982	Delhi: residence	5	Geo. expansion: metro cities		3.0	1.1	
1983		5	Focus: Edu, Health, Family Plan.		.4	.1	2 .64
1984		6			3.3	3.1	6 1.94
1985		7	AV Screening: Assns. & Schools	Desk Calendar	5.5	5.8	6 1.86 1.94
1986	Bangalore: residence	11		Wall Calendar	7.2	7.0	7 4.88 9.21
1987	Madras & Calcutta: residence	27			13.7	14.0	15 8.33 8.76
1988		42	Resource Dev.		18.7	24.0	14 22.64 22.68
1989		60	Comprehensive Dev: Community & Women		19.6	34.0	34 26.87 35.03
1990	Bombay, Delhi & Madras: regular	90	Org. structure: review Computerization	Card Export	29.5	65.0	32 41.14 46.98
1991		174	Schools Awareness Program		42.0	86.0	42 45.03 100.94
1992		190	Schools Awareness Program: Photo workshop & Celebrity Performances		47.0	131.0	61 91.17 122.70
1993		184	Traveling Festival of Hope	Happy Childhood Series	52.0	150.0	61 119 152.23
1994		187	Aladdin Premiere	Resource Generation: Restructuring			67 165
1995			Art for CRY: Dli & Bby Remem-bering Rippan (1st Death Anniv)				95** 250**

Notes

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