

IRS forms track pay at nonprofits

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BY RITA PRICE

THE COLUMBUS DISPATCH

At least 200 nonprofit organizations in the Columbus metro area pay their leaders or other key employees more than \$100,000 a year, according to an analysis of their tax forms.

Such information about charities has long been public - it's part of the trade-off for not having to pay taxes.

But salary totals reveal only so much, Congress and the Internal Revenue Service decided. Under the revamped 990 tax form that charities began filing last year, there's a lot more explaining to do: about the charity's mission, its governance and accountability policies, and how it decides what to pay its leaders.

"We wanted the public to have a more complete picture of what the organization does, not just what its numbers are," said Stephen Clarke, the Form 990 project manager for the IRS. "Now, there's a lot more to see."

The overhaul is the first for the 990 tax form in nearly 30 years. Clarke said the changes will provide donors with easy-to-read details about such things as professional fundraising expenses, severance payments and club memberships for executives.

"It's becoming less of a tax return and more of an information return," said Garry Jenkins, an Ohio State University law professor who specializes in philanthropy. "It's like a disclosure document."

The form asks questions that some charities, particularly small ones, might not have considered before. Does the organization have a written whistle-blower policy? Was a copy of the 990 provided to board members before it was filed? Did the compensation process include an independent review and comparisons?

The preferred answer to all of the above is "yes." What isn't clear is what the IRS plans to do with the

Nonprofit pay

Following is a list of some of the top salaries paid to executives at local nonprofit organizations. Information is taken from the most recent 990 tax forms available through the nonprofit data service GuideStar; so current salaries and leaders might differ. Most reflect returns filed in 2008 and don't include churches or publicly funded institutions, which are exempt from filing.

ORGANIZATION NAME	REVENUE	NAME	TITLE	SALARY	TOTAL COMPEN- SATION
Arts and culture					
Columbus Association for the Performing Arts	\$11.6 million	William Connor	president/ executive director	\$295,000	\$408,297
COFA	\$15.2 million	David Cheselbrough	president/CEO	\$110,735	\$28,975
Columbus Museum of Art	\$17.4 million	Nanette Marquiesse	executive director	\$190,843	\$217,483
Ohio Historical Society	\$20.9 million	William Lindner*	executive director	\$182,541	\$223,543
Human services					
TRCA of Central Ohio	\$38.4 million	John Dickey	president/CEO	\$75,754	\$294,458
Lifecare Alliance	\$17 million	Charles Gehring	executive director/ CEO	\$202,030	\$244,373
Goodwill Columbus	\$29.4 million	Margy Picoli	president/CEO	\$111,895	\$228,896
Wild Ohio Foodbank	\$60.5 million	Matthew Potlatch	president/CEO	\$161,063	\$190,542
Hospitals					
Oronoweth Corp.	\$1.7 billion	David Blom	president/CEO	\$1.2 million	\$1.4 million
Nationwide Children's Hospital	\$783 million	Steve Allen	director/CEO	\$753,976	\$808,624
OhioHealth Corp.	\$1.7 billion	Michael Houge	CEO	\$792,176	\$1 million
Mount Carmel Health	\$179 million	Oliver Von Zochten	president/CEO	\$579,367	\$791,319
Mental health, addiction					
Stimpfle	\$7.7 million	Robert Sweet	president	\$14,723	\$284,995
North Central Mental Health Services	\$13.4 million	Douald Broad	president/CEO	\$193,019	\$234,667
Wayhaven	\$15.4 million	Paul Coleman	executive director/ CEO	\$169,543	\$213,517
Wellcare Corp.	\$13.4 million	Allen Mosser	president/CEO	\$169,341	\$184,949
Fundraising, foundations					
Columbus Foundation	\$151 million	Douglas Kuder	president/CEO	\$294,236	\$365,698
United Way of Central Ohio	\$90 million	Janet E. Jackson**	president/CEO	\$240,463	\$494,642
Columbus Jewish Federation	\$8.3 million	Marsha Hurwitz	president/CEO	\$234,341	\$276,425
Columbus Jewish Foundation	\$14.8 million	Jackie Jacobs	executive director	\$171,325	\$216,743

* Lindner died in August; that figure was earned through 9 September.
 ** Information is from the tax return filed in 2009.
 Note: Total compensation includes the cost of all benefits, such as health insurance and retirement plans.
 Source: GuideStar THE COLUMBUS DISPATCH

information, or what donors will think.

"At this point, it hasn't been communicated that a certain number of 'no's' would trigger an audit," said Bob Stillman of GBQ, a Columbus accounting firm that works with about 50 area nonprofit organizations. "But I think there probably is some underlying method to their madness."

The IRS is trying to make sure that the 990 captures all kinds of compensation, not just the reportable wages that show up on a top executive's W-2.

At the United Way of Central Ohio, for example, the narrative on page 59, Schedule J, of the agency's 2008 990 explains that the agency established a supplemental executive-retirement plan for Janet E. Jackson, its president. Upon the normal retirement age of 65, Jackson is to receive a lump-sum payment of \$850,000.

"The concept was to be able to provide Janet with a retirement plan and also an incentive to stay longer," said Cheryl Nelson, the agency's chief financial officer.

Both Nelson and Stillman said 990 readers should consider the size and complexity of the charity as well as how its pay stacks up against similar organizations'.

In Ohio, the average CEO salary in 2007 for a charity with a budget between \$5million and \$10 million was about \$151,000, according to GuideStar, an online service that collects financial data and 990s on nonprofit organizations. Those with a budget between \$10million and \$25 million paid their leaders an average of \$200,000 a year.

But variations abound. The National Youth Advocate Program, a foster-care organization based in Columbus, reported revenue of about \$10.4 million for 2007 and paid its president, Marvena Twigg, a salary of \$272,748.

The Dave Thomas Foundation for Adoption also reported revenue of about \$10.4million that year and paid its executive director, Rita Soronen, \$142,722.

The highest salaries in the nation's \$1.4 trillion nonprofit sector generally are paid to health executives, college and university presidents, and leaders of science organizations and top museums or arts groups.

Social-service charities usually pay less but get a hard look because the public sometimes cannot reconcile the mission - helping the poor - with what it sees as high salaries.

"Disclosure can be a great thing, but people need to be mindful of the full context," Jenkins, the OSU law professor, said. "Nonprofit organizations are increasingly complex, increasingly sophisticated; and we should hope that we have the best people we can find running them."

Billy Whyde of Hopewell, in eastern Ohio, said he went to his computer after reading an opinion column by Cheryl Heaton, the president of the American Legacy Foundation, a national anti-smoking

health agency.

Healton scolded Ohio for trying to use smoking-prevention money to shore up other areas of the budget. Whyde called up Legacy's 990 and found that Healton makes about \$760,000 a year in wages and compensation.

"I like to connect the dots," he said. "And when I do, it usually makes me mad."

Like Whyde, an Internet-connected public has more access than ever to documents that once were seldom seen, and some salaries might seem outrageous.

"A \$150,000 executive is probably going to do a lot better job than someone making \$20,000," said David Goettler of Goettler Associates, Columbus-based fundraising consultants. "Do you get much more for \$700,000? I don't know."

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