A STUDY OF THE METHODS AND TECHNIQUES USED IN FUND-RAISING AT SELECTED PUBLIC UNIVERSITIES

Dissertation for the Degree of Ph. D.
MICHIGAN STATE UNIVERSITY
GERALD ROBERT SHERRATT
1975

This is to certify that the

thesis entitled

A STUDY OF THE METHODS AND TECHNIQUES
USED IN FUND-RAISING AT SELECTED
PUBLIC UNIVERSITIES

presented by

Gerald Robert Sherratt

has been accepted towards fulfillment
of the requirements for

Ph.D. degree in Administration and Higher Education

Van C. Johnson
Major professor

Date April 14, 1975

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ABSTRACT

A STUDY OF THE METHODS AND TECHNIQUES USED IN FUND-RAISING AT SELECTED PUBLIC UNIVERSITIES

By

Gerald Robert Sherratt

Out of the many years of experience in fund-raising by various colleges and universities has emerged a variety of methods and techniques representing a distillation of many plans and procedures which have been extensively used in the United States in attempting to raise funds for higher education. It was the purpose of this study to study the similarities, differences, trends, and substantive elements of the methods and techniques employed by eight public universities selected on the basis of their geographical distribution and their proved performance in fund-raising. The institutions were: (1) the University of Colorado, (2) Indiana University, (3) the University of Kansas, (4) the University of Michigan, (5) the University of North Carolina, (6) Texas A & M University, (7) Utah State University, and (8) the University of Wisconsin.

Specifically, the study was designed to research the following questions:

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1. How are development offices organized and managed?
2. Who are the sources of support for a university and how does an institution go about identifying them?
3. What methods are employed to create a "climate of acceptance" among the university's various constituencies?
4. How are annual giving campaigns planned, organized, and directed?
5. What techniques are used in developing foundation and corporate support for universities?
6. What methods are used in developing programs of deferred giving for universities?

A main objective of the study was to present data to serve as resource materials in updating current efforts in educational fund-raising. It was designed to gather a variety of descriptive data which could be useful to a university administration in organizing a development program.

The research materials were gathered by means of a questionnaire submitted to the development offices of each institution, by tape recorded interviews conducted at the universities, and by the study and analysis of various printed records and reports, copies of correspondence and other documents, papers, speeches, pamphlets, and articles in periodicals and newspapers.

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The study revealed that the development offices of the participating universities vary in style and manner of organization. They exist either as a division of the university or as separate corporations allied to the institution. The development offices have been assigned the responsibilities for planning and implementing the institutions' fund-raising efforts, including extensive public relations duties, and have been staffed with personnel who perform specialized tasks, including asset managers and fund-raisers in the areas of annual giving, corporate and foundation relations, deferred giving, donor relations as well as publications and promotions.

Noted, also, was the fact that the universities of the study, and presumably all others as well, have natural constituencies which are logical contributors to the institutions. The constituents include the alumni, faculty, present student body, and parents. To these natural constituencies is added the community in which the university exists, businesses which depend on the university for trained personnel or as a market for their products, and friends of the institution who value its services, and see their contributions to the university as a means of advancing society. Each constituent group requires a different fund-raising emphasis and approach.

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The cultivation of potential donors begins with efforts to learn as much as can be gleaned about the prospects and involves the maintenance of records sections in which data on donor prospects are continually updated. Recognizing that a prime factor behind the motivation for giving is simple pride of association, development officials attempt to instill in their constituencies a feeling of confidence in the institution and its methods of administration.

The annual giving solicitations at the institutions studied have evolved over the years into highly sophisticated, complex programs involving hundreds of volunteer workers and yielding substantial income to bolster institutional budgets. The annual fund drives are organized in a number of ways. Their solicitations can be directed to alumni by classes, through colleges and departments, or by geographical residence, and they can consist of mailing appeals, or telephone canvasses, or personal visits, or a combination of all three.

Encouraged by growing responsiveness of corporate and foundation offices to the needs of public universities, the development offices of the eight institutions have increased fund-raising efforts directed to business enterprises and philanthropic foundations, some having assigned staff members the specific responsibilities for

the cultivation of corporations and foundations. Only recently has the area of deferred giving received much emphasis, although it is developing as one of the most fertile fields of fund-raising. Because deferred gifts are complex to handle, requiring the preparation of legal documents, contractual agreements, or legal dispositions of property, the availability of attorneys, life insurance agents, and others with the specialized knowledge necessary to process such gifts is often required.

The author concluded that a development program should be designed to meet the specific requirements and needs of the institution and that such programs should reflect the university's mission and unique character. The development of adequate records serves as the foundation upon which a successful fund-raising effort is built, and a development program seldom succeeds without sufficient planning and funding. Yet another crucial ingredient is the quality of leadership available, among those on the professional staff as well as in the volunteer ranks.

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By

Gerald Robert Sherratt

A DISSERTATION

Submitted to
Michigan State University
in partial fulfillment of the requirements
for the degree of

DOCTOR OF PHILOSOPHY

Department of Administration and Higher Education

1975

This study is

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ACKNOWLEDGMENTS

This study is the result of the assistance and encouragement of many people, only a few of whom are acknowledged here. Nonetheless, I extend my deepest thanks to all who cooperated in this project, and most especially to:

- Dr. Vandel C. Johnson, Chairman of the Guidance Committee, who proved to be both a dedicated and wise counselor;
- Dr. R. L. Featherstone, Dr. Mary A. Gardner, and Dr. William E. Sweetland, committee members, each of whom provided valued suggestions and guidance;
- Dr. Glen L. Taggart, President of Utah State University, who graciously consented to my leave of absence from the University to pursue the study and whose words of reassurance were greatly appreciated;
- My family, who made the necessary sacrifices to make this study a reality.

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CHAPTER I

INTRODUCTION TO THE PROBLEM

In 1638 the son of a family of London butchers died of consumption in the colonial town of Charleston on Massachusetts Bay, leaving half of an estate valued at 1,700 English pounds for a fledgling college which had been founded only two years earlier at Newtowne (later named Cambridge).[1] In gratitude the college adopted the name of its benefactor and so began the long and successful courtship between American higher education and philanthropists both at home and abroad.

Today, Harvard University's endowment, totaling more than a billion dollars,[2] exceeds the national product of many of the world's smaller countries. Indeed, the extent of private giving in America for support of colleges and universities far outstrips that of any other nation in the world and has been a significant factor in building America's system of higher education to the esteemed level it enjoys today.

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[1]George Edward Ellis, The Harvard Memorial (Cambridge: John Wilson and Son, 1884), p. 6.

[2]W. Bentinck-Smith, "Harvard University," The Encyclopedia Americana, XIII (1971), p. 838.

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While no other institution of higher education has been able to equal the largess provided to Harvard by dedicated alumni and friends, there is no American college or university which has not benefited substantially from the gifts and grants of those who admired higher learning and who elected to invest in its advancement. To be sure, there have been many forces besides philanthropy which have been working to shape the course of American higher education, but it was the private gifts and grants which provided the early impetus, sustained many colleges through numerous financial crises, and which today continues to yield the "margin for excellence" in teaching and research.

Since colonial days, it has been a major responsibility of college officers to conduct the search for much-needed revenue. If their efforts were sometimes less than genteel, it is to their credit that no stone was left unturned in the hope of discovering potential donors. Indeed, the inventiveness and ingenuity of educational fund-raisers have been instrumental in building an American tradition of giving to higher learning that is the envy of the world.

As economic conditions have applied severe strains on the abilities of private and public colleges to meet their budget demands, institutions of higher learning have had to increase their efforts in soliciting private gifts.

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Public colleges, faced with competition for resources of government from all quarters of the public sector, have had to emulate private schools in launching sophisticated drives for donated dollars. Today many state universities maintain development offices patterned after those of private institutions and designed to attract increased financial support from alumni and friends of higher education.

The current financial crisis in America's colleges and universities can be clearly documented. In the ten-year period from 1959 to 1969 faculty salaries increased by 75 percent, student enrollment doubled, and total expenditures nearly quadrupled. Indeed, the crisis has today reached alarming dimensions.[1]

The National Association of State Universities and Land-Grant Colleges conducted a survey in 1971 which revealed that out of 70 institutions, 22 have had to cut back in faculty and staff, 16 have had to order a freeze on hiring, and 36 have elected not to allow new educational programs. Nearly 60 percent of the schools have had to postpone maintenance on land and buildings. The survey discovered that 12 of the member schools recorded deficits ranging upwards to one million dollars, and that three of

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[1] "The Financial Crisis on the Campus," Business Week, May 30, 1970, p. 56.

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the universities had dipped into their endowment funds to meet operating costs.[1]

In 1971, the Carnegie Commission on Higher Education released a study which revealed that 30 percent of all universities in the United States are in serious financial difficulty, and another 51 percent are headed toward financial trouble.[2] Without increased support, these universities may be compelled either to reorganize or to compress their programs if they are to escape becoming academic cripples.

The pending financial crisis that casts a threatening shadow over the whole of higher education could--in part, at least--be averted by additional support from the private sector. Winning that support remains a cardinal task of today's educators.

Purpose of the Study

Out of the many years of experience in fund-raising by various colleges and universities has emerged a variety of methods and techniques for encouraging educational philanthropy. These methods and techniques represent the

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[1] "Money Pinch for Colleges," U.S. News and World Report, May 10, 1971, pp. 28-29.

[2] Earl F. Cheit, The New Depression in Higher Education (New York: McGraw Hill, 1971). See foreword by Clark Kerr.

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distillation of many such plans and procedures which have been extensively used in the United States in attempting to raise funds for higher education. A review of the recent literature reveals very little relevant research in the area of fund-raising and little effort to systematically describe the similarities, differences, trends, and substantive elements of the methods and techniques employed by public universities. It is believed this study will contribute to a better understanding of the value and scope of public university development programs.

Statement of the Problem

As increasing numbers of public colleges and universities have had to turn to the private sector for needed additional financial support, their administrators have often been unable to benefit from experiences of institutions with established programs and proved fund-raising abilities. Lacking knowledge of the plans and programs of other schools, the administrators' responses have sometimes been inadequate and unwise, contributing to misunderstandings and an absence of fund-raising success.

As an aid to resolving this situation, this study's intent was to research the following questions:

1. How are development offices organized and managed?
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A main objective of the study was to present data that could serve as resource materials in updating current efforts in educational fund-raising. It was designed to gather a variety of descriptive data which could be useful to a university administrator in organizing a development program.

Procedures Used in the Study

In gathering information needed to pursue the objectives of the study, the author elected to use methods commended by Angell and Freedman.[1] Accordingly, a system of classification and analysis of materials was utilized to translate a wide variety of data about educational fund-raising into organized premises and facts. Materials thus

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[1]Robert C. Angell and Ronald Freedman, "The Use of Documents, Records, Census Materials, and Indices," Research Methods in the Behavioral Sciences, ed. by Leon Festinger and Daniel Katz (New York: Holt, Rinehart and Winston, 1953), pp. 300-323.

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Although in the course of the research the author consulted a number of officials at various colleges and universities, he focused the study on eight public institutions of higher learning which have established development offices. The universities were selected on the basis of their geographical distribution and their proved performance in fund-raising. The institutions were: (1) the University of Colorado, (2) Indiana University, (3) the University of Kansas, (4) the University of Michigan, (5) the University of North Carolina, (6) Texas A & M University, (7) Utah State University, and (8) the University of Wisconsin.

The material was gathered by means of a questionnaire submitted to the development offices of each institution and by tape-recorded interviews. Much of the data summarized in Chapter IV was provided in this manner, the interview transcriptions yielding more than 400 typewritten pages. The interviews were conducted through use of a semi-structured schedule of questions (as recommended by

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[1]Eleanor
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pp. 449-487.

Maccoby and Maccoby).[1] The responses so recorded were then compared and contrasted. Although no statistical inferences can be made from interview findings, the author believes the generalizations, having been carefully considered, are valid, at least as they apply to the eight universities studied.

Study Limitations

Before moving to an overview of the study, it is important to consider the study's limitations. It was not the intent of the author to provide comprehensive and normative data, but rather to gain a degree of understanding of institutional approaches to fund-raising in sufficient depth to form a basis for wise action. Nor was it an objective of the study to provide complete data on all areas of development from all universities. Instead, the study was designed to produce enough information on methods and techniques for fund-raising--as represented in the programs of demonstrated leaders in the field--so that university administrators preparing their own campaigns will have a pattern of procedures and skills from which to choose.

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[1]Eleanor E. Maccoby and Nathan Maccoby, "The Interview: A Tool of Social Science," Handbook of Social Psychology, ed. by Gardner Lindzey (Reading, Mass.: Addison-Wesley Publishing Company, Inc., 1954), I, pp. 449-487.

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It was not the study's intent to recommend a "model development program," but rather it was hoped that university officials could select from the accumulated data those methods and techniques which best meet individual institutional conditions and capacities.

The Organization of the Study

The study is organized into five divisions, in addition to a selected bibliography.

In this chapter, the current financial crisis embracing nearly the whole of higher education has been explored and the need for private funds noted. The problem has been identified and considered, the study's objectives stated, procedures outlined and limitations acknowledged.

The second chapter is devoted to a brief commentary on educational fund-raising in America. The author believes that an understanding of the financial problems with which colleges and universities have always wrestled, knowledge of what has been attempted in solving these problems, and a recognition of the results of such efforts, is a necessary foundation for the chapters which follow.

A review of the recent pertinent literature dealing with educational fund-raising is included in Chapter III.

Information gained from the research on the eight university campuses is presented in the fourth chapter, with

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particular attention to the organization and administration of the development offices; the identification and cultivation of university constituencies; the annual giving campaigns; and the development programs for corporate, foundation, and deferred giving.

The final division, Chapter V, contains a reconsideration of the research questions, a summary of the results, and recommendations based on the study's findings.

Before turning to a review of the literature regarding educational fund-raising, an adequate knowledge of the historical evolution of the development office is warranted. Therefore, a brief summary of the history of American educational philanthropy is provided in the next chapter.

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CHAPTER II

EDUCATIONAL FUND-RAISING: A HISTORICAL PERSPECTIVE

The fund-raising problems which confront the modern college and university have a historical perspective and Utah State University's President, Dr. Glen L. Taggart, believes that educational fund-raisers should be acquainted with it:

> Those who understand the true nature of the American college and university will know the vital role that private gifts have played in moving the nation's institutions of higher learning from essentially aristocratic schools to their current position as an innate expression of American democracy. Educational philanthropists have helped shape the universities as we know them today. . . .
>
> If we are to come to grips with how and why and with what consequences the American colleges and universities have developed as they have, if we are to enjoy a full appreciation of our national educational heritage, we need to trace the history of educational fund-raising and to recognize how penetrating its influence has been in molding the modern format of higher learning.[1]

Through educational philanthropy, ideas have been transformed into robust institutions which have assisted in propelling America to its present affluent position. Whatever the motivation for giving, be it a donor's desire for

[1]Opinion expressed by Glen L. Taggart in an untitled address at Utah State University, Logan, Utah, March 8, 1971.

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a kind of immortality achieved by having his name attached to a college building or professorship; be it the regard of an alumnus for his alma mater; be it a foundation's respect for higher education as a vibrant force in the creation of the American dream; be it the enlightened self-interest of a corporation investing in a college as the source of its future managers; or be it some other reason, Americans have given generously to the support of higher education.

An American Tradition of Giving

The gift of John Harvard to the diminutive school at Newtowne was the premier gift to higher education, but it has been followed by numerous additional bestowals. These range from the shipment of goods presented to the Collegiate School of Connecticut by its first major benefactor, Elihu Yale (a Boston native who moved to England and made a fortune from the spoils of India),[1] to the more than 26 million dollars poured into the University of Houston by the fabulously rich Texas oilman, Hugh Roy Cullen.[2]

In the quest of a wealthy patron, many a college was willing to sell its name for a sizeable gift. Thus the

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[1]Hiram Bingham, Elihu Yale (New York: Dodd, Mead and Company, 1939), pp. 316-335.

[2]Merle Curti and Roderick Nash, Philanthropy in the Shaping of American Higher Education (New Brunswick, N.J.: Rutgers University Press, 1965), pp. 129-130.

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[5]Howar... ...9-1969 (New ... p. 198.

names of philanthropists emblazon the academic halls and adorn the whole of some institutions. The College of Rhode Island took the name of Nicholas Brown, Jr., in acknowledgment of the $160,000 he provided to the school during its early years.[1] Henry Rutgers had his name given to Queen's College, which took it in gratitude for a gift of $5,000 and a bell[2] (a relatively small sum for so great an honor). Benjamin Franklin established a Pennsylvania college in 1787 with a gift of a thousand pounds and earned the right to share the school's name with John Marshall.[3] Charles Tuft gave the land to the school that was to bear his name.[4] The resources of the Colgate family were responsible for the renaming of Madison University after the soap and toiletries manufacturers.[5] Waterville College in Maine was on the verge of financial collapse when rescued by the benefactions

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[1]Walter C. Bronson, The History of Brown University (Providence, R.I.: Brown University, 1914), p. 157.

[2]George P. Schmidt, Princeton and Rutgers (Princeton, N.J.: D. Van Nostrand Company, 1964), p. 18.

[3]Joseph Henry Dubbs, History of Franklin and Marshall College (Lancaster, Penn.: Franklin and Marshall College Alumni Association, 1903), p. 21.

[4]Alaric Bertrand Start, History of Tufts College (Cambridge, Mass.: John Wilson and Son, 1876), p. 21.

[5]Howard D. Williams, A History of Colgate University, 1819-1969 (New York: Van Nostrand Reinhold Company, 1969), p. 198.

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[1]Ernest C
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[2]Louis C
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of Gardner Colby--so great was the school's appreciation that they renamed the school Colby College.[1]

The designation of a school in honor of an early benefactor is evident in the names of some of America's most prestigious colleges and universities: Bates College, Bucknell University, Carleton College, Carnegie Institute of Technology, Case Institute, Cooper Union, Cornell University, Creighton University, Dartmouth College, Denison University, De Pauw University, Drexel Institute, Duke University, Fairleigh Dickinson University, Johns Hopkins University, Rice University, Stanford University, Stevens Institute, Tulane University, and Vanderbilt University, to name but a few.

In truth, a number of other colleges were named for <u>potential</u> benefactors. A college in Brunswick, Maine, adopted the name of a wealthy Boston family whom they hoped would assist the school with financial aid, and the ploy worked. The college became the legatee of the estate of James Bowdoin, netting the school the princely sum (for 1811) of $31,696.[2] Elihu Yale had already made one relatively

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[1] Ernest Cummings Marriner, <u>The History of Colby College</u> (Waterville, Maine: Colby College Press, 1963), p. 166.

[2] Louis C. Hatch, <u>The History of Bowdoin College</u> (Portland, Maine: Loring, Short and Harmon, 1927), p. 110.

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[1] Edwin Ovi
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[2] Ellis, p

[3] *Ibid*.

small contribution to the Collegiate School of Connecticut, but the school's name change to Yale College was really occasioned by the need of an even larger gift, which, when it finally arrived, was much less than the school's officers had hoped.[1]

The colonial colleges initially concentrated their efforts for revenue-raising on Mother England and their pleas for money for the New World's colleges fell on receptive ears. The first fund-raising pamphlet, prepared by officers of Harvard University and titled "New England's First Fruits," was the beginning of the vast array of promotional literature that has been used in attracting revenues for the nation's colleges and universities.[2] The small tract was printed in 1642 and contained a detailed description of the offerings and goals of the college, as well as a tribute to the benefaction of John Harvard.[3] It provided a content pattern which has been initiated in thousands of fund-raising brochures produced during the three hundred-plus years since the publication of "New England's First Fruits."

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[1]Edwin Oviatt, The Beginnings of Yale, 1701-1726 (New Haven, Conn.: Yale University Press, 1916), pp. 377-379.

[2]Ellis, p. 6.

[3]Ibid.

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Among the early fund-raising brochures was a tract developed to promote donations to Princeton. Written in 1754 by two of Princeton's solicitors while they were on a fund-raising mission in England, the tract was issued in the hopes "that the Pious and Benevolent in Great-Britain, into whose Hands these Papers may fall, will extend their generous Aids, in the Prosecution and Completion of so excellent and useful a Design."[1]

The English coffers were frequently tapped during the early colonial period and the habit of looking to Great Britain for resources endured for more than a hundred years, until growing hostility between the mother country and her American colonies finally brought the solicitation process to an end. But so desperate were the American colleges for resources that the idea then emerged to solicit England's enemies. John Witherspoon, Princeton's president in the late 1700's, attempted to tap the French purses until reprimanded by Benjamin Franklin, then the United States' Commissioner in Paris. Franklin refused to grant Witherspoon access to the fortunes of France in the belief that "the very request would be disgraceful to us, and hurt the credit of responsibility we wish to maintain in Europe by

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[1]Curti and Nash, p. 32.

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The colonial period spawned only nine of the nearly 2,500 colleges and universities in existence today. These included Harvard, William and Mary, Princeton, Yale, Columbia, the University of Pennsylvania, Brown, Rutgers, and Dartmouth. But in the years between the Revolution and the Civil War, new colleges began emerging in increasing numbers, leading one educator to lament that the country was rapidly becoming "a land of Colleges." By the time of the Civil War, the United States had 182 institutions of higher learning (counting only those which had survived, many others having closed after only brief periods of existence). Indeed, in 1860 the state of Ohio alone had more colleges than the entire German Empire.[2]

The college boon put a severe strain on the existing populace to support the new institutions, each of which were largely dependent on benefactors for continued survival. Most of the institutions founded in the pre-Civil War years were affiliated with a religious denomination and each college turned initially to its church for revenue. Harvard sought resources among the Congregationalists, as did Yale.

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[1]Thomas Jefferson Wertenbaker, Princeton 1746-1896 (Princeton, N.J.: Princeton University Press, 1946), p. 68.

[2]Curti and Nash, p. 43.

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Brown mined among the Baptists, Rutgers among the Dutch Reformed, Princeton among the Presbyterians, and so on. But the churches were themselves dependent on donations for existence and often their contribution to affiliated colleges was merely an offer to use the pulpit to appeal for funds. In time, many of the colleges began to downgrade their church ties in the hopes of attracting resources from those belonging to other churches, and many colleges severed their religious bonds completely.

Yet it was religious zeal that carried the torch of higher education over the Appalachians, across the plains, and finally to the waters of the Pacific. The zealous missionaries sought to use colleges as a means for extending their religion to the American frontier and in so doing used the colleges as centers for religious revivals and as training grounds for the production of ministers and missionaries.

Much as the colonial colleges had turned to England for resources, officials of the new colleges in the West looked to people in the eastern states for the revenues required to buttress their struggling institutions. Arguing their case, the Western educators eloquently cited the danger in permitting the West to be opened without the morality of the East. The argument was presented that the people of the eastern states had a significant stake in the ultimate success of western colleges, thus assuring that radicalism" would be

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"radicalism" would be contained. The fund-raisers contended that the very survival of the United States was in question.[1]

Equally effective in obtaining money, solicitors were quick to learn, was to raise the spectre of the peril posed to Protestantism by the founding of Catholic schools in the West by members of the Jesuit order. This led one Protestant demagogue to denounce the Catholic schools as menacing "to subvert the principles of the Reformation, and to crush the spirit of liberty." The threat had to be met, he claimed, adding a call to "build College against College."[2] The appeal was effective and money began to trickle westward for the support of God and Church.

Money for Innovation

Gifts of individuals and groups were not only responsible for the nourishment of the traditional forms of American higher education, they were also instrumental in opening up college opportunities for women and for black students, as well as for other important educational innovations in which America was an international pioneer.

While the need to educate men had been generally accepted from the beginning of the colonization period, women's right to higher learning took much longer to

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[1]Curti and Nash, pp. 50-53.

[2]*Ibid.*, pp. 53-54.

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formulate. It was not until the 1830's, when Ohio's Oberlin College opened as a coeducational institution, that a chance for college admission was finally granted to female students.[1] America's educational emancipation of women set a world precedent; it was not until 1870 that the first European college granted permission for the enrollment of women.[2]

Oberlin, recognizing the necessity for training women teachers as men departed the field for more lucrative positions elsewhere, was the forerunner of all of today's coeducational institutions. It had been founded in 1833 and owed its survival to the donations of easterners, particularly abolitionists who applauded Oberlin's inexorable position in opposition to slavery[3] and its defense of the right of women to a college education.

Institutions devoted exclusively to the education of women were a natural extension in the evolution of equal rights for American women, but without private financial support none of the women's colleges could have weathered the apathetic--even hostile--attitude of the general public toward women's higher education in the mid-1800's. Vassar, the first of the colleges solely for women, was founded by

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[1]Robert Samuel Fletcher, A History of Oberlin College (Oberlin, Ohio: Oberlin College, 1843), I, p. 292.

[2]Curti and Nash, p. 88.

[3]Fletcher, p. 236.

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a man of vision, Milo P. Jewett, and a man of means, Matthew Vassar. Vassar's initial gift of $400,000[1] as the start of the school's endowment was augmented by later donations which brought the total contributions of the Vassar family to $1,250,000 for the new women's school, the largest gift to that date from any one source for any institution of higher education.[2]

Mount Holyoke College was built upon donations of $27,000 from one thousand contributors who had been solicited by the school's founder, Mary Lyon, and another $8,000 donated by the community of South Hadley in a bid for the location of the school.[3] Philanthropy was also fully responsible for the foundings of Smith and Wellesley colleges, Smith through a bequest of a deaf spinster, Sophia Smith,[4] and Wellesley through gifts totaling an estimated million dollars from Henry Fowle Durant, Jr.[5] The philanthropist credited with founding Bryn Mawr was

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[1]James Monroe Taylor and Elizabeth Hazelton Haight, Vassar (New York: Oxford University Press [American Branch], 1915), p. 40.

[2]Curti and Nash, pp. 91-93.

[3]Arthur C. Cole, Mount Holyoke College (New Haven, Conn.: Yale University Press, 1940), pp. 19-29.

[4]Elizabeth Derring Hanscom and Helen French Green, Sophia Smith and the Beginnings of Smith College (Northampton, Mass.: Smith College, 1926), pp. 60-64.

[5]Florence Converse, The Story of Wellesley (Boston: Little, Brown and Company, 1914), pp. 6-49.

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Joseph W. Taylor,[1] and most of the other women's colleges that followed were also the creation of gifts of individuals.

Mary Lyon's tactic in selling the location of Mount Holyoke College was not new to the higher education scene. A number of colleges before Mount Holyoke's founding had been put out to bid, with the community pledging the largest contribution declared the winner. For example, New Haven was the high bidder in the competition for the location of Yale University, the town's gift being 1,000 pounds, 200 acres of woodland, and 10 acres of cleared land.[2] Dartmouth College, originally situated in Lebanon, Connecticut, was enticed to locate in New Hampshire by the state's grant of land on the Connecticut River.[3] Brown University was established after a heated rivalry for the school between Providence and Newport, with Providence winning the fund-raising contest.[4] In each of these biddings, the competing communities were spurred on by the economic potential of the colleges and by the added prestige the colleges would provide.

The rights of women to higher education were not won without a struggle, but the rights of blacks to a

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[1]Corneila Meigs, What Makes A College? (New York: The MacMillan Company, 1956), p. 6.

[2]Oviatt, pp. 304-343.

[3]Wilder Dwight Quint, The Story of Dartmouth (Boston: Little, Brown and Company, 1914), pp. 27-28.

[4]Bronson, pp. 46-49.

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[1]Curti

[2]Ibid.

college education took a civil war to secure. Prior to the war only a few northern colleges would admit black students, and even then the number of Negroes enrolled amounted to only token gestures. Lee had yet to surrender, however, before the first Negro college in the South was opened. Hampton Institute was founded at Fort Monroe, Virginia, by the American Missionary Association, funded in large part by donations of the Congregational Church. The association was also responsible for the founding in the first five years after the Civil War of four other black colleges that, with Hampton, became preeminent in the field of black education: Howard University, Washington, D.C.; Fisk University, Tennessee; Atlanta University, Georgia; and Talladega College, Alabama.[1]

Other religious faiths were also active in creating new black colleges. The Freedmen's Aid Society, affiliated with the Methodist Church, was the channel through which a number of wealthy northerners contributed money to create Chaflin University, South Carolina; Meharry Medical College, Tennessee; Philander Smith College, Arkansas; and Gammon College, Georgia.[2] The American Baptist Home Mission Society supported the founding of two colleges in Virginia, Roger Williams University and Union University, as well as

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[1]Curti and Nash, p. 169.

[2]Ibid., pp. 169-170.

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[1]Ibid.

[2]Florence
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Shaw University in North Carolina and Leland University in Louisiana.[1] John D. Rockefeller's fortune established Spelman College in Georgia, the name of the school being the maiden name of the philanthropist's wife.[2]

Tuskegee Institute, while created by a state grant of $2,000 annually, was actually dependent on contributions for its existence. So successful a fund-raiser was its first president, the widely respected Booker T. Washington, that upon Washington's death the institute's endowment was in excess of $2,000,000 including benefactions from John D. Rockefeller, Andrew Carnegie, and J. Pierpont Morgan.[3]

Aside from Tuskegee, however, the new black colleges were never far from bankruptcy and required constant financial transfusions from their northern benefactors. Fisk University was saved by the resourcefulness of the school's administrators who came upon the idea for sending a choral group, the Fisk "Jubilee Singers," on a fund-raising tour which netted $20,000 in three months. The success of the chorus prompted the University to send its singing ambassadors on additional forays into the northern states and to

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[1] Ibid.

[2] Florence Matilda Read, The Story of Spelman College (Princeton, N.J.: Princeton University Press, 1961), p. 81.

[3] Curti and Nash, p. 176.

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Europe. Proceeds from the various tours totaled $150,000,[1] enough to build Fisk's Jubilee Hall, a dormitory capable of housing more than 400 students.

The gifts and grants received by black colleges were never enough to insure their continued operations until the schools began to share in the contributions of a number of foundations, notably the Peabody Education Fund, a creation of financier George Peabody; the Slater Fund, originated by textile manufacturer John F. Slater; the Hand Educational Fund, established by Connecticut merchant Daniel Hand; the Negro Rural School Fund, created by wealthy Quakeress Anna T. Jeanes; and, most notably, John D. Rockefeller's General Education Board, and, in more recent years, the United Negro College Fund and the Ford Foundation.[2]

Organizing for Private Giving

As noted above, gifts and grants of individuals have played an important role in financing all aspects of American higher education. Indeed, the chief development officer of a university has now assumed an importance which often ranks him just behind the president and provost. Increasingly, trustees are insisting that an important

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[1]Raymond B. Fosdick, Adventure in Giving (New York: and Evanston: Harper and Row, 1962), p. 191.

[2]Curti and Nash, pp. 168-185.

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[1]George W
Saturday Review,

[2]Ibid.

criterion in the selection of a new president be a demonstrated skill in attracting donated money.

In the wake of the money pinch has come the organization of departments assigned with revenue-getting responsibilities. These vary in size from institution to institution from staffs numbering 30 to 40 professionals (not counting public relations specialists) to the employment of one or two people who occasionally might be required to perform additional duties in other areas. Stanford University has more than 35 people engaged solely in fund-raising, while the University of Texas' development staff totals 12 professionals and Oberlin College employs seven.[1]

Boston University has a staff of 50 people who report to the school's Vice President for University Affairs. His staff, composed of specialists in government and alumni affairs, public relations, university relations, broadcasting, and publications, is hard-pressed to subsist on an operating budget approaching $500,000 (which doesn't include the direct costs of fund-raising).[2]

The annual giving campaigns, now so common in American higher education as a means of a "living endowment," trace their origins to Yale University, where in 1890 a

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[1]George W. Bonham, "The Ivory Tower Crumbles," Saturday Review, May 21, 1966, p. 67.

[2]*Ibid.*

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number of Yale graduates organized the Yale Alumni Fund. Their original goal was $104,500, but the first year's giving amounted to only $11,000 and it took the Fund another 15 years to reach the original goal.[1] Slowly other colleges followed Yale's lead and annual giving drives today form a vital part of the total fund-raising efforts of most colleges and universities. It is not uncommon today for schools to receive an annual yield in excess of $1,000,000 through annual giving programs.

As urgent needs for money have multiplied in recent years, there has been a tendency for college officials and benefactors to direct gifts to areas other than endowment. Gifts for current purposes, student loans and scholarships, and plant expansion are drawing increased support while endowment benefactions are decreasing. In 1920 three-fourths of all gifts to higher education were earmarked for endowment, but in 1930 the endowment share had dipped to one-half, and in recent years the endowment gifts account for less than one-third.[2]

The nation's endowment money has long been concentrated at relatively few of the nearly 2,500 educational institutions now in existence. One hundred colleges and

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[1]Curti and Nash, pp. 201-202.

[2]Roger A. Freeman, Crisis in College Finance? (Washington, D.C.: The Institute for Social Science Research, 1965), p. 113.

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[1]Ibid.

[2]Ibid., p

[3]M. M. Ch
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universities account for 92 percent of the funds and less than 1 percent of the institutions own more than half.[1]

In general, college trustees have invested endowment money in farm lands, urban business properties, capital stock of business corporations, and government and utility bonds. The rentals, interest, and dividends which the various properties accrue become available for expenditure by the beneficiary college. Endowment earnings vary, of course, from institution to institution, but average close to 5 percent per annum when computed on book value and less than 4 percent on market value.[2]

In recent years, the productivity of endowment funds has been sharply reduced due to a depressed market, the fluctuation of interest rates, and the greatly reduced purchasing power of the dollar. One professor of higher education estimates that the real income from endowment decreased by more than one-half in the period from 1925 to 1963.[3]

Today's depressed market, in which endowment earnings have further fallen, has prompted many economists to recommend a more adventurous investment policy on the part

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[1] Ibid.

[2] Ibid., p. 112.

[3] M. M. Chambers, Financing Higher Education (Washington, D.C.: The Center for Applied Research in Education, Inc., 1963), p. 30.

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Foundations and Corporations

Important as the contributions have been from private individuals to higher education, the largest sums to colleges and universities in recent years have been conferred by foundations and, to a lesser extent, from private corporations.

In the years following the Civil War, a number of individuals were able to amass giant fortunes, prompting men of great wealth to establish foundations to insure that their benefactions were applied with skill and to free the philanthropist from concern with endless details and difficult decisions. The foundations were established as essentially autonomous organizations, the charter or deed of gift usually specifying a high degree of independence from the donor.

John D. Rockefeller, whose foundation ranks among the nation's largest, formed his fund in the belief that money is a feeble offering without the study behind it which will make its expenditure effective. The idea expressed by Rockefeller, and widely imitated by other philanthropists in creating their foundations, was to have a profound effect on

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[1]Ernest V
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America's colleges and universities. It enabled the foundations to depart dramatically from the traditional emphasis of giving to a single institution and to begin directing contributions to the whole of higher education.

With the arrival of foundations, college officials shifted their emphasis from the cultivation of the philanthropists to the cultivation of the "philanthropoid," the foundation officials who have the responsibility for the distribution of the money. These individuals collect necessary data to evaluate requests, weigh the merits of various proposals submitted to them by the colleges and universities, and then award the foundation grants on the basis of which projects best fulfill the objectives outlined in the foundation's charter.

The foundations differed in many ways from the usual pattern of giving to higher education as it had evolved in America. They did not, for example, create new colleges to achieve their purposes but tended instead to concentrate their giving on relatively few institutions. Then, too, the foundations were more likely to invest in innovative programs, with some foundation officers believing that their grant should serve as "venture capital." Often the money would be awarded with the stipulation that the recipient college would have to raise matching money.[1]

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[1]Ernest V. Hollis, Philanthropic Foundations and Higher Education (New York: Columbia University Press, 1938), p. 39.

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[1]Fosdick

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The General Education Board, the Rockefeller Foundation's predecessor, was established "to promote education in the United States of America without distinction of sex, race, or creed." Its immediate interest was in education in the South (including education for blacks) though later it modified its position and began making grants nationally, primarily to bolster endowments by applying the matching principle.[1]

The Carnegie Corporation, created by Andrew Carnegie, was committed from its inception to educational innovation and to the support of scholars most likely to achieve significant results. It also makes grants to encourage the fine arts and programs of reform in established schools.[2]

The Ford Foundation (largest of America's charitable foundations) and its affiliated Fund for the Advancement of Education has also concentrated its efforts on promoting innovation and assisting selected universities to become "centers of excellence" in various academic disciplines.[3]

The foundations have not been above criticism. Some charge that they are promoted as a means for tax evasion and that their gifts are really made as "bribes" to win public

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[1]Fosdick, p. 8.

[2]Shelby M. Harrison and F. Emerson Andrews, American Foundations for Social Welfare (New York: Russell Sage Foundation, 1946), pp. 19-21.

[3]Curti and Nash, p. 232.

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esteem.[1] Others claim that the foundations have slighted the humanities in favor of the natural and social sciences[2] and that the conditions they sometimes impose on a university before a grant is given amount to coercion. Despite the barbs, however, the foundations have assumed increasing importance in promoting superior performance in higher education.

Private companies have also formed foundations to support colleges and universities, though they have been less prone to grant their foundations the same kind of autonomy enjoyed by the foundations created by individuals. And in some foundations which are seemingly separate, control is still kept within the company by having company officials serve as foundation trustees.

By and large, company officers have considered it their responsibility to husband the company's money in such a manner as to increase profits for the owners or stockholders. Consequently, it has been only recently that company donations have not been restricted to charities directly of benefit to employees, such as Community Chests, parks near company plants, and the like.[3] Beginning in the 1920's,

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[1] Ibid.

[2] Frederick P. Kepple, Philanthropy and Learning (New York: Columbia University Press, 1936), pp. 22-23.

[3] Kenneth G. Patrick, "Corporate Support of Higher Education," Private Support and the Public Negro College (New York: Council for Financial Aid to Education, 1968), p. 27.

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however, big business began to recognize the importance of improving its public image, badly tarnished in the Great Depression, and of assuming a more responsive role in promoting the general welfare. Education was a natural concern of company officers and the business community began channeling more money into its promotion.

In 1935 Congress passed the Revenue Code which permitted corporations to deduct charitable contributions from taxable income and the giving efforts of large corporations were accelerated. Presidents of major companies became active in the search for money for colleges and universities, and such organizations as the Indiana Association, the Michigan College Foundation, and the Ohio Foundation of Independent Colleges--all largely the creation of the business community--began to appear.

The giving record of the corporate world to higher education has been spotty, but General Foods, Proctor and Gamble, General Electric, and other firms have made substantial contributions. Leading the giving parade has been the transportation industry, followed by chemical firms, petroleum companies, and electrical machinery operations. More than 450 of the nation's largest companies may make it a pc

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Summary

Throughout the history of American higher education, the gifts of private citizens, firms, and foundations have served to nourish the nation's system of colleges and universities and to provide the means for innovation and experimentation. To an extent few realize, higher education owes its present state of existence to philanthropists past and present who deemed giving to colleges and universities as an opportunity to invest in society's future.

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[1]Carl W. Bacon, "Corporate Annual and Matching Gifts," Papers in Educational Fund-Raising, ed. by John Hunter Detmold (Washington, D.C.: American Alumni Council, 1972), p. 67.

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CHAPTER III

REVIEW OF RELATED RESEARCH AND LITERATURE

In the previous chapter, educational fund-raising was identified as a function of much importance in the evolution of the American system of higher education. The organization of the development office was seen as a natural outgrowth of the attempts which various colleges and universities have made over the years in seeking private support, accelerated in this century by the competition which has developed among institutions of higher learning for grants and gifts of foundations and corporations.

This chapter deals with the literature on educational philanthropy and on research related to the study. As Curti has noted, very little work has been done in the area of the history of American fund-raising.[1] Indeed, as Butners and Buntaine have stated: "Philanthropy is yet to be studied as a social institution."[2] The overview of the

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[1] Scott Cutlips, Fund Raising in the United States, with a preface by Merle Curti (New Brunswick, N.J.: Rutgers University Press, 1965), p. xi.

[2] Astrida Butners and Norman Buntaine, Motivations for Charitable Giving (Washington, D.C.: The 501 (c) (3) Group, 1973), p. v.

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literature dealing with educational fund-raising is, therefore, necessarily limited.

The author has attempted to superimpose some order on the incomplete and scattered materials which do exist and, as a means of description, has organized the review into four sections. Surveyed in the first section are selected sociological and psychological references to the motivations for philanthropy. The second section deals with the charitable deduction as a motivation for giving. The third section considers written materials dealing with methods and techniques for fund-raising. The final section is devoted to a review of related research.

Sociological and Psychological Motivations for Giving

Many factors seemingly enter into a donor's decision to give to charity. As the 1956 Princeton Conference on the History of Philanthropy suggested, the motivations contained in charitable giving are manifold. To concentrate on any single set of motives would be to defy reality.[1]

Although it appears that few philanthropists make their gifts on the basis of a refined philosophical position, philosophers have long tended to divide the motivations for

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[1]Russell Sage Foundation, Report of the Princeton Conference on the History of Philanthropy in the United States (New York: 1956), pp. 10-11.

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giving into two theories: "altruistic," conduct which regards the good of others as the end of moral action, and "egoistic," conduct which holds that the main criterion of moral action is the good of the individual.

Andrew Carnegie, one of America's most noted philanthropists, essayed the altruistic position in claiming that the "gospel of wealth" required that "the surplus which accrues from time to time in the hands of a man should be administered by him in his own lifetime for that purpose which is seen by him, as trustee, to be best for the good of the people."[1]

Elwin, Falanga, Kropotkin, Nagle, and Palmer, among others, have argued that altruism seeks to improve the welfare of others based on the old Christian maxim "Do unto others as you would have them do unto you," and is the ultimate limit of moral responsibility.[2] Thus the giving to an educational institution, designed as it is for the improvement of society, is a natural extension of an altruistic philosophy.

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[1]Andrew Carnegie, The Gospel of Wealth and Other Timely Essays (New York: The Century Company, 1900), p. 48.

[2]Verrier Elwin, A Philosophy of Love (New Delhi, India: Delhi Publications Division, Ministry of Information and Broadcasting, 1962); Anthony Joseph Falanga, Charity: The Form of Virtue According to Saint Thomas (Washington, D.C.: Catholic University of American Press, 1948); Prince Petr. Kropotkin, Mutual Aid--A Factor of Evolution (Boston: Extending Horizon Books, 1925); Thomas Nagle, The Possibility of Altruism (Oxford: Clarendon Press, 1970); and George Herbert Palmer, Altruism: Its Natures and Varieties (New York: C. Scribner's Sons, 1919).

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The "egoists," however, argue that the individual's primary moral responsibility is to himself and to the shaping of his own moral perfection. This philosophy holds that people have no concern outside of themselves. Consequently, altruistic behavior has been conceptualized by psychologists as either selfish or neurotic in origin. Anna Freud has suggested that altruism arises from the expiative dynamics of guilt, from reaction-formation to aggression, or from deprivation and inhibition.[1] Fenichel argues that it is related to homosexuality and castration anxiety,[2] while Glover sees it as deriving from oral characteristics.[3]

Behavior which appears altruistic from the outside, these psychologists argue, is really egoistic when its inner motives are examined. All human action, they claim, aims at the satisfaction of the agent. The altruist, in seeking the ideal, would place its attainment by others as most important; the egoist would seek it for himself. A gift to a university, then, if given according to the egoistic theory, is made to give satisfaction to the individual in the form

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[1]Anna Freud, The Ego and the Mechanisms of Defense (London: Hogarth Press, 1937).

[2]O. Fenichel, The Psychoanalytic Origin of Neurosis (New York: Norton Press, 1945).

[3]E. Glover, "Notes on Oral Character Formation," International Journal of Psycho-Analysis, 6 (1925), 131-154.

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Spencer has surveyed the social consequences of each of the two philosophical positions, and concluded:

> . . . the ego-altruistic sentiments have been, from early days down to our own, among the chief regulators of social conduct; and have been needful in the absence of anything like adequate amounts of the altruistic sentiments. Desires for reputation, fame, glory, have been the prompters; and not desires to do the appointed work, discharge obligations, behave kindly. Love of praise has in large measure served in place of love of rectitude. The pro-ethical sentiments have had to rule because the ethical sentiments were not strong enough to take their places. But if so, it follows that a higher state, individual and social, will be one in which "the last infirmity of noble minds" will have greatly diminished; and in which, by implication, applause will be less sought for and less given. . . .[1]

One of the principal difficulties in the literature dealing with charitable giving is the highly diffuse use of the concepts of altruism and egoism. Altruism often is viewed as being equivalent to empathy or to love, and concrete discussions of the socialization processes involved in altruism are few.

Butners and Buntaine have formulated two additional possible sociological foundations for charitable giving. These are (1) giving as a means of compliance with generalized social norms and (2) giving as a means of maintaining

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[1]Herbert Spencer, The Principles of Ethics (New York: D. Appleton and Company, 1897), p. 328.

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social status.[1] In such a complex society as the United States, they note, there are a variety of norms upon which the individual attempts to act simultaneously:

> . . . Some [norms] would direct the individual to give, while others, like the prevalent norm of responsibility for one's own actions, would tend to decrease giving behavior. . . . Besides being contradictory, social norms are usually stated in a very generalized way. . . . There is little evidence that people actually think about social norms when choosing a course of action. That is, when an individual gives, he may be guided by his first reactions to the stimulus in the situation, and not by a complicated choice among a variety of norms.[2]

Charitable giving as a means of maintaining social status has long been recognized as an important motive behind philanthropy. Lubove states that the rise of social work during the second half of the nineteenth century was the response of the middle classes to the perceived threat of the lower classes and to the middle classes' desire to maintain the status quo.[3]

Rosenthal views philanthropy as a ploy of the bourgeoisie to maintain social control:

> In any situation the gift giver has a tremendous opportunity to exert social control upon the institutions and mores of his world. . . . The social status of the givers is enhanced by their

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[1]Butners and Buntaine, pp. vi-viii.

[2]*Ibid.*, p. vii.

[3]Roy Lubove, *The Professional Altruists: The Emergence of Social Work as a Career, 1880-1930* (Cambridge, Mass.: Harvard University Press, 1965).

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> seemingly gratuitous attempt to rectify social ills. . . . The rest of society usually is willing to accept their activities and motives at face value, and only the radical critic today attacks gift giving as being part of a design to perpetuate social ills rather than to rectify them.[1]

The literature dealing with the psychological and sociological motives of charitable giving are by no means in agreement. Indeed a review of the literature reveals the very complicated nature of the giving impulse. Scientific investigations of charitable behavior are extremely limited and no valid conclusions can be formulated from them.

The Charitable Deduction as a Motivation for Giving

More extensive study has been devoted to the motivations for giving which derive from the nation's tax system. Existing laws which authorize income, gift and estate tax deductions for private gifts to higher education are seen by university administrators as a significant factor in the promotion of private giving. Of particular importance is the provision of the tax laws which allow an individual to give gifts of appreciated property, either

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[1]Joel Rosenthal, The Purchase of Paradise: Gift Giving and the Aristocracy, 1307-1485 (London: Routledge and Kegan Paul, 1972), p. 129.

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[2]*Ibid.*,

during his lifetime or at the time of his death by means of a will.[1]

Three provisions of existing laws relating to federal taxes are viewed as essential to continued private support of higher education:

1. The ability to deduct charitable contributions of individuals and corporations for income tax purposes.
2. The ability to deduct the fair market value of certain appreciated properties donated to charity.
3. The ability to take an unlimited estate tax deduction for charitable gifts.[2]

These provisions, which form the core of incentives for giving to higher education, are currently under attack from legislators and others who perceive them as "tax loopholes" and who are pressing for their abolishment along with the percentage depletion, accelerated depreciation, and other candidates for tax reform. The arguments for eliminating charitable tax deductions have had a chilling effect on the whole of higher education, whose leaders believe such a move will have a detrimental effect on the future of higher education in the United States. As the Court of Appeals for the Fourth Circuit has stated:

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[1]Association of American Universities, Tax Reform and the Crisis of Financing Higher Education (Washington, D.C.: 1973), p. 1.

[2]Ibid., p. 9.

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> It would be naive not to recognize the substantial portion that contributions play in the gross income of any institution of higher learning and the adverse effect on those contributions if their deductibility for income and estate tax purposes of the donors is disallowed.[1]

As criticism of the tax provisions favoring charity has mounted, educators have been quick to cite the historical role that private philanthropy has played in American society. They have cited also the care with which the nation's lawmakers have drafted tax laws to guarantee that educational institutions are removed from tax obligations and, further, to insure that the tax system is designed to encourage private giving to educational institutions.

De Tocqueville commented in 1831 on the pervasiveness of charitable giving as an American trait:

> Americans of all ages, all conditions, and all dispositions, constantly form associations. . . . The Americans make associations to give entertainments, to found seminaries, to build inns, to construct churches, to defuse books, to send missionaries to the antipodes; they found in this manner hospitals, prisons, and schools. . . . Wherever, at the head of some new undertaking, you see the government in France or a man of rank in England, in the United States you will be sure to find an association. . . .[2]

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[1]Bob Jones University v. Connally, 73-1 USTC, Paragraph 9185 at 80,289 (4th Cir., 1973).

[2]Alexis de Tocqueville, Democracy in America (New York: A. A. Knopf, 1945), pp. 108-109.

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De Tocqueville's enthusiasm for the American perception of philanthropy led him to recommend its adoption by other democracies:

> Governments, therefore, should not be the only active powers; associations ought, in democratic nations, to stand in lieu of those powerful private individuals whom the equality of conditions has swept away.[1]

The nation has clearly benefited from private philanthropy, as Andrews has noted:

> . . . public libraries, growing largely out of gifts of buildings by Andrew Carnegie and his Carnegie Corporation of New York; the conquest of hookworm, the discovery of insulin, the successful war against yellow fever, chiefly with Rockefeller funds; John Brown's Body, perhaps our finest epic poem, written on a Guggenheim Foundation fellowship; New York City's Regional Plan, developed by Russell Sage Foundation when there was no interstate planning agency; the reform of medical education sparked by the explosive survey made by Abraham Flexner for Carnegie Foundation for the Advancement of Teaching; better salaries for college teachers, brought to the national conscience by the Ford Foundation's massive gift of $260 million; and just yesterday and today support for research on DNA (deoxy ribonecleic acid), a key to genetics and perhaps to life itself.[2]

The position of America's Congressmen and Senators that the Revenue Act of 1917 was intended to protect private giving to educational institutions is clearly shown in the records of the debate which preceded the act's passage.

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[1] Ibid.

[2] F. Emerson Andrews, "The Fifth Freedom," The Bulletin, American Association of Fund Raising Counsel, Inc. (February 1966), pp. 1-2.

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Henry French Hollis, United States Senator from New Hampshire, introduced the amendment which permitted the deduction of contributions to charity. In arguing for its approval, Hollis said:

> Look at it this way: For every dollar that a man contributes for these public charities, education, scientific or otherwise, the public gets one hundred percent; it is all devoted to that purpose. If it were undertaken to support such institutions through the Federal Government or local governments and the taxes were imposed for the amount they would only get the percentage, five percent, ten percent, twenty percent, or forty percent, as the case may be. Instead of getting the full amount they would get a third or a quarter or a fifth.[1]

Since the passage of the Revenue Act, Congress has periodically reviewed the propriety of the charitable deduction and each time it has allowed it to stand. The 1938 Congress stated: "The Government is compensated for its loss of revenue by its relief from financial burdens which would otherwise have to be met by appropriations from public funds."[2]

The Tax Reform Act of 1969 not only continued the charitable deduction, it strengthened the incentive effect by increasing the limitations on charitable contributions from 30 percent to 50 percent.[3] However during the debate

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[1]55 Cong. Rec. 6728 (1917).

[2]H. Rep. No. 1860, 75th Congress, 3d Sess. 19 (1938).

[3]Staff of the Joint Committee on Internal Revenue Taxation, General Explanation of the Tax Reform Act of 1969 (December 1970), p. 75.

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on the 1969 legislation, there was more discussion over the charitable contributions deduction than at the time of its adoption in 1917 or at any other period since. The 1969 act's final passage saw Congress cutting back on the mechanisms by which tax advantages could be obtained from charitable contributions and it established that the tax advantages that remained, especially for gifts of appreciated property, are exceptions to the regular tax rules.[1]

Surrey argues that present tax law is inequitable since "the charitable contribution deduction is a special tax provision not required by, and contrary to, widely accepted definitions of income applicable to the determination of the structure of an income tax."[2] Surrey claims that the charitable deduction is in reality a method of federal assistance to charities since contributors are allowed to reduce their tax liabilities through deduction of contributions made to their charitable donees. "For while the assistance to philanthropy comes from the federal government," Surrey writes, "its allocation is privately directed--the government funds are paid to particular institutions at the direction of private persons. Moreover,

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[1]Stanley S. Surrey, "Federal Income Tax Reform," Harvard Law Review, 84 (December 1970), 381-382.

[2]*Ibid.*, p. 384.

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the assistance is blanket, automatic, no-strings attached, open-ended aid."[1]

Surrey argues that the charitable deduction is irrational in that it provides a direct government expenditure based on the tax-payer's income tax rate. A few of Surrey's examples:[2]

- If a person below the personal exemption rate contributes $100 to charity, he contributes the entire sum and the government contributes nothing.
- If a person in the first tax bracket contributes $100 to a charity, the government gives him a tax break of $14, which in effect is the government's contribution to the charity.
- If a person in the top 70 percent tax bracket contributes $100 to a charity, the government's share of the $100 is $70 (the amount of the charitable deduction).

Boris Bittker, William Andrews and others have contested Surrey's characterization of the charitable contribution as a tax subsidy inconsistent with a system of graduated taxation of net income.[3] Andrews argues:

> To be sure, there are anomalies arising out of the allowance of a deduction for the fair market value of appreciated property without

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[1] Ibid., pp. 384-385.

[2] Ibid., p. 388.

[3] Boris Bittker, "Charitable Contributions: Tax Deductions on Matching Grants," Taxation Law Review, 28 (Fall 1972), 37-42; and William D. Andrews, "Personal Deductions in an Ideal Income Tax," Harvard Law Review, 86 (December 1972).

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> The fact that a provision does more to mitigate differences among wealthy people than among the less well-to-do is simply a characteristic of a graduated rate schedule, whatever may be included in the income tax base.[2]

Another argument against the charitable deduction as an incentive to giving revolves around the efficiency of the tax provisions, detractors claiming that the additional contributions which the tax provisions stimulate cannot be justified in terms of their cost in tax revenue. Taussig's study of the charitable contributions deduction in 1961 led him to conclude that the tax incentive is weak since the amount of the charitable gifts that year were only $57 million in contrast to a federal revenue loss of $2.5 billion.[3]

Schwartz refutes Taussig's argument by citing his own studies[4] which revealed that the less a gift costs the giver, the larger will be his gift. As Bittker has written:

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[1] Ibid., p. 345.

[2] Ibid., p. 339.

[3] Michael K. Tausigg, "The Charitable Contributions Deduction in the Federal Personal Income Tax" (unpublished doctoral dissertation, Massachusetts Institute of Technology, 1965).

[4] R. A. Schwartz, "Corporate Philanthropic Contributions," Journal of Finance, June 1968, p. 479.

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"A taxpayer who can transfer one dollar to his favorite charity at a cost to himself of only fifty cents will be much more inclined to make the gift than one who must lay out a full one dollar to transfer that amount."[1] The conclusion of both Bittker and Schwartz is that the incentive effect of the charitable deduction is substantial, especially for high income taxpayers making contributions to higher education.

Of interest in this discussion is the argument of some that the charitable deduction should not be allowed because the donor receives pleasure from the act of giving, i.e., the gift is the result of egoist behavior. The argument is stated thus:

> One who makes a charitable contribution must get some pleasure or satisfaction from his act which he considers equal to what he could have gotten from some other use of his funds. Some wealthy people dress for dinner; some ride to hounds; others make substantial charitable contributions. . . . Whatever a man chooses to do with his money should be classed as personal consumption for him.[2]

Andrews argues that there is a difference between dinner clothes and charitable contributions, since the latter directs resources to the good of others, i.e., represents altruistic behavior. Thus the sociological and psychological debate between egoistic and altruistic behavior has been inserted into the debate on the tax laws.

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[1]Bittker, p. 52.

[2]Andrews, pp. 355-356.

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Methods and Techniques in Fund-Raising

As more and more colleges and universities have entered into fund-raising, publications dealing with various practices and procedures in educational development have increased, until today there is a spate of fund-raising materials vying to be purchased. Some are handbooks on general fund-raising, others are books and brochures which specialize on some aspect of a development program (deferred giving, the annual fund, record keeping, etc.), while others are magazines and pamphlets reporting on various successful college fund-raising campaigns. Taken in total, they comprise a voluminous library on the methods and techniques used in modern fund-raising.

Several organizations allied with the fund-raising field publish materials on the subject, including the Association of Fund-Raising Directors, the Direct Mail Advertising Association, The Hundred Million Club, and the Council for Financial Aid to Education, all located in New York City. The Council for Advancement and Support of Education (CASE) is headquartered in Washington, D.C.

The Association of Fund-Raising Directors, an organization of professional development officers, holds monthly meetings at which outside speakers offer insights into the mechanic

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into the mechanics of fund-raising. Copies of the talks are sometimes made available to non-members.[1]

The Direct Mail Advertising Association maintains a library of materials on fund-raising, particularly samples of printed appeals for contributions and mail-order publications.[2]

The Hundred Million Club is composed primarily of copywriters for those in the mail order and selling fields, although some fund-raisers are also members. The club is an especially good source for obtaining mailing lists and for tips on all aspects of publishing.[3]

The Council for Financial Aid to Education publishes a wide variety of informative pamphlets on most aspects of educational fund-raising. Sustained by grants from several foundations, the council prepares valuable material on the financial needs of American higher education; its materials are especially valuable in documenting the case for giving to a college or university.[4]

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[1]The Association of Fund-Raising Directors is headquartered at 419 Park Avenue South, New York City, New York.

[2]The Direct Mail Advertising Association is located at 3 East 57th Street, New York City, New York.

[3]The Hundred Million Club maintains its offices at 55 West 42nd Street, New York City, New York.

[4]The Council for Financial Aid to Education is located at 680 Fifth Avenue, New York City, New York.

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The American Alumni Council and the American College Public Relations Association recently voted to merge under the name Council for Advancement and Support of Education. The new council is composed of college and university personnel in public relations, development, and alumni work. It provides current information in educational fund-raising and its publications often carry informative articles on college development. CASE also sponsors seminars and workshops especially designed for new and veteran Development officers.[1]

A number of volumes dealing with the "nuts and bolts" of fund-raising have emerged in recent years. Pollard, Fellows, Koenig, Mirkin, Seymour, and others have prepared how-to manuals, primarily written for those who are considering, or are currently engaged in, fund-raising as a profession.

Pollard telescoped the content of his book into 20 "principles" which have since served as the ground rules for many a university fund-raising campaign:

1. The first principle of fund-raising for any college or university is that it should carry on a sound educational program. Tinsel does not attract gold.

2. A belief in the quality of an institution, and in the importance of what it is doing, is the main motive for contributing to it.

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[1]The Council for Advancement and Support of Education is headquartered at Suite 600, One Dupont Circle N.W., Washington, D.C.

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3. A college or university having a first-rank function to perform for society should never cease hunting for--and striving to merit--the money which it needs from society in order to give it the best possible service.

4. Askings should be held down to legitimate needs for growth and development. It is as unwise to seek too much as too little.

5. Raising funds for a college or university is radically important work, vital to the work of the classroom and laboratory which it helps to make possible.

6. It is a four-season, round-the-clock job.

7. It is professional work, a task for a competent director on full time and in full charge.

8. Trying to muddle through on a "spare part" or "spare time" basis always proves to be expensive economy.

9. There is nothing about the work of fund-raising which a permanent member or members of the college administrative staff cannot master. It requires more perspiration than inspiration, though both are useful.

10. The work of raising funds is not beneath the dignity of a president, but should not be solely his responsibility.

11. It is the business of everybody who has a stake in the institution--trustees, president, alumni, other friends, parents of students, business and industry, and civic groups.

12. That college is best circumstanced which has the largest body of devoted friends, under strong leadership, working regularly and in an organized way in its behalf.

13. The only way to raise money is to ask for it; and the more people there are asking in behalf of a college, the better.

14. In its relations with these volunteers or enlistees, a college is wise to remember the

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virtue of giving as well as the necessity of getting.

15. Every approach to every member of a college's constituency should be pitched on the level of important business.

16. All possible sources of support for a college or university must be exploited regularly and thoroughly. The wise institution will conduct its financial campaign continuously and on the broadest scale possible--the annual fund, the bequest program, the search for memorial funds, for grants for research, for capital gifts for specific endowments and buildings, and for gifts from business corporations.

17. Good public relations is an indispensable aid to raising funds, but not a means. Before asking for money the institution has to explain its work skillfully to its constituency, which can never be too well informed. Samuel Johnson said, "A man, sir, must keep his friendship in constant repair." So with an institution.

18. An intensive campaign for capital gifts, at intervals, is an almost inescapable necessity. But a high-pressure campaign is only a temporary part of an institution's whole financial problem, which is a permanent fact.

19. The development program, embodying the principles of the continuous campaign, is the sound, long-term plan.

20. Fund-raising for a college or university is a regular and continuing administrative function. It must be directed by a competent person giving full time to it. In order to get best results from it, he must make it an effective team operation.[1]

Mirkin, in commenting on the critical components of a fund-raising campaign, identified what he considers the

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[1]John A. Pollard, Fund Raising for Higher Education (New York: Harper and Brothers, Publishers, 1958), pp. xvii-xix.

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six basic needs of a successful program. They are manpower, prospects, methods, materials, money, and timetable. People are the most important ingredients in fund-raising campaigns, he emphasized, all other methods being second best. A drive is much more likely to be successful if it employs "face-to-face" asking, Mirkin insists, and therefore the basis of recruiting solicitors should receive the prime attention of a fund-raiser:

> . . . a solicitor recruited on the wrong basis can do more damage to the agency's fund-raising effort than no solicitor. Each worker must be recruited with the full knowledge of what he has to do, how he could do it, what materials or help he will receive, to whom to turn in the money, when he could do his campaigning, what the goals and needs of the agency are, and where he fits into the total picture.[1]

Fellows and Koenig, in stressing how relatively recent the entire development field really is, defined the fund-raising expert as a man "who knows how little he knows, and is always ready to profit by the other fellow's hard knocks."[2] Seymour shares a disdain of the term "expert" as applied to fund-raisers: "[Most] of the old pros eschew the 'expert' image . . . simply because the more any man

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[1]Howard R. Mirkin, The Complete Fund Raising Guide (New York: Public Service Materials Center, 1972), p. 14.

[2]Margaret M. Fellows and Stella A. Koenig, Tested Methods of Raising Money (New York: Harper and Brothers, 1959), p. viii.

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deserves to be rated that way, the more he becomes aware of his ignorance."[1]

Seymour notes that the development office has now become a full-time and vital activity for nearly all colleges and universities, as well as for many other voluntary institutions:

> . . . No longer is development either casual or occasional, as it usually was some forty years ago. Nor is it a minor and relatively ignoble function, to be seen and heard only when the need for its fruits becomes obvious, desperate, and demanding. It is now a thing of our time and a part of our future. And the broader its tasks and the higher its institutional level, the better job it will do.[2]

Seymour sees fund-raising as a tri-pod consisting of occasional capital campaigns, consistent annual giving, and a program of deferred giving. To these, he adds an indirect role in the area of public relations: "a critical awareness and a lively concern for the ways in which the institution deals with the arts and graces of appreciation, hospitality, responses to suggestions and criticisms, and all the other major processes of dealing with its constituency--past, present, and future."[3]

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[1] Harold J. Seymour, Designs for Fund-Raising (New York: McGraw-Hill Book Company, 1966), p. 187.

[2] *Ibid.*, p. 116.

[3] *Ibid.*, p. 117.

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The development office, if it is to do its assigned task, Seymour states, must have quick and easy access to the administration, the trustees, organized units of the constituency, and all institutional bulletins and publications, not merely by administrative edict or unspoken consent but as a matter of serious and settled policy. "Preferably," Seymour argues, "the director of development or his equivalent should attend trustee meetings and be present at all policy discussions--not for his vote, but for his information and grasp of background."[1]

The vineyards of philanthropy can be a pleasant place in which to serve, these authors suggest, but if the vineyards are to thrive and produce a bountiful harvest, they deserve year-round cultivation and first-rate attention.

Related Research

Fundamental research dealing with fund-raising in higher education is surprisingly sparse, considering its growing importance to the future of higher education in America. Few studies exist which deal with the specifics of fund-raising, and even fewer discuss the subject in depth. At the time the research literature was reviewed, only a limited number of listings of doctoral studies were found which focused on the function of fund-raising.

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[1]Ibid.

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Bakrow, who confined his 1961 study to private colleges and universities, sent questionnaires to 175 educational fund-raisers with 126 being returned. On the basis of the opinions expressed by the development officials in the questionnaires, he concluded that no single program for effective fund-raising can be evolved that would be applicable to all institutions of higher learning, although there are some practices which appear from the results of his study to be nearly universal in their application.[1]

Bakrow determined that there is a marked difference in what fund-raising procedures are effective in one type of institution as contrasted with another type, small co-educational colleges as opposed to private men's colleges, for example. Contrasting practices from one college to the next reveals that unique situations require different approaches.[2]

Thomas' 1962 study of direct-mail fund-raising methods was directed to 68 universities. His tabulations and analysis of questionnaires and sample mailings returned by the institutions lead to the conclusion that the prime

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[1]W. J. Bakrow, "The Relative Effectiveness of Certain Procedures and Practices in Fund Raising in Selected Private Colleges and Universities" (unpublished Ed.D. dissertation, Indiana University, 1961), p. 159.

[2]*Ibid.*

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[2]Ibid.

[3]Richar
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reasons for the success or failure of a mass mailing solicitation are found less in the nature of the mailings themselves than in certain external influences, such as the characteristics of the alumni body to which the mailing was sent.[1] Thomas perceived the mailings to reflect a broad band of "sameness" and mediocrity. Further, he could discern little difference between the mailings of tax-supported and private institutions insofar as general make-up and types of appeals were concerned.[2]

Timmins conducted a study in 1962 designed to examine the development of cooperative fund-raising activities for higher education in the United States. The United Negro College Fund, the Independent College Funds of America, and the National Fund for Medical Education were selected for detailed study. The research included an examination and analysis of fund-raising literature and interviews with staff members from the three agencies, as well as others who were familiar with the agencies' efforts.[3]

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[1] Lewis B. Thomas, "An Evaluation of the Direct Mail Fund-Raising Methods of 68 Universities" (unpublished Ph.D. dissertation, University of Denver, 1962). Abstract.

[2] Ibid.

[3] Richard Haseltime Timmins, "A Study of Three National Efforts in Fund-Raising for Colleges and Universities" (unpublished Ed.D. dissertation, Columbia University, 1962). Abstract.

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[1]Ibid.

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Timmins' study demonstrates that cooperative fund-raising efforts can be profitable for member institutions and that there is reason to believe that other cooperative ventures, such as shared facilities and managerial programs, might have promise as a means of combating the rising costs of higher education.[1]

Gallagher sought to discover in her 1964 study of fund-raising programs of private two-year colleges why such institutions had not gained more constituency gift support. Through the use of questionnaires and interviews, she concluded that private two-year colleges do not do as effective a job in fund-raising as senior institutions, in part because they are not sufficiently well organized to solicit their constituencies. Then, too, most of the two-year colleges which participated in the study did not have well defined long-range plans, with the result that they had not formulated fund-raising aims and objectives.[2]

Armstrong focused his 1961 study on Pasadena College, Pasadena, California. From a review of the relevant fund-raising literature and interviews with representatives of 16 colleges, 11 basic fund-raising principles were developed

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[1]Ibid.

[2]Sister M. Eymard Gallagher, "A Study of Private Two-Year College Fund Raising Programs" (unpublished Ed.D. dissertation, Columbia University, 1964). Abstract.

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[2]Ibid

upon which the fund-raising program of Pasadena College was evaluated. Beyond this, some implications of the use of the principles for other educational institutions were drawn.[1]

Armstrong's extrapolated principles are:

1. There should be a definition and ranking of the needs of the institution.

2. There should be a definition of the publics of the institution and a ranking of them as resources.

3. There should be a balanced and autonomous program related to these needs and resources.

4. In the development of a program the objectives of the institution must be kept in mind.

5. The program must be communicable and must be communicated.

6. The program must be placed in operation by an organization that is structurally efficient.

7. There should be development of personnel related to the development of the program.

8. There should be financial efficiency in the operation of the administrative funds and manpower use.

9. There should be wide lay participation and maximum involvement of the publics.

10. There should be a time schedule related to institutional needs and the developed or projected program.

11. There should be continuous evaluation and reassessment of the institution's needs, program and operation.[2]

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[1]Kenneth Shelby Armstrong, "A Critical Evaluation of the Fund-Raising Program of Pasadena College" (unpublished Ed.D. dissertation, University of Denver, 1961). Abstract.

[2]Ibid.

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pp. 261-262.

Beckett completed a study in 1973 of the deferred giving programs at public institutions of higher learning in the Intermountain West. Comparing the programs, he was able to identify similarities, strengths, and weaknesses, concluding that trusts and estate planning are not being thoroughly accepted as fund-raising techniques, possibly because of a lack of knowledge and staff expertise in administering such programs. Beyond this, Beckett stressed the importance of better informing college and university officers on the benefits of deferred giving and of its potential for the overall development efforts of an institution.[1]

Beckett determined that few institutions were making effective use of their presidents, vice presidents, trustees, college deans, and faculty in establishing goals, identifying prospective gift donors, soliciting gifts from personal acquaintances, or giving of their own funds. There was also a need, he concluded, to maximize the use of volunteer help. A greater effort should have been made, he claims, to elicit the "help of major deferred gift donors to work as volunteers in identifying sources of deferred gifts and, when

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[1]Ray Herbert Beckett, Jr., "The Meaning, Management and Benefits of a Deferred Gifts Program for Public Institutions of Higher Learning in the Intermountain West" (unpublished Ph.D. dissertation, University of Utah, 1973), pp. 261-262.

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[1]Ibid.

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Summary

The motives behind charitable giving remain a matter of conjecture and argument among psychologists and sociologists. Research in the area is limited and conclusions drawn are not well grounded. There is, however, a greater body of literature directed to the area of tax deductions, and since nearly all colleges and universities enjoy their greatest giving levels in the month of December, immediately prior to the close of the tax year, there is some evidence to indicate that the tax benefits of a deduction are of considerable significance in the donor's giving impulse.

There exists a wide variety of materials, including books, pamphlets, brochures and newsletters, which deal with the processes of fund-raising. A number of organizations associated with development, some composed of professional fund-raisers, produce materials and sponsor workshops and conferences which focus on fund-raising.

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[1] Ibid., pp. 262-263.

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It is obvious, however, that fund-raising for higher education has been ignored as an area for substantive research, a matter which should be of growing concern to those who recognize that the well-being of America's system of public higher education will be determined, in part at least, by the amount of private support directed to the nation's public colleges and universities in the years immediately ahead.

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CHAPTER IV

METHODS AND TECHNIQUES IN EDUCATIONAL FUND-RAISING

Introduction

Dr. Ernest DeWitt Burton, former President of the University of Chicago, is credited with having coined in 1924 the word "development" as applied to educational fund-raising. As Dr. Burton used the word, it was confined primarily to the search for donated dollars. But today "development" connotes a rather broad area encompassing the planned advancement of the public's understanding of, participation in, and support of a particular educational institution.[1]

As noted in Chapter II, officers of institutions have long sought to increase available resources through the soliciting of private gifts. And as the traditional sources of revenues to meet the seemingly ever-increasing costs of higher education have weakened, programs were formalized to insure a flow of private money into institutional coffers.

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[1]According to Scott M. Cutlip, as quoted by Harold J. Seymour, Designs for Fund-Raising (New York: McGraw-Hill Book Company, 1966), p. 115.

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All of the institutions selected for the study have organized development offices and while there exists a high degree of similarity in their programs, each conducts its fund-raising efforts in a pattern relating to the specific needs of the university and to the historical evolution of its development program. It was the study's intent to report and analyze each development program and to draw from these investigations an understanding of how the modern public university solicits private support.

The study requested the completion by development officials at each of the eight universities of a questionnaire together with a visit to the campus to explore in depth the development operations of the institutions. The basic information gleaned from the questionnaires and the personal visits is reported in this chapter. The information is divided into four parts, each part roughly relating to one of the four sections of the questionnaire. Some general information useful to the reader is indicated in Table 1.

Tab

Institution
University of Colorado
Indiana University
University of Kansas
University of Michigan
University of North Carolina at Chapel Hill
Texas A & M University
Utah State University
University of Wisconsin

Table 1. General university identification

Institution	Location	1972-1973 Enrollment	Permission for Research Granted by
University of Colorado	Boulder	20,500	Dwight V. Roberts Director of Development University of Colorado
Indiana University	Bloomington	68,869	William Armstrong President Indiana University Foundation
University of Kansas	Lawrence	20,075	Todd Seymour Executive Secretary Kansas University Endowment Association
University of Michigan	Ann Arbor	41,178	Alan W. McCarthy Director of Development University of Michigan
University of North Carolina at Chapel Hill	Chapel Hill	19,224	Charles M. Shaffer Director of Development University of North Carolina
Texas A & M University	College Station	21,493	Robert Walker Director of Development Texas A & M University
Utah State University	Logan	8,870	Paul Weiser Director of Development Utah State University
University of Wisconsin	Madison	71,688	Robert B. Rennebohm Executive Director University of Wisconsin Foundation

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PART 1

ORGANIZATION AND ADMINISTRATION OF THE DEVELOPMENT OFFICES

Introduction

The development office, once a rather hazily defined and haphazard operation of a college or university campus, has recently emerged as a highly organized headquarters for the increasingly important quest for private funding. As Harold Seymour has noted:

> . . . The development office has now become a full-time and vital activity for nearly all voluntary institutions. . . . No longer is development either casual or occasional, as it usually was some forty years ago. Nor is it a minor and relatively ignorable function, to be seen and heard only when the needs for its fruits become obvious, desperate, and demanding. It is now a thing of our time and a part of our future. And the broader its tasks and the higher its institutional level, the better job it will do.[1]

The development office at an educational institution is customarily assigned responsibility for the planning and execution of the institution's fund-raising efforts, though some development offices have also been assigned extensive public relations duties, which is, of course, an indirect responsibility for any fund-raiser.

Successful fund-raising campaigns rarely just happen. They are the result of careful planning and guidance, and

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[1]Seymour, p. 116.

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their degrees of successes (or failures) are often dependent on the experience and leadership of those in charge of the campaigns. Table 2 provides details of support to the participating institutions in the fiscal year 1971-1972. Table 3 provides selected comparisons between the eight development programs.

Part 1 of this chapter explores the organization and administration patterns of the development offices. It outlines the basic fund-raising mechanisms of each university, describes the merits and disadvantages of the separate foundation as a fund-raising tool, discusses the methods used to finance development offices, considers the qualities needed in development personnel, and sifts the importance of the governing board to a successful campaign. Part 1 concludes with a brief summary.

The University of Colorado[1]

A coeducational, state-controlled institution, the University of Colorado was chartered by the first territorial legislature of Colorado at Boulder in 1861. The school opened as a college level institution in 1877 and awarded its first baccalaureate in 1882. It maintains its main campus in Boulder, with a medical school and extension

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[1]Except where noted, information cited in this section was taken from a questionnaire completed by Dwight V. Roberts, Director of Development, the University of Colorado, April 15, 1972.

Table 2. Details of support to participating institutions, 1972-1973

	Volume of Support			Sources of Support						Forms of Giving	
			Capital	Corporations		Non-Alumni Individuals	General Welfare Foundations	Other Groups and Sources	Religious Denominations (dollars)	Bequests (dollars)	Annuities Life Contr. Insurance (dollars)

Table 2. Details of support to participating institutions, 1972-1973

Institution & Enrollment	Volume of Support			Sources of Support						Forms of Giving	
	Grand Total of Support (dollars)	Current Operations (dollars)	Capital Purposes (dollars)	Corporations & Businesses (dollars)	Alumni (dollars)	Non-Alumni Individuals (dollars)	General Welfare Foundations (dollars)	Other Groups and Sources (dollars)	Religious Denom-inations (dollars)	Bequests (dollars)	Annuities Life Contr. Insurance (dollars)
University of Colorado 20,500	6,794,914	1,572,763	5,222,151	NA	1,089,285	NA	NA	NA	NA	1,089,285	0
Indiana University 68,869	13,034,363	9,174,951	3,859,412	1,373,288	1,679,895	1,129,160	2,431,869	6,420,151	0	0	0
University of Kansas 20,075	4,890,999	2,304,411	2,586,588	865,226	2,698,672	361,383	735,568	228,500	1,650	400,262	270,306
University of Michigan 41,178	21,910,826	16,081,532	5,829,294	7,179,556	3,271,659	2,618,567	7,335,697	1,494,946	10,401	2,238,234	197,477
University of North Carolina at Chapel Hill 19,224	5,735,983	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Texas A & M University 21,493	9,693,367	9,075,023	618,344	4,324,331	2,029,139	540,406	2,174,094	621,997	3,400	0	0
Utah State University 8,870	1,111,062	843,052	268,010	58,817	404,685	102,094	309,042	236,423	0	0	0
University of Wisconsin 71,688	22,650,851	17,655,160	4,995,691	4,942,907	4,616,278	1,937,988	6,199,564	4,938,650	15,464	3,161,520	468,509

Source: Voluntary Support of Education, 1972-1973 (New York: Council for Financial Aid to Education, 1974), pp. 26-46.

Table 3. Comparisons of development programs

Institution	Separate Foundation	Title of Chief Development Officer	Year Formal Fund-Raising Began	Size of Development Staff	Financing of Development Office
			1954	13	60% University

Table 3. Comparisons of development programs

Institution	Separate Foundation	Title of Chief Development Officer	Year Formal Fund-Raising Began	Size of Development Staff	Financing of Development Office
University of Colorado	Yes	Director of Development	1954	13	60% University 40% Foundation
Indiana University	Yes	President Indiana University Foundation	1936	42	100% Foundation
University of Kansas	Yes	Executive Secretary, Kansas University Endowment Association	1893*	25**	100% Foundation
University of Michigan	No	Director of Development	1951	22	50% University 50% Gifts
University of North Carolina at Chapel Hill	Several Foundations	Director of Development	1952	16	100% University
Texas A & M University	Yes	Director of Development	1947	7	90% University 10% Foundation
Utah State University	Yes	Assistant to President for Development	1958	11	80% University 20% Foundation
University of Wisconsin	Yes	Executive Director, University of Wisconsin Foundation	1945	10	100% Foundation

*Foundation chartered in 1893 but formal fund-raising began in 1948.

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divisions in Denver. Its academic offerings are comprehensive, including courses in law and medicine, and a full graduate program.[1]

The university is governed by a six-member Board of Regents, the president of the university serving as an ex-officio seventh member. The six members are elected at general election, two biennially for six-year terms.[2]

During the fiscal year 1972-1973, the university expended $137,132,264 for its educational and general program, including student aid. Its endowment in 1973 was listed as $9,157,379.[3]

The University of Colorado established its development office in 1954 and 14 years later (1968) organized the University of Colorado Foundation, Inc., which serves now as the fund-raising arm of the institution. The development office is funded in part (60 percent) by the university and in part (40 percent) by the foundation. The office accounts for all private giving to the university and employs a development staff of 13 people, five of whom are professional and the remainder clerks and other supportive

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[1]Allan M. Carter, American Universities and Colleges, 9th ed. (Washington, D.C.: American Council on Education, 1964), p. 274.

[2]Ibid.

[3]Council for Financial Aid to Education, Voluntary Support of Education, 1972-1973 (New York: Council for Financial Aid to Education, 1973), p. 37.

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personnel. Figure 1 provides a table of organization for the University of Colorado development office. Levels of support received by the foundation in the seven-year period, 1966-1967 to 1972-1973 is summarized in Table 4.

Table 4. University of Colorado Foundation, Inc. levels of support, 1967 to 1973

Fiscal Year	Giving Total
1967	$3,900,000
1968	4,600,000
1969	6,700,000
1970	5,300,000
1971	5,500,000
1972	6,980,000
1973	6,794,914

The development office serves under the dual control of the University's Board of Regents and of the Foundation's Board of Directors. The Board of Directors consist of the University Regent, two members of the Alumni Board, three members of the foundation's Board of Advisors, and an administrative officer of the university. All except the regent serve three-year terms on the Board. The foundation's officers are a president, vice president, and the executive director who also serves as secretary-treasurer.


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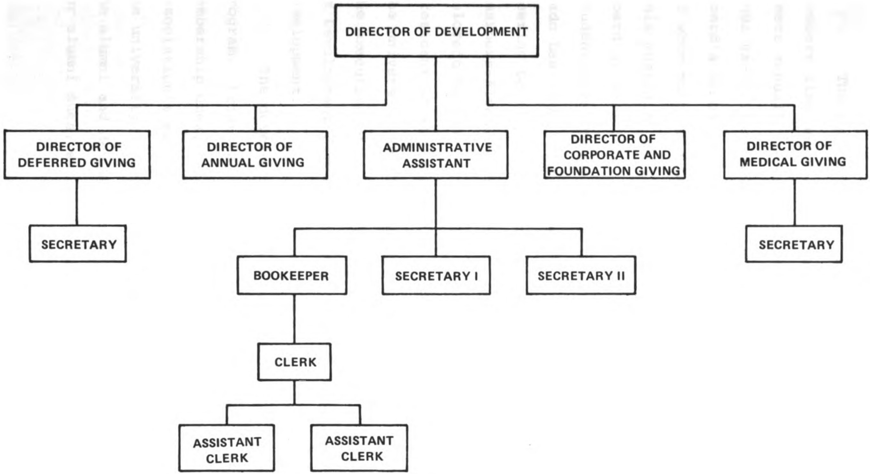

Figure 1. Colorado University Development Foundation Organizational Chart

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The foundation maintains a Board of Advisors whose members also serve three-year terms. The Board of Advisors meets annually and it consists of 23 voting members and four ex-officio members without vote. Nine of the advisory board's members are appointed by the Alumni Association, six of whom must be alumni of the institution. Nine members (six must also be alumni) are appointed by the foundation's Board of Directors. Other members are the Director of the Student Development Association, the chairman of the Colorado Law Alumni Fund, the chairman of the Colorado Engineering Development Council, the chairman of the Colorado Business-Alumni Advisory Council, and the chairman of the Colorado Medical Fund. The ex-officio members are the president of the university, the administrative officer of the university who is a member of the Board of Directors, the executive officer of the university to whom the Director of Development directly reports, and the Director of Development.

The development office was born out of the alumni program. Prior to 1954, the Alumni Association charged membership dues, but these were insufficient to meet the association's needs. In 1954, the dues were abolished and the university assumed the responsibility for funding both the alumni and development offices. In place of the drive for alumni dues, which raised about $25,000 annually, an annual giving

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annual giving campaign was launched, which currently raises in excess of a million dollars a year for the university.[1]

The foundation has received several large donations which constitute a foundation endowment, including a gift of $650,000 from a Phoenix philanthropist. The endowment now funds approximately 40 percent of the development office's budget.[2]

Indiana University[3]

Indiana University was established in 1820 as the Indiana Seminary and commenced instruction in 1824. In 1828 the school's name was changed to Indiana College and ten years later to Indiana University. It is a coeducational, state-controlled institution with its main campus at Bloomington and its medical center in Indianapolis. It also maintains regional campuses in a number of other Indiana cities. The university offers a full academic program on both the undergraduate and graduate levels, including instruction in law and medicine.[4]

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[1]Dwight V. Roberts, interview, Boulder, Colorado, June 22, 1972.

[2]Ibid.

[3]Except where noted, information cited in this section was taken from a questionnaire completed by Robert N. Whitacre, Associate Director for Alumni Activities of the Indiana University Foundation, April 17, 1972.

[4]Carter, p. 413.

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It is governed by a Board of Trustees composed of eight members, all of whom must be residents of Indiana, with no more than two from any one county. Five of the trustees are appointed by the Governor on recommendation of the State Board of Education; the remaining three members are elected by the alumni of the institution.[1]

In the fiscal year beginning June 1972, and ending July 1973, the university operated on a budget of $191,675,378. Its endowment in 1972 was listed at $12,544,363.[2]

The Indiana University Foundation, the development organization of the university, was chartered as a separate corporation in 1936 "to promote educational and charitable activities; to receive, hold, manage, use and dispose of properties of all kinds, whether given absolutely or in trust, or by way of agency or otherwise, for the benefit of Indiana University. . . ."[3]

The foundation's incorporators specified that gift funds were not to be intermingled with state funds and that no gift monies were to be used to meet the basic obligations of the state to the financing of the university.

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[1] Ibid.

[2] Council for Financial Aid to Education, p. 39.

[3] The By-Laws of the Indiana University Foundation are included as Appendix B of this thesis.

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The foundation is governed by a Board of Directors which is composed of three members of the university trustees, the president of the university, six members elected from a list of names submitted by the Executive Council of the Indiana University Alumni Association, and the rest elected at large by the foundation board, for a total of 29. Most, but not all, are university alumni.

In recent years the foundation has increasingly contributed to the sponsorship of research programs of the Indiana University faculty and the trustees of the university assigned the foundation with the responsibilities of coordinating and general supervision of the university's sponsored research program. Funds of the foundation, including those received through gifts, trusts, bequests, and patent royalties have also been used for student loans, named professorships, salary supplements, supplemental facilities construction, special library and art acquisitions, special lectureships, research "seed money," campus beautification, "seed money" for new buildings, and a variety of other purposes.[1] Table 5 summarizes the levels of giving to the foundation in the period from 1966-1967 to 1972-1973.

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[1]Indiana University Foundation, "The Relationships of Indiana University and Indiana University Foundation" (Bloomington, Ind.: n.d.), pp. 4-5 (mimeographed).

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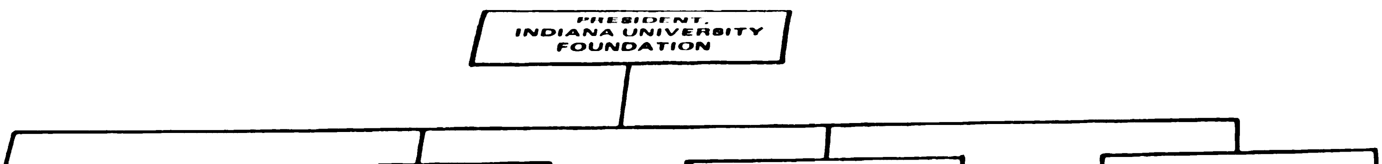
Table 5. Indiana University Foundation levels of support, 1967-1973

Fiscal Year	Giving Total
1967	$1,300,000
1968	1,450,000
1969	2,200,000
1970	2,828,102
1971	7,380,000
1972	11,349,016
1973	13,034,363

The president of the Indiana University Foundation directs the corporation's activities, including the areas of fund-raising, student programs, internal operations and allied operations. Fund-raising operations include special and general programs and publications; the internal operations involve an administrative director, a controller, and the foundation's legal counsel. The foundation has an extensive fund-raising program involving students. Figure 2 provides an organizational chart of the Indian University Foundation.

The development staff numbers 12 professional personnel and 30 clerks and typists. The foundation is housed in the Indiana Memorial Union Building.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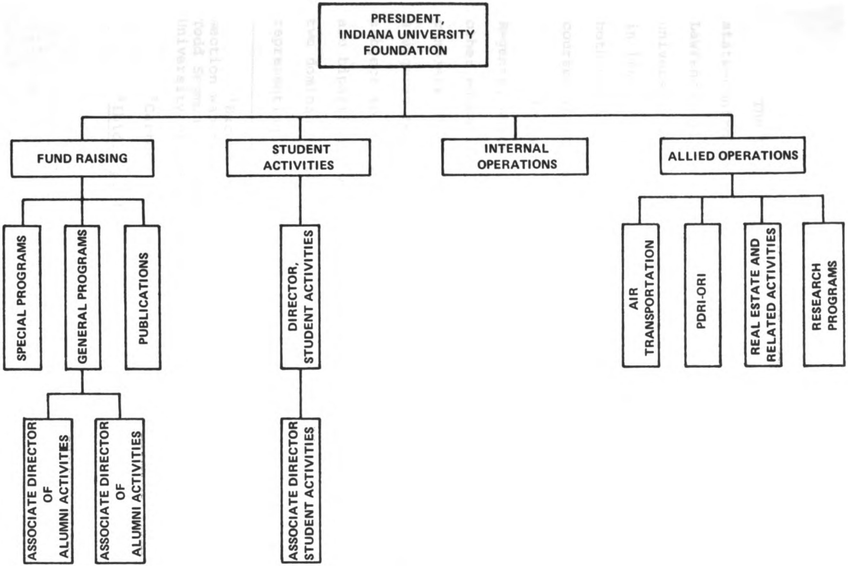

Figure 2. Indiana University Foundation Organizational Chart

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The University of Kansas[1]

The University of Kansas is a coeducational, state-controlled institution with its main campus in Lawrence and its medical center in Kansas City. The university was established in 1864 and began instruction in 1866. It offers a comprehensive academic program on both the baccalaureate and graduate levels, including courses in law and medicine.[2]

It is governed by the Kansas State Board of Regents, which also has jurisdication over a number of other educational institutions in Kansas. The Board consists of nine members appointed by the Governor for staggered four-year terms, with the Governor's appointment subject to confirmation by the state senate. The members are bipartisan, with five members representing one of the two dominant political parties of the state and four representing the other.[3]

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[1]Except where noted, information cited in this section was taken from a questionnaire completed by Todd Seymour, Director of Educational Fund-Raising, the University of Kansas, April 13, 1972.

[2]Carter, pp. 466-467.

[3]*Ibid.*, p. 456.

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The university operated during the fiscal year 1972-1973 on a budget of $96,610,412. Its endowment in 1972 totaled $45,478,646.[1]

The Kansas University Endowment Association, one of the oldest public university foundations in America, was incorporated in 1893. The association is governed by a 60-member Board of Trustees, the most prestigious of the university's boards. The trustees are appointed for life and the board is self-selecting, the old board members selecting the new.

The trustees elect three committees, an executive committee which makes the major policy decisions for the association; a finance committee which has the final decision on the association's investments and portfolio; and an agriculture committee which has final authority on the management of the association's farmlands.

The University of Kansas has benefited substantially from the gifts to the Endowment Association. Spooner Hall, now the university's Museum of Art, was the largest bequest ever made to a state university when it was received in 1891. Funds for construction of a large research building were provided through the estate of Dr. Burton McCollum. And

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[1]Council for Financial Aid to Education, p. 39. In general, however, the University of Kansas has no endowment. The endowment resources belong to the Kansas University Endowment Association.

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the philanthropy of the late Mrs. Elizabeth M. Watkins, a long-time officer and executive committee member of the Endowment Association, yielded two residence halls, the student hospital, a nurses' residence, the chancellor's residence, 25,000 acres of unimproved Kansas land, and money from her estate which has been used to purchase land for expansion of the campus, and grants which helped provide the Watkins Room in the Kansas Union, the Danforth Chapel, the Campanile, additional student living facilities, numerous scholarships, staff research projects, a distinguished professorship, and student fellowships, among others. The Watkins estate earnings are also used to defray the operating expenses of the Endowment Association, so that it is in the unique position of being able to tell prospective donors that their gifts and bequests are used fully for the purposes for which they are given and are not reduced by administrative costs. Table 6 indicates levels of support to the Kansas University Endowment Association for the seven-year period 1966-1967 to 1972-1973.

The Executive Secretary of the association is the chief operating officer. His staff, housed in its own building on the campus, numbers four professional personnel and 20 clerical and supportive personnel. The actual fund-raising staff totals only the equivalent of three-and-a-half full-time people; all the other employees are engaged in

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Table 6. Kansas University Endowment Association levels of support, 1967 to 1973

Fiscal Year	Giving Total
1967	$3,449,715
1968	5,542,014
1969	6,013,088
1970	6,780,471
1971	7,000,000
1972	6,847,274
1973	4,890,999

asset management, including the association's $40,000,000 endowment and more than 30,000 acres of farmland.

Fund-raising efforts of the association are directed to four areas: medical giving, annual giving, deferred giving, and capital projects involving both corporations and foundations. Figure 3 provides an organizational chart of the Kansas University Endowment Association. The expense of operations in relation to funds received total 2 percent in the 1970-1971 fiscal year.


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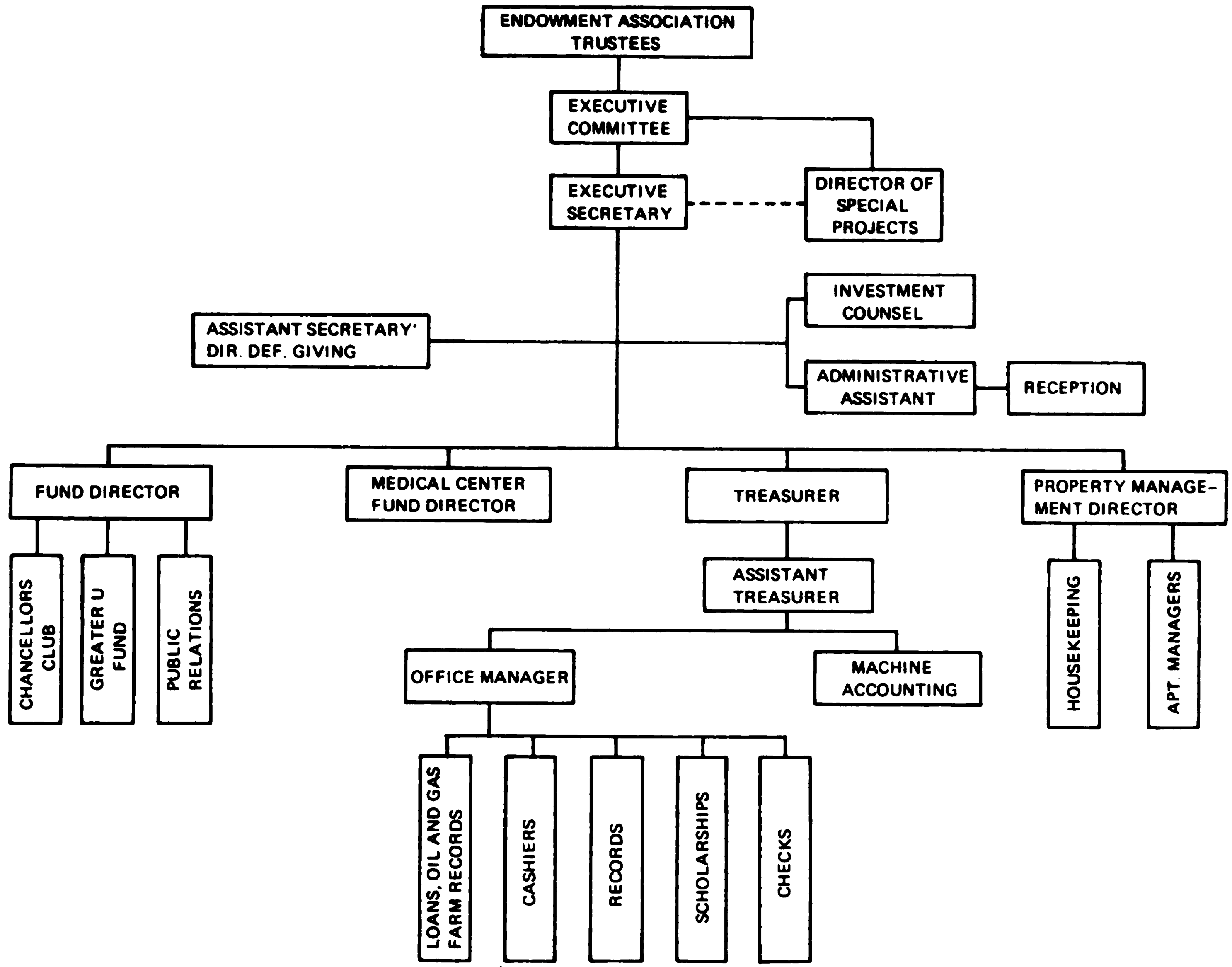

Figure 3. Kansas University Endowment Association Organizational Chart

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The University of Michigan[1]

The University of Michigan maintains its main campus at Ann Arbor. Founded in Detroit in 1817 as the Catholepistemiad, or University, of Michigania by act of the territorial legislature, its name was changed to the University of Michigan in 1821. In 1837, the university was reorganized as a state-supported institution and its campus was relocated in Ann Arbor. Its first class was admitted in 1841 and its first baccalaureate was awarded in 1845.[2]

The university offers a full academic program, including medicine, dentistry, law, and a comprehensive graduate program. It is governed by a Board of Regents composed of eight members, two popularly elected every two years for eight-year terms. The president of the university serves as a non-voting ex-officio member.[3] In the fiscal year 1972-1973 the university spent $227,507,233 on its educational programs. Its endowment that same year was $101,575,129.[4]

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[1]Except where noted, information cited in this section was taken from a questionnaire completed by Wendell R. Lyons, Associate Director of Development, University of Michigan, April 21, 1972.

[2]Carter, p. 608.

[3]*Ibid.*

[4]Council for Financial Aid to Education, p. 39.

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Of the eight institutions involved in this study, the University of Michigan claims the oldest development program. Long in the forefront of the fund-raising movement among public institutions, many of the university's impressive campus buildings are the result of alumni gifts, including the law quadrangle (built with the donations of William Wilson Cook), the library (a gift of William L. Clements), and the Michigan Union. In fact, more than 40 percent of all the buildings on the University of Michigan campus were provided by private gifts.[1]

The earliest endowment gift to be received by the university came in 1887 in the form of an Ohio farm presented by the school's first woman student, Mary Porter. The University of Michigan was the first public school to organize its alumni in a capital campaign, its 1914-1915 drive for a million dollars serving as a model for other universities to follow.[2]

But while the institution was an early pioneer in fund-raising, it was not until 1951 that the University of Michigan established its first full-time professional development staff. The development program is today governed by a Charter of Organization which was adopted

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[1]Office of Institutional Research, Margin for Excellence and Opportunity (Washington, D.C.: National Association of State Universities and Land-Grant Colleges, August 1969), p. 14.

[2]Curti and Nash, p. 161.

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in 1969 and provides for a Board of Directors to determine policy for particular fund-raising activities or projects, subject to the approval of the university's regents and of its president.

The 40-member Board of Directors of the Development Council is composed of 13 ex-officio members as follows: the president of the University, the Vice President for University Relations and Development, the chairman of each operating committee of the board, the chairman of the University Senate Advisory Committee on University Affairs, an additional faculty member-at-large, the President of the University of Michigan Alumni Association, the Executive Director of the Alumni Association, one undergraduate and one graduate student member, and the Director of Development. The remaining 27 members are elected to three-year terms of office. (For a detailed accounting of the membership and election procedures of the Board of Directors, see Appendix D.)

The Development Council of the University of Michigan serves to advise fund-raising activities of the institution and it is the council's responsibility to encourage voluntary contributions to the university and to make recommendations on the goals, budget, and selection of personnel for the development program. The council is not separately incorporated and serves at the pleasure of the regents and the university president.

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The Michigan development staff numbers 22, including 11 professional fund-raisers and 11 clerical and other supportive personnel. The staff is housed in the Student Activities Building and is financed half by the University and half from undesignated gifts to the institution.

The Director of Development (who reports to the Vice President for University Relations and Development) directly supervises the President's Club, a recognition club for those who contribute $1,000 or more a year for ten years. The director is assisted in his other duties by an associate director. Together they supervise an administrative assistant and managers for the areas of annual giving, corporate and foundation relations, donor relations, deferred giving, publications and promotions, and the Metropolitan Detroit office. A consultant is also available to the staff. Figure 4 provides an organizational chart for the development office.

The University of Michigan development office has raised in excess of $155,389,000 in the past seven years, with its expense of operations in relations to funds received being 2.1 percent of the income. Table 7 summarizes the levels of support to the university for the seven-year period from 1967 through 1973.


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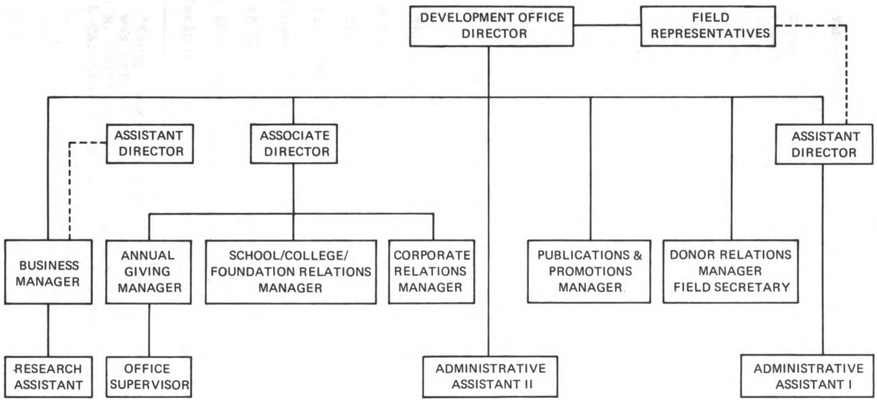

Figure 4. University of Michigan Development Office Organizational Chart

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Table 7. University of Michigan levels of support, 1967 to 1973

Fiscal Year	Total Giving
1967	$21,200,000
1968	21,500,000
1969	21,100,000
1970	18,900,000
1971	21,798,955
1972	24,980,000
1973	21,910,826

The University of North Carolina at Chapel Hill[1]

The University of North Carolina at Chapel Hill was provided for in the state constitution of 1776, although it was not chartered until 1789 and did not commence instruction until 1795. It awarded its first baccalaureate in 1798 and its name was changed to the present in 1963, by act of the North Carolina General Assembly. It offers a comprehensive educational program, including graduate studies and offerings in medicine, dentistry, law, pharmacy,

[1]Except where noted, information cited in this section was taken from a questionnaire completed by Charles M. Shaffer, Director of Development, the University of North Carolina at Chapel Hill, May 15, 1972.

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nursing, library science, social work, public health, and journalism.[1]

The university is under the jurisdiction of a Board of Governors. The board, as reorganized by the General Assembly in 1972, consists of 32 members, eight appointed by the General Assembly every two years. In addition, each of the 16 campuses comprising the University of North Carolina has its own Board of Trustees.

The Chapel Hill campus operated in the fiscal year 1972-1973 on a budget of $100,884,113. Its endowment in 1973 was listed at $23,087,812.[2]

The university's development office was organized in 1952 and the university finances the costs of the development program. Gifts received by the institution can be accepted directly or they can be channeled through a number of foundations which represent individual schools and departments of the university. The institution's separate foundations are:

- The Business Foundation (supports the School of Business Administration)
- The Educational Foundation (provides athletic grants-in-aid)
- The Medical Foundation (supports the School of Medicine)

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[1]Carter, p. 857.

[2]Council for Financial Aid to Education, p. 41.

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- The Pharmaceutical Research Foundation (supports the School of Pharmacy)
- The Botanical Garden Foundation
- The Dental Foundation (supports the School of Dentistry)
- The Journalism Foundation (supports the School of Journalism)
- The Law Foundation (supports the School of Law), and
- The Friends of the Library (provides money to increase the library holdings).

The institution's development staff, some allied with the various foundations, numbers 15: five professional fund-raisers and ten clerical and other supportive personnel. Figure 5 presents an organization chart of the university's development office.

More than half of the gifts to the university are received directly. In the fiscal year 1974, donations totaled $6,556,023, of which $3,778,688.73 was received in the university's business office and $2,777,334.67 came through the foundations and the annual giving program. Table 8 shows the levels of support to the university for the eight-year period from 1967 through 1974.

The university has been able to benefit substantially from the private gifts it has received. For example in its first 18 years, the annual giving program allocated $1,680,000 to various projects and programs of the university, revenues which would have represented returns on an

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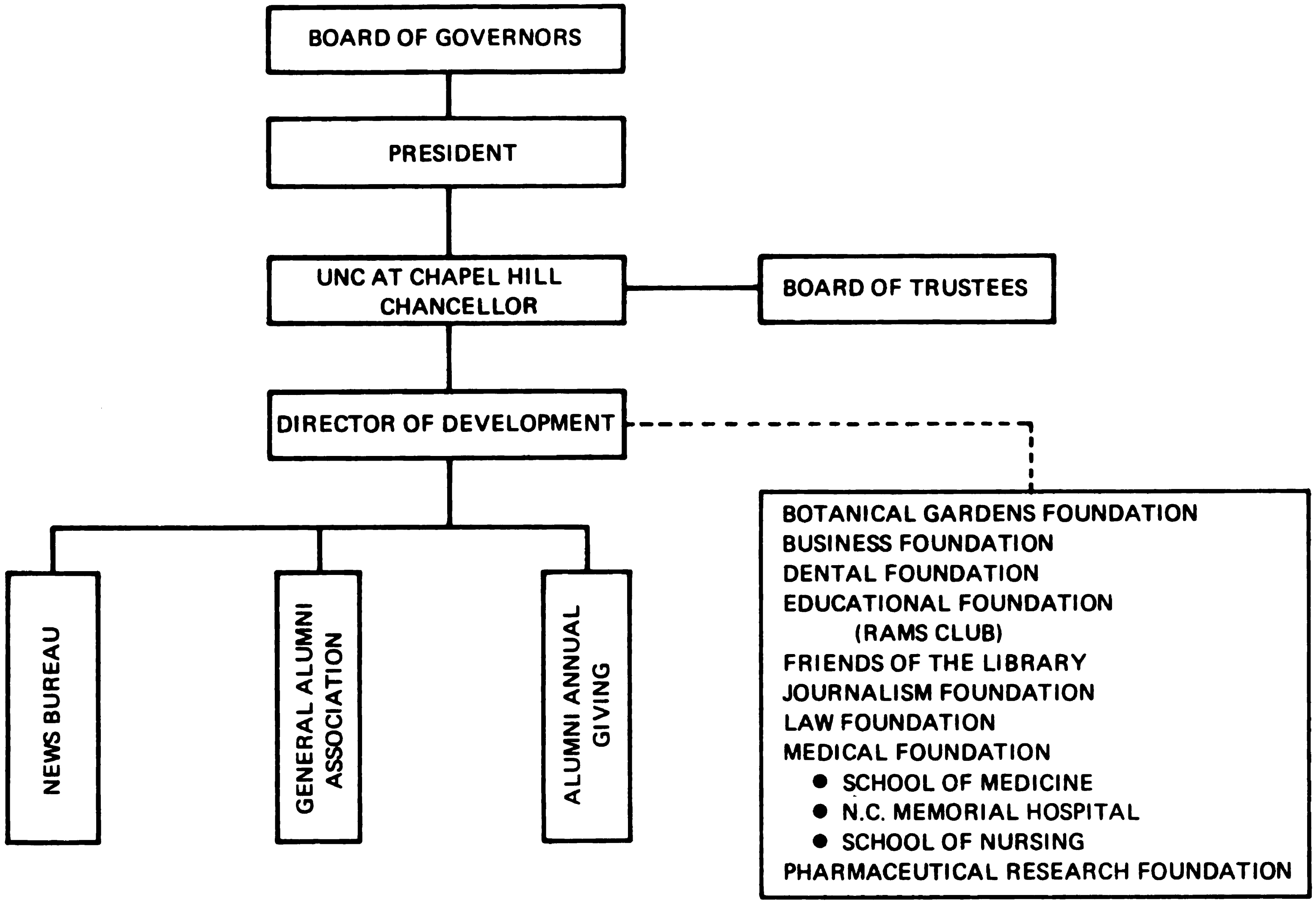

Figure 5. University of North Carolina at Chapel Hill Development Program Organizational Chart

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Table 8. University of North Carolina at Chapel Hill levels of support, 1967 to 1974 (includes gifts to foundations)

Fiscal Year	Total Giving
1967	$3,591,208
1968	3,054,623
1969	4,447,237
1970	4,097,359
1971	3,508,432
1972	4,901,174
1973	5,735,983
1974	6,556,023

endowment of 30 million dollars. Among the areas assisted by the fund were faculty research and publications, distinguished professorships, faculty travel, graduate fellowships, special library projects, supplements to faculty retirement, student welfare aid cases, and the Chancellor's discretionary fund. One of the recent large gifts was a $5,000,000 grant from the William R. Kenan, Jr. Charitable Trust for distinguished professorships.

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Texas A & M University[1]

Texas A & M University is a coeducational, land-grant college controlled by the state of Texas. It was established in 1871 as the Agricultural and Mechanical College of Texas. It commenced college level instruction in 1876 and in 1963 received its present name. Located at College Station, it was once open only to male students, but now admits both males and females. It offers a comprehensive academic program on both the undergraduate and graduate levels, including offerings in veterinary medicine.[2]

The university is governed by the Board of Directors of the Texas A & M University System. The board consists of nine members, each appointed by the Governor, with the advice and consent of the state senate, to a six-year term.[3]

Texas A & M University maintained in the fiscal year 1972-1973 an operating budget of $106,760,378. Its endowment in 1973 was listed as $7,599,423.[4]

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[1]Except where noted, information cited in this section was taken from a questionnaire completed by Robert L. Walker, Director of Development, Texas A & M University, April 27, 1972.

[2]Carter, p. 1119.

[3]*Ibid.*

[4]Council for Financial Aid to Education, p. 43.

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The Texas A & M development office, located in the Rudder Conference Center at the center of campus, was organized in 1947. The office, funded by the university and the Development Foundation, maintains a staff of seven, including three professional fund-raisers. Money contributed to the university is received in the development office where it is receipted and processed, except for gifts directed to the institution in the annual giving drive.

The Texas A & M University Development Foundation was organized as a Trust in 1953. The development office has the responsibility for all the university's fund-raising, except for the annual giving campaign which is conducted under the auspices of the Association of Former Students, Texas A & M's alumni association.

The Association of Former Students has an active membership of more than 63,000 people, all of whom were once enrolled in a degree program of the university. It traces its origins to the Texas A & M Ex-Cadets Association of 1883 and, later, to the A & M Alumni Association. In 1921, the present association was formed and the new name was adopted. The governing body of the association is its Association Council, composed of one elected representative from each chartered alumni club, one elected representative from each organized class, one elected representative from each Texas state senatorial district, ten elected

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representatives who live in states or countries outside the borders of Texas, not more than 12 Councilmen-at-Large and five International Councilmen appointed by the association Board of Directors. The council meets twice a year, once in the fall and again in the spring.

The association's officers are elected at the fall council meeting; the officers constitute the association's Board of Directors, which meets quarterly. The board consists of the association president, who acts as Board Chairman; the immediate past president; the president-elect; the executive director; the six program vice-presidents (one of whom is a vice president for fund raising); and the six regional vice-presidents. A four-man executive committee carries on the affairs of the association between board meetings.

The association, in addition to conducting the annual giving campaign, also administers a number of permanent endowments, incomes from which are turned over to the university to be used for the purposes specified. Gifts to the annual fund have provided for student loans, scholarships, and fellowships, faculty development and faculty salary supplementation, and support of academic programs. Among the association's special gifts to the university are the All-Faiths Chapel and a substantial contribution toward the construction of the Memorial Student Center.

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The Texas A & M University Development Foundation is governed by a seven-member Board of Trustees, members of which serve for terms of ten years. The trustees meet at least four times each year, and more often if necessary. The foundation's officers are a chairman, a vice-chairman, a secretary-treasurer and an assistant secretary-treasurer. Figure 6 presents an organization chart for the development office at Texas A & M University.

The university, in addition to the gifts of the annual fund, has long benefited from the support of its alumni and friends. The land on which the university is today located was its first gift, [illegible]any of its buildings and equipment are the products of [illegible]i's unusual devotion to their alma mater. Table 9 summarizes the levels of giving to the university for the eight-year period 1967 through 1974.


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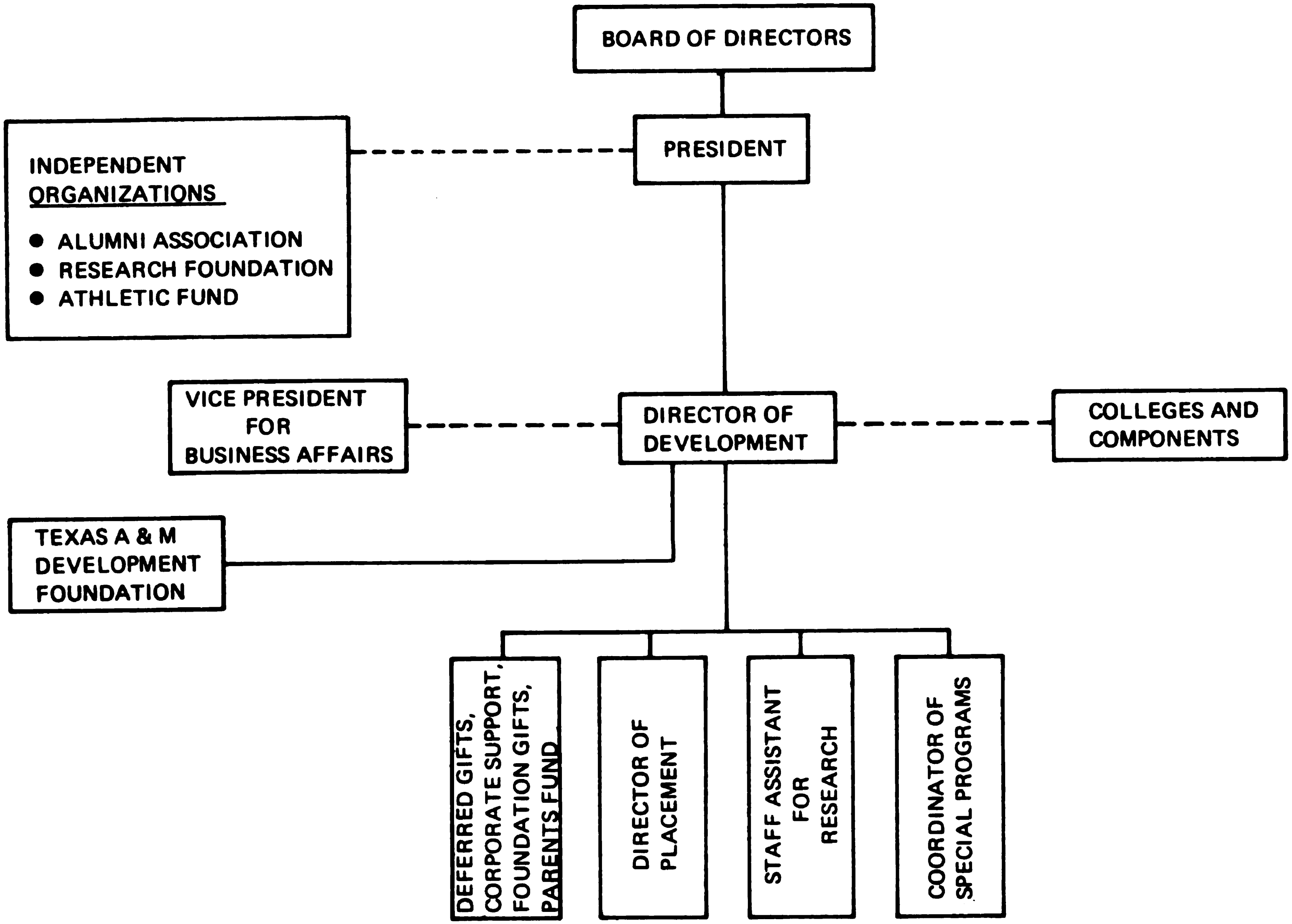

Figure 6. Texas A & M University Development Program Organizational Chart

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Table 9. Texas A & M University levels of support, 1967 to 1974

Fiscal Year	Giving Total
1967	$3,320,911
1968	3,879,965
1969	3,558,233
1970	4,042,067
1971	5,362,024
1972	5,401,390
1973	9,693,367
1974	13,334,606

Utah State University[1]

Utah State University was chartered by the Utah Territorial Legislature in 1888 as the Agricultural College of Utah. It offered its first college instruction in 1890 and issued its first baccalaureate degrees in 1894. Its name was changed in 1929 to Utah State Agricultural College and in 1957 to Utah State University. The institution offers a comprehensive academic program on both the undergraduate and graduate levels.[2]

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[1]Except where noted, the information cited in this section was taken from a questionnaire completed by Paul Weiser, May 1, 1972; Mr. Weiser was then Director of Development at Utah State University.

[2]Utah State University, Financial Report for the Year Ended June 30, 1973 (Logan, Utah: Utah State University, 1974), p. 4.

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The university is governed by the Utah State Board of Regents which has jurisdiction over all Utah post-secondary public schools. The Board of Regents consists of 15 members, nominated by the Governor and approved by the legislature for six-year terms, in addition, each college or university has its own Institutional Council, a nine-member board with responsibilities delegated to it by the State Board of Regents.

The university operated during the 1972-1973 fiscal year on a budget of $43,681,009. Its endowment in 1972 was listed at $863,435.[1]

The university's development program is the youngest of those institutions studied by the author. In 1958, Utah State University, in cooperation with its alumni association, organized the Utah State University Development Fund, a separately incorporated body which was designed to serve as the institution's fund-raising arm. The Development Fund is a wholly non-profit corporation, organized exclusively for educational purposes and as an avenue to encourage grants, bequests and gifts of money, works of art, historical papers and documents to the university. The fund's jurisdiction rests with its Board of Directors, which has 11 members: eight selected from the general public and three ex-officio voting members, including the president

[1] Ibid., p. 33.

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of the university, the president of the alumni association, and the president of the student body. The Directors govern the fund, establish such by-laws and policies as they deem necessary, and elect and appoint the fund's officers and committees.

For 10 years the fund was relatively inactive until 1968 when the university, prompted by its new President, Dr. Glen L. Taggart, began stressing the importance of private contributions to the institution's well-being. Prior to 1968, the development staff consisted of one fund-raiser and a part-time secretary. By 1974, the staff had grown to include 12 people, six professional fund-raisers and six supportive personnel. During the same time, the fund's revenues rose from 1967's $88,024.64 to $1,437,123.40 in 1974. Table 10 summarizes the levels of support to the university in the eight-year period from 1967 to 1974.

The development staff is housed in the Old Main building, the administrative center of the campus. The staff is funded primarily by the university (80 percent) and through unrestricted gifts to the fund (20 percent).

The Assistant to the President for Development, who reports directly to the president of the university, supervises all aspects of the development program. Accountable to him are four associate directors, one each for the areas of annual giving, corporate and foundation giving, deferred and capital giving, and publications and special projects.

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Table 10. Utah State University Development Fund levels of support, 1967 to 1974

Fiscal Year	Total Giving
1967	$ 88,024.64
1968	164,699.68
1969	221,956.92
1970	536,423.63
1971	418,725.74
1972	788,973.00
1973	1,111,062.60
1974	1,437,123.40

A proposal writer, a records supervisor, an accountant, and four clerks complete the staff. Figure 7 presents an organizational chart for the university's development office.

The development office has responsibilities for all non-government fund-raising; however, research funding is handled by the office of the Vice President for Research, and the Utah State University Foundation, another separate corporation, exists to manage properties and engage in various contracts and instruments.

The Development Fund, as the repository of gifts to the university, has provided the institution with money which assisted in the furnishing and construction of several additional floors of the business building, the purchase of property to serve as a historical farm, the purchase of an athletic center, a distinguished professorial chair, several

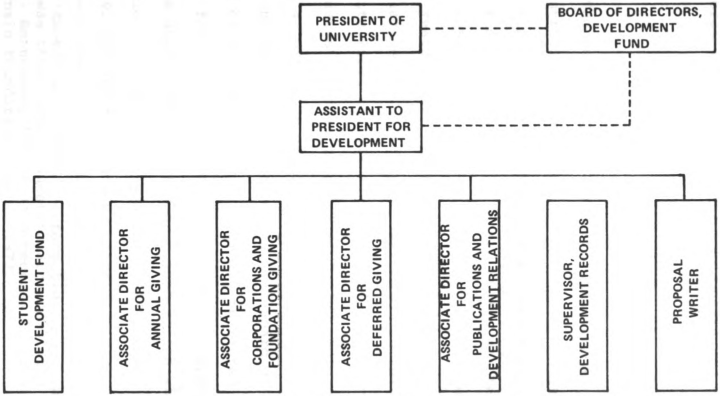

Figure 7. Utah State University Development Center Organizational Chart

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large loan and scholarship funds, the construction of a concert organ, among many other substantial and needed items.

The University of Wisconsin[1]

The University of Wisconsin, Madison, is a state-controlled, land-grant institution. The Territory of Wisconsin began organization of the university in 1836. In 1839, the Congress of the United States granted two townships of public land for use and support of the university and nine years later, in 1848, the school was established by legislative act. It began instruction in 1849 and awarded its first baccalaureate in 1854. It offers a comprehensive academic program, including medicine and law, and an extensive graduate program.[2]

The university is governed by a Board of Regents composed of 16 members, 15 of whom are appointed by the Governor for seven-year terms, the sixteenth member being the state superintendent of public instruction who serves ex-officio. In the fiscal year 1972-1973, the university spent $292,266,867 for its educational program, including

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[1]Except where noted, information cited in this section was taken from a questionnaire completed by Robert B. Rennebohm, Executive Director, University of Wisconsin Foundation, May 1, 1972.

[2]Carter, p. 1230.

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student aid. Its endowment in 1972 was listed at $57,007,303.[1]

In 1945, a group of alumni and friends, with the encouragement of the university, organized the University of Wisconsin Foundation, a separate corporation, to serve as a vehicle through which contributions could be channeled to the university. The foundation, whose membership is limited to 300 people, is directed by its Board of Directors. The board is composed of 30 elected members and two ex-officio directors, the president and executive director of the Wisconsin Alumni Association. The elected directors serve for terms of three years, with the foundation's by-laws prohibiting a member from serving more than three successive terms. The foundation's officers are a president, a vice president, a treasurer, and a secretary.[2] The members of the foundation's governing board are elected from the foundation membership.

In its first year, the foundation's total giving amounted to $95,378, a modest but encouraging start for the new program. Twenty-five years later, in 1970, total giving had risen to $2,056,138. During the first quarter

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[1]Council for Financial Aid to Education, p. 45.

[2]The Articles of Incorporation and the By-Laws of the University of Wisconsin Foundation can be found in Appendix G of this thesis.

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of a century, the foundation had been the custodian of gifts totaling nearly 17 million dollars, which is dispensed as follows:[1]

• Scholarships, fellowships, and student loans	23%
• Buildings, land, and equipment	22
• Miscellaneous restricted gifts	18
• Agriculture and general research	9
• Special professorships and lectures	8
• Medical research	4
• Administrative and unrestricted	16

Among the many benefits which the university has received from the foundation are several professorships, the impressive Elvehjem Art Center, a $3.5 million dollar teaching center and art gallery, and many furnished rooms and laboratories. Table 11 provides a summary of the levels of support to the foundation for the period from 1967 to 1973.

The foundation is self-supporting, salaries and expenses for its paid staff are derived from the foundation's income. The staff consists of five professional personnel and a clerical staff of five. The foundation's

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[1]University of Wisconsin Foundation, 1970 Annual Report and Honor Roll of Contributors (Madison, Wis.: University of Wisconsin Foundation, 1971), p. 10.

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Table 11. University of Wisconsin Foundation levels of support, 1967 to 1973

Fiscal Year	Total Giving
1967	$ 934,646
1968	1,264,857
1969	1,745,296
1970	2,056,138
1971	2,454,715
1972	3,397,461
1973	3,440,969

expense of operations in relation to funds received is approximately 8 percent.

The staff consists of an executive director with a director of communications and women's activities reporting to him, as well as associate directors for annual giving, deferred giving, administration, and the foundation's two recognition clubs: the Presidents Club and the Founders Club. Figure 8 provides an organization chart of the University of Wisconsin Foundation.

The Educational Foundation

Of the eight institutions included in this study, six have elected to conduct their fund-raising efforts through a separate vehicle. While the names of the organizations vary, all are incorporated agencies. Some are

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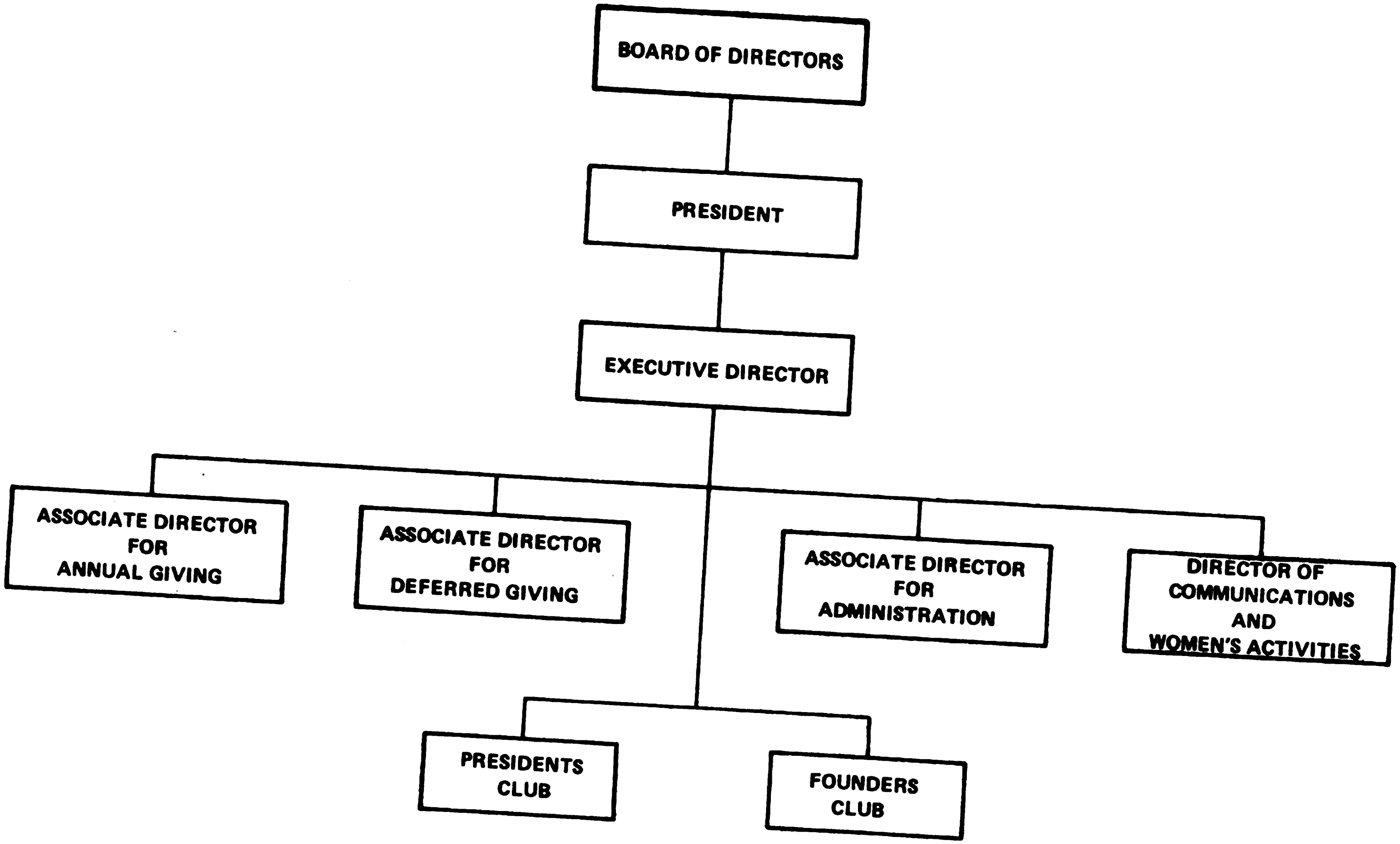

Figure 8. University of Wisconsin Foundation Organizational Chart

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called foundations (Indiana University Foundation, University of Colorado Foundation, Inc., University of Wisconsin Foundation, the Texas A & M College Development Foundation), one is called a development fund (Utah State University Development Fund), and one is entitled an endowment association (Kansas University Endowment Association). The University of North Carolina at Chapel Hill raises money through a number of foundations while remaining independent of all of them. The University of Michigan receives contributions directly and conducts its fund-raising activities in the name of the institution.

The Kansas University Endowment Association was established in 1893 and was the first of its kind in the country. Seymour traces its origins to a clause in the state constitution which required that any gift to the university be deposited in the state treasury and only the income derived from the gift could be spent at the institution. Recognizing the problems involved with such a requirement, the university elected to establish a separate corporation to receive gifts to the university and thus avoid the constitutional limitations which would have been imposed had the university received the gifts directly.[1]

The foundations of Texas A & M University and of Utah State University, while active, are not utilized to

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[1]Todd Seymour, interview, Lawrence, Kansas, November 2, 1972.

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the same extent the other foundations involved in this study are. Walker notes that most contributions to Texas A & M are given directly to the university. The Texas A & M foundation was established as a separate entity to guarantee to prospective donors that a gift intended for the university would be spent as the donor intended. Texas law gives the legislature complete control over all state funds and the authority to use those funds as the legislature sees fit. The prospect that a gift given directly to Texas A & M might be ordered spent by the legislature in a manner not consistent with the donor's wishes prompted the creation of the separate foundation; however, its existence is not well known and most contributions are sent directly to the institution itself. The fact that the Texas legislature has never redirected gift monies has lessened the impetus to use the foundation as the recipient of gifts to Texas A & M.[1]

Steinitz states that Utah State University's foundation was established primarily because it would provide greater flexibility and freedom in how gift monies could be spent, since the foundation is not subject to the same restrictions imposed on the expenditure of funds by the university.[2] Recently, however, the state of Utah has

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[1]Robert Walker, interview, College Station, Texas, August 18, 1972.

[2]John Steinitz, interview, Logan, Utah, July 16, 1974. Mr. Steinitz is Senior Director of the Utah State University Development Fund.

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consolidated all state colleges and universities under a single governing board, the Utah State Board of Regents, and university officials now view the foundation as a means of protecting gift monies and properties from being used in support of one of the other Utah institutions of higher learning rather than for Utah State as the donor intended. However the foundation has thus far been used merely as a vehicle to receipt and acknowledge gifts; the gifts are turned directly over to the university for management and expenditure. Once deposited with the university, the gifts become public funds and are subject to state regulation. As a result, the flexibility and freedom of operation which the foundation was created to provide have not materialized. The university is currently studying the legal nature of the foundation and changes in the manner of its operation are anticipated.[1]

The University of Wisconsin Foundation has served as the fund-raising instrument for all the institutions involved in the old University of Wisconsin system, including the main campus at Madison as well as the other branch campuses throughout the state. When the University of Wisconsin system was merged with the State University system in 1971, the University of Wisconsin Foundation continued to be the fund-raising organization for the

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[1] Ibid.

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colleges and universities which had been allied under the old University of Wisconsin system, while many of the institutions of the State University system maintained their own foundations.[1]

Roberts states that the University of Colorado Foundation evolved out of a study by university officials of fund-raising efforts at other public institutions. The results of the survey persuaded the university's regents to establish a separate foundation as a fund-raising vehicle for the institution.[2]

Unique among the universities studied, the University of North Carolina at Chapel Hill maintains eight separate foundations. Each foundation maintains its own set of officers and conducts its affairs separate from the others. The development office staff, however, provides services to all the foundations and coordinates their fund-raising efforts.[3]

The arguments in favor of using a separate corporation as the fund-raising organization of an institution were summarized in a paper prepared for public distribution

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[1]Robert Rennebohm, interview, Madison, Wisconsin, May 26, 1972.

[2]Dwight V. Roberts, interview, Boulder, Colorado, June 22, 1972.

[3]Charles Shaffer, interview, Chapel Hill, North Carolina, June 13, 1972.

by the Indiana University Foundation. The paper, in outlining the reasons why the trustees of Indiana University had organized its foundation in 1935, cited a study conducted by the trustees which revealed that many potential Indiana University donors in 1935 had one or more of these attitudes:

a. Private contributions to the University itself would serve to reduce the state's support;

b. One contribution would be of slight avail in meeting the University's known needs; and

c. Funds given to the University would be expended under state control which would or could disregard the wishes of the donors or even of the University itself.[1]

Beyond their concern with the attitudes of their alumni, the trustees considered several other factors in the study; these factors eventually led to the organization of the Indiana University Foundation. These included:

a. A claim that state-appropriated funds could not be used to carry on campaigns for the raising of privately contributed monies;

b. A belief that public and governmental bodies do not attract private gifts, as attested by the lack of gifts to public school systems and other publicly supported educational agencies;

c. The fact that many personal foundations had been and are actually barred from direct giving to the state; and

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[1]Indiana University Foundation, "The Relationships of Indiana University and Indiana University Foundation" (Bloomington, Ind.: n.d.), p. 1 (mimeographed).

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d. The example of the James Whitcomb Riley Memorial Association (separate from state and university) which had proved that soliciting gifts to an independent, private organization dedicated to helping some state function could be successful.[1]

The trustees of the university decided that a not-for-profit foundation would be a solution to the problems listed above, and the Indiana University Foundation came into existence in 1936. The Indiana University Foundation, like its counterparts at other public universities, is the recipient of gifts, bequests, endowment funds, and grants. The gifts are received in the form of cash, real estate, securities, art objects, library items, and equipment. While most state universities today have similar private foundations which have been set up by their alumni and friends, the Indiana University Foundation was one of the early pioneers in the movement and a number of universities have molded their organization on the Indiana University Foundation. Unfortunately, as the foundation has noted, there is often a misunderstanding of the purpose of such foundations:[2]

> . . . Some individuals erroneously assume that the two are really one--this may spring from the fact of their common goal, "the best in education for students at Indiana University." But it must be emphasized that the organizations are not only separate legal entities, organized under different

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[1] Ibid., pp. 1-2.

[2] Ibid., pp. 3-4.

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> statutes, but are separately governed and managed and have separate functions, the state being responsible for basic support of the University, while the Foundation's funds, directly or indirectly, help the tax dollar accomplish more by doing things for which public funds are not usable or may not be available. Thus the means used to reach the common goal are properly dissimilar.[1]

The primary advantages to a university of a separate foundation to receive and solicit gifts, as outlined by the Indiana University Foundation, are:

1. Donors who channel their gifts through a foundation are assured of anonymity, should that be their choice. A donation directly to a university becomes a public fund, subject to public audit and therefore disclosure.

2. Gifts directed to a foundation will be used by the foundation at the institution intended and for the purposes specified. There is a danger that gift money, once it has become a public fund, could be expropriated by act of the legislature or by the Governor or state budget director, and rechanneled to another institution or to an altered use.

3. Unrestricted gifts received by a foundation can be spent as dictated by the foundation's officers and are not subject to state regulations such as the requirement for bidding.

To these advantages, Irvin E. Youngberg, Executive Secretary of the Kansas University Endowment Association, adds:

4. Disbursements can be quickly made. Payments made from state funds must follow established procedures, which are sometimes slow and cumbersome when quick settlements and actions are

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[1] Ibid.

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needed. In some instances, legislative approval is necessary for the purchase of real estate, whereas the foundation can act quickly, acquiring property which might well be sold to others.

5. A gift to an independent foundation insures donors that their gifts will supplement--and not supplant--state funds. The foundation can also assure contributors that there is no political control over such resources and that their benefactions will not be commingled with state funds.

6. A foundation provides a mechanism by which alumni and friends can be involved in fund-raising.[1]

While the advantages of a foundation as a vehicle for fund-raising seem propitious, some officials have elected to conduct their institution's development program directly under the auspices of the university. The private nature of a separate foundation, which furnishes the foundation's advantages, also furnishes some disadvantages. While it is unlikely that a foundation would insist upon making an expenditure for a purpose to which the university was directly opposed, it could do so if it wishes. Foundations do make many and probably most of their expenditures on their own initiative, and they do not necessarily make all expenditures which the universities may request of them.

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[1]Irvin E. Youngberg, "How to Establish a Foundation to Receive Private Gifts," Innovative Ideas in University Development (Washington, D.C.: National Association of State Universities and Land-Grant Colleges, 1974), pp. 13-14.

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This lack of a university's control over the funds once they have been contributed to a foundation has prompted some universities to be cautious in moving toward separate fund-raising corporations.

Youngberg lists several other disadvantages of the independent foundation:

> There is sometimes . . . confusion relative to the distinction between the foundation and the university. Here it is important that the public of the institution be fully informed of the foundation, the reasons for its creation, its purposes and its organization. A high degree of cooperation between the foundation and the university it serves is a must.
>
> Still another disadvantage is the continuing concern which must be given to the tax exempt status of the foundation. Careful scrutiny of all activities, including proper acceptance of gifts and grants and avoidance of unrelated business activities, is necessary. Conformance with all rules and regulations of the U.S. Treasury Department is imperative.[1]

The independent foundation can be an effective alternative mechanism to the alumni association and the university itself in educational fund-raising, but its ultimate success will be strongly influenced by the avoidance of conflict between the university administration and the foundation's officers.

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[1]Ibid., p. 14.

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Financing a Development Program

> You can't raise money without spending money, and within reasonable limits the return is likely to be commensurate with the investment.[1]
>
> --Harold J. Seymour

These words, written by a successful professional fund-raiser, point up the dilemma of the public university development officer who is charged with raising needed dollars for institutional needs and yet shackled to budgets which are inadequate and restrictive. In a time of rapidly rising costs, the development officer is too often asked to increase private giving to his institution while at the same time he has to cope with a budget that has not been increased since the university's last financial crisis. Rapidly growing costs in such areas as postage, printing, and travel have rendered development budgets meaningless. At least that is the opinion of every one of the development directors who participated in this study.

Steinitz feels that the financing of the development office is a matter of concern to all institutions. The development office must make its allocations in concert with needs of the universities, with demands for increases in faculty salaries in departmental operating budgets, in physical plant maintenance and construction making strong

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[1]Seymour, p. 87.

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impressions on the institutional budget officer. The development office, which could be a source of relief to some of the university's financial needs, however, is denied the resources it needs to do an adequate fund-raising effort.[1]

Most private revenues which come through a development program are restricted by their donors to specific uses. The amount of unrestricted money, which could be applied to increasing salaries and providing general operating expenses, is small in comparison. Thus a university in need of more money for its general fund cannot merely increase its development fund allocation. For while the gift revenues will generally be increased in proportion to the amount of money spent in fund-raising, much of the supplemental revenue so raised arrives ear-marked for use outside of the general budget, i.e., scholarships, loan funds, equipment, new professorial chairs, etc. This is a prime reason why development offices find it difficult to gain an adequate budget from university officials.[2]

The seeming goal of every development director is a guaranteed source of funding for fund-raising so as to avoid the annual struggle with university officials for

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[1]Steinitz, interview.

[2]*Ibid*.

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increased allocations for development. But the goal has proved illusive and even the development officers of the financially self-sufficient foundations lament that they are handicapped by meager allocations for fund-raising.

Development offices in universities which solicit private contributions directly are generally financed out of the general fund of the universities, sometimes supplemented by resources derived from unrestricted income. The University of Michigan development office is such an example, its funding coming half from the university and half from undesignated gifts. Texas A & M finances its development office solely out of the general fund of the university as does the University of North Carolina, while Utah State University's fund-raising operation gets 80 percent of its revenues from the general fund and 20 percent from unrestricted gifts. The institution's share of the development office financing at the University of Colorado is 60 percent, the remaining 40 percent coming from the University of Colorado Foundation.

Walker believes that the fact that Texas A & M provides 90 percent of the costs of its development operations from the general fund rebounds to the success of the institution's fund-raisers. "We can tell a donor that his money will be used as he directed," Walker said, "and very little, if any, will be used for administrative costs."

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Further, "the foundation is considered a 50 percent charity by the Internal Revenue Service. The Texas A & M alumni organization is a 30 percent charity since it must pay for its administrative costs out of the revenues it receives by managing the university's annual fund. The advantage to a 50 percent charity is that a donor can spread his donation over a five-year period for the purpose of taking deductions on his income tax returns."[1]

One of the original goals behind the organization of the University of Colorado Foundation was the hope that some day the foundation could operate independently of any funding from the university. Roberts reports that the first gift to the University of Colorado was a life income agreement which provided that the donor's estate, valued at $640,000 would come to the foundation as an endowment. The endowment provided money to purchase a home which serves as a center for both the University of Colorado Alumni Association and for the development offices. It also generates a substantial amount of the foundation's operating costs. The foundation has since been informed its endowment will be the recipient of several other large trusts and estates, which upon their receipt, should make the foundation self-supporting.[2]

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[1]Walker, interview.

[2]Roberts, interview.

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Unrestricted money donated to the University of Colorado Foundation is immediately invested in time certificates and treasury bills. The income generated between the time the gift is received and the time when it is actually spent is used to help defray the expenses of the development office. Similarly, non-endowment type gifts are deposited in a catch-all fund awaiting distribution as the donors have specified. During the time the money remains in the fund, it is placed in short-term investments, the income thus derived assisting in discharging the development center's administrative costs.[1]

In a three-year period, the University of Colorado Foundation was able to move from a position where it was contributing nothing toward the foundation's administrative costs to where it generates $67,000 annually for operating funds. The foundation is able to provide the salaries for three of the development center's professional staff and is moving toward assuming full responsibility.[2]

The three totally self-supporting foundations (Indiana University Foundation, University of Wisconsin Foundation, and the Kansas University Endowment Association) pay their operating expenses from other income.

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[1] Ibid.

[2] Ibid.

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The Indiana University Foundation receives income from contributions, contracts, interests and dividends, patent royalties, gain on sale of assets, rental properties, and fees of the Aerospace Research Application Center. The income to the foundation is distributed to the university in the form of grants and other aid and is also used to pay the foundation's administrative costs which, expressed in percentages, are as follows:[1]

- Salaries and wages 52%
- Employee benefit costs 5
- Supplies, postage, telephone, etc. 10
- Office and machine rental 4
- Fund-raising activities 18
- Travel 6
- Equipment and renovation 5

Seymour quotes James F. Oates, Jr., who served as chairman of one of Princeton's capital campaigns, as having said, "with good management and planning, the expenses will be meaningless."[2] Nevertheless, development offices will continue to be evaluated on the basis of returns for the dollars spent, and Seymour suggests that a ten-for-one return in annual campaigns has all the cost respectability

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[1]Indiana University Foundation, Financial Report, 1971 (Bloomington, Ind.: Indiana University Foundation, 1972), p. 4.

[2]Seymour, p. 89.

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anyone has a right to expect, while capital campaigns might well be able to keep their costs below 5 percent.[1]

While not all of the respondents to the questionnaires could calculate their expense of operation to funds received, of the five who did, the total varied from a low of 2 percent to a high of 18 percent.

The Development Staff

Consultant William Cox, who for many years was the Director of Development for Phillips Exeter Academy, has pointed out the importance of the human aspect in any fund-raising campaign. "You may have a gorgeous institution," he has written, "an impeccable case, and a completely up to date file--but without people you have no campaign. Ultimately, people are the basic ingredient upon which [a fund-raising drive] is supposed to operate."[2]

So, too, a university might have a dedicated body of alumni, a demonstrated need for private support, an office with all the necessary equipment and machines, and clerks and typists to operate them. But without a competent,

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[1] Ibid.

[2] William J. Cox, "Leadership, Staff, and the Role of Professional Counsel," Papers in Educational Fund-Raising, ed. by John Hunter Detmold (Washington, D.C.: American Alumni Council, 1972), p. 115.

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trained staff to direct the fund-raising program, the chance of a successful fund-raising effort is negligible.

Where does a development director come from? If the universities involved in this study are typical of other public institutions of higher learning, they come from a variety of backgrounds, as shown in Table 12.

Table 12. The development director, some comparisons

Institution	Background of Director or Equivalent	Alumnus of University
University of Colorado	Former petroleum engineer	Yes
Indiana University	Former sales and advertising manager	Yes
Kansas University	Former banker	Yes
University of Michigan	Former professional fund-rasier	Yes
University of North Carolina	Former business executive	Yes
Texas A & M University	Former Annual Fund Director	Yes
Utah State University	Former sales manager	Yes
University of Wisconsin	Former sales manager	Yes

The development directors were all alumni of the institution they served and all held at least a baccalaureate degree. Two had master's degrees. Most were graduates of business curriculums, though one was a geology major and another's undergraduate studies were in education.

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The development director, as the key man in any university fund-raising program, must be thoroughly conversant with the goals and aspirations of the university he is attempting to serve. Steinitz cited Leslie's checklist of the general role of a development director and some of the qualities needed as an effective tool in gauging a director's effectiveness. Leslie stated that the director needs to:

1. Work closely and command the respect of the president, the other executive officers, and the governing board;

2. Work closely with and gain the respect of faculty members;

3. Participate in institutional planning and decision-making;

4. Have the executive ability to assign responsibility and establish priorities for a multitude of activities;

5. Be familiar enough with the techniques of fund-raising, public relations, and alumni programs to plan, coordinate, and evaluate these activities;

6. Serve as one of the institution's principal emissaries with various influential individuals and groups;

7. Articulate the institution's programs and objectives in a convincing and persuasive manner;

8. Know business procedures in order to establish and maintain an efficient, effective organization;

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9. Constantly seek more creative, imaginative ways to further the understanding and support of the institution.[1]

The questionnaire utilized in the present study asked the development directors of the eight institutions to rate, in order of importance, the qualities which they felt are important for a professional fund-raiser to possess. Their responses to that question are listed in Table 13.

There was a surprising degree of consistency in the responses. Five of the seven directors who rated the qualities selected a "sense of public relations" as the most important of the qualities listed. Next in standing was an "ability to sell" followed in order by a "warm personality," "leadership skills," and, finally, "writing abilities."

Nearly all of the directors in the interviews expressed a belief that, everything else being equal, an alumnus has an advantage over a non-alumnus as a fund-raiser. But the more important qualities are intelligence, self-motivation, skills in communications (especially a speaking ability), a good appearance, a knowledge of the university and its academic program, and practical

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[1]John W. Leslie, Focus on Understanding and Support: A Study in College Management (Washington, D.C.: American College Public Relations Association, 1969), p. 55.

Table 13. Qualities of a fund-raiser rated as to importance

	Ability to "Sell"	Writing Skills	Warm Personality	Sense of Public Relations	Leadership Skills
Colorado	3	5	2	1	4
Indiana	3	5	4	2	1
Kansas	3	4	2	1	5
Michigan	1	5	3	4	2
North Carolina	3	5	2	1	4
Texas A & M	1	5	1	1	1
Utah State	3	4	2	1	5
Wisconsin	All equally important				

experience in dealing with the various publics of the institution.

Seymour stressed that each development position requires a different kind of person to handle it:

> Deferred giving, for example, could use a lawyer or a certified public accountant. The person who has the responsibility for annual giving makes frequent contacts with the alumni and often is called upon to speak to clubs and other groups. Consequently, an ability in verbal communication is essential. And someone who will work in records keeping needs to be able to concentrate and to have a follow through.[1]

[1]Seymour, interview.

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People trained in educational fund-raising are hard to find. The directors all indicated that it was their policy to find an individual who seemed to have the skills the position needed, hire him, and then provide him with on-the-job training. The fund-raising conferences and seminars of the American Alumni Council and the American College Public Relations Association were cited by Seymour as a source of training.[1] The Big Ten fund-raising conference was named as another valuable source by Roberts.[2] Various training courses sponsored by companies specializing in deferred giving were also named by Steinitz,[3] including Kennedy Sinclair, Inc.,[4] and Conrad Teitell.[5]

The Governing Board

The relationship between the development staff and the development governing board (whether it is the board of trustees of a foundation or the regents of a university) is a matter of importance, for, as Harold Seymour has noted, "any good fund-raising operation needs

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[1]Seymour, questionnaire.

[2]Roberts, questionnaire.

[3]Steinitz, interview.

[4]Kennedy Sinclair, Inc., 524 Hamburg Turnpike, Wayne, New Jersey 07470.

[5]Conrad Teitell, 13 Arcadia Road, Old Greenwich, Connecticut 06870.

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both kinds of leadership--the layman who leads and the staff man who manages and serves. The better each is and the better they work together, the better the result will be."[1] And, as Cox has written, "there isn't any one single thing more important to assure the success of [a fund-raising effort] than the fact that the trustees lead in deed and act as well as . . . words."[2]

The effectiveness of the governing boards in terms of soliciting funds and in development planning and programming was the subject of questions in the questionnaire and of several discussions in the private interviews. The responses to the questions are contained in Tables 14 and 15. Because the information was contributed on a confidential basis, the institutions are not identified by name.

Most of the respondents rated their governing boards as either "very effective" or "relatively effective." There seems to be some correlation to the assigned roles of the governing board and its participation in fund-raising activities. Members serving on a board of regents, which connotes a broad area of involvement in university policies

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[1]Harold J. Seymour, p. 179.

[2]John P. Butler, "The Role of the President and Trustees," <u>Papers in Educational Fund Raising</u>, p. 139.

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Table 14. Effectiveness of governing boards: soliciting funds

Institution	Very Effective	Relatively Effective	Relatively Ineffective	Ineffective
Institution A	x			
Institution B		x		
Institution C			x	
Institution D				x
Institution E		x		
Institution F		x		
Institution G	x			
Institution H		x		

Table 15. Effectiveness of governing boards: development planning and programming

Institution	Very Effective	Relatively Effective	Relatively Ineffective	Ineffective
Institution A	x			
Institution B			x	
Institution C		x		
Institution D				x
Institution E		x		
Institution F		x		
Institution G	x			
Institution H		x		

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and programs, were less likely to assist in development matters than the members of a foundation board, where fund-raising is considered a prerequisite for selection.

Rennebohm states the membership in the University of Wisconsin Foundation was initially limited to 100 people and that the initial criteria for membership were an individual's affluence, prominence in the business community, or demonstrated skill as a fund-raiser. The membership was later increased to 200, then to 250; currently the limit is 300 people, although there is some sentiment in the foundation to raise the total to 500. The foundation members, from whom the governing board is elected, serve in the same way as stockholders in a corporation. Officers are elected at an annual meeting and changes in the foundation by-laws are considered. Most members attend by proxy.[1]

The membership of the Kansas University Endowment Association, Todd Seymour states, is limited to 60 members, all of whom are appointed for life. Most of these selected for membership have shown an interest in the association either as a contributor or volunteer worker before being named as a member. Among those currently serving as members are a prominent tax attorney who provides the association with counsel on tax problems and written materials on the tax benefits of giving; a consultant to a major engineering

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[1]Rennebohm, interview.

firm; the board chairmen of several banks; the board chairman of an insurance firm; a prominent contractor; a retired officer of General Motors Corporation; the president of a wholesale grocery company; and the presidents of a utility company, a petroleum company, and an eastern university. Most of the members are alumni of Kansas University although several are not. The main qualification for membership now seems to be a willingness to work in behalf of the foundation as well as an ability to attract possible donors to the university.[1]

Roberts indicates that members of the governing board of the University of Colorado Foundation are selected on the basis of their prestige, ability to contribute personally, and their talent. As an example of the latter, he cites two board members who are prominent in real estate matters. Still other members are investment and management officers whose experience and knowledge are also useful to the foundation.[2]

Youngberg, in noting that relationships between a foundation board of governors and university administrators have sometimes become stormy, suggests that discord can be avoided by careful selection of those who serve on the boards and by providing the board members with a clear

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[1]Todd Seymour, interview.

[2]Roberts, interview.

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definition of their responsibilities in helping the university achieve its goal.[1]

Summary

Part 1 presented the findings obtained from the questionnaire and the personal interviews as they related to the organization and administration of the development office. The findings covered the first section of the questionnaire. The concluding chapter, Chapter V, examines the results and findings of the questionnaire and the interviews in general, enabling presentation of conclusions and recommendations of this study.

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[1]Youngberg, p. 14.

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PART 2

IDENTIFICATION AND CULTIVATION OF UNIVERSITY CONSTITUENCIES

Introduction

Educational fund-raising is based on the premise that there are people who are willing to contribute to the advancement of an institution because they have either attended the university and have thus derived benefits from it or because they know of the substantial service it renders to society. The primary task of a university development office is the identification of those who might give to the institution's advancement and, once identified, their cultivation to the point where gifts are actually made.

Part 2 explores this process as it has been refined on the campuses of the eight universities studied. The development constituencies, alumni programs and surveys, faculty programs, student programs, parent programs, programs for friends, donor cultivation, donor clubs, conferences and seminars, printed materials, and the case for giving to the public university are examined. Part 2 concludes with a brief summary.

The Development Constituencies

As indicated, the development constituency of a university is composed of those who, in one way or another, have come in contact with the institution and have developed some allegiance to it. Sanders claims the constituency is composed primarily of those whom the university has served or is serving, most notably:

1. The alumni;
2. The current students;
3. The parents of current and former students;
4. Friends;
5. Business and industrial firms;
6. The faculty, past and present; and
7. The local community.[1]

Sanders believes each of these natural constituencies has a stake in the university's continued excellence: the alumni because the market value of their diplomas is based on the institution's present reputation, the current students for the same reason, the parents through loyalty to their children, friends because of what the university has meant to their relatives or acquaintances or to themselves, business and industrial firms because the institution offers a market for their wares or a reservoir for

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[1]Roselena R. Sanders, interview, Logan, Utah, September 3, 1974. Mrs. Sanders is Associate Director of Development, Utah State University.

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future employees, the faculty because it provides their livelihood and/or the area of their professional achievements, and the local community because of the money it generates and the educational and entertainment programs it sponsors.[1]

The size of the alumni constituencies varies by institutions. The universities of this study have alumni bodies ranging in size from 40,000 to 286,000. It should be noted that these are not the total number of alumni of the institutions, but rather the number of alumni whose current addresses have been located and are maintained by the universities. As the sizes of the alumni constituencies vary by institution, so too do the student and faculty constituencies and the sizes of the local communities, as shown in Table 16.

While statistics are not available as to the various sizes of the parent constituency, it can be assumed to be at least one and one-half times the size of the student constituency, allowing for deceased and shared parents (two or more children from the same family attending college at the same time). The size of the combined constituencies of alumni, students, faculty, and parents of each of the universities are:

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[1] Ibid.

Table 16. Comparative size of constituencies

Institution	Size of Alumni Constituency[a]	Size of Student Constituency[a]	Size of Parents Constituency[b]	Size of Faculty Constituency[c]	Size of Local Community Constituency[d]
University of Colorado	90,000	20,500	30,750	865	Boulder 66,870
Indiana University	135,979	68,869	103,303	908	Bloomington 42,890
University of Kansas	73,537	20,075	30,112	1,926	Lawrence 45,698
University of Michigan	286,305	41,178	61,767	2,800	Ann Arbor 99,797
University of North Carolina at Chapel Hill	81,927	19,240	28,860	1,605	Chapel Hill 25,537
Texas A & M University	63,000	21,493	32,237	1,490	College Station 17,676
Utah State University	40,000	8,870	13,305	409	Logan 22,333
University of Wisconsin	156,943	71,688	107,532	2,359	Madison 173,258

[a]Source: Council for Financial Aid to Education, pp. 36-44.

[b]Based on a ratio of 1½ parents for every one student.

[c]Source: W. Todd Furniss, ed., American Universities and Colleges, 11th ed. (Washington, D.C.: American Council on Education, 1973).

[d]Source: Rand McNally Road Atlas (New York: Rand McNally Company, 1974), pp. 118-127.

University of Colorado	141,250
Indiana University	308,151
University of Kansas	123,724
University of Michigan	389,250
University of North Carolina at Chapel Hill	130,027
Texas A & M University	118,222
Utah State University	62,175
University of Wisconsin	336,163

Alumni Programs and Surveys

Of all the natural constituents of a university, the alumni seemingly have the greatest reasons for supporting it. Sanders, in discussing why an alumnus is a logical contributor to his alma mater, suggests that one reason might be the alumnus' self-interest:

> There will be many who might like to argue the case, but a college diploma carries a market value that is anchored to the reputation of the institution. It is for that reason that the Ivy League schools can charge such heavy tuitions and fees and still have a surplus of applicants. Those who get admitted to Yale or Harvard know that a diploma from either of those institutions will open doors that would have remained closed otherwise. And they know that their prospects for employment are greater because they have the Harvard or Yale stamp of approval.
>
> While all diplomas have a value, some obviously are more valuable than others. And the current market value is based on the reputation of an institution today, not twenty years ago. So an alumnus is, in a sense, tied for life to the institution from which he graduated. Many probably never think of it in those terms, but it is true. The diploma is a kind of share which every alumnus holds, and the value of the share rises and falls in direct proportion to how the university is being perceived by the public it serves.

> There are some injustices in this. Not every student who attends Harvard emerges with a Class A education. In fact, I'm confident that there are many small, little-known colleges who do a better job than some of the larger, less personal schools. But that doesn't really alter the premise. The diploma from the small college is still less valuable than the ones from the larger, better known university, at least in a marketing sense.
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> So an alumnus has a stake in his university's future and that, perhaps, is one of the major reasons why he should contribute to its advancement.[1]

But the alumni of public universities do not respond in numbers the schools would like. The number of alumni who contributed to the annual fund drives of the eight institutions in this study averaged 15.2 percent of the total alumni of record, with the number of those responding ranging from a low of 9 percent to a high of 37 percent. Some schools are obviously doing a better job in relating to their alumni, or at least alumni allegiance--as measured by their giving to the school--is greater at some institutions than at others.

Texas A & M University, which has the highest percentage of alumni contributions of the eight institutions, has long been known for the loyalty of its graduates. Walker believes this loyalty has been sustained by a number of factors:

> We have maintained a basically conservative campus climate which appeals to the alumni. The emphasis that R.O.T.C. receives and the resulting

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[1] Ibid.

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> corps spirit has an appeal to our graduates. The clean-cut appearance of our student body, the rural location and campus atmosphere, the absence of campus riots, all help in keeping the alumni in tune with the University. Then, too, we have a good academic rating, especially in the hard sciences and engineering, which gives our alumni some cause for pride.[1]

But how does an institution which does not have Texas A & M's tradition of loyalty develop an alumni pride in the university? Roberts believes the development of pride begins with the student while he is in college but that this is complicated by the critical attitude of today's students.[2] Steinitz agrees, but notes that those who are already alumni need a separate approach.[3]

What constitutes a proper approach to an alumnus to give to his alma mater? Few development officers felt that an appeal based on an alumnus' responsibility to aid the university would succeed. And while several agreed with Sanders' premise that an alumnus should give because he has a financial stake in the university's progress, they felt, as she did, that this approach would not have much alumni appeal.

An analysis of materials distributed by the eight development offices revealed that most were conducting

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[1]Walker, interview.

[2]Roberts, "Involving Students and Faculty," Papers in Educational Fund-Raising, p. 53.

[3]Steinitz, interview.

appeals based on: (1) sentiment for the college years, (2) pride of university association, and (3) a demonstrated need for support to the university. Programs for alumni, most under the sponsorship of the universities' alumni associations, reflect these approaches.

Roberts indicates the importance of knowing the alumni constituency better, and suggests that one approach can be through a survey of the characteristics of donors.[1] Both the University of Michigan and the Colorado University Foundation had completed such studies.

The University of Colorado survey was conducted by members of the student development committee and was run for two consecutive years. The project required considerable effort on the part of the students with supervision from some faculty members in the Business School. Initially the project concentrated on the alumni of the School of Business. Roberts reports how the survey was conducted and its results:

> In general, the purpose of the study was to provide the foundation with characteristics which distinguish consistent alumni donors from alumni non-donors, if such characteristics could be determined. It was decided to test the following characteristics to determine if there was significant relationship between the specific characteristics and giving. Some of these items were age, sex, income, spouse of a University of Colorado alumnus, current residence in the state of Colorado, number of children, having children who have attended or are now attending the university, a graduate degree, undergraduate

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[1]Roberts, "Involving Students and Faculty," Papers in Educational Fund-Raising, p. 57.

major, marital status, having received scholarships, having received other financial aid, attending only the university, involvement in non-academic activities while attending the university, participation in athletics, attendance in athletic events after graduation, participation in professional fraternities, participation in alumni clubs, type of employment, political affiliations, Greek affiliation, having paid in-state or out-of-state tuition, or having received a job through the University Placement Bureau. The research team found that there were significant differences between consistent givers and non-givers at the University of Colorado. Consistent givers have higher incomes, higher age levels, have participated more actively in undergraduate affairs, have taken a greater interest in alumni activities, and have more frequently attended athletic events since graduation.

Two diametrically opposed groups were compared in this study. Those who had never given to the university and those who had given at least six years consecutively. At the two extremes, it was believed that these groups would demonstrate these possible significant characteristics more readily than any other two comparative groups.

The mail questionnaire technique was selected as the primary method for collecting information from the universe sample. However, the age and sex of members of the sample were taken from the university records. All correspondence letters were lithographed, personally addressed, and signed by one member of the research team as an attempt to add a personal touch and increase possible returns. The cover letter was written to inform the alumni of the general purpose of the questionnaire and to insure a good response to the study. The true purpose of the questionnaire was disguised because the research team thought that a greater response would be forthcoming if the respondents did not know the purpose of the study. The initial questionnaire was pre-tested on 30 graduate students in the Business School. The revised questionnaire was tested on 20 University of Colorado alumni in the Boulder area. These pre-tests initiated some changes in ambiguous questions and indicated to the research team the suitability of the questionnaire.

The universe consisted of 42,000 alumni in the University of Colorado solicited each year in the annual fund drive. From the universe two groups were drawn: those with consistent giving patterns and those who have never given to the university. The latter group was drawn by systematic sampling methods that were determined to be random by the general arrangement of alumni names in the files of the Development Foundation records. The middle name of every eighty page was selected and if no address was available, or if the alumnus was deceased, the following name was chosen. It is interesting to note that we received 88.2 per cent of the questionnaires sent to donors and 73.7 per cent of those sent to non-donors.

The chi square test was applied to the responses. If the chi square indicated that the givers' groups and the non-givers' groups differed in the extent to which they possess a characteristic, a relationship was inferred. The .05 and .10 significance levels were used in applying chi square tests. The areas which showed a significant difference between givers and non-givers were: residents in the state of Colorado, spouses having attended the university, number of children over 18, possessing a graduate degree, university where graduate degree was received, self-employment, income level, having received financial aid through the University of Colorado, having attended only the University of Colorado, having received an athletic letter, attendance at athletic events after graduation, presence of an alumni club in the respondent's area, membership in an alumni club, membership in professional fraternity, having been a member of a Greek social fraternity or sorority, having held office in student government at the university, political affiliation, membership in the University of Colorado organizations or clubs, and age. Some of those areas which did not show a significant difference between givers and non-givers--and these surprised me--were marital status, number of children, undergraduate major area, having attended the University on a scholarship, having earned money to pay for undergraduate expenses, having attained a job through the University Placement Bureau.[1]

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[1] Ibid., pp. 57-59.

The study at the University of Michigan was completed in 1970 and formed the basis of a doctoral dissertation. The study, conducted by Donald Arthur Adams Morris, examined the giving and demographic characteristics of two groups of donors to the University of Michigan's capital campaign of 1964 and 1967.[1] The campaign had a goal of $55 million and actually raised $72 million. Morris selected his first group of donors from among those who gave $10,000 or more to the campaign. The second comparison group was taken from a group of people who had been identified by development officers as potential $10,000 level contributors but who actually gave less than that amount.

One purpose of the study was to examine the two groups, both of which numbered 280 persons, and to determine any differences. The hope was to find some characteristics which appeared in the larger donors that was not prevalent in those who donated less. If such characteristics were found, development officers could then give priority effort to people possessing the characteristics of the larger donors. Morris describes the results of his study:

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[1]Donald Arthur Adams Morris, "An Analysis of Donors of $10,000 or More to the $55 Million Program at the University of Michigan" (unpublished Ph.D. dissertation, University of Michigan, 1970). Abstract.

> The results of the two surveys indicated that involvement in alumni activities of the universities was one characteristic of those who did contribute, verifying the oft expressed opinions of the eight development officers that getting alumni active in alumni programs is important to the ultimate success of a development program.[1]

Faculty Programs

The university faculty is, as Roberts has noted, the "forgotten constituency."[2] The once underpaid and overworked college teachers of yesterday are today members of one of America's better paid professions. "For years, we have used the 'underpaid faculty' approach in our appeals to alumni for annual funds," Roberts states. "This problem is no longer as great as it once was." A top-flight full professor in the University of Colorado Medical School may command a $40,000 salary and there are many outside of the Medical School who will receive in excess of $25,000. "All of this points to our not being shy about asking for faculty to contribute to the University," Roberts concludes.[3]

Most of the universities associated with this study conduct programs for faculty and all involve faculty in solicitation gifts. The Indiana University Foundation

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[1] _Ibid._

[2] Roberts, "Involving Students and Faculty," _Papers in Educational Fund-Raising_, p. 60.

[3] _Ibid._

attempts to make the faculty aware of the university's needs by using faculty as volunteers in fund-raising.

The University of Wisconsin Foundation attempts to make the faculty feel that they are a part of the development "team."[1] The Kansas University Endowment Association prepares internal publications which are submitted to the faculty pointing out what private support has done and is doing for the university.[2]

The Utah State University Development Fund annually conducts a special fund-raising campaign aimed at the faculty. Teachers and research personnel are solicited to give to the University Club, an organization which raises money for academic scholarships. In the five years the club has been in operation, more than $100,000 has been raised from among the university's faculty.[3]

The University Club provides five annual scholarships which cover a student's tuition, fees, board, and room charges. Outstanding scholars from throughout the nation and some from overseas come to the university in the spring on one of three designated weekends to take competitive examinations, the five who score the highest receiving the

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[1]Rennebohm, questionnaire.

[2]Todd Seymour, questionnaire.

[3]David Lambert, interview, Logan, Utah, September 5, 1974. Mr. Lambert is Associate Director for Annual Giving, Utah State University Development Fund.

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scholarships. In the most recent academic year, 1973-1974, the club attracted 450 young scholars to the campus, and while only five will receive scholarships, more than half of those who came to the university for the competition will enroll the following autumn. Lambert discussed the faculty's response to the program:

> The faculty respond very enthusiastically to the program. We've had gifts as large as $700 and nearly all of the faculty who do participate give in excess of $25. Nearly a fourth will give $100 or more each year. We have a faculty member who serves as chairman of the drive and usually one chairman in each of the eight colleges. This year we were able to have a chairman in each department and the results were even better than last year.
>
> The faculty seem to relate to the program because of the quality student it attracts to the campus. All of those who compete in the competition are in the top 5 per cent of their high school graduating class and a sizeable number are National Merit winners or finalists.
>
> We are proud of the program and it is now being copied at several other universities in this area. One nearby college has even adopted the name University Club for their program.
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> I don't think the faculty would respond to just a traditional appeal for funds, but, as this program shows, if you can determine an area in which they have some interest, they'll give and in greater amounts than any of the other natural constituencies of a university.[1]

Roberts comments on the faculty program at the University of Colorado:

> I would guess that most of our faculty are graduates of other institutions. Naturally, one assumes that his or her loyalty then would be with that school. I have found we cannot always make this assumption.

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[1] *Ibid.*

If a faculty member is happy with his situation, he will often be very willing to contribute to a specific project. We have found that faculty who give, give to projects they have a definite interest in--for example, their department or college--and not to the "annual fund."

This year, we have found the faculty receptive to a concerted effort to raise funds for the library which is short of acquisition funds this year.

Possibly, the easiest and best way to secure annual gifts from faculty is by the payroll deduction plan. This is not a difficult system to establish. You should first clear the idea with your finance and payroll departments and then design a card for each faculty member to fill out. A mailing explaining the plan and suggesting a project such as our Library Fund, should be sent to all members of the faculty. We found that many preferred to pledge $120 at $10 a month.

By far the most productive faculty giving program will be in the area of deferred giving. It has always amazed me how many professors leave rather large estates. Our classic example is of an English professor who retired in 1957, never made more than $12,000 at the university and left us over $750,000.

The most effective method of attracting deferred gifts from faculty is by appointing a well-known and well-liked retired faculty member as chairman of a faculty deferred gifts committee. The committee members should be made up of the same type of people. As in all volunteer work, the chairman of the committee and the members should have already included the University in their estate plans.

The old "quid pro quo" enters the faculty giving picture very strongly. The more faculty members we are able to help with foundation funds, the more they are willing to support our annual fund. This has been as good a sales program as we have.[1]

The payroll deduction to attract faculty donors is used at Indiana University and Utah State University as well

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[1]Roberts, "Involving Students and Faculty," Papers in Educational Fund-Raising, p. 61.

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as the University of Colorado. All report the payroll deduction plan is a proven method of both increasing the number of gifts and their amount. Utah State University accepts gifts made via credit cards.

Student Programs

The student as a constituent of a university has long been ignored by the development office on the oft-repeated premise that a student was not in any position to give to his university. But several of the development offices engaged in this study saw the student from a different view: not as a donor but as a volunteer worker. Beyond this, they realized that the student of today is the alumnus of tomorrow and that if a student could be educated in the needs of the university and if he could be involved in fund-raising efforts <u>before</u> he graduated, he might be more inclined to assist the institution after he has received his degree and departed the campus.

Active student programs are conducted by the Indiana University Foundation, the University of Colorado Foundation, and Utah State University Development Fund. A limited use of students is reported by the University of Wisconsin Foundation and the Kansas University Endowment Association.

Speaking of the need for involving students in fund-raising activities, Roberts has said:

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> We spend a good deal of time discussing how to get our alumni and friends to contribute to our institution. This is obviously our primary concern, but I submit that today as never before we need to start with our future alumni. It is generally agreed that today's students are in many ways different from those of five, or ten, or twenty years ago. The students I have been close to are very critical of their university, and are not about to support her blindly when they are asked and are able to do so. Working in our favor, however, is the great concern exhibited by today's young people for their fellow man and for their world in general. In years past, we've been concerned about student apathy toward their institution; now we are very much concerned about a real dislike for their alma mater.[1]

How does a university approach the problem of changing a student's feelings toward his alma mater? Roberts indicates the traditional way is to begin mailing appeals to the youngest alumni and to design campaigns tailored to changing their minds by building on the "concern" angle. It is, he stresses, a costly approach which could take a long time to achieve. A better approach, less costly and quicker, is the education and involvement of the students before they become alumni:

> I think it is time that we take the initiative before it is too late to involve our students in making their university a better place to receive a first-rate education. There are, of course, other reasons why we involve students in our giving programs. We found out that most of the students didn't even know that the alumni association or the foundation existed. Many schools make little effort to acquaint their students with the responsibilities of a good alumnus, and if this isn't done while these people are still in school, the chance of their being

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[1] *Ibid.*, p. 53.

> indoctrinated after they leave the campus is indeed slim. The idea of instilling loyalty in our students must be going on at all times; it is not something that can be overlooked until commencement day. It is, of course, good to get students involved in fund raising because it will help them to understand that their fees and tuition do not cover the full cost of the educational program.[1]

Nor is Roberts convinced that students are not in any position to make contributions. The experience of the University of Colorado Foundation is just the opposite, he says. "When the project is a good one, and the needs and goals are well defined, students are just as willing to contribute as are our alumni though on a smaller level."

The history of the University of Colorado Foundation's use of students in development work is described by Roberts as having begun nine years ago with the creation of a position in the university's student government entitled "Student Commissioner for Development." The student was to be selected by the president of the student body, the outgoing Student Commissioner for Development, and Roberts as Development Director for the university. But as the student government lost its effectiveness in the student activist years of the late 1960's, the association with student government was dropped and the new student development director became an appointment of the foundation's Board of Directors. Roberts related the evolution of the student program as follows:

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[1] Ibid., p. 54.

I suspect that most development officers have from time to time had requests from students and student groups for funds to take care of emergencies, or to establish new programs or maintain old ones. I was getting enough of these to lead me to believe that this was a good place for students to become involved in raising funds from themselves and making allocations when they felt the projects were worthwhile. In order to implement this plan, the student commissioner and I picked a 21-man board of directors of the student development fund. We picked class officers, fraternity and sorority leaders, some athletic leaders on the campus, student body officers and members of various service organizations; men and women. This group began to sponsor various campus activities which proved to be in most cases money makers. They even took out a raffle license for which they received 10 percent of the profits of any other organization on the campus using that license.

Soon new and very successful projects began to take shape. One of these was the cap and gown project. A committee from the student development board is picked to supervise and operate the cap and gown project. The project works this way: When a senior orders his cap and gown at commencement time, he is required to pay a fee of $8. After commencement, the student turns his cap and gown back to the supplier who in turn presents him with a refund of $5. We simply ask the student to turn his cap and gown into our booth and donate his $5 as his first gift to the annual fund. Several mailings are sent out during the senior's final year explaining the program and urging him to join with the many seniors in the past who have chosen this way to get on the rolls as an annual donor. The campus newspaper and the local press have been very cooperative in writing stories on this project throughout the year. As the seniors come in to get measured and pay for their caps and gowns, we have students placed in the area to hand out still another reminder of the senior cap and gown project. We have collection booths placed at strategic locations throughout the campus to receive the caps and gowns as the students come out of their various commencement locations. Though not as successful as we feel it could be, the $2,000 that we took in after our third year of operation was encouraging and certainly provided 400 donors that we might not have had. We have found these people to be

much better annual givers after their commencement year.

Another project started by the student development board was the Teaching Recognition Award. This is probably our most significant accomplishment in the student area, and a project in which the students, faculty and administration can take pride. This involves about 30 of our students and takes about two months to conduct. An attractive brochure is printed and with nomination blanks distributed to every faculty member, staff member and as many students as we can reach during the month of January. We ask that all nominations be returned by March 1st. The awards which are given, completely supported by student-raised funds, are three $1,000 awards to a tenured or non-tenured professor and three $250 awards to a non-tenured professor. In addition to the cash awards, the recipients receive a bronze engraved medallion. These awards are presented during the commencement exercises by the director of student development. The award is based solely on teaching ability and the willingness to spend out of class time with students. After receiving the nominations, the committee spends a great deal of time in assigning a certain number of students to each nominee. These students attend the professor's classes and interview present and past students and the professors themselves. Many hours are spent in the elimination process and heated, but I think beneficial, debates are carried on for a period of several weeks.

Three very important products arise from this project. One, of course, is that the students are making this award from their own resources and are doing their own evaluating. Secondly, it makes the university community aware of the concern that the students have for good teaching and guidance. Finally, though they don't basically like awards singling out one, two or three teachers over others, those faculty members who are concerned with good teaching and are doing a good job have this project to look to for encouragement.

Two years ago, our student development committee established the senior class endowment project. In this project each senior is asked to pledge $10 a year for a period of 25 years, to the annual fund. These funds are invested by the foundation and turned over to the University at their 25th reunion. Each class has hoped to have a minimum of $100,000 to donate to the University. During the first year of operation of this project, we had an outstanding group of seniors, a good committee and hard workers, and the project was reasonably successful. Last year, however, the leadership was not as strong and the project was less successful. We hope this year for the senior class endowment fund to sign up at least 300 seniors. This project also involves quite a few students on a direct solicitation basis and is excellent training for future class chairmen.

Perhaps the most astounding project is one that I had nothing at all to do with. Every year, students must fill out and sign a fee card as they register for their fall term. On this registration card are various items to be checked for payment by the student during the year, such as athletic fees, year books, etc. The student development group asked the registrar if he would allow them to place a box to be checked on the fee card for a student's gift to the Student Development Fund. I didn't think this would be allowed in the first place and if it were allowed, I didn't believe it would be very successful. It was allowed, and to our great astonishment, 1,000 students signed the fee card. I am not at all sure that they knew what they were signing. However, if they did know, then our student development fund has, over the past five years, done some good.[1]

The Indiana University Student Foundation is best known to students and faculty of the university for its sponsorship of the Little 500, a series of student-oriented events which occur each year during April and May. But the Indiana University Student Foundation is involved in many other campus projects and has become well established at Indiana University.

The student organization can trace its growth back to the late 1940's when the parent Indiana University

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[1]Ibid., pp. 54-57.

Foundation, still in its infancy, felt a need to interpret its role to the student body. Howard Wilcox, then executive director of the foundation, invited a group of 50 senior leaders to meet with him to learn about the foundation. The seniors were asked in turn to inform the remainder of the graduating class about the foundation's function and structure. The concept worked well and the foundation elected to repeat the project each year, the group of student leaders who were invited to participate in the orientation sessions being collectively called the Student Foundation.[1]

Because the student education program was quickly completed each year, the students who comprised the foundation sought other projects to sponsor. In 1951 Wilcox suggested the idea of the Little 500 bicycle race which grew in the succeeding years into one of the largest and best-attended functions on the Indiana campus. At the same time, the 50-member Student Foundation expanded to a 650-member student organization which functions year-around.[2]

The Student Foundation is a very active group, as demonstrated in the following report on some of the sponsored activities of the organization:

> The Little 500 is a money maker. Over $250,000 has been distributed to needy students in the form of scholarships out of Little 500 proceeds. But

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[1]Indiana University Foundation, "The Significance of the Student Foundation" (Bloomington, Ind.: n.d.), not paged, (mimeographed).

[2]*Ibid.*

the Little 500 and the other endeavors of the Student Foundation mean far more to Indiana University than the $15,000 in scholarships awarded each year.

In addition to sponsoring the Little 500, I.U.S.F. has taken the lead among campus organizations in the efforts to make its projects and programs as germane as possible to the problems of today. Ecology Recycling Project, Red Carpet Days, and the Toy Drive for Muscatatuck State Hospital are just a few examples of the relevant services which the Student Foundation provides.

The Student Foundation offers involvement not only to the 650 students who participate directly in the planning of its programs, but to the entire student body as well. This involvement and its resulting identification with and concern for Indiana University develop a better student populace as well as more concerned, active, and responsive alumni.

In addition to these benefits in student and alumni development, the Student Foundation contributes to the University in other ways. The tangible results of the positive public relations role of I.U.S.F. can be best understood by citing only two of the numerous examples of financial support for I.U. which have come about as a result of Student Foundation activities.

During the first semester, the Student Foundation plans and executes a dinner in honor of the Arthur R. Metz Scholars, recipients of the most prestigious scholarships in the University. An average of $50,000.00 per year is awarded under this program, endowed from the estate of the late distinguished physician. The Student Foundation and the Little 500 played the major role in influencing Dr. Metz to bequeath the money to the Foundation for this purpose, as the students themselves made special efforts to accompany and to entertain him while he was on the campus for the Little 500 Weekend and at various other times of the year.

Dr. Metz first established a $1,000.00 scholarship, awarded to a young man of proven academic ability who also excelled in leadership in extracurricular activities. In 1964 he established the same type of award for a young lady, and upon his death in 1965 a sizeable portion of his estate was left to I.U. for the establishment of a major scholarship program. In 1970-1971,

> $57,879.70 was awarded in grants ranging from $250 to $800.
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> The Bob Hope Scholarships were established by the comedian when he returned his fee for appearing in the 1967 Little 500 Variety Show. . . . These awards are $150 each and are given on the basis of demonstrated leadership in extracurricular activities and demonstrated concern and constructive action aimed at advancing the positive image of Indiana University.
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> Throughout the year the members of the Student Foundation are asked to serve as hosts to numerous dignitaries and alumni who visit the campus. Often these visits result in the establishment of a new scholarship or the donation of an art object, a collection of manuscripts, or rare books to the Lilly Library. An example of just such a case was the establishment of the Robert L. Kidd Scholarships by the Cities Service Oil Company in honor of an alumnus who was hosted numerous times by Student Foundation members.
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> It is apparent that the University receives a tremendous amount of positive publicity from the Little 500. It generates interest and enthusiasm not only for the event, but for the entire University.[1]

The Utah State University Student Development Fund, organized in 1973, is in its second year and is still formulating goals and activities. The Student Development Fund gave primary focus in its initial year to the university's Telefund Campaign, encouraging students to man the telephones to solicit alumni donations. Plans for its second year include, beyond another participation in the Telefund, the sponsorship of home and fashion shows, a Little 500-style bicycle race, and other fund-raising projects.

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[1] Ibid.

As the three universities have learned, harnessing student enthusiasm and directing it into development projects can reap surprising benefits to the institutions.

Parents Programs

The parents of students comprise yet another of a university's natural constituencies, though it is obviously a special group which requires a special approach. Only four of the universities have an active solicitation of parents, and one of these is on a very limited basis. The remainder have not yet entered the field or have concluded that returns are not sufficient for the effort expended.

Utah State University seeks the financial support of all parents of students currently enrolled and continues to solicit them until the student has graduated. Even if a parent has made gifts during the period, the Utah State development office removes the name from the solicitation list at the time the student graduates. Lambert comments on the results of the parent campaign:

> We have found that the parents give in numbers about even with the alumni but the size of the gifts are smaller. Nearly all fund-raising mailings are addressed to "Alumni, Friends, and Parents." We also contact parents on our annual Phonathon and the results are about the same as with alumni. Of those who turn us down, the majority say they are already paying to put their son or daughter through the university and can't afford any more. But some do give and we have found it worthwhile to continue the parents' solicitation.[1]

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[1]Lambert, interview.

Texas A & M University also directs fund-raising appeals to parents. In contrast to Utah State University, which sends the same mailing to both constitutencies, Texas A & M mails special appeals to parents. Because the university is getting more and more students who are the sons and daughters of Texas A & M graduates, using the same appeal sent to the alumni would not yield the desired results. Walker reports that Texas A & M has set up a 12-member parent's committee consisting of parents who are both alumni and non-alumni. The campaign is sent out in their names. Parents of students receive two mailings a year from the committee which generates nearly $10,000 in contributions.[1]

Dwight Roberts, the Director of Development at the University of Colorado, had initially been reluctant to undertake a parent's campaign because he believed "the costs of attending the University of Colorado are so great that I thought the unfavorable response from the parents may not be worth the amount of money we might receive."[2] It was not until the student development committee asked to do a "parent solicitation program" that Roberts gave his consent:

> The first year they solicited senior parents only. They designed a brochure which spelled out somewhat general needs in the area of improved faculty salaries and additions to the library. The solicitation costs were paid for by the

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[1]Walker, interview.

[2]Roberts, interview.

> student group and the mailing consisted of the brochure, a solicitation letter and a return envelope. A target figure of $25 per parent was suggested, though more or less was welcomed. The response was gratifying. The majority of the donors were in the $25 area with the highest being $2,000 and the lowest $5. This first effort provided 300 donors and $8,000. We felt that this was a good start towards a broad parents' program and we have since expanded it.[1]

Although the Kansas University Endowment Association attempted a parent's program six or seven years ago as an offshoot of its annual giving campaign, the program reached the point of diminishing returns and was eliminated. Local alumni clubs who assist in soliciting contributions for the association are provided lists of parents, however, and are encouraged to contact them in their fund-raising drives.[2]

Programs for Friends

Donations to colleges and universities come from many groups not all of which have natural ties to the institutions. Friends of higher education often make large gifts to colleges and universities, as those institutions allied with this study have learned.

Programs for friends involve the selection of an individual or group who could be of financial assistance to the university and then the cultivation of a meaningful

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[1]Roberts, "Involving Students and Faculty," Papers in Educational Fund-Raising, p. 59.

[2]Todd Seymour, interview.

relationship which could ultimately lead to a gift to the institution. Such individuals and groups include athletic patrons, friends of the library, as well as others who share an interest in some academic or research program or other aspect of the university. They embrace local community leaders and others who might not be alumni but who come in daily contact with the institution. They comprise people who have accumulated prize collections of art of other objects which they want to remain intact after their death and thus give them to an institution. They include members of clubs and associations who raise money for scholarships or for other purposes germane to the mission of a university. Indeed, friends come from all areas, attracted by the quality of an institution and their desires to be associated with it.

Since the friends constituency is so amorphous in character, it requires different means of cultivation than that accorded to alumni, students, or faculty. While institutional loyalty and sentiment are effective arguments to the natural constituencies, friends must be cultivated on the basis of their areas of interest and on the worth of the university as an object of their investment. The cultivation is therefore highly personal and narrowly focused. The key lies in good and sustained communications.

Development officials, limited both in numbers and resources, often appeal to other university administrators and to faculty to carry out the cultivation responsibilities. Prospective donors to the athletic program, for example, prefer contacts with the coaching staff. Friends of the library are courted by the university librarian and his colleagues. Because most friends do have a specific interest, the development officers have learned to involve faculty in the area of interest in the cultivation process. The development office serves to coordinate efforts and to assist in expediting a gift once the donor has announced his intention of making it.

Donor Cultivation

The late James E. Armstrong, who served as Alumni Secretary at the University of Notre Dame from 1925 to 1967, once commented on the search for new college development constituencies, saying: "College presidents wrote all the chapters of the old testament of fund-raising in the first 250 years of financing higher education in this country. Then Yale discovered the alumni."[1]

In the years since Yale introduced the old grads to the college fund-raisers, new constituencies have been

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[1]James E. Armstrong, "Alumni Giving," Association of American Colleges Bulletin, March 1954, p. 101.

discovered, including the students, their parents, the faculty, the local community, businesses and foundations, and a surprising number of friends, all of whom are proved sources of donations. But having identified the new constituencies, the task remains to cultivate them, a not-too-easy assignment for a public university which, unlike its private counterparts, has only recently undertaken to mine in the areas and, thus, has many bridges to build.

Donor cultivation takes many forms at the eight universities studied, including personal letters, phone calls, visits, printed materials distributed to selected audiences as well as to all the various constituencies, conferences and institutes specifically designed to attract the alumni back to campus, invitations to attend campus events and activities, as well as selective mailings which let the recipient know that the university cares about him (and, hopefully, to persuade him to care about the university).

For a select number of donors there are birthday and Christmas cards, hand-written notes of congratulations on significant achievements or the birth of a son or daughter, copies of new volumes issued by the university press, special campus parking decals and even reserved parking spaces, plaques and desk sets, framed copies of university scenes, immediate access to the president's office, and offers of immortality in the form of a named chair or building.

The development officers involved in this study recognize the importance of making a prospective donor feel a part of the university and of getting him involved. Some use advisory boards to get a donor candidate to relate to the institution, still others will opt for a gift society. Clearly the rule is to let no stone be unturned in letting the prospective philanthropist know that the university likes him as well as his money.

The remainder of Part 2 is devoted to examining some of the methods and techniques used to cultivate prospective donors at the public universities involved in this study.

Donor Clubs

All of the institutions participating in this study sponsor special donor clubs, though one, the University of Kansas, only has a club for athletics. The others have athletics clubs, but they also have clubs which are designed to recognize those who have made gifts to the institution and to encourage others to do the same.

Many colleges and universities have "century clubs" or "hundred clubs" in which the criterion for membership is an annual gift of $100 or more. Some societies have been organized where the minimum donation is $250 or $500. But the most prestigious is perhaps the $1,000 club which may carry a variety of names but primarily is known at most universities (including those of this study) as the President's Club.

The idea for such an organization originated at Northwestern University where the John Evans Club was established in 1954. Organized in memory of the university's principal founder, the club was dedicated to perpetuate the tradition of giving which John Evans represented. Evans had given the university $10,000 in 1851, which grew over a hundred years to a value of a million dollars in assets. The founders of the John Evans Club were hopeful of attaining a like amount in ten years through 100 alumni who would contribute $1,000 annually. The club reached its 100 member goal in two years and by its tenth anniversary its members had contributed, pledged, or written into their wills more than $9,000,000, nine times the amount originally envisioned.[1]

The University of Michigan adopted the donor club idea in 1961 and was the first, as far as is known, to use the name President's Club. Development officials felt the identification of the club with the president was a natural one since all of the universities' presidents had

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[1]Harry V. Wappler, "The History of the John Evans Club," Major Gift Societies, ed. by Stanley R. McAnally (Washington, D.C.: American Alumni Council, 1970), pp. 9-10.

experienced a large measure of private, voluntary support while they were in office. The premise of the new club was to continue the giving tradition by recognizing and encouraging those whose contributions were proving so vital to the institution's future. Donald E. Miller outlines the club's acceptance and growth:

> The President's Club is certainly a Michigan success story. After its first year of operation, membership numbered merely 49. Two and one-half years later, it had increased to 235; and in 1968, only seven years old, The President's Club counts 563 distinguished alumni and friends as members.
>
> But this success, like most others, did not just happen--it developed, based from the very first on careful and detailed thinking and planning, maximum possible involvement and utilization of our key alumni, and crucial cooperation of key University administrative officers.
>
> The purposes of The President's Club have been clearly fixed and followed from the beginning:
>
> - To stimulate the active interest and to encourage participation of alumni and friends in the affairs of the University.
> - To establish an exemplary pattern of substantial giving to the University by alumni and friends.
> - To sponsor meetings of its members and University representatives to discuss the plans, problems and objectives of The University of Michigan.
> - To provide recognition to devoted alumni and friends who become members.
>
> So, too, the decision process. The Club's alumni founders constituted themselves into its policy-making body, the Executive Committee. Soon thereafter, the Committee was expanded to 12 members, each of whom serves a term of 4 years and is eligible for a second term. Executive Committee members are now appointed from the general membership by a duly-constituted sub-committee, the Nominating Committee, which also appoints the Club's chief officer, or Executive Chairman, on a year to year basis.
>
> Among the first questions which concerned the Executive Committee was eligibility for membership in the Club. After long and careful, and many times spirited,discussion, it set down the following guidelines for eligibility:

1. Signify by a pledge the intention to contribute $10,000 or more to The University of Michigan over a ten-year period. It is hoped that the donor will provide for any unpaid portion of the pledge by testamentary provision.

2. Contribute on one or more occasions over any period of time, a total of $10,000 or more to The University of Michigan. Such condition shall not be fulfilled until the contributions of an individual actually total $10,000.

3. Signify by appropriate means the intention to provide $15,000 or more to The University of Michigan by means of a bequest, a life insurance program, a life income gift or any other acceptable giving instrument.

An addendum, at this point, on the Club's deferred gifts program. This kind of program, it was felt, was especially important, to "insure" bequests, which are always subject to change. In a more positive vein, there would always be the strong possibility that careful cultivation of bequest donors could turn a minimal bequest into a larger one or even into a current gift of significant size.

At this point, a brochure for the Club was discussed, drafted, and prepared, for mailing to "obvious prospects." These included friends of Committee members and known generous and consistent supporters of the University.

The first mailings were small and informal. They simply explained the purposes and functions of the Club in an informal person-to-person way and solicited memberships. Though mailings are not the best way to secure memberships, the careful attention given to prospects and the very personal approaches used yielded surprisingly good results. Mailings were used extensively in the first years of the Club's existence, and membership began to grow.

More effective than mailings, of course, was the person-to-person, face-to-face approach. In the very early days of the Club, a National Membership Committee was formed. Its principal concern was to secure new members, and among its projects, was an "Every Member get a Member" campaign. Moreover, informal President's Club gatherings were held in major cities throughout the country for the purpose of increasing the Club's membership.

In 1965, Michigan's Fifty-Five Million Dollar Program began, posing an important problem to the Club's solicitation efforts. Campaign strategists urged the University to suspend the Club's membership drive for the duration, on the theory that important campaign prospects might opt to purchase membership in the Club at $10,000 when they could well afford much larger contributions. After much consideration, the University agreed, and solicitation efforts were halted. However, non-members who gave personal gifts of $10,000 and over during the course of the campaign would be given the opportunity to join the Club, if they so desired.

In the later stages of the Program, however, when most top prospects had been covered, it was agreed to reopen Club solicitation on behalf of the Campaign. It was at this point that one of the University's Regents became strongly involved personally in the Campaign and made it his full-time job and obligation to solicit for membership in the Club. Out of state, he visited key, wealthy alumni in such cities as New York, Chicago, San Francisco, Seattle, Portland, and Los Angeles. He covered Michigan cities and alumni from one end of the state to the other. His batting average was phenomenal. In Detroit, for example, he secured 24 members in three and a half days; in Portland, Oregon, five members in a day and a half.

In the course of the Campaign, 301 persons made contributions which entitled them to membership. Thus, in the three years of the campaign, membership in the Club increased by 128%.

The Fifty-Five Million Dollar Program ended December 31, 1967, and solicitation efforts have entered a new phase. The Club's Membership Committee has been reactivated. Staff members of the Development Council, following up on the Program, have visited with Program Chairmen in cities throughout the country to identify Club prospects and work out coordinated programs aimed at their solicitation. To accomplish this, Advisory Councils are being established in these cities. Thus, continued growth and even greater momentum are the hallmarks of present solicitation efforts on behalf of The President's Club.

As membership increases, the Committee is beginning to attend more and more to questions of recognition of, and service to, President's Club members. The key here is what constitutes appropriate recognition and service as well as what are the most effective ways for the University to communicate with this group of key alumni, friends, and supporters--no easy questions to be sure. This must be accomplished with a minimal expenditure of funds, for the Club's membership insists that the University not support them on funds which they have given to assist the University.

At this time, the University provides numerous measures of recognition and service to its President's Club members. These services are subjects for constant and consistent review. Some will be dropped and others added. Recognition and service essentially depend upon what is appropriate under any given set of circumstances.

Members of the Club, for example, are identified by means of a membership card and provided with an attractive wood and ceramic plaque. They receive numerous periodicals, magazines, reports, and newsletters from the Club. Among these are an Annual Report and a special President's Club Newsletter, sent 10 times each year. If they so desire, members may be sent such diverse pieces of literature as the Michigan Alumnus, the Business Review from the School of Business Administration, The Research News and the other specialized University publications. Mailings from the Athletic Department are sent frequently.

In addition, members are invited to all appropriate University occasions and celebrations. When Lyndon Johnson received an honorary doctorate from the University in 1964, President's Club members marched in the academic procession. They were also invited to numerous affairs during the University's Sesquicentennial Year in 1967 and accorded appropriate treatment and privileges.

The highlight, however, for most President's Club members is the Annual Meeting, which takes place in Ann Arbor at commencement time. Members come to the campus from all over the country--and in some cases from around the world--to take part in one and a half days of meetings, tours, social gatherings, and dinners designed to bring them up-to-date on what is happening at their University. The President plays a prominent role, and members welcome the opportunity to chat informally with him and other administrative officers and deans during this period. Future plans of the Club are to organize additional meetings in cities throughout the country where there are significant

> numbers of President's Club members--and thus bring the University to those who cannot always come to Ann Arbor.
>
> Response to the Annual Meeting, to the services, and to the idea itself of the Club has been impressive. The President's Club enjoys considerable prestige, and more than one member has joined for the prestige value alone. The solicitation of membership is thus enhanced and made easier by the reputation of the Club. Success thus builds upon success.[1]

The manner of operation of the University of Michigan President's Club is duplicated for the donor clubs at several of the other universities. The "President's Club" name is also used at the University of Wisconsin, while Utah State University calls their donor club "The Old Main Society."

Clubs with $100 annual giving level operate at the University of Michigan, Texas A & M University, Utah State University, the University of Colorado, and the University of North Carolina at Chapel Hill. The name "Century Club" is used at North Carolina and Texas A & M, "The Hundred Club" at the University of Michigan, while Utah State University uses the name "President's Club." The University of Colorado has several clubs which require a $100 annual contribution for membership. These are known as "Dean's Clubs," and they operate in support of the university's colleges of law and engineering.

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[1]Donald E. Miller, "The President's Club of the University of Michigan," <u>Major Gift Societies</u>, pp. 44-50.

The Century Club at Texas A & M provides recognition for those who contribute in excess of $100. A $250 donor, for example, is known as a Silver Century member, a contributor of $500 or more is a Golden Century member, and a $1,000 or more donor is a Diamond Century member.

Donor clubs ordinarily provide their members with some special privilege. Most provide a wallet membership card. Members of the Texas A & M Century Club are invited to an annual banquet. Utah State University offers its Old Main Society members a membership certificate, free campus parking privileges, and an annual dinner. The university's President's Club members ($100 annual donors) are invited to a reception in the president's home. Dean's Club members at the University of Colorado receive a desk plaque and are invited to an annual banquet. The members of the University of Michigan's Hundred Club are given golf privileges at a course near Ann Arbor.

Not all fund-raisers view the donor clubs with as much enthusiasm as the universities represented in this study. Servicing the members of the club can be a time-consuming project for a development office, especially when the clubs reach memberships of 1,000 or more. Too much recognition, too many services are dangers to be avoided, as are too few. An over-structured club could become a pressure group. The minimum gift level could also become a ceiling, a donor who could make a larger gift contenting himself with payment of the prescribed "dues." And some universities become uncomfortable in giving special treatment to any segment of the alumni. To some the donor club is merely a fund-raising gimmick.

But as the University of Michigan has ably demonstrated, the donor club is a gimmick that works.

Conferences and Institutes

The development office at the University of Michigan operates on the premise that the best contact with a potential donor is one that takes place on campus.[1] The office attempts, therefore, to get prospective contributors to visit the campus either for informal meetings with development officers and university administrators and faculty, or for formal conferences and institutes in their areas of interest.

One particular technique for bringing prospects to campus originated at Princeton University and is used at the University of Michigan[2] and Utah State University.[3] It involves an orientation to the institution for invited

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[1]William Goodwin, interview, Ann Arbor, Michigan, December 3, 1971. Mr. Goodwin is employed by the University of Michigan Development Office.

[2]Ibid.

[3]Sanders, interview.

guests and provides an opportunity for the participants to meet a variety of the school's officers and administrators.

The program, as originally formulated at Princeton 19 years ago and entitled "Princeton Today," includes five meetings each year. A group of 35 to 45 alumni are invited to the campus to spend from Thursday evening to Saturday morning observing the many facets of the university behind the scenes. Students, faculty, administration, and staff are all involved in the program to insure that those attending receive a special understanding of the university, its objectives, its problems, and its inner workings.[1]

Invitations to attend the orientation are issued by the various college deans. In advance, those who accept the invitations are sent a list of the others who will attend as well as the names and titles of the university officials they will meet. The participants pay for their lodging and meals, the university furnishing on-campus transportation and materials relating to the institution.

The typical orientation begins Thursday evening with a dinner at which introductions are made and the following day's activities outlined. A student panel, moderated by the dean of students, discusses campus life and the evening ends with an informal discussion between the students and guests.

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[1]Information regarding the "Princeton Today" program was supplied by Helen Morris, Administrative Assistant, Princeton University Development Office, May 23, 1973.

The following day, Friday, the guests assemble for an early breakfast, followed by presentations by the college deans and the dean of admissions. An opportunity is then provided for the guests to visit the library, a museum or art gallery. Luncheon is held in a student dining hall, after which the guests hear a report on university finances. Then each guest is accorded an individual meeting with the college dean or department head of his choice. A campus bus tour is held in the late afternoon, with a reception and dinner bringing the day to an end.

Saturday morning the guests meet for a breakfast preceptorial with the university president. Here the guests learn of the problems of the institution as seen by the president and have an opportunity to ask questions and hear the president's response. The orientation adjourns at ten a.m.

The "Princeton Today" format has been used for similar conferences at the University of Michigan and Utah State University. The conferences were used to orient prospective donors to the campuses and to provide an opportunity for development officials and other university administrators to become acquainted with potential contributors.

As indicated, nearly all of the development offices attempt to attract donor candidates to the campus. College and department conferences, institutes, and seminars provide occasions for strengthening already established ties between the university and its supporters or can serve as means of establishing associations which often prove beneficial to the development office.

Printed Materials

As previously noted, the first fund-raising pamphlet was prepared by officers of Harvard College in 1642. In sharp contrast to that small tract were the two million words written for Harvard's 1956 campaign as embodied in its folders, letters, manuals, bulletins, magazines, newsletters, and even a book. Laurence O. Pratt, who directed the Harvard campaign's public relations program, estimated that if radio and movie scripts, local bulletins, speeches, news releases, special presentations to individual donors, and other campaign miscellany were piled on top of those written for the promotional literature, the total wordage would be between four and six million words.[1]

Clearly, communication has become the backbone of the modern fund-raising campaign, and while the newer tools of mass persuasion (television, motion pictures, telephone solicitations, etc.) have assumed an important role, college development officials still primarily depend on printed

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[1]Laurence O. Pratt, "You Talked Yourself Into It," Harvard Alumni Bulletin, March 19, 1960, p. 450.

materials to carry their fund-raising messages to the various constituencies of the educational institutions.

"Selling by mail is difficult and selling the cause of a college or university by mail has special aspects which are not common to selling by mail in general," says John A. Pollard, former Vice President for the Council for Financial Aid to Education. Pollard emphasizes that each institution has its own personality and its image is different from every other. The fund-raising materials should reflect that individuality.[1]

David McCord, Executive Secretary of the Harvard Fund, has counseled development officers to communicate with their institution's alumni "in the language and with the dignity and distinctive grace which, among other things, their money is given to uphold." He calls this "the language of request," a language which suggests in tone and quality the image of a center of learning. McCord insists that development publications should reflect impeccable taste and judgment and a kind of "liquid simplicity."[2]

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[1]John A. Pollard, Fund-Raising for Higher Education (New York: Harper and Brothers, 1958), p. 223.

[2]David McCord, "The Language of Request," American Alumni Council News, April 1957, pp. 8-10.

But taste and dignity are not easily achieved, and the development officers of the universities studied are becoming increasingly concerned with the accelerating costs of promotional literature. Utah State University, whose development office is the youngest of those involved in this study, was distressed in 1972 that too much of its fund-raising budget was being used to pay for mailing pieces and postage. As an alternative to the expensive brochures, the development officers proposed a newspaper which might be inexpensively sent to the institution's constituencies and might have the same (or even more) impact as that enjoyed by the traditional brochures.[1]

Utah State's development officials noted that costs for newspapers are considerably less than for brochures because of the inexpensive grade of paper that is used, the availability of high-speed presses to do the printing, and cheaper postal rates.[2] The officials reasoned that a newspaper could be an effective tool for educating its readers to the institution's need for private funding, as well as a means of publicizing gifts received, hence encouraging additional gifts. Utah State's development staff expressed the belief that a newspaper might also be able to reflect good taste and judgment.

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[1]Sanders, interview.

[2]Ibid.

What was needed, USU's development officials believed, was a study of college newspapers oriented toward fund-raising, which would have as its object determining the validity of the concept and gathering ideas which could be utilized in the proposed newspaper for Utah State.

The study began with the identification of 275 colleges and universities throughout the nation which have organized development programs. Included were nearly all the state universities and land-grant institutions, the major private universities, as well as many small institutions. With the assistance of the American Alumni Council, USU's development staff was able to ascertain the name of the chief development officer at each school. A letter with a personalized salutation was sent to each of the officials requesting assistance in the study and asking that sample copies of newspapers with some fund-raising orientation be sent to USU's development staff.[1]

Replies were received from nearly 200 of the 275 institutions solicited, though only 12 institutions submitted copies of newspapers used solely for development purposes. Thirty other colleges and universities responded by submitting sample copies of newsletters which they used for the same purpose and the remainder supplied copies of

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[1] Ibid.

campus newspapers (41) or magazines (15) which had partial fund-raising responsibilities, or reported they had no publications with a fund-raising orientation.[1]

The institutions with a fund-raising newspaper similar to that envisioned by Utah State University were Brown University, Jacksonville University (Florida), the University of Kansas, Muskingum College (Ohio), Northeastern University (Boston), the University of Notre Dame, Tulsa University, Stevens Institute of Technology (New Jersey), and the University of Washington (Seattle). Three other institutions had such newspapers but had abandoned them for various reasons: Smith College (Massachusetts), Bowdoin College (Maine), and Emory University (Atlanta).[2]

Sanders states that of the nine newspapers which the study revealed as being totally oriented to fund-raising, the <u>Endowment Digest</u> of Kansas University is perhaps the most ambitious.[3] The tabloid-size newspaper usually consists of eight pages and is published as a part of the University of Kansas newsletter series. (The <u>Digest</u> uses a conventional newspaper layout and design, though it

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[1] <u>Ibid</u>.

[2] Utah State University Development Fund, "A Study of the Fund-Raising Newspaper for Institions of Higher Education" (Logan, Utah), p. 8 (mimeographed).

[3] Sanders, interview.

utilizes photographs liberally. Youngberg indicates the Digest is published semi-annually and is mailed to all of the institution's alumni.[1]

> We have found it to be inexpensive, yet the very best of public relations. The publication is entirely apart from the magazine and newsletter published by the Alumni Association . . . [though the] times of mailing, content, etc. are coordinated with the Alumni Association.[2]

A typical issue of the Digest consists of a variety of articles reporting on current gifts received by Kansas University, special needs of the institution, and a two-page in-depth story on one of the university's major benefactors. In the November 1971 issue, for example, the three front page articles reported the establishment of a lectureship in accounting in memory of a prominent Kansas City business-man, the awarding of three scholarships courtesy of another memorial fund, and the university's receipt of a $15,000 bequest for research in hematology. The issue's feature article was a two-page spread on Solon Summerfield, a New York City philanthropist who funded a pioneer scholarship program at Kansas University. Another lengthy article reported on the institution's annual giving campaign. Fourteen other articles completed the issue's contents.

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[1]Irvin R. Youngberg in letter to Robert Carpenter, Utah State University Development Fund, February 5, 1972.

[2]*Ibid.*

As a result of its study, and encouraged by the success of the development newspaper at Kansas University, the Utah State University development staff introduced a development newspaper as one aspect of its publications' program. The newspaper, titled The Statesman, is now published quarterly. Its initial issue appeared in the summer of 1972.[1]

The Statesman is one of two newspapers to be offered by the University, the other being Outlook, an alumni newspaper distributed ten times each year. The Development Office staff originally proposed that fund-raising news be carried as a special insert in Outlook, but this suggestion was rejected by its editor since it would change Outlook's orientation as a service publication to the alumni. Outlook's editor argued that his publication was intended to keep the alumni informed about university activities and programs and if Outlook were to include as much development news as had been requested, the publication's credibility and acceptance would be lessened. The development office staff then decided to produce its own newspaper with a format substantially different from the alumni publication.

Outlook is a tabloid-size newspaper of from eight to 16 pages each issue. The newspaper uses considerable

[1]Sanders, interview.

white space and tries for a light, breezy appearance. Its basic format consists of four columns per page, large photographs, and a sans serif display type (Venus) for headings. To establish an identity separate from *Outlook*, the editor of the new development newspaper decided to use a serif display face, a variety of column widths, and less employment of white spaces as a design technique. The *Statesman*'s editor decided the fund-raising newspaper could have a more restrained and dignified personality than *Outlook* without sacrificing reader interest.

The Statesman is tabloid-size; issues ordinarily consist of eight pages (although the winter issue contains as many as 28 pages since it includes the honor roll of donors to the university during the previous calendar year). The development newspaper is printed on newspaper stock since offset paper was considered too expensive. Its circulation consists of all alumni whose address records are available to the university, parents of students currently enrolled in the college, friends of the institution, and faculty and staff of the university, and development officers at other colleges and universities. Printing is by webb offset.[1]

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[1] *Ibid*.

The Statesman has been assigned the responsibility of helping establish a climate for giving to the university. Its content includes articles which:

1. establish the university's need for private donations,

2. document the importance of past gifts to the institution,

3. define ways in which contributions can be channeled to the university,

4. recognize individual donors and donations,

5. acknowledge the efforts of fund-raising leaders and volunteer workers, and

6. publicize fund-raising activities and campaigns.[1]

Sanders describes the newspaper's function as follows:

> It is a cardinal principle among fund-raisers that people contribute to causes which they believe to be worthy of their support. The cause of higher education has a number of unique characteristics which must be explained to prospective contributors. As a way of validating the case for giving to Utah State University, *The Statesman* has as its prime purpose the publication of articles which set forth the reasons why Utah State should be supported. Stories relate the background and development of the institution's aims and purposes, the present usefulness of its alumni, the value of its programs to society, its aspirations for the future, and the honesty and adequacy of its development goals. Hopefully such articles provide the newspaper's readers with a broad foundation of information about the university upon which individual solicitations can later be based.
>
> It has also been established that people will give more generously if they believe their gift will be spent wisely. To promote confidence in the university's ability to effectively and

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[1] *Ibid.*

efficiently utilize the contributions it receives, The Statesman carries articles illustrating how past gifts have been employed in the university's behalf. Articles demonstrating the importance of private gifts to the programs of the university are appropriate, as are stories which show how students have collectively or individually benefited from the gifts.

Colleges and universities have learned that often contributions will be increased if it can be shown that the donors can also benefit from their gifts. The Statesman carries a series of articles dealing with the financial gain which can accrue to individuals and their families by means of a charitable gift to the university in the form of a trust. The articles document how the federal government is encouraging giving to higher education by allowing individuals special income and estate tax deductions for gifts in trust. Present plans for the newspaper provide for at least one page in each issue which outlines the benefits of deferred giving by means of trusts, bequests, life income contracts, pooled income funds, and other similar programs.

Perhaps no aspect of fund-raising is more important than maintaining good relations with those who make gifts to the institution. Providing proper recognition to people who have donated not only encourages them to make additional gifts, it inspires others to also make contributions. By reporting gifts and acknowledging who gave them, The Statesman assists in keeping the donors' goodwill.

One special feature of each issue of the newspaper is the selection of a "Statesman," one of the university's major philanthropists, whose portrait is carried on the newspaper's cover and who is profiled with a two-page interior spread. The newspaper is also being used to carry the list of donors to the annual fund.

The encouragement of volunteer workers to assist in raising financial support for the institution is another of the important tasks of The Statesman. The newspaper performs this assignment by giving proper recognition to those who have volunteered their time and effort in the university's behalf. It spotlights several of these volunteer workers in each issue and notes how their work contributes

> to the growth of the university. In so doing, The Statesman would be cultivating others to offer their services as non-paid development workers.[1]

Beyond the foregoing, the Utah State University newspaper carries news of fund-raising activities of the university such as planned telefunds, estate planning seminars, special appeals, fund-raising dinners and other events, progress reports, and similar topics. It also serves to announce appointments to the Utah State University Development Office staff and to the Board of Directors of the USU Development Fund.

The three institutions in Utah State University's survey of development newspapers supplying copies of fund-raising newspapers which had been discontinued indicated they regarded the concept to be valid, but had been forced to discontinue the newspapers because of budget cuts, the nonavailability of staff to follow through on the project, or the emergence of a competing campus newspaper which lessened the development paper's impact.[2]

The development offices of the other six universities involved in this study utilize the campus alumni newspaper or magazine to carry development news. For

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[1] Ibid.

[2] Utah State University Development Fund, "A Study of the Fund-Raising Newspaper for Institutions of Higher Education," p. 13.

example, the University Report of the University of North Carolina at Chapel Hill, published by the university's general Alumni Association, reports the total university scene. The paper compartmentalizes its news articles, with sections on alumni, athletics, student affairs, university governance, and the like. The paper is sent to 91,000 people, including alumni, parents of students currently enrolled at Chapel Hill, and friends of the institution. Fund-raising is reported in each issue and once a year the University Report devotes a special section to the annual giving campaign, including the honor roll of giving listings.

The University of Michigan uses the title Michigan Today for its quarterly publication mailed to graduates of and donors to the University of Michigan. Now in its seventh year, the newspaper is published by the Office of University Relations and Development.

Michigan Today is a successor to a publication called The Vital Margin which originated during the university's most recent capital campaign. The paper still retains a column with "The Vital Margin" name in which information directly related to fund-raising is concentrated. The bulk of the tabloid, however, is devoted to news of the university in condensed form. Michigan Today is printed in blue-on-white off-set paper, has four columns per page, and makes abundant use of photographs.

The Michigan development office also uses the Michigan Alumnus, the university's alumni association magazine, to carry its message to its alumni constituency. The May 1971 issue of the magazine, for example, carried an article entitled "The Paul and Fred Show" which related successful recruitment to the University of Michigan President's Club of more than 1,000 donors of $10,000 or more.

The Wisconsin Alumnus, a magazine published 10 times a year by the Wisconsin Alumni Association, frequently carries articles of a development nature similar to one that appeared in the May 1972 issue which was an appeal for contributions to maintain the university's arboretum.

The development newsletter is an alternative format to the campus newspaper or magazine. Several such newsletters are published by the development offices for selective audiences. The University of Wisconsin Foundation directs a newsletter to the members of its major donor club, as do the University of Michigan and Utah State University. The Wisconsin newsletter, printed on glossy paper and using a two-color run, welcomes new members, announces club activities, describes recent gifts to the foundation, and provides campus news features.

But while the development newspaper, magazine, and newsletters receive increased emphasis by fund-raising officials, the brochure remains as the cornerstone of the development publications. Attractively designed and printed, it is prepared in a variety of sizes and shapes. It is used as the primary mailing piece of the annual fund campaign, as a means of exhorting new members of the donor clubs, as a way to recognize a significant gift, as an announcement of a special fund-raising drive, and in a miscellany of other ways.

Some descriptions of sample brochures:

Indiana University Foundation: A four-page three-color annual giving brochure featured a bottle upside down on its cover, seemingly empty. The bottle was labeled: "Ye Olde Fable." The cover caption told of a triumphal feast that had been scheduled in a village. To insure a merry celebration, each villager had agreed to pour one bottle of his best wine into a great cache. "If I filled my bottle with water," reasoned one, "the dilution will be so slight, who will notice?" The feast began--the cask was tapped--and only water poured forth. Everyone in the village had figured alike: their bit would not be missed. Inside the brochure an analogy was made to giving to the Indiana University Foundation where "every little bit helps."

The University of Wisconsin Foundation produced a magazine-sized booklet as a guide to current and deferred giving. The brochure used different paper stocks and contained counsel in the many forms that gifts to the University of Wisconsin Foundation can take.

Another attractive brochure served as an invitation to membership in the President's Club of the University of Wisconsin. The white cover of the brochure carried a gold embossed emblem of the club and its interior used typefaces printed in red and black. The content described the club, related its purposes, and told of the conditions for membership. One of the final pages had dye-cut slits into which an envelope had been inserted with a formal invitation to become a member enclosed.

The University of Michigan produced an annual giving brochure with the word "why" as the sole feature of the cover. Inside the brochure explained why there was an annual fund and why the alumni should give to it.

Another University of Michigan booklet was issued in behalf of the institution's Hundred Club. The cover contained the number "100" which had been repeated as a background design. Inside the brochure were a brief description of the club, its membership requirements, and an appeal for the recipient of the mailing piece to join.

The University of Colorado Foundation sent out a humorous booklet in an envelope which depicted a harried man and the caption, "Okay. You Win!" The booklet picked up the same man and engaged him in a conversation with a foundation official in a series of cartoon frames. As the official described the university's needs in an increasingly vigorous way, the man became more and more agitated until finally, in the last frame, he was lying on the floor writing out a check while the development official stood triumphantly with one foot on the man's back.

Another of Colorado's brochures was letter-size and discussed the meaning of the Tax Reform Act of 1969 to potential donors to the Colorado Foundation. The booklet's message was that by planned giving, tax rewards can be enhanced.

An elaborate Utah State University Development Fund booklet served as an invitation to the school's Old Main Society. The 8½ by 11 inch brochure folded out three times. The first fold-out revealed a smaller booklet which described the society; the second fold-out displayed an envelope which held four other brochures bound in a red ribbon--each of these brochures told of one area of the university which benefited from private gifts; the final fold-out exhibited a drawing of the university's Old Main building. An interior return envelope and membership application were also contained in the booklet.

The development publications vary in cost according to their intended audiences. For example, brochures aimed at attracting members to the prestigious donor societies can cost a dollar each. They are beautifully printed and designed to convey an image of exclusiveness and wealth. On the other side are newsletters and newspapers directed to a mass audience, which are inexpensively produced on newspaper stock at prices which approach a few pennies each. The expensive brochures are used to attract gifts of $10,000 or more, while the newspapers and newsletters are utilized to solicit small gifts of five dollars and up.

Communicating with the various university constituencies requires the development officers to employ different kinds of publications, each carefully considered for its impact and appropriateness.

The Case for the Public University

Private colleges and universities can legitimately demonstrate that their continued survival as institutions of higher learning depends in no small part on voluntary support. But the public university, which receives an annual appropriation from the state treasury, can make no such statement. All of the public institutions would no doubt be able to continue if they received no private contributions at all. Undeniably, therefore, the public university must prepare a different case for giving than its private counterpart.

Why, indeed, must public colleges and universities, which receive income from tax funds, seek additional revenue from private sectors? Why aren't student fees and tax funds sufficient?

Van Almen answers the question by pointing out how the University of Michigan has benefited from private gifts over the years to the point where today more than 40 percent of all the campus buildings were provided with private gifts:

> No university has enough money to build the kind of institution it wants to be. Legislative funds are not enough, and neither are student fees, and federal grants. It is the private money that means the distinction between a program that is merely good and one that is truly excellent.[1]

The National Association of State Universities and Land-Grant Colleges, which represents the eight universities of this study, authorized a committee to prepare a statement which would call attention to the importance of voluntary support of the nation's public colleges and universities.[2] The statement, issued in 1966, is considered by several of the development directors of the universities studied to be a good presentation of the case for giving to a public institution.

The statement argues that tax funds generally can support the basic needs of public higher education, but the ingredients for academic excellence include private support:

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[1]Richard E. Van Almen, interview, Ann Arbor, Michigan, December 8, 1971. Mr. Van Almen is Manager, Michigan Annual Giving Fund.

[2]Office of Institutional Research, Margin for Excellence (Washington, D.C.: National Association of State Universities and Land-Grant Colleges, October 1966), p. 2.

> Tax revenues can be used to build and maintain most classrooms, libraries, and laboratories. They can provide average salaries for staff members. But then there are all the enriching features of a sound educational program, that mean the difference between good and great universities; new and challenging courses of study, cultural programs, museum and library collections, continuing research, unusual equipment, student aid, competitive faculty salaries, special buildings. These represent the "margin for excellence," which depends chiefly on private support.[1]

A revised statement, issued by the association in 1969, added the argument that tax funds, which must be budgeted far in advance, often fail to provide for unforeseen opportunities:

> Private funds, especially unrestricted gift dollars, have enabled public universities to take advantage of unexpected chances to acquire a rare book collection, to recruit a suddenly available expert, or to qualify for a matching grant.[2]

Robben W. Fleming, President of the University of Michigan since 1968, views private support as a means of instilling pliability in an educational program:

> Public institutions often find themselves pinched by the rigidities of an appropriated budget at the very time when a relatively small investment of "flexible" funds might be of great significance. Spectacular examples of this are usually found in the "hard" sciences, but the problem is universal. In recent years, the availability of federal funds has often been

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[1] Ibid.

[2] Office of Institutional Research, Margin for Excellence and Opportunity (Washington, D.C.: National Association of State Universities and Land-Grant Colleges, August 1969), p. 2.

> contingent on pilot project experience or capability for supplying matching amounts in order to attract a project. In either case, the institution which can seed a new program with flexible funds has a great advantage.[1]

Both the 1966 and 1969 statements stress that by contributing to public higher education, a donor is actually investing in the progress of the entire nation since he is supporting the development of manpower and knowledge that provides the basis for society's continued social and economic advancement.[2] The 1969 revision cites six ways in which a public university assists in the nation's advancement: (1) extending opportunity, (2) training manpower, (3) producing leaders, (4) promoting research, (5) sharing know-how, and (5) experimenting with innovation.[3]

As to the first way, extending opportunity, the statement claims that four-year public colleges and universities enroll more than half of all students in higher education, and if public two-year colleges are included, the total reaches nearly three-fourths of all students:

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[1] Ibid.

[2] Office of Institutional Research, Margin for Excellence, p. 2; and Margin for Excellence and Opportunity, p. 2.

[3] Office of Institutional Research, Margin for Excellence and Opportunity, pp. 2-5.

> From their earliest days, public colleges and universities have placed high priority on making education available to all who could benefit from it. Moderate tuition and relatively liberal admission policies have enabled public institutions to keep the doors of higher education open.
>
> Recent efforts to increase minority group enrollment are in the public college tradition of extending higher education to all qualified young people. . . .[1]

The second way a public educational institution contributes to the nation's progress, by training manpower, can be demonstrated, the statement contends, by the performance of the graduates in rendering service to their communities:

> The alumni of public institutions are the backbone of our society. They are teachers, civil servants, doctors, lawyers, businessmen, engineers, and scientists.
>
> Within industry in particular, public university graduates represent an enormous manpower resource.[2]

The statement asserts that the third offering of public institution of higher learning, producing leaders, can be shown in the fact that the four-year public colleges and universities number among their graduates:

1. More than half of all living American Nobel Prize laureates,

2. Nearly half of the members of the National Academy of Sciences,

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[1] *Ibid.*, p. 2.

[2] *Ibid.*

3. A majority of the nation's governors, senators, and congressmen,

4. Presidents or chairmen of more than half of the nation's 500 largest corporations,

5. More than forty percent of civilian federal executives, and

6. Many outstanding labor leaders.[1]

In addition, the statement maintains, "uncounted alumni with advanced degrees are making significant contributions at the frontiers of their fields."[2] The public universities award more than half of the nation's Ph.D.'s in agriculture, biological sciences, business and commerce, education, engineering, fine and applied arts, forestry, geography, home economics, mathematics and statistics, physical sciences, and psychology.[3]

In spending $1.6 billion annually in research, the fourth means by which the statement asserted a public university aids in the advancement of society, institution laboratories have achieved such wide-ranging progress as:

1. Key contributions to the nation's space and oceanography programs,

2. The "wonder drug" streptomycin,

3. The isolation of helium,

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[1] Ibid., pp. 3-5.

[2] Ibid., p. 5.

[3] Ibid., p. 3.

4. The first development of hybrid corn,
5. The isolation of the first enzyme,
6. The television tube,
7. The teaching machine,
8. The first modern photoelectric cell,
9. Deciphering the genetic code, and
10. Anti-coagulants.[1]

In addition to teaching and research, the public university is also committed to service and in placing their faculties and staffs at the disposal of individuals, corporations, and government agencies, the statement claims public institutions of higher learning perform the fifth of their contributions to the advancement of society:

> Public colleges and universities are eager to make their specialized knowledge and resources available. . . . Their experts tackle problems ranging from ghetto race relations to overseas crop improvements. They willingly share new ideas and technical know-how.
>
> Some 350 four-year public colleges and universities employ about 300,000 faculty and other professional staff members. Among them are . . . forty percent of all former Woodrow Wilson fellows teaching in the United States. These professors and their colleagues are making outstanding teaching and research contributions, both on and off campus, in a variety of fields. They are contributing to man's understanding of himself and his environment.[2]

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[1] Ibid., p. 5.

[2] Ibid.

In the sixth way the statement claims a public educational institution helps advance society--by experimenting with innovation--the public universities deal with the vexing educational questions of the day:

> They are experimenting with new methods of instruction and organization. Many of the pioneering "colleges within a college," for example, are located at state universities.
>
> Public colleges and universities also are seeking ways to provide meaningful involvement for students and faculty in university policy-making.[1]

In sum, the statement contends, public higher education is quality education; over the years, with adequate support, public universities have been making invaluable contributions to the United States. "However, increased support is needed if they are to maintain their momentum and to further develop their margin of excellence and opportunity."[2]

Using the reservoir of goodwill which generally exists between the public universities and the public-at-large as a base for their fund-raising campaigns, the development officers of the eight universities of this study have attempted to also capitalize on the special characteristics of their institutions which they believe enhance the giving climate among their constituencies.

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[1] Ibid.

[2] Ibid., pp. 5-6.

At Texas A & M it is the tradition of the corps, the strengths of the university in the hard sciences and engineering, the conservative character of the student body, and the well-known loyalty of its alumni.[1]

At Utah State it is the school's land-grant traditions, its residential character, and rural flavor, its vigor in the natural resources, the sciences and engineering.[2]

At North Carolina it is the leadership the institution has had in liberal education in the South, the pride and influence of its alumni, and the traditions allied with being the oldest state-supported university in the United States.[3]

At Michigan it is its reputation as a great center of learning, as an innovator in education, and the long-tradition of its alumni in giving to the school's support.[4]

At Indiana it is the university's strong administration, beautiful campus, conservative student body, and academic record of growth and excellence in many areas.[5]

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[1]Walker, questionnaire.

[2]Steinitz, interview.

[3]Shaffer, questionnaire.

[4]Van Almen, questionnaire.

[5]Whitacre, questionnaire

At Wisconsin it is the long and distinguished record of alumni participation and support, and their appreciation of the university's high stature in many areas.[1]

At Colorado it is its recent growth, its reputation as the foremost of Colorado's colleges and universities, and the strength of its academic departments.[2]

At Kansas it is the long-tradition of private support to the institution and knowledge of what that support has accomplished.[3]

Utah State University's President, Dr. Glen L. Taggart, has asserted that the goodwill which surrounds a university must be won on merit and that no amount of public relations alone will attract gifts. Public support will go to those institutions which have insisted on excellence of performance at every level of activity. In the long run the case for the public university will be built by its record and by the public's evaluation of how well it achieved its mission:

> It is important to any institution to enjoy a good character. Just as a man is hindered by a bad reputation, a university which does not have the confidence and respect of its patrons is not going to move forward very rapidly. Goodwill and

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[1] Rennebohm, questionnaire.

[2] Roberts, interview.

[3] Todd Seymour, questionnaire.

public prestige are assets hard to come by, and the wise university will treasure and nurture them. As Woodrow Wilson once observed: "The reputation of a university is not a matter of report. It is a matter of fact."

That there has been a major shift in the public's support for higher education must be apparent to all who are associated with colleges and universities. The public's disenchantment with its educational institutions--a disenchantment stemming largely from the campus conflicts of recent years--has served to erode the people's enthusiasm for the ever-escalating costs of higher education. It is a trend which must be of concern to us, not because we are necessarily at fault, but because it endangers the quality of the education offered by the nation's colleges and universities and because it imperils the future of the nation as a whole.

It is not necessary for me to itemize the many contributions the universities make to society. Where else in the world could you find a system of higher learning more responsive to the needs of the people than here in America? In the years since the end of the Second World War, the nation's universities have been bravely trying to cope with ever larger numbers of students while at the same time pursuing a commitment to quality that has led to a new dimension in educational maturity.

Some might look on higher education's remarkable record of achievements in recent years as merely another manifestation of the "old college try," but it has been much more than that. There has never been a time when the colleges and universities have been subjected to greater demands than those they have experienced in the past decade.

I am convinced that one of the serious problems confronting us today is the public's lack of awareness of what constitutes a university and how vital such an institution is to the well-being of society. After all, a university is one of man's greatest creations and its advancement is--or should be--of preeminent importance to all who value the human intellect. History has clearly shown that when universities have failed in their missions, man has experienced his darkest hours. With a university there are no constraints to the lofty desire and accomplishments of the mind, but without a university man is condemned to his own bewilderment, prejudice, and apprehensions.

> The distinguished scholar Carl Frederick Wittke put it this way: A university is a place committed to "preserving the values and loyalties of civilized living." Wittke believed that the spirit and aims of a democracy have so much in common with the spirit and aims of a university that one is essential to the other. In requiring superior moral discipline as well as great intelligence, a university fulfills its obligations to society. By producing citizens sufficiently introduced to the fields of knowledge and human experience that they are equipped with the understanding indispensable to sane and sound progress, a university fulfills its obligations to a democracy.
>
> This is the message we must convey to all with whom we come in contact. And in this task the alumni, the faculty, and the administration are one. For if higher education is to again win--no, earn--the public's respect, if it is to win the voluntary support it needs, it will take all of us working together, seizing every opportunity to explain that when the universities are allowed to languish because they have been deprived of needed support, it is society itself which pays the ultimate penalty.[1]

Summary

Part 2 presented the findings obtained from the questionnaire and the personal interviews as they related to the identification and cultivation of university constituencies. The concluding chapter, Chapter V, examines the results and findings of the questionnaire and the interviews in general enabling presentation of conclusions and recommendations of this study.

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[1]Opinion expressed by Glen L. Taggart in untitled address at Utah State University, Logan, Utah, March 17, 1972.

PART 3

ANNUAL GIVING CAMPAIGNS

Introduction

> Annual giving is the custom of making a gift-a-year to an institution in which one has faith. It is a friendly, altogether happy custom . . . a perennial reunion in spirit . . . a pooling of hope and good wishes by those who wish the institution well.
>
> --The University of Pennsylvania[1]

Twenty years before Yale established the first annual giving program in America (1890), the idea of the alumni fund was born in the mind of a man who later was to become a Yale professor. William Graham Sumner foresaw how the financial needs of a college or university might be alleviated, in part at least, by a fund drive among the college alumni that would be repeated at regular intervals. Writing in 1870, he stated:

> In the first place, when we get tired of waiting for the rich man's thousands, we can begin to take the poor man's dollars. We have examples enough before us of success in business which has been won by seeing that there was more money to be

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[1]Quoted by William E. Sheppard, Annual Giving Idea Book (Plymouth Meeting, Penn.: The Fund Raising Institute, 1972), p. 6.

> made out of the pennies of the million than out of the dollars of the upper ten thousand. No graduate of the college has ever paid in full what it cost the college to educate him. A part of the expense was borne by the funds given by former benefactors of the institution. A great many can never pay the debt. A very few can, in their turn, become munificent benefactors. There is a very large number, however, between these two, who can, and would cheerfully, give according to their ability in order that the college might hold the same relative position to future generations which it held to their own. The sense of gratitude, the sense of responsibility, the enlightened interest in the cause of education, which are felt by these men, constitute a source which has never yet been tried, but which would yield richly. . . . A popular effort which should seize upon the indebtedness of these men to the institution and their interest in it, and make it yield money, would be a step in the right direction. If every graduate who could afford it should give the college ten dollars, and others should give more in proportion, we should enter upon a plan whose financial soundness is unquestionable. We should be applying principles which are thoroughly in sympathy with the ideas of this popular and democratic age, and we should reach results which we can never attain by waiting for the tardy generosity of a few men of extraordinary wealth.[1]

Sumner's perception of the possibilities of an annual drive has long since been borne out as across the nation college after college followed Yale in the practice of a yearly solicitation of alumni for donations to their alma maters. Indeed, many colleges and universities today regard the annual giving fund as a "living endowment" and

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[1]Harris E. Starr, William Graham Sumner (New York: Henry Holt and Company, 1925), pp. 87-88.

the income derived from it has become an important part of the institutional budgets.

In 1972-1973, 2,154,174 college alumni donated a total of $147,115,870 to their institutions through annual funds.[1] The eight institutions of this study received $10,639,248 in the same year from 136,523 alumni.[2] A breakdown of the annual giving support of the study's participating universities is found in Table 17.

The annual giving campaign has traveled a long way since Yale raised $11,000 in its 1890 drive.[3] It has become highly sophisticated and over the years, as the program gathered force, it has encompassed a variety of forms and techniques. As practiced by the eight universities of this study, it includes not one mailing a year but as many as 23. It embraces requests for donations delivered in person or over the telephone. And it is no longer confined merely to the alumni. Parents, faculty, friends of the institutions, and even the current students are solicited, as Part 2 has shown. Table 18 indicates some of the constituencies involved in the annual giving programs of this study.

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[1]Council for Financial Aid to Education, p. 63.

[2]Ibid., pp. 36-43.

[3]Curti and Nash, pp. 201-202.

Table 17. Annual giving support of participating universities, 1972-1973

Institution and Enrollment	Support Through the Annual Fund					Non-Alumni Parent Support		Corporation Matching Gifts	
	Total No. of Alumni of Record (number solicited)	No. of Alumnus Donors to the Annual Fund	Dollar Value Alumni Gifts to the Annual Fund (dollars)	Dollar Value Non-Alumni Parents Gifts to the Annual Fund (dollars)	Dollar Value Total Gifts to the Annual Fund (dollars)	No. of Non-Alumni Parents Donors for All Purposes	Amount of Contributions by Non-Alumni Parents for All Purposes (dollars)	Amount of Corporate Support from Corporation Matching Gift Programs (dollars)	Total Number of Gifts Matched
University of Colorado 20,500	90,000 (68,000)	9,921	331,660	NA	1,572,763	NA	NA	NA	NA
Indiana University 68,869	135,979 (124,409)	18,876	1,950,098	0	2,600,131	0	0	39,157	370
University of Kansas 20,075	73,537 (72,000)	16,283	561,000	NA	650,000	NA	NA	31,225	265
University of Michigan 41,178	286,305 (179,867)	38,705	4,090,354	0	4,090,354	0	NA	NA	NA
University of North Carolina at Chapel Hill	81,927 (53,313)	10,083	319,428	0	319,883	0	0	21,576	450
Texas A & M University 21,493	58,000 (53,083)	21,867	1,915,895	5,324	1,921,219	425	5,324	45,060	1,050
Utah State University 8,870	40,000 (30,000)	3,784	86,050	3,250	95,000	300	3,250	600	NA
University of Wisconsin 71,688	156,943 (124,000)	17,004	1,384,763	0	2,140,740	NA	NA	15,566	NA

Source: Council for Financial Aid to Education, pp. 36-45.

Table 18. Annual giving solicitation programs

Institution	Alumni	Parents of Students Currently in College	Parents of Former Students	Friends	Recent Graduates	Business Corporations	Foundations	Others
University of Colorado	x	x		x	x	x		
Indiana University	x			x	x	x		
University of Kansas	x	†	†	x	x	x	x	Local Towns-people
University of Michigan	x				x			
University of North Carolina of Chapel Hill	x				x			
Texas A & M University	x	x	x	x	x	x	x	
Utah State University	x	x		x	x			
University of Wisconsin	x			x	x	x	x	Special Groups

†On a limited basis.

So large have the annual giving drives become, and so complicated and complex their mechanisms of soliciting and receiving gifts, that most of the programs are now computerized. Running the campaigns has become a year-round business for development officers, who view the annual fund as the foundation upon which all of their other fund-raising efforts rest.

Part 3 of this chapter describes the annual giving programs as sponsored by the various development offices. It discusses campaign dynamics; the recruiting of volunteer workers; the establishment of monetary goals; solicitations by direct mail, telephone, and personal visits; the organization of class agents; town and county solicitations; college and school campaigns; class reunions; athletic funds; memorial programs; gift acknowledgments; and records keeping. Part 3 concludes with a brief summary.

Campaign Dynamics

The annual fund drive involves a substantial investment of time and money by each of the development offices. Annual giving in 1972-1973 accounted for only approximately 18 percent of the grant total of gifts received by the eight universities that year.[1] It is probably the most expensive of the various fund-raising

[1]Council for Financial Aid to Education, pp. 36-44.

programs which the development offices sponsor, and it requires substantial effort on the part of its managers and the corps of volunteers who run the program each year. Despite these facts, development officers regard the annual fund as the underpinning for all of the other programs they sponsor, a substructure upon which the other programs are built.

The annual fund requires careful planning and execution with the quality of its leadership an important determinant of the drive's success or failure. For that reason, the eight development offices employ one or more people who work year-round in planning campaign dynamics, soliciting volunteer workers, and managing the drive as it unfolds.

The roles of the professional managers vary, but generally their responsibilities include:

1. Selecting annual fund theme and preparation of case for giving,
2. Identifying constituencies to whom the drive will be directed,
3. Compiling giving records and determination of goals and quotas,
4. Recruiting national fund-raising chairman and/or annual fund committee,
5. Recruiting volunteer workers, class or college agents, etc.,
6. Determining the campaign timetable,
7. Preparing printed brochures and letters,

8. Preparing manual of instructions for volunteer workers,

9. Insuring adequate publicity for the campaign,

10. Planning and implementing the campaign kick-off,

11. Supervising mailing of letters and brochures,

12. Checking on volunteer workers and solicitation of periodic reports,

13. Organizing the telephone solicitation campaign,

14. Supervising the receipt of gifts and their acknowledgment,

15. Publishing of annual report of donors.

The annual fund managers might elect to conduct their campaign through an annual giving committee with a national chairman, as they do at the Indiana University Foundation and the University of North Carolina, and as they have done at the Utah State University Development Fund. Or the manager might carry the leadership role himself, as is now the case at Utah State University.

The volunteer chairman can be an effective recruiter of other volunteer workers and if his name is generally recognized by the constituencies he can lend the campaign added prestige. Utah State, for example, used professional football player Merlin Olsen as the national chairman for its 1968-1969 drive and noted an increase in both the number of volunteers willing to work in the campaign's behalf and in the amount of contributions received.[1]

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[1]Lambert, interview.

The duration of the annual fund drive can be a full year as it is at Texas A & M University (January 1 to December 31),[1] Utah State University (October 1 through September 30),[2] Kansas University (May 1 through April 30),[3] the University of Michigan (January 1 through December 31),[4] and at Indiana University.[5] Or it may be confined to four months at the end of the year, as practiced at the University of Colorado (September 1 through December 31).[6] The University of Wisconsin has a year-round program with an emphasis in the spring and again in the fall through to the year's end.[7] North Carolina University begins its campaign in November with an advance gifts solicitation in some 60 towns and cities in North Carolina, followed by a class letter in February and a follow-up in May.[8]

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[1]Walker, questionnaire.

[2]Lambert, questionnaire.

[3]Todd Seymour, questionnaire.

[4]Van Almen, questionnaire.

[5]Whitacre, questionnaire

[6]Roberts, questionnaire.

[7]Rennebohm, questionnaire.

[8]W. Thomas Bost, questionnaire, May 15, 1972. Mr. Bost is Director of Annual Giving at the University of North Carolina at Chapel Hill.

The annual fund may be conducted through the auspices of the alumni association, as it is at Texas A & M University,[1] or in cooperation with the alumni association as at the University of North Carolina[2] and Indiana University,[3] or completely separate from the alumni associations as is the case at the remaining five universities.

All of the annual funds of this study maintain their headquarters on campus, although the Kansas University Endowment Association coordinates some activities associated with its Medical Center from offices at the Kansas City campus.[4]

Volunteer Workers

The identification, recruitment, and instruction of fund-raising volunteers is perhaps the most important of the duties of the annual fund director. More than 3,200 volunteers participated in the 1971-1972 annual giving campaigns of the eight universities studied, primarily alumni of the institutions, although faculty, students and friends of the universities participated as well.

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[1]Walker, questionnaire.

[2]Bost, questionnaire.

[3]Whitacre, questionnaire.

[4]Todd Seymour, questionnaire.

The identification of potential fund-raising volunteers is a matter of establishing criteria and then trying to determine the names of people who qualify. Bost uses four standards for selecting his volunteers:

1. Their past record of giving to the university,
2. Their record of extracurricular activities while they were undergraduates,
3. Their attendance record at class reunions, and
4. Their record of support of the university in other than financial areas.[1]

In its initial stages, the recruitment of volunteer workers for the North Carolina Alumni Annual Giving program was difficult and Bost admits the selection of the volunteers was largely a matter of "guess work:"

> We were influenced to a great extent by their attendance at class reunions over the years and by their interest in attending alumni meetings in their home towns or cities. We had nothing to go by in the past in their record of financial support to this institution in view of the fact this was a brand new program. Most of [our] early selections were the permanent class officers of the classes. In some instances we got excellent performances from these people. In others we weren't so fortunate. . . .
>
> During the past ten years the selection of volunteers has proven far less difficult. We have their record of annual support as one yard-stick. We also have their record of increases or decreases in number of contributors and total amount of money in their respective classes as another means of selection. If a volunteer worker doesn't produce an increase over the giving totals of his predecessor, we replace him the following

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[1]Bost, questionnaire.

> year. That is why we ask them to serve for a year only. Then if he performs satisfactorily, we ask him to serve again.[1]

Texas A & M draws most of its volunteer workers from the memberships of its alumni association city clubs, where much of the annual giving campaign work is done. The officers of the city clubs include a vice-president for fund-raising who also serves as the club's secretary-treasurer. The club's fund-raising vice-president functions as chairman of the local annual fund campaign.[2]

Van Almen states that the University of Michigan Development Office identifies potential fund-raising volunteers through conferences with the alumni association staff and screening meetings with deans and faculty members as well as local area alumni leaders. Among the criteria used to recruit the volunteer workers are their interest in the university, their past giving record, and their availability of time.[3]

The Kansas University Endowment Association recruits volunteers through its annual giving advisory committee and from the recommendations of local chairmen. Association

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[1]W. Thomas Bost, letter, July 26, 1972.

[2]Walker, interview.

[3]Richard E. Van Almen, questionnaire, April 27, 1972.

staff members and the advisory board also furnish the names of potential volunteer workers.[1]

Nearly all (seven of the eight) of the development officers attempt to train their volunteer workers by means of training sessions. In some instances, the workers attend on-campus workshops where the details of the campaigns are provided and instructions issued on how to report gifts.

Seven of the annual giving directors have also developed manuals which they provide to their volunteers. The manuals describe the campaign, provide a list of the volunteer's duties and answer many of the questions which volunteers are often asked. Some sample questions answered in the manual prepared by the Utah State University Development Fund:

1. Why is it so important to have a large number of alumni contributors?
2. Do men and women who did not graduate contribute?
3. How much should I give?
4. Are small contributions important?
5. Is this a one-time gift?
6. Can a person designate a purpose for his annual giving contributions?
7. How should checks be made payable?
8. Can securities be given as contributions?[2]

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[1]Todd Seymour, questionnaire.

[2]Utah State University Development Fund, Volunteer's Manual (Logan, Utah: Utah State University Development Fund, 1972), pp. 3-5.

Several of the annual giving directors establish quotas for their workers and believe the quotas to be a useful mechanism. Most have not, however, and feel they can be detrimental in that they can frighten off volunteers.

Holding kick-off meetings for volunteer workers is a technique used by five of the eight universities. The University of North Carolina sponsors three kick-off meetings for its head volunteers in key localities in North Carolina.[1] The kick-off for the Texas A & M annual campaign is held in conjunction with the fall board meeting of the alumni association and will consist of talks by members of the annual giving staff, the alumni association's vice president for fund-raising, and, occasionally, one of the successful chairmen from the previous campaign.[2]

Setting Monetary Goals

Public universities, unlike their private counterparts, do not have to rely on voluntary contributions to meet the annual operating budget. Gift monies are usually considered as enrichment dollars, added income which enhances an already-existing program or provides a new program which the operating budget could not have financed. Because of this, the setting of monetary goals in an annual

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[1]W. Thomas Bost, interview, Chapel Hill, North Carolina, May 26, 1972.

[2]Walker, interview.

giving program is largely based on the total amount of gifts recorded in the previous year plus a satisfactory increase. As shown in Part 1, this steady upward movement in the total giving levels is a hallmark of the development programs of this study.

Beyond the total amount of giving, other goals might also be set. One of these is to attempt to increase the numbers of people contributing to the fund, and another is to increase the average amount of the gifts. As to the latter, the average size of the gifts of the eight development funds in 1971-1972 was $58.53 with a range from $24.00 to $118.00.

Increasing the number of contributors depends on expanding the existing program, but increasing the average size of the gift involves an appeal for larger donations. The Utah State University Development Fund, for example, sends out letters which ask their contributors for increased donations. Those who gave $25.00 in the previous year's campaign receive a letter requesting that the contribution be increased to $30 (see Exhibit 1). Those who gave $50 are reminded that with an additional $50 they would qualify for membership in the university's President's Club.[1]

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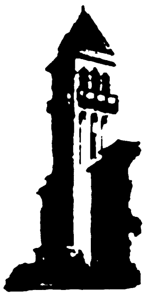
[1]Lambert, interview.



Utah State University Development Center

LOGAN, UTAH · 84322

JOHN W. STEINITZ
Senior Director

DAVID T. LAMBERT
Annual Giving

S. JACK LOUGHTON
Corporate and Foundation Giving

ROSELENA R. SANDERS
Development Relations

DOUGLAS G. SMITH
Communications

October 29, 1974

One of the most important things you did last year will be even more important this year!

You might be interested to know that because of your donation and other similar gifts the University was able to give financial assistance for scholarships, grants, fellowships and other important programs that would have otherwise been cut. Your gift was most gratefully received and appreciated.

This year's Annual Giving Campaign began on October 1, 1974 and will end September 30, 1975. I hope that you plan to participate in this year's campaign, and I would like to personally invite you to be among the first contributors.

Each year your kind of support becomes increasingly important as the gap between appropriated funds and worthy needs widens. This year we are asking you to help us close the gap a little by considering an increase in your donation or pledge. Please be assured that whatever amount you are comfortable in contributing is needed and will be judiciously used. Please participate at your earliest convenience.

Yours for the betterment of Utah State University.

Very sincerely,

David T. Lambert

David T. Lambert
Director of Annual Giving

DTL:vg

Enclosures

Exhibit 1. Utah State University Development Fund: Solicitation Mailing

A number of the universities have prepared special mailings for their $100-level giving clubs, the purpose of which is to increase the giving levels of those who are already donating to the annual fund. (Exhibit 2 is a sample letter from the University of Michigan inviting membership in its Hundred Club.)

The University of Colorado Foundation establishes monetary goals for each of its classes. By analyzing past giving records, the CU Foundation each year sets class quotas, based on the amount contributed previously as well as percentage of donors to classmates. In this way, each class has a standard to achieve--a tangible goal toward which the volunteer chairman can realistically work. The quotas are established annually so that an accurate reflection of donor potential is always maintained.[1]

Direct Mail Solicitations

Because of the sizes of the total constituencies of the eight universities, personal contact with every possible contributor is considered a task of almost impossible proportions. Therefore mail appeals are used, the least expensive way to reach the largest number of prospects.

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[1]Colorado University Foundation, The Personal Approach (Boulder, Colo.: Colorado University Foundation, n.d.), p. 7.

The University of Michigan

The Hundred Club

462 Michigan Union. Ann Arbor 48104

September, 1971

Will you join with me
in doing something special this fall
for The University of Michigan?

As National Chairman of the Michigan Annual-Giving Fund, I am writing to you and others who may be in a position to join The Hundred Club for 1971.

You probably know this is an informal organization of Michigan men and women who want to keep the University on top, academically. To help do this, we need the added support of new members who will contribute $100 or more during a year either through the Annual Giving Fund or one of the school, college or special funds.

Your gift at this level will help greatly to sustain an outstanding educational program. Additionally, your expression of voluntary support combines with all Hundred Club members to offer an incentive for other alumni to follow.

Such leadership becomes increasingly vital in this period of fiscal stridency. Limited state resources, inflation, governmental aid restrictions -- these and other financial factors can be barriers to quality education at Michigan.

Your name on the 1971 Hundred Club roster will commend Michigan's desire to remain at the top academically to those who know you. Your gift of $100 or more in 1971 will strengthen the University appreciably.

Please accept our cordial invitation to mail the enclosed enrollment form and your gift now.

Sincerely,

George J. Slykhouse
National Chairman
Michigan Annual-Giving Fund

GJS/sch
Enclosures

Exhibit 2. University of Michigan: Hundred Club Mailing

Mailings for the annual fund can be two in number, as they are at the University of North Carolina,[1] or they can be as many as 23, the number of mailings each year at the University of Michigan.[2] Texas A & M sends out six to eight mailings, annually,[3] the University of Wisconsin Foundation mails four to five,[4] the Utah State University Development Fund a similar number,[5] the Kansas University Endowment Association sends three,[6] the Colorado University Foundation mails four,[7] and the Indiana University Foundation sends out approximately 20.[8]

Texas A & M sends its first mail appeal to all former students in January. Those who respond to the first solicitation are not contacted again until the following year. As more gifts come in, each solicitation for the annual fund becomes accordingly smaller since those who have given are eliminated from the mailing list for the remainder of the campaign. By the end of the drive, only

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[1]Bost, questionnaire.

[2]Van Almen, questionnaire.

[3]Walker, questionnaire.

[4]Rennebohm, questionnaire.

[5]Lambert, interview.

[6]Todd Seymour, questionnaire.

[7]Roberts, questionnaire.

[8]Whitacre, questionnaire.

those former students who have not given are still being solicited.[1]

The contents of the mailings vary from university to university, depending upon the annual giving approach each institution uses. It might, therefore, be a letter from a class agent, a college dean, or a club president. Or it might be a general appeal in the form of a small brochure.

The University of Colorado Foundation, which makes its solicitations by classes, asks the class annual giving chairman to prepare a letter which the foundation mails to all the other members of the class. Roberts states that the foundation could send a single appeal letter to all alumni but he feels it would not be as effective as a letter from a former classmate, who can give the letter his own touch and personality. As to the writing of the letter, the foundation has made the following suggestions to its class chairmen:

> Every person gets mail and generally wants it. Most people get a lot of mail. That means that your letters are in competition for the reader's attention--so you must do everything you can to induce interest, desire, conviction and action.
>
> Your letters should, therefore, not only outline the campaign, its objectives, and the need for generous contributions, but should also

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[1]Association of Former Students, Leadership Manual (College Station, Texas: Association of Former Students, n.d.), p. 44.

reflect your own personality and sincerity. Remember, the letter is simply an extension of your own self, the next best thing to personally talking to your classmates.

Imagination and ingenuity are important; avoid being trite but be persuasive. Keep in mind that the CU Foundation is the University's sales office, and that you, as Class Chairman, are a key member of the sales force.

Your classmates are well aware of your intentions when they receive your letter--so there is no point in hiding them. Your letters must reflect you and your convictions. State your case! Tell why you believe in annual giving, and be sure to ask for a contribution.

As you sell the University of Colorado through annual giving, paint a big picture. For most of its graduates, the University was and is a very important part of their lives.

As with any good salesman, your approach must be positive. Don't offer reasons for not giving. We are not appealing for charity; we are selling the idea of investing in higher education.

All of us like to be on a winning team. Therefore, talk about your class's successes, not what it has failed to do.

"I need your help." The "I" is important, more important frequently than "The class needs your help." Put yourself into the appeal. Make your classmates feel as though you have an inside picture of the University, i.e., ... "I have had a good look inside the doors of modern-day University of Colorado and I am impressed with what is going on," or "I have seen the needs of the modern-day University of Colorado." Speak from your own experience with conviction.

Change of pace is vitally important in letter writing. Titles, captions, offset paragraphs, capital letters, underlining, cartoons, circled words, dots, dashes--all these little "gimmicks" are eyecatchers which can be used to break up the monotony of heavy, long paragraphs. Watch your incoming mail and be on the lookout for things that catch your eye.

Beware of the deadly long paragraph and lengthy sentence. Most readers will not wade through them. Don't get too "gimmicky." Underlining and so on can easily be overdone.

The best method of making an appeal is to sit down and talk with the prospective donor. Obviously, you can't do this with all your classmates, and you can't call them on the telephone. You have to take the next best approach, the written word. But this doesn't mean that you have to become impersonal. By personalizing your letters you can make your appeals more effective.

Short messages in your own hand and on your own letterhead are effective. This can't always be done but the following suggestions give you some idea of what can be done.

1. You can personally sign your letters and you should--it is important.

2. You can handwrite postscripts. They are very important, and they pay off handsomely. The postscript need not be long or even refer to annual giving, but this personal touch makes the recipient of your letter feel that he is receiving individual attention.

Frequently, a simple follow-up serves to win a contribution from the individual who lets time slip away before acting on the initial letter. Plan to use follow-ups, as they have proved to be an effective technique.[1]

Roberts has stated that there are five important elements in a successful fund-raising letter. These are:

1. The writer should be as friendly and personal in his letter as he would be in person;

2. He should use the letter "extras" for good effect--in the postscript, the first name, the nickname;

3. He should be specific. He needs to get to the point so the reader of the letter knows why he has written it;

4. He needs to keep the reader in mind, to put his letter in terms the reader will find interesting and appealing;

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[1]Colorado University Foundation, The Personal Approach, pp. 5-6.

5. He shouldn't give up and should use additional letters and phone calls for following up.[1]

Exhibits 3 to 10 demonstrate class agent letters used in the annual giving campaigns at the University of North Carolina, the University of Wisconsin, the University of Michigan, Texas A & M University, and Utah State University.

One particular letter, known among the universities as the "Who Cares Letter," is considered a highly successful--though controversial--appeal to those who have not contributed to the annual funds before. Roberts indicates the letter originated with fund-raising officials at the University of Illinois and is now used extensively by other colleges and universities in America.[2] (See Exhibit 11 for the adaptation of the "Who Cares Letter" used by the Utah State University Development Fund.)

The letter opens by asking the question, "Who Cares?" and then proceeds to ask the reader if he cares enough to send five dollars. Those using the letter indicate a 10 to 50 percent increase in results over other letters that have been used previously--but the letter also generates some antagonism among those who receive it. Roberts points out that because of the time lag that exists

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[1] Ibid., p. 7.

[2] Roberts, interview.

The Graduate School THE UNIVERSITY OF WISCONSIN MADISON, WISCONSIN 53706 TEL: 262-2433

TO: The Members of the Distinguished Class of 1922

FROM: Dick McCabe, Coordinator of the University Bay Project

Your generous class gift to the University generated a great deal of enthusiasm on the campus and throughout the Madison community, and already is being applied toward an immense effort to enhance and protect the environmental quality of the University Bay and it's surrouding land features.

Following the Alumni Weekend and the unprecedented monetary gift by the Class of 1922, Robert M. Bock, Dean of the Graduate School, Elizabeth McCoy, Professor of Bacteriology, and I undertook the task of bringing together a number of the University's outstanding ecologists and environmentalists to serve on the Bay Project Advisory Committee. These individuals, selected from almost a hundred faculty members who were previously contacted and expressed a desire and willingness to invest in the Project, will devote their expertise and energy toward solving the land-water problems which currently beset the Bay area.

In addition to faculty ecologists, the Advisory Committee will have as ex-officio members two individuals from your distinguished class. Mr. Donald Slichter and Mr. William Kellett have agreed to participate as "listeners," yet their insight and objectivity will lend significant support to the Advisory Committee and it's respective responsibilities.

Miss McCoy, serving as Chairwoman of the Advisory Committee, along with myself will direct the numerous Project activities. Among the various tasks being expedited are:

1) the involvement of local and state authorities, citizen and student organizations;

2) the necessary investigation of research of problems and solutions;

Page one

Page Two

3) the coordination and compilation of research;

4) and, the implementation of measures necessary to achieve the Project's goals;

5) budgeting and allocation of your generous gift so that the above goals are met in a manner leading to long-term improvement of the University Bay area.

It should be emphasized that the Project is mission-oriented. Your class gift will provide the base support for not only research, but also applied measures to attain and preserve the optimal quality of the University Bay area.

The University of Wisconsin and the Madison community will be much the richer due to your foresight and munificence. I will make certain that the Class of 1922 is periodically kept informed of our progress. If at any time you have questions or suggestions, I will always be available. Thank you.

Respectfully submitted,

Dick McCabe

Richard E. McCabe, Coordinator
University Bay Project

5120 Helen C. White Hall
The University of Wisconsin
600 North Park Street
Madison, Wisconsin 53706
(608) 263-2071

Page two

Exhibit 3. University of Wisconsin Foundation: Class of 1922 Mailing

ALUMNI ANNUAL GIVING

UNIVERSITY OF NORTH CAROLINA • CHAPEL HILL

May 1971

'40

CLASS AGENT

[illegible], Jr.
Raleigh

AREA AGENTS

[illegible]

Springtime in Chapel Hill . . . is a many-sided season - - - remember? Alumni most of all perhaps hold onto distinct and particular memories with special meaning for them. Much more than sentiment is involved. It's hard to define, really.

The University's alumni and alumnae make up one of the important qualities that give it distinction and renown. By friends and acquaintances we are looked upon as hallmarks and representatives of our University. As such, alumni hold large responsibility - not measureable exactly, but always with powerful potential.

This fact is measureable: last year 9,135 alumni and alumnae made gifts in Alumni Annual Giving totalling $232,000 - an amount equal to the interest on more than four and a half million dollars.

Chancellor Sitterson has said that such gifts seem to "go farther" than any other funds in the University's budget. They provide for a dozen distinguished A.A.G. professorships . . . for critical student aid . . . for strategic research projects . . . for fellowships that attract especially talented graduate students . . . assistance for the Library, Choral Club, Band, Glee Club, etc. . . . an unbudgeted sum for emergency use at the Chancellor's discretion.

Surely, you will wish your name listed as a donor in the current A.A.G. roll-call. The new honor-roll will be printed and mailed to all alumni again in the fall. Your gift can help supply the "extras" that add distinction and prestige to your University.

If your check hasn't crossed this letter (a second appeal) in the mail, there is another contribution card for your use.

Counting on you,

Ed Rankin

Mr. Edward L. Rankin, Jr.
Class Agent for '40

P.S. Many alumni have made gifts larger this year. Hope you will.

ALUMNI ANNUAL GIVING COUNCIL

[illegible]

Exhibit 4. University of North Carolina at Chapel Hill: Class of 1940 Mailing

ALUMNI ANNUAL GIVING

UNIVERSITY OF NORTH CAROLINA • CHAPEL HILL

February 15, 1972

'64

CLASS AGENT

[illegible], Jr.
Atlanta, Ga

AREA AGENTS

[illegible]
Asheville

Paul M. Allen
Charlotte

[illegible], III
Durham

[illegible]
Wilmington

[illegible]
Winston-Salem

[illegible]
Richmond, Va

[illegible]
New York City

Dear Classmate:

This year - the 20th for A.A.G. - is a very special year.

Our 19th year set new records: 10,003 alumni made gifts totalling $311,960.22 - increases, respectively, of 9½% and 34½%. (You saw the names and record in the December University Report.)

Naturally, in our 20th year we are hitting hard for a Big Score. Every gift and every giver will keep the momentum rolling. Moreover, 1972 is a momentous year for the University itself.

There's a new Chancellor - U.N.C. Alumnus Ferebee Taylor '42 - who assumed his new responsibilities in Chapel Hill this month. A big A.A.G. roll-call will be a Big Boost for Chancellor Taylor. You'll remember former Chancellor Sitterson saying, "Alumni Annual Giving is a 'living endowment' for the University at Chapel Hill."

Also, the year 1972 brings into new focus the relationships between UNC at Chapel Hill and the other campuses of the state's higher educational institutions. In the time ahead it is important that Chapel Hill alumni continue their expressions of strong support, unceasing loyalty, and warm affection for Alma Mater.

Alumni Annual Giving has contributed importantly in the past 19 years: providing Alumni Distinguished professorships, graduate fellowships, faculty research and publication projects, greatly needed scholarship and student aid funds, the Chancellor's Emergency Fund, and financial assistance in many more strategic areas.

Your support helps. It's so important to continue now. Please respond and let's make a specially Big Score for our 20th.

Sincerely,

Charles M. Shaffer Jr

Charles M. Shaffer, Jr.
Class Agent for '64

ALUMNI ANNUAL GIVING COUNCIL

[illegible]

Exhibit 5. University of North Carolina at Chapel Hill: Class of 1964 Mailing

CLASS OF '26

TEXAS A&M UNIVERSITY / COLLEGE STATION, TX 77840

Greetings to the Class of '26:

Thank you for your response to my last Class Letter. I am happy to tell you that the survey was a solid endorsement of Jake Langford serving as Co-Class Agent. I welcome Jake aboard - I trust the Class of '26 will continue to support its unique Loan Fund as well as the Association of Former Students.

The March issue of the Texas Aggie was an especially exciting one to me. It set out more clearly than ever before just how many programs the Association is involved in. It made me realize how important our gift dollars really are. . . hundreds of students attending Texas A&M on scholarships because we give, high school students being told the story of A&M and its high academic standards because we give; faculty members being recognized and rewarded because we give. I know the Association Office mailed the March issue of The Texas Aggie to every former student. Did you enjoy it? Would you like to receive the magazine regularly? A contribution to the Annual Fund will bring you The Texas Aggie 10 times each year as well as the Directory of Former Students every three years - and you will be a part of the support our University needs.

Speaking of support, did you know that year after year Aggies have a record of supporting their school which far exceeds most of the Colleges and Universities in the Nation.

Enclosed you will find two lists of classmates. These lists represent the support our Class has provided. The list headed 1971 reflects all of our classmates who gave to the Annual Fund in 1971. The list headed 1972 shows all of our classmates who have shown their support in 1972 from January 1 to June 30. Give early in the year and it will allow your dollars to do more for Texas A&M.

I am hoping many of you will want to drop Jake Langford a line - his address is:

[illegible] Mockingbird Lane
[illegible], Texas 75701

Please continue to keep in touch with either Jake or me - let us know what you are doing and we will send the information along to the Texas Aggie magazine - then all of our classmates will read about it. Remember, to get the magazine regularly you will want to contribute annually.

Thanks for the opportunity to serve as your Class Agent.

Sincerely yours,

Jack

Jack Williams '26
Class Agent

Page one

CONTRIBUTORS TO THE 1972 ANNUAL FUND
CLASS 26

[illegible]

OVER

CONTRIBUTION/PLEDGE FORM

Yes, I want to join Texas A&M Former Students in contributing to the 1972 Annual Fund.
My contribution will be made as follows:

- ☐ I wish to contribute/pledge $________ to the 1972 Annual Fund. Amount enclosed $________.
- ☐ I am enclosing postdated checks to cover my 1972 contributions.
- ☐ My employer has a gift matching program.
- ☐ Please send information about the Century Club.

Name________________________ Class ________________________

Address ____

Page two

Exhibit 6. Texas A&M University: Class of 1926 Mailing

The University of Michigan
Ann Arbor, 48104

CLASS OF 1946
25th Anniversary Gift Fund
462 Michigan Union

John D. Rockefeller, Jr. Gives Funds for Land Purchase for a United Nations Center

Frederich March Wins Academy Award for "The Best Years of Our Lives"

President Truman Signs Bill for Atomic Energy Commission

Remember these headlines? 1946 . . . the year we became graduates of The University of Michigan. A proud and important beginning for all of us. Perhaps made just a little easier because of Michigan's great reputation.

Now, twenty-five years later, we are celebrating our Silver Anniversary. The reunion in Ann Arbor gave us a wonderful opportunity to do this together. It was a grand experience. Hopefully, you were among those who returned to the campus for this memorable event.

But we shouldn't let the reunion be the final episode to such an important anniversary. This is a particularly appropriate time to do something "special" for our University. After all, the past twenty-five years of our lives and our careers were immeasurably enhanced by what we obtained at Michigan.

The three of us have agreed to organize an effort among our entire class for a Class of 1946 Silver Anniversary gift to the College of Literature, Science, and the Arts. Our thought is to contact all class members, even current donors to the Michigan Annual-Giving Fund, so that everyone is aware of this class-supported project. We want to encourage all who are interested to participate with the class in this special gift, even though they may be supporting the University in other ways.

An ideal class gift in today's circumstances should provide assistance where actual needs exist from the College's point of view, and yet have a lasting identity with the donor class from our point of view. There is a high priority item that fits both qualifications perfectly. A student-faculty lounge. Dr. Frank Rhodes explains this need in a statement we have enclosed for class circulation. If a reasonable percentage of our classmates would consider at least a $25 gift (for the twenty-five years since graduation), we can provide the first . . . a gift from the Class of 1946.

Page one

- 2 -

Will you help? If you prefer, you can take this occasion to make a general support gift to the University, the College of L.S.& A., or any other fund that interests you. The gift will be considered part of the total Silver Anniversary Class response, no matter what its purpose, when the enclosed gift processing card is used.

Also, a pamphlet discussing the importance of planning your estate and deferred gifts is enclosed. Such programs help the donor as well as the University. There may be many classmates who are looking for a particularly meaningful and personal way to express strong personal support in celebration of the Silver Anniversary. More information is available on request.

Thank you for your interest and any consideration you can give. A $25 gift for the 25th anniversary is one suggestion . . . your help at any level will build a significant class tribute to a great university.

Sincerely,

Pat Barrett Ludlow
Pat Barrett Ludlow
(Mrs. John Ludlow)
2058 Ascot Road
Ann Arbor, Mich.
48103

Ruthann Bales Moorehead
Ruthann Bales Moorehead
(Mrs. John Scott Moorehead)
1400 North Kent St.
Cambridge, Ohio 43725

W.H. Klingbeil
William H. Klingbeil
56 Hawthorne
Grosse Pointe Shores,
Michigan 48236

Page two

Exhibit 7. University of Michigan: Class of 1946 Mailing

The Class of 1970

PROBABLY ALL OF US
AT ONE TIME OR ANOTHER

have participated in the singing of our University of Michigan song . . . "Hurrah for the Yellow and Blue." Have you ever stopped to consider why the thousands upon thousands of Michigan alumni have joined in its chorus?

I believe we are singing "hurrah" to Michigan's long tradition of service to mankind.

I believe we are also singing "hurrah" to our individual educations, both intellectual and social, with which Michigan has provided each of us. We chose Michigan as our university because in education, in research, and in public service it has excelled, always ranking among the most distinguished institutions in the country.

I believe we are singing "hurrah", as well, to the deeply concerned and devoted Michigan alumni who contribute each year to the financial needs of our university to help maintain this high ranking. State allotments must be impartial; tuition must be at a minimum level; so gift income is about the only way our superiority can be maintained.

Please - become part of this generous alumni body. More funds are needed <u>each year</u> for student aid, research projects, scholarships and fellowships. Large gifts are needed, of course, but think what could be accomplished if each of us contributed at least one dollar for every year out of school.

Won't you kindly send your tax-deductible gift in the enclosed courtesy envelope today, as part of a unified Class of '70 expression of support? And remember, this gift may be designated for a specific use by purpose or department if you prefer.

Thank you for your interest and consideration.

Sincerely,

Robert E. Wedge '70
Class Fund Representative
for 1971

michigan annual-giving fund 462 michigan union ann arbor 48104

Exhibit 8. University of Michigan: Class of 1970 Mailing

class of 1962

WE ARE BEGINNING THE TENTH YEAR
OF OUR CLASS GIFT TO THE UNIVERSITY.

Any help that you have provided over this period is deeply appreciated.

As you know, a fund was first established upon our graduation for the special purpose of making publications possible as the need arises within the Institute of Science and Technology. This has proven both highly effective and useful.

Four books have been published to date. These are <u>Albert Einstein and the Cosmic World Order</u>, by Professor Cornelius Lanczos; <u>Some Aspects of Crystal Field Theory</u>, by Professor Thomas M. Dunn; <u>Molecular Organization and Biological Function</u>, by Professor John M. Allen; <u>Water Wonderland Past and Present: Geology in Michigan</u>, by Professors J. A. Dorr, Jr., and D. F. Eschman.

The Director of the Institute oversees the Class of 1962 IST Fund. The lecture series or other Institute activities that merit publication are approved by the Institute Executive Committee and financed by our class gift. Currently, there is a balance of $10,700 in the Fund, but this will be sharply reduced by the next publication.

Strong class support is needed in this tenth year of our gift for maximum effectiveness. Your participation will help make a difference in what can be planned for 1971/72 and the years ahead.

We hope you will add your support to this important class project. In the past, a gift formula of one dollar for each year since graduation has been suggested. This would mean a gift of $10. Many classmates who are in a position to do so, however, have exceeded this objective; but one important goal for us is to retain your personal interest. This is expressed by a gift of whatever size you find possible.

We need your help. Thanks for whatever you can do.

Sincerely,

Frederick M. Brubaker
President, '62 Pharmacy

Thomas G. DeJonghe
President, '62 Engineering

Barry K. Johns
President, '62 A.& D.

Roger P. Pascal
President, '62 L.S.& A.

Barbara P. Whyman
President, '62 Education

michigan annual-giving fund 462 michigan union ann arbor 48104

Exhibit 9. University of Michigan: Class of 1962 Mailing

Malcolm H. Merrill, M.D.
4701 Willard Ave., Apt. 827
Chevy Chase, Maryland 20015

Dear Classmate:

It has now been forty-seven years since the class of '25 left the Utah Agricultural College Campus. During this period many things have happened there including a change of name to Utah State University. The enrollment has multiplied, the curriculum expanded, the costs of providing the high standard of education which we enjoyed have also multiplied.

Up to this time we as alumni and classmates have been called upon to do little to express our appreciation for the years we were privileged to spend on the campus. I'm sure we have all glowed with pride at the University's accomplishments. Now we are being asked to reinforce that glow with some urgently needed material assistance.

As one of your classmates I have been requested to serve as our class agent to call to your attention the program of the Utah State University Development Center. One element of this program is extending to alumni the privilege of participating in the Annual Giving Campaign.

A gift to the Development Center is one way we can reinforce our expression of gratitude for the edge on life which we have received from our Utah State education. It also helps to preserve that edge for those who are attending now and who will be attending our fine school.

I am asking that you give thoughtful consideration to what you should and might give in light of what Utah State has meant to you and what it can mean to future generations. Please return the enclosed envelope today and join your many classmates in this class of '25 campaign.

Sincerely,

Malcolm H. Merrill

Malcolm H. Merrill, M.D., MPH

Exhibit 10. Utah State University Development Fund: Class of 1925 Mailing

Utah State University Development Center

LOGAN, UTAH · 84322

SENIOR DIRECTOR

ANNUAL GIVING
David T. Lambert

CORPORATE AND FOUNDATION GIVING
S. Jack Loughton

DEVELOPMENT RELATIONS

COMMUNICATIONS
Douglas C. Smith

October 31, 1974

Who cares?

You might think that with over 200,000 alumni of Utah State University we wouldn't care that you aren't among the supporters of the Development Center's Annual Giving Campaign for 1973-1974.

But we do!

We wonder why you have felt your help isn't needed. And I guess the fault lies with us. Somewhere along the line we haven't emphasized enough just how important your gift can be. No matter what the size.

Take, for example, $1. If you, and every other alumnus, would slip a single dollar bill into the enclosed reply envelope the result would be overwhelming. Over 20 important University projects that directly benefit students and faculty would progress at the rate of $200,000! A small fortune by any standard.

So, you see, it's not always the size of your gift that matters. It's your decision to do something now that counts. Your positive action, combined with a similar action by other alumni, will make possible scholarships and research, student loans, library collections, rehabilitation of physically handicapped students, and many other alumni supported activities.

A dime a day. For just ten days. Please care that much.

Mark the University project you personally want to see accomplished and mail your contribution in the same envelope. Today, if you can.

Sincerely yours,

David T. Lambert

David T. Lambert
Director of Annual Giving

Enclosure

Exhibit 11. Utah State University Development Fund: "Who Cares" Letter

between the receipt of gifts and their recording in the computer files, the "Who Cares" letter might be sent to someone who has already given.[1] Lambert reports that some alumni have been offended by the tone of the letter.[2] But Rennebohm states that in its first year of use by the Wisconsin Foundation it drew 2,500 new donors who averaged 10 dollars a donation. In the second year it attracted between 1,500 and 1,700 new contributors.[3]

Letters are not the only type of annual giving mailings. A number of the universities also employ small brochures which are mailed separately or included with a letter. The brochures are printed to fit into a number ten envelope and are attractively designed around the annual giving theme used that year.

The UC Foundation sent out a number of mailing pieces in its 1971 campaign, all revolving around a "Facing the Seventies" theme. The first mailing outlined the many ways in which donors could direct support to the university, pointed out that the options were almost unlimited, and that support could be directed to the program or department in which the donors are interested. The second mailing outlined how three people had been helped via alumni gifts

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[1] Ibid.

[2] Lambert, interview.

[3] Rennebohm, interview.

and explained how annual giving donations assist many students in receiving their education. The third mailing emphasized that time was running out for a contributor to be listed in the annual honor roll of donors. (See Exhibit 12 for sample of letter which accompanied the "Facing the Seventies" brochure.)

Another theme which was used for the 1970 UC Foundation was "You're the Key." Brochures developed around this theme emphasized how donors were the key to educational progress at the University of Colorado.

To facilitate the giving process, return cards are generally included with the mailings. (See Exhibit 13 for samples of pledge cards.)

Telephone Solicitations

Telephone solicitations for the annual fund (usually called Phonathons or Telefunds) are a relatively new technique growing in use and fund-raising success. They are used extensively at Utah State University and to a lesser extent at Indiana University, Texas A & M, the University of Michigan, Colorado University, and Kansas University. The University of North Carolina utilizes phone solicitations but not in a telefund format.

Roberts questions the technique because telefunds are relatively expensive to conduct and he feels the returns are not commensurate with the effort expended. "We have to

THE UNIVERSITY OF COLORADO
FOUNDATION, INC.
KOENIG ALUMNI CENTER
1202 UNIVERSITY AVENUE
BOULDER, COLORADO 80302

October 1971

Dear Alumnus:

With great pleasure and enthusiasm I announce the kickoff of the 1971 Annual Fund at the University of Colorado. As you may know, the Annual Fund is conducted from now until the end of the year. Naturally, I hope you'll be a part of it, as it offers us alumni a chance to continue playing a role in the activities and development at CU.

The enclosed brochure reviews some of the many ways we can assist the various departments and programs at CU. Of course, the particular needs of each program vary. But one thing you can count on is that your gift will stand as your commitment to help in the education of our young people.

Things are buzzing in Boulder now with approximately 20,000 students enrolled on the Boulder campus. The growth here has been phenomenal the past few years. With physical growth and enrollment now controlled, the concentration will be on academic growth; and you and I hold the key to the quality of academic growth at CU, for our gifts perpetuate that margin of excellence above legislative appropriations.

I'm confident that this year will be one of major advancement for CU. The administrative team is highly qualified, the faculty eager and learned, and the students bright, enthusiastic and positive. I sense that the disruption and even destruction of the past couple of years are now recognized as the futile efforts they were to bring about meaningful change. I don't mean to say that the students are any less concerned over academic quality or the world about them but rather that they are concerned in a more positive way.

From this background, I see a tremendous year and future ahead of CU. Your confidence and support are vitally needed.

Join in this partnership for progress with the students, faculty, and administrators; and together we shall optimistically face the '70's.

Sincerely,

Donald L. Patterson

Donald L. Patterson
President

FACING
THE
'70's

DLP:rz
Enclosures

P.S. Just slip your check into the postage-paid envelope enclosed and be a part of the 1971 Annual Fund.

Supplement to University of Colorado Bulletin, Vol. LXXI, No. 40, August 25, 1971, General Series No. 1564.

Exhibit 12. University of Colorado Foundation: "Facing the Seventies" Mailing

Alumni Annual Giving

As my gift to
THE UNIVERSITY OF NORTH CAROLINA *at Chapel Hill*
I enclose my check for the amount indicated:

"I am glad to help boost the A. A. G. list of contributors for the year."

Name ______________________ Class

Address ______________________

Date ______________________

$1000	
500	
250	
100	
50	
25	
10	

Please make check payable to UNIVERSITY OF NORTH CAROLINA, and mail to 303 South Building, Chapel Hill, N. C.
All gifts are tax deductible. *Form No. 1020*

THE UNIVERSITY OF KANSAS GREATER UNIVERSITY FUND

Enclosed is my gift of $_______________ to help build still a greater KU.

☐ Please use my gift where the need is greatest.
☐ Use my gift for ______________________
☐ I would like to help KU annually. Send me a reminder each year on
____

Make all checks payable to the Greater University Fund.

CONTRIBUTIONS ARE DEDUCTIBLE FOR FEDERAL INCOME TAX PURPOSES AND, SUBJECT TO CERTAIN CONDITIONS, STATE OF MICHIGAN INCOME TAX CREDIT.

I (we) support The University of Michigan with a gift of $______________
Make check payable to THE UNIVERSITY OF MICHIGAN.
Before December 31, I (we) will send an additional gift of $______________
☐ You may use this gift where the need is greatest.
☐ I (we) specify the gift for______________ (see partial list, other side)

Maiden Name ______________________
☐ My company will match this gift. Matching gift form enclosed.
☐ Tell me more about deferred giving.
☐ New or revised address. Account No. ________

Control No	No Don	Mailing No	Source/Class	Matching Co No	Don	Gift No	Title Pre Suff	Sch	Year
		195	6311						

DETACH AND RETURN

MICHIGAN ANNUAL-GIVING FUND
402 Michigan Union, Ann Arbor, Mi. 48104

The Annual-Giving Fund serves the University . . . its students, faculty, and administration. It subsidizes a program of annually recurrent needs . . . needs that are pressing in nature and characterized by a nearly complete absence of support from the state. Never in its 153-year history has alumni support of the U-M been so vital as in 1971. Won't you help this annual program with your check to Michigan today?

George J. Slykhouse '51L
National Chairman
Michigan Annual-Giving Fund

Exhibit 13. Samples of Pledge Cards

watch our dollars carefully," he states, "and telefunds are luxuries we can't afford."[1] Indeed, of all the approaches or appeals which the Colorado University foundation has used in past annual giving campaigns, Roberts would rate the telefunds as least effective.[2]

Bost uses telefunds as a wrap-up for the annual giving campaign at the University of North Carolina. During the final six weeks (May 15 through June 30) of the fund year some 400 volunteers call all non-contributors in their various areas.[3] The volunteers are supplied with lists of non-contributors in their city or locality and are asked to solicit them by telephone, reporting their successes to the annual giving office at Chapel Hill. Because the volunteers use their own telephones and are making their calls in their own area, there are no extra costs involved.[4]

The organized telefund, such as that used at Utah State University, require considerable advance work and planning. The telefund manager selects a city or area with a large number of his university's alumni. He then locates a building in that area with 15 to 20 telephones in one open area (stock brokerages and telephone companies, for example).

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[1]Roberts, interview.

[2]Roberts, questionnaire.

[3]Bost, questionnaire.

[4]Bost, interview.

He gets permission to use the phones on a certain night and then, working in conjunction with local alumni leaders, he asks 20 to 25 volunteers to come to the building on the appointed night for two or three hours of concentrated telephone solicitations of area alumni.[1]

The telefund begins with an instruction period for the volunteers. They are given a stack of forms, each form containing the name, address, telephone number, and previous giving record of the individual to be called. The volunteers are then asked to telephone each person for whom they have forms and to request a donation to the university from them. If a person who has been called agrees to make a contribution, the telephone worker requests the amount of the pledge, records it, and thanks the donor. The volunteer hangs up and goes to the next form, repeating the telephoning process as before until all the alumni listed on the forms have been called. He then separates the forms into two stacks: those who agreed to donate and those who refused. The volunteer worker sends a letter to each person who made a pledge acknowledging the promised donation and enclosing an envelope in which the gift can be sent to the university.[2]

Telefund managers believe that by bringing 15 or 20 workers together at one time, they can promote competition

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[1]Lambert, interview.

[2]Ibid.

among the callers. They also feel that a volunteer worker will be more confident in his phoning if he has other callers to bolster his efforts.

Many alumni, of course, do not live in an area with a concentration of other alumni. To reach these possible donors, the manager of the Utah State University annual fund has organized a series of telefunds which originate on campus and are staffed by student volunteers. The alumni are called long distance and the university reports a 60 percent ratio of acceptances to 40 percent refusals. The Utah State long distance telefunds extend for more than two months each year, four nights a week.[1]

Alumni who will be called during the telefunds are sent an advance mailing which announces the telephone solicitation and alerts the alumni that someone will be calling to request a donation. (See Exhibit 14 for sample of this mailing.)

Student volunteers for the on-campus telefund are recruited from campus clubs, sororities and fraternities. The Utah State annual fund offers several trophies to the organizations which record the largest totals of giving and, as a further effort to encourage participation in the telefund, efforts are made to get publicity for the winning organizations in the campus and local newspapers.[2]

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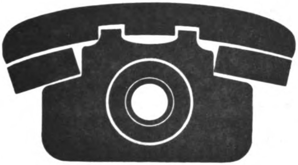
[1] Ibid.

[2] Ibid.



We will be calling you! Or even better why don't you call us!

COVER

If you decide to call us . . . Please dial the number or numbers listed in the dial symbol to the left during the hours shown.

PAGE 2

RETURN FORM

Dear Mr Lambert

I wish to join Utah State University 1973-1974 Annual Giving Campaign (Phonathon).

I am enclosing _______________ for $_______________ Please list my name with those other
(check, money order, or charge card no.)
friends and Alumni who have generously given to this years campaign

Signature_______________________________

Maiden Name_______________________________
PLEASE MAKE CHECK PAYABLE TO UTAH STATE UNIVERSITY
( ) You may use this undesignated gift where the need is greatest.
( ) I (We) specify the gift for_______________________________

PAGE 4

Exhibit 14. Utah State University Development Fund: Phonathon Mailing

With the telefunds' advantage of person-to-person contact, the percentage of pledges received during telephone solicitations are generally high. The disadvantage lies in their cost, particularly if the telephone calls are made over long distance lines. Telefunds held in major cities usually require the attendance of a university manager who supervises the solicitations. His travel and other expenses further reduce the profitability of the telefunds.

Personal Solicitations

> No cow will let down her milk in response to a letter or a telephone call. You have got to sit down beside her and go to work.
>
> --James R. Reynolds
> Harvard College[1]

In order of solicitation effectiveness, Harold Seymour rates personal, face-to-face meetings as first; telephone appeals as second; personal letters third; and, finally advertisement appeals via newspapers, radio, and television.[2] The development directors of this study agree with Seymour's evaluation that personal visits elicit the best responses, but they also recognize that with such large constituencies, scattered as they are throughout the nation and the world, total personal solicitations are an

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[1]Quoted by Harold J. Seymour, p. 77.

[2]*Ibid.*, pp. 76-77.

impossibility, hence the use of mailings and telephone appeals.

Texas A & M University, whose annual fund has achieved an enviable record among public colleges and universities (the university received the U.S. Steel Award in 1970 for improvement in its annual giving program), makes extensive use of personal solicitations with excellent results. In 1970, 58 percent of the former students of the university contributed to the annual fund, the highest giving level of alumni of any public university in America. Over the 32 years that Texas A & M has conducted its annual fund drive, 75 percent of its alumni have made gifts to the university.[1]

More than 250 alumni were asked to make personal solicitations in Texas A & M's most recent annual fund drive. Walker emphasizes that one of the keys to a successful personal solicitation campaign is to insure that the volunteers are not asked to make too many visits--10 is the maxiumum for Texas A & M workers. "We don't ask a volunteer to make a large number of visits," Walker states. "Ten is plenty. If we ask him to do too many, he'd refuse or if he did accept, the job would be so great he might give up before he even started."[2]

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[1]Walker, interview.

[2]Ibid.

Whitacre suggests that the maximum number of visits should be determined by the volunteer himself,[1] a policy endorsed by Lambert.[2] Rennebohm asks Wisconsin's volunteers to make no more than five to six visits;[3] Seymour has established six calls as the maximum at Kansas University;[4] Van Almen has set the figure at five calls for the University of Michigan volunteers;[5] and Roberts asks the University of Colorado workers to make at least 15 visits.[6] Volunteers in the University of North Carolina annual giving campaign have a responsibility to contact all of the alumni in their particular town or area, or all the alumni in a given class or classes.[7]

"The best fund-raising is done on the 'eyeball-to-eyeball' level," Roberts has written.[8] And for those volunteers who can make personal solicitations to classmates

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[1]Whitacre, questionnaire.

[2]Lambert, interview.

[3]Rennebohm, questionnaire.

[4]Todd Seymour, questionnaire.

[5]Van Almen, questionnaire.

[6]Roberts, questionnaire.

[7]Bost, questionnaire.

[8]Colorado University Foundation, The Personal Approach, p. 4.

who reside in their areas, he has suggested the following guidelines to an effective personal visit:

1. Know your subject. Bring your campaign material with you.

2. You don't have to be a high-pressure salesman. We are attempting to show thinking people how they can make a worthwhile investment in an essential and inspiring educational project.

3. Before seeing your prospect, be sure you have made your own contribution to the CU FOUNDATION. If you have contributed before asking anyone else, you approach your prospects with conviction, sincerity, and a good selling point.

4. Tell the prospect why you are supporting the project and suggest a reason why he may want to help.

5. Frequently the prospect asks: "How much are others giving?" or "How much do they expect from me?" The prospect has asked an honest question. He wants to do his part. DON'T SAY, "Just anything you want to give; you're the best judge." Indicate a specific amount in a tactful way. One of the most difficult jobs is getting into the prospect's mind the size of gift we need from him. Aim for a point compatible with his estimated giving ability. Suggest, and these are the golden words of the fund raiser, "Would you consider a gift of $____?"[1]

At this point, Roberts cautions the volunteers to stop talking and, wait, no matter how long the pause, for the response of the person being solicited. "He may agree"; Roberts writes, "or he may say he can't do that much; or he may wish to give more." The volunteer should be guided by whatever the situation indicates, but Roberts admonishes

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[1]Ibid., pp. 4-5.

his workers that "there should be very few alumni who are not in a position to at least offer some contribution."

Roberts suggests that second personal visits may be necessary and that more often than not they are successful. The paramount element of success, he believes, is to get into the prospect's mind the amount of the gift the volunteer is seeking.[1]

Class Agents

Of the various organizational patterns used in annual giving campaigns, the class agent format has been adopted at Texas A & M University, the University of North Carolina and the University of Colorado. The format calls for the election or appointment of an agent for each graduating class (or combination of classes) who serves as the fund-raising chairman for all the alumni who are members of the class.

At the University of North Carolina, a head class agent is chosen by the director of the annual fund and for the university's larger classes (beginning with 1940 and continuing through the 1970's) 10 or 12 assistant agents are appointed. A letter is sent to each member of a class in mid-February signed by the head class agent. Another solicitation letter, also sent in the name of the head

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[1] *Ibid.*, p. 5.

class agent, is mailed to non-givers in mid-May. For those who do not respond to the two mailings, the assistant class agents are assigned to make a personal solicitation visit. "Their work is particularly tough," Bost notes, "in that they are dealing largely with alumni who have never contributed to the program or those who are irregular donors. However, we have had fairly good luck in that a number of new and former contributors have been added to the rolls."[1]

The North Carolina format also makes use of area agents, as described in the succeeding section. Bost claims that an important aspect of the use of class agents is the publishing and periodic distribution of reports which indicate how the agents are progressing in their solicitations. The reports contain a breakdown of the number of donors of each class and the amount of the contributions, together with the corresponding figures of the same date the previous year. "The value of these reports," Bost indicates, "is that the head class agent can see at a glance whether he is doing a really top-notch job, a mediocre performance, or poor work." The reports serve as a stimulus for the class agents whose class donor performance is sub-standard and encourages the agents with good records to try even harder.[2] (See Exhibit 15 for sample of reports sent to North Carolina class agents.)

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[1]Bost, letter.

[2]*Ibid*.

ANALYSIS OF 1971-72 GIFTS TO ALUMNI ANNUAL GIVING BY CLASSES

UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL - AS OF APRIL 22, 1972

Memo to All Head Class Agents: You will note Alumni Annual Giving is running neck and neck in both number of contributors and in total amount of money with the corresponding date of a year ago. So far the current mailing which went out on February 15 has brought in more than $111,000 from slightly over 5,600 contributors. This constitutes the final report on the initial mailing. Whether Alumni Annual Giving can exceed last year's all-time records of $311,960 in amount of money and 10,003 in number of contributors will depend a great deal on the results of the follow up letters which we hope to get to the printers before the end of April. These letters will either be delivered or mailed to you in early May. Enclosed are copies of receipts representing gifts from your classmates during the past three weeks. All of us at the University are deeply grateful for the splendid work each of you is doing in behalf of Alumni Annual Giving.

Sincerely,

Tom Bost, Jr.

CLASS	DONORS This Year	DONORS Last Year	AMOUNT GIVEN This Year	AMOUNT GIVEN Last Year	AVERAGE GIFT This Year
1883	1	0	$ 100.00	$ .00	$100.00
1898	1	0	1.00	.00	1.00
1899	1	1	15.00	15.00	15.00
1900	1	1	10.00	10.00	10.00
1901	1	1	50.00	50.00	50.00
1902	2	2	35.00	35.00	17.50
1904	1	1	10.00	10.00	10.00
1905	5	5	62.00	57.00	[illegible]
1906	3	6	75.00	2,135.00	25.00
1907	0	1	.00	10.00	.00
1908	8	5	160.00	115.00	20.00
1909	14	12	[illegible]	[illegible]	60.00
1910	15	13	[illegible]	[illegible]	45.00
1911	11	14	[illegible]	355.00	25.91
1912	10	12	635.00	605.00	63.50
1913	19	20	640.00	680.00	33.68
1914	16	16	710.00	570.00	44.38
1915	22	23	585.00	515.65	26.59
1916	13	15	507.50	995.00	39.04
1917	32	32	1,960.75	1,495.00	61.27
1918	25	23	[illegible]	795.00	29.32
1919	23	25	905.00	775.00	39.35
1920	33	30	966.00	1,110.00	29.27
1921	[illegible]	14	2,160.00	10,797.00	65.45
1922	6	34	495.00	1,585.00	82.50
1923	30	27	1,505.00	960.00	50.17
1924	50	46	[illegible]	1,441.00	31.22
1925	[illegible]	[illegible]	6,590.00	1,697.50	113.62
1926	76	72	2,039.88	2,066.00	23.84
1927	80	76	6,389.46	5,913.32	79.86
1928	[illegible]	70	[illegible]	2,191.00	26.74
1929	[illegible]	[illegible]	[illegible]	4,552.00	50.39
1930	[illegible]	70	[illegible]	14,040.75	37.72
1931	[illegible]	72	[illegible]	9,473.50	75.42
1932	[illegible]	[illegible]	6,105.00	3,165.00	88.48
1933	120	117	3,626.50	3,970.62	30.22
1934	[illegible]	108	2,455.00	2,950.00	24.55
1935	111	102	4,476.63	3,212.00	40.33
1936	131	125	$4,500.00	$4,168.32	$34.35
1937	102	106	2,884.00	2,406.50	28.27
1938	132	123	14,023.81	4,298.23	106.24

CLASS	DONORS This Year	DONORS Last Year	AMOUNT GIVEN This Year	AMOUNT GIVEN Last Year	AVERAGE GIFT This Year
1939	104	105	2,864.00	4,123.50	27.53
1940	148	128	3,997.50	[illegible]	27.01
1941	153	149	4,303.50	[illegible]	[illegible]
1942	143	132	4,572.21	3,284.00	31.97
1943	166	144	4,367.50	3,796.50	26.31
1944	118	113	2,635.00	2,411.00	22.33
1945	107	107	3,014.50	2,833.50	[illegible]
1946	85	102	3,254.00	3,180.00	[illegible]
1947	81	164	2,877.50	4,037.00	35.52
1948	162	173	3,784.50	4,177.00	23.36
1949	219	221	5,339.00	5,141.00	24.37
1950	239	230	4,866.50	3,955.00	20.78
1951	224	222	4,321.00	4,216.00	19.29
1952	169	164	4,325.50	2,645.25	25.59
1953	128	142	2,260.50	3,206.72	17.66
1954	152	154	2,896.00	3,185.00	19.00
1955	144	161	4,657.27	4,711.00	32.34
1956	170	164	3,668.00	3,144.00	21.58
1957	163	168	3,381.50	2,670.00	20.75
1958	163	197	3,398.00	3,006.00	20.85
1959	173	187	3,497.50	3,399.00	20.22
1960	132	160	2,138.50	2,445.50	16.20
1961	150	100	2,000.00	1,389.50	13.33
1962	205	214	3,075.85	2,962.25	15.00
1963	192	232	2,661.50	3,778.00	13.86
1964	239	253	3,590.77	3,289.50	15.02
1965	175	176	2,862.00	2,984.50	16.35
1966	223	227	3,929.50	3,306.00	17.62
1967	205	217	3,110.00	2,756.00	15.17
1968	182	126	2,168.00	1,527.50	11.91
1969	203	166	2,066.00	1,835.00	10.18
1970	151	121	1,620.50	1,169.00	10.73
1971	87	0	890.00	.00	10.23
Misc. & Non Alumni	59	59	1,104.25	894.00	18.72
Totals	7,115	7,010	$195,193.73	$193,027.51	$27.43

LEADING CLASSES IN NUMBER OF DONORS
1. 1950------------------------239
2. 1964------------------------239
3. 1951------------------------224
4. 1966------------------------223
5. 1949------------------------219
6. 1962------------------------205
7. 1967------------------------205
8. 1969------------------------203
9. 1963------------------------192
10. 1968------------------------182

LEADING CLASSES IN AMOUNT OF MONEY
1. 1938---------------$14,023.81
2. 1931---------------7,089.15
3. 1925---------------6,590.00
4. 1927---------------6,389.46
5. 1932---------------6,105.00
6. 1949---------------5,339.00
7. 1950---------------4,866.50
8. 1955---------------4,657.27
9. 1942---------------4,572.21
10. 1936---------------4,500.00

LEADING CLASSES IN AVERAGE GIFTS
1. 1925--------------------$113.62
2. 1938--------------------106.24
3. 1932--------------------88.48
4. 1922--------------------82.50
5. 1927--------------------79.86
6. [illegible]--------------------75.42
7. 1912--------------------68.50
8. [illegible]--------------------65.45
9. [illegible]--------------------61.27
10. [illegible]--------------------60.00

LEADING PLACES IN AMOUNT OF MONEY
1. Winston-Salem-----$12,048.00
2. Greensboro---------10,147.74
3. Charlotte----------6,667.00
4. Raleigh------------4,250.00
5. Chapel Hill---------3,710.00
6. Durham-------------3,060.00
7. Gastonia-----------2,600.00
8. Asheboro-----------2,391.00
9. Burlington----------1,737.00
10. Wilmington----------1,675.00

Page one

Exhibit 15. University of North Carolina at Chapel Hill: Class Agents Report

Page two

The class letter is usually composed by the annual fund director but in a few instances it is written by the class agent or the area agent. One major responsibility of the North Carolina agents is to write personal notes at the bottom of each letter, thus personalizing them.[1]

Because of the nature and character of Texas A & M University, students develop an unusually strong identification with their class while on campus. The strong class affiliation carries on after graduation--even into the late years of the class members.[2]

Each of the Texas A & M classes are organized and each has its elected officers, including a class agent. The agent serves as the liaison representative between the class and the alumni association. The first class agent is elected before the class leaves the campus, either at a general election or at a banquet inducting the senior class into the alumni association. The first class agent serves until the first reunion of the class.[3] One of the first orders of business at the class reunion is for the class agent to appoint a committee to nominate a new class agent.

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[1] Ibid.

[2] Association of Former Students, Leadership Manual, p. 16.

[3] Ibid.

The agent is elected at the class business meeting each succeeding five years during the class reunion.[1]

The Texas A & M class agent has a varity of duties, including writing class letters, gathering class news, and planning reunions. In addition, one annual fund appeal is issued in his name. As was the case at the University of North Carolina, the Texas A & M class agent can write his own letter or the annual giving officers draft a letter which is adapted to each individual class. The groundwork for this mailing begins in early June for mailing to the classes early in October. Included with the mailing is a list of all members who have contributed to the annual fund by August 1.[2]

The University of Colorado uses class agents in association with annual fund drives in behalf of the schools of law, engineering, business and medicine, some 300 to 400 in number. The agents are named for two-year terms, staggered so that each year only one-half of the classes require new agents. The annual giving direct mail campaign is coordinated with the class agent program; with the general mailing piece is included a letter from the agent tying in with the annual giving campaign's theme.[3]

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[1] _Ibid_.

[2] _Ibid_.

[3] Roberts, interview.

The University of Colorado class agents are sent a packet of materials to assist them in their fund-raising efforts, including a manual and the campaign's mailing schedule. The packet also contains information on the year's theme and suggestions on how the theme can be incorporated into the letters the agents compose. They also receive a list of classmates and information on how much each graduate contributed in the previous year's campaign. Throughout the campaign and at two-week intervals, reports are mailed to the class agents containing information on which classmates have contributed and the amount of their contributions. The class agent is asked to send a second letter to all non-contributors or to contact them personally.[1]

The Colorado annual fund drive is conducted from September through December; advance preparations with class agents are completed in July and August.

Town and County Campaigns

Several of the universities conduct their annual fund campaigns via drives in towns or areas, and several other universities incorporate city drives in their overall programs. Kansas University appoints county chairmen who conduct fund-raising campaigns in areas which usually

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[1] *Ibid.*

coincide with county lines. In a few counties, however, where two major cities are located, two chairmen are named, one for each city.[1]

The Kansas Greater University Fund campaign is organized in a pyramid-type structure. The general chairman, who serves at the peak of the pyramid, has six captains who report to him. These six vice-chairmen each supervise six other volunteers. The chairman is asked to select the captains and ask them to serve. Alumni lists, furnished by the fund office, provide the chairman with the names of all alumni in his area as an aid in selecting assistants. Once the assistants have been chosen and have accepted the responsibilities, the chairman informs the fund office of their names and addresses. A news release on their appointment is prepared and released to the local news media.[2]

The chairman is requested to arrange a kick-off meeting of his associates for making assignments and distributing supplies. Each of the six captains are given (1) pledge cards with the names and addresses of persons he or she is to contact, (2) an envelope on which contributions can be noted and returned to the chairman, (3) informational

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[1]Todd Seymour, interview.

[2]Greater University Fund, Suggested Guide for County Chairmen (Lawrence, Kan.: Kansas University Endowment Association, 1972).

materials to increase the captain's knowledge of fund purposes and activities. The above materials are forwarded to the chairman before the meeting date.[1]

At the kick-off meeting, the chairman has each captain fill out an assignment sheet, so he will have a record of each assignment made and will know which prospects each captain will see. A deadline is set for all assignments and for turn-in of contributions. (See Exhibit 16 for a sample calendar of events of a county drive.)

The chairman is asked to send contributions to the fund office as soon as possible after they are received. The fund office records and acknowledges the gifts. A note of thanks from the chairman to the captains at the close of the fund-raising activities is recommended. Expenses which the chairman has incurred in connection with fund activities are reported to the fund office and are credited as an addition to the chairman's contributions.[2]

Some comments prepared by the Greater University Fund staff describe the importance of personal solicitations to the drive's success.

> The county chairman program is based on the proven success of the friendly personal call of one alumnus to another as the best means of encouraging support of the University through the Fund program.

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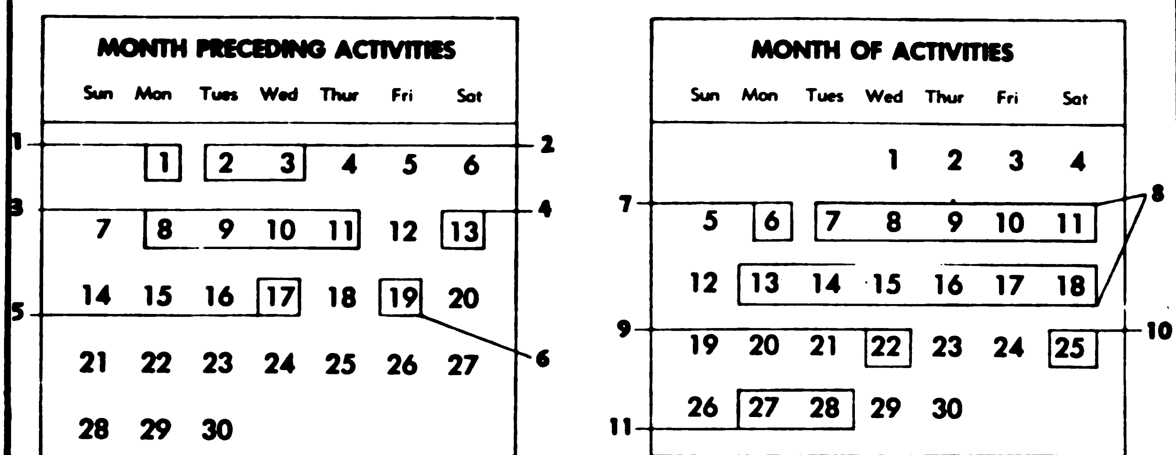
[1] Ibid.

[2] Ibid.

A Suggested Calendar of Events



1. Manual for County Chairman, annual report and current alumni list in hands of chairmen.

2. Read this manual, know the story.

3. Selection and recruitment of assistants; set date for kickoff meeting.

4. Advise Fund office of names and addresses of all assistants; time, place and date of kickoff meeting; number of alumni to be called upon.

5. Letter of appreciation from chairman of Fund Advisory Board to assistants.

6. Supplies from Fund office to county chairman.

7. Kickoff meeting.

8. Calls by committee members.

9. Turn in contributions to chairman.

10. All contributions sent to Fund office for personal acknowledgment.

11. Letter of thanks, Chairman to Workers.

Exhibit 16. Kansas University Endowment Association: Greater University Fund Calendar of Events of County Drive

> The scope of the program is in the hands of the chairman. His own knowledge of the community will help him decide just how many alumni can be called upon for help, and how many calls his assistants can reasonably be asked to make.
>
> A ratio of one captain for every six alumni to be contacted is recommended. Captains will be given assignments of specific individuals to contact in person to encourage support of the Fund.
>
> A kickoff meeting of county chairmen and associates should be held. There, members can be better informed on aims of the program. . . . A representative from the campus will attend.
>
> It has been found, through experience, that the conclusion of the drive should be set two weeks after the kickoff meeting. This date should be announced at the initial meeting so that each worker will have every opportunity to complete his calls and make his report to the chairman.[1]

The University of North Carolina at Chapel Hill combines town and city campaigns with its class agent format with some 60 towns and cities involved in the campaign each year. A chairman is appointed for each town and city where there is a large concentration of North Carolina alumni; he or she is usually a contributor to the annual fund and most will have donated $100 or more the previous year. The chairman is requested to contact between 60 and 70 prime prospects, all considered to be capable of $100 gifts.[2] The North Carolina city solicitations are held in advance of the mail program and in

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[1] Ibid.

[2] Bost, letter.

1972 more than $60,000 was raised in this fashion, the average size of the gifts in excess of $100.[1]

Texas A & M University conducts more than 100 city and town drives. The campaigns are conducted under the direction of the local chapter of the university's Association of Former Students. The chapters elect a chairman of the city campaign who is responsible for soliciting volunteer workers and supervising the drive.[2]

The Texas A & M city solicitations are conducted in the spring by the more sizeable and functioning alumni clubs. A Leadership Manual issued by the university's Association of Former Students to club officers recommends how a city campaign should be conducted:

> Experience from previous Annual Fund drives has shown that the response to personal solicitation is greater than the response to mail appeals. Each spring, the larger and more active A & M clubs conduct a City Campaign to assist the Association in reaching the goals of the Annual Fund. The expanding programs and activities of the Association require an increase in the number of gifts and an increase in the size of the gifts each year. The personal contacts experienced during a City Campaign have greatly aided in the reaching of these goals.
>
> Worker's cards for every former student in the city who has not made a gift by March 10 are provided to the campaign chairman by the Association office. These cards list business and home address, giving record, degree, and other information which is useful in getting the right card to the right worker.

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[1] Ibid.

[2] Association of Former Students, Leadership Manual, p. 44.

The City Campaign chairman also receives a list of former students who have already made gifts for the current year. The nucleus of the workers should come from this list.

STEPS IN ORGANIZING THE CAMPAIGN. Carefully review the materials provided by the Association. These will include worker's cards, a worker's kit, and an organizational chart. The worker's kit includes a worker's envelope to put Annual Fund gifts and the cards in when the worker has completed the contact. The kit also contains a "Fact Sheet for Fund Workers" with helpful hints and information.

The organizational chart can be used as a visual aid to assist in organizing and conducting the City Campaign.

LINE UP TEAM CAPTAINS. It is suggested that each City Campaign be organized into a maroon team and a white team. The worker's cards should be divided equally so each team will have the same number.

Assist the team captains in lining up their workers. Best results have been obtained when each worker takes about five cards. Needless to say, the number of workers depends on the number of former students residing in the city of the campaign.

CALL A KICKOFF MEETING. At this meeting of team captains and workers, divide the cards between the maroon and white teams. It is suggested that workers take the cards of classmates, close personal friends, or fellow employees. These are usually the individuals the worker can most effectively approach for a gift to the Annual Fund. If team captains and workers do not come from the list of former students who have already contributed to the current Annual Fund, they should make their gifts first.

Set campaign dates for the drive at the kick off meeting. It is suggested that the campaign open and close within a two-week period. The Association office is hopeful that many City Campaigns can be completed in April and all of them will be completed by the end of May.

Fill out the organizational chart at the kickoff meeting. This way, the chairman will know which cards each worker has taken. This information is needed to check off gifts as they are turned in, and for the final wrap-up.

FORWARD CONTRIBUTIONS PROMPTLY. As the drive continues, all gifts should be forwarded with envelopes and worker's cards to the Association of Former Students, Box 7368, College Station, Texas 77840. This will assure that proper credit and acknowledgments are sent to each contributor.

As gifts are received in the Association office directly from former students, the City Campaign chairman will be advised. This way, the chairman can mark the individual paid on the organizational chart.

THE FINAL WRAP-UP. It is helpful to have a wrap-up meeting at the end of a City Campaign. This meeting can be used to analyze results, make last minute calls, and to bring the campaign to a successful conclusion. Team captains and workers should be invited.

VARIOUS ORGANIZATIONAL SET-UPS. Approaches will vary from one size city to another. Perhaps larger cities will need a more complex organization than the one outlined above. Smaller cities, on the other hand, may accomplish the goals in a more simple manner.

Less than 50 former students. Line up two team captains and have each captain line up two or three workers depending on the numbers. Remember, the ideal ratio is five cards for each worker. Let the team captains each take five cards also to lighten the load.

From 50 to 100 former students. The organization used with less than 50 former students will work equally well. The only difference is that workers will need to be added to take care of the increased cards.

Between 100 and 1,000 former students. Individuals with organizational ability will be helpful here. Several organizational charts may be needed to include all the workers and the people to be contacted. Kickoff meetings and lining up good workers to assist is the key to success.

Over 1,000 former students. A specially designed and carefully planned campaign on the order of United Fund is the answer in these larger cities. Special meetings on the campus or in the cities can be held to develop the organization and launch the drive. The Association office provides special assistance for these large cities.

HINTS TO THE CHAIRMAN. News releases about the chairman and the City Campaign are prepared for the local media and sent out by the Association office. Former students who know about the campaign have proven more willing to contribute. Local chairmen should offer progress reports and a final report to the media in their cities for complete coverage.

> The Association office will be happy to assist campaign chairmen in every way possible. . . . Special awards are given to cities with 75 per cent participation.
> Many questions which will be asked of the chairman, captains, and workers are answered in the following paragraphs.[1]

College and School Campaigns

While most annual giving campaigns are organized around the college classes, there are alternative approaches which have also been successful. The Indiana University Foundation, for example, has made a major--and flourishing--attempt to gear its annual giving drive around the university's various schools and colleges. Involved in the special solicitations are the College of Arts and Sciences; the School of Business; the School of Dentistry; the School of Education; the School of Health, Physical Education and Recreation; the School of Law at Bloomington; the Indianapolis Law School; the School of Medicine; the School of Music; and the School of Nursing.[2]

The program had its beginnings in 1964 with a series of meetings which included representatives from the Indiana University Foundation, the Alumni Association, and representatives from the staff of the Indiana School of Medicine. Out of these meetings emerged the idea for the IU School of Medicine Fund. The foundation accepted the responsibility

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[1] _Ibid._, pp. 44-46.

[2] Whitacre, questionnaire.

to prepare and execute direct mail programs for the new fund and to work with alumni leaders in setting up a national organization each year for personal solicitations.[1]

Since the fund's origin, campaigns have been held in its behalf annually in more than 200 cities throughout the nation under local chairmen with hundreds of graduates from the school serving as committee workers. The officers of the various classes of the School of Medicine cooperate in sending out letters to their classmates, and in 1970-1971 they were successful in obtaining gifts from more than 1,100 graduates as well as several hundred other gifts from friends of the medical school. In the first seven campaigns of the program gifts totaling more than $1,300,000 have been credited to the school's fund.[2]

The School of Dentistry followed two years later with a constituent fund of its own. Special fund efforts were directed within the state of Indiana, notably in the South Bend and Fort Wayne areas and among various dental societies.[3]

By 1970, all of the university's schools and its college had established development funds within the Indiana University Foundation. The success of the school and college drives can be demonstrated by the fact that in 1964

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[1] Ibid.

[2] Ibid.

[3] Ibid.

total annual giving to the foundation was slightly more than $1,000,000. Six years later the total exceeded $2,800,000 and had earned Indiana University the Grand Award of the American Alumni Council for "sustained performance in alumni support."[1]

The school and college plan has provided the deans, faculty, and alumni of the various academic schools and the college with an incentive to work for fund-raising while at the same time, by maintaining central direction and staffing within the foundation, costs have been kept low. Alumni who contribute to their college or school are also contributing to the university so a dual loyalty is satisfied. In addition, the number of alumni participating in the drives has increased because of the urging of the college and school deans and faculty.[2]

Class Reunions

The occasion of a class reunion or special class anniversary can be used as an opportunity to increase the giving level of a class, as has been demonstrated at the University of North Carolina at Chapel Hill. Bost reports that in 1966 the North Carolina Class of 1926 embarked on a special campaign to raise $40,000 or $1,000 for each of the 40 years since the class's graduation. It took two

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[1] Ibid.

[2] Ibid.

years for the class to reach its goal but the $40,000 was achieved. The Class of 1927 followed suit and it, too, raised $40,000. All of the succeeding classes have used their fortieth anniversary as an opportunity for a special fund-raising effort; while none have done as well as the Classes of 1926 and 1927, they have all given in larger amounts than in years prior to the fortieth reunion. The Class of 1931, for example, raised a total of $37,000.[1]

The North Carolina annual giving program has also conducted special campaigns for the various fiftieth reunions. The Class of 1921 set a goal of $50,000 which it failed to reach, although its $25,000 total bettered by some $15,000 its best previous showing. As Bost notes, it is more difficult for a class of but 200 living members to achieve a $50,000 objective.[2]

More recently, the North Carolina annual giving campaign has attempted to use the twenty-fifth year reunion as a special fund-raising occasion. The goal was again $1,000 a year for every year out of college. As a feature of the reunion, editions of the school paper and yearbook, revised and updated, were distributed. Both items elicited considerable interest among those who attended the anniversary celebration.[3]

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[1]Bost, letter.

[2]Ibid.

[3]Ibid

Rennebohm states that officials of the University of Wisconsin Foundation concentrate their efforts on the twenty-fifth and fiftieth class reunions, although the foundation has decided that the fortieth reunion may be the most appropriate for a fund-raising effort.[1]

The twenty-fifth reunion is considered the most difficult for fund-raising since the alumnus who has been out of college for 25 years is not as financially secure as he will be 15 years later when the fortieth reunion will be held. At the time of the twenty-fifth reunion he will probably still have mortgage payment obligations, will perhaps be paying to send his children to college, and there will be other expenses. By the fortieth reunion, the alumnus will be in his highest income period. The children will be graduated from college and married, the house will be paid for, and debts will be fewest. By the fiftieth reunion, ten years later, the alumnus will be in his early seventies and his family will be well established. He will, however, probably be retired and his income will be lower. There will also be health concerns.[2]

The officers of the class holding the reunion, or an appointed committee, generally select the gift the class will attempt to purchase through its fund-raising campaign.

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[1] Rennebohm, interview.

[2] Ibid.

Rennebohm states the gift is usually a brick-and-mortar project or a painting or art object. Recent classes have set goals ranging from $50,000 to $75,000.[1]

The Wisconsin Class of 1921 elected to raise $50,000 to furnish a room in one of the university buildings. At the reunion the class officers announced that gifts totaling $100,000 had actually been received. The Class of 1922 decided to raise $75,000 to be used for a research study on how to clean up the bay adjacent to the campus. The class raised $62,000 in available funds and another $80,000 in deferred gifts.[2]

Wisconsin's fiftieth anniversary campaigns are launched 20 months in advance of the reunion to permit donations to be made over a three-year income tax period. The campaign is thus begun while the alumni are still gainfully employed.[3]

Special fund-raising drives associated with class anniversary reunions can be a successful development instrument, as the University of North Carolina and the University of Wisconsin donors have exhibited.

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[1] Ibid.

[2] Ibid

[3] Ibid.

Athletic Funds

The athletic programs of America's colleges and universities have become increasingly expensive to operate and often involve the expenditure of millions of dollars annually at a single campus. In fact, so expensive has intercollegiate sports become that financing them has emerged as a real problem for the athletic directors and for college presidents and treasurers.

One means of meeting the needs of the athletic budgets has been through voluntary contributions. Athletic fund-raising is often of such magnitude that the campaigns are conducted separate and apart from the universities' development offices. The athletic fund-raiser is often a full-time staff member paid out of the athletic budget and his relationship to the development office is merely one of a coordinating nature.

The Educational Foundation, Inc. of the University of North Carolina at Chapel Hill is typical of the athletic fund-raising organizations at the other schools of this study, except that not all the other athletic fund-raising clubs are incorporated. Founded and chartered in 1938, the Educational Foundation, Inc. was the first fund-raising organization to be established at the university. Since then seven other foundations have been established for various academic programs. The Business Foundation and the Medical Foundation have been very successful, amassing endowments of $6,000,000 and $2,000,000, respectively.

The Educational Foundation exists to provide scholarships or grants-in-aid to qualified students with athletic abilities. Since its inauguration in 1938 it has provided aid for more than 2,000 student athletes. The majority of its annual income is derived from memberships in the Rams Club, which consists of contributors of $100 or more. Other income is generated by the foundation's Scholarship Endowment Trust and through the sale of life memberships in the foundation at $10,000 each. In 1971, the foundation began a life insurance program whereby the foundation is made owner and beneficiary of the policies. In less than a year's time, the policies owned by the foundation surpassed $600,000 in face value.[1]

The foundation authorizes the organization of chapters and some 75 of them are scattered throughout North Carolina, Virginia, South Carolina, Tennessee, Washington, D.C., New York, and Georgia. In 1971, the foundation had 2,602 contributors who received various brochures, schedules, periodic letters from the football and basketball coaches, and general information letters on the entire athletic program. They also received ticket priority in football

[1]The University of North Carolina, The University Development Program, 1971 (Chapel Hill, N.C.: University of North Carolina, 1972), pp. 13-14.

and basketball games. Members of the Rams Club received the same materials and priorities as regular contributors, together with permanent football seats and a parking pass for each home game.[1]

The Educational Foundation, Inc. of North Carolina is operated similarly to the Big Blue Club at Utah State University, the Varsity "M" Club at the University of Michigan, the Varsity Club at Indiana University, or any of the other athletic fund-raising clubs at the eight universities. Each has its own set of officers, chartered chapters, and individual constitutions and by-laws.

At Indiana University membership in the Varsity Club can be obtained for an annual gift of $5.00 or more, although to qualify for the Loyalty Group requires a yearly donation of $100, while the Hoosier 100 consists of those who have made annual contributions of $5,000 or more.[2]

The Varsity "M" Club at the University of Michigan establishes its membership with a donation of less than $100 annually. Larger donors receive membership in either Maize and Blue Club ($100 gift minimum) or the Victors Club

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[1]The University of North Carolina, The University Development Program, 1971.

[2]The Indiana University Foundation, Giving to Indiana University (Bloomington, Ind.: Indiana University Foundation, 1971), not paged.

(a yearly donation of $1,000 or more or a life-time membership with a $10,000 gift).[1]

The athletic clubs ordinarily channel their donations through the university or the university's foundation where the monies are receipted. The disbursement of the funds is generally made either on instruction of the institution's athletic director or the club's president or both.

Memorial Giving Programs

Memorial giving in remembrance of someone who has died is an increasingly important aspect of the annual giving campaigns of the eight universities studied. A gift in remembrance of the deceased is mailed to the development office which sends the donor a receipt and at the same time sends a notice to the family of the deceased that a memorial gift has been given to the university as a tribute to the person who has died.

Memorial gifts serve two purposes: they allow an individual to meet a personal obligation to the memory of a departed friend or relative, and, at the same time, to donate to a university. The amount of the gift is always kept confidential in the development office files

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[1]Michael Radock, "Colleges and Foundations: Essential Partners in Educational Philanthropy," Innovative Ideas in University Development, p. 28.

and regardless of its size, an acknowledgment to the deceased's family is made. Such a memorial gift has several advantages over the traditional gift of flowers. As a contribution to a university, it is fully tax-deductible. Then, too, most universities publish lists of memorial donors, adding a second tribute to the initial gift.

Memorial giving programs receive emphasis at Texas A & M University, the University of Wisconsin Foundation, and the Utah State University Development Fund, all of which have made special efforts to solicit memorial gifts. Texas A & M cultivated memorial donors by sending a general mailing to all alumni and friends of the university which outlined how the gift was processed and provided a special envelope for sending in memorial contributions (see Exhibit 17). The Utah State University Development Fund ran several articles on memorial giving in its newspaper, which is distributed to all alumni and annual giving contributors. The University of Wisconsin has similarly publicized its memorial giving programs in various publications of the university.

Sanders emphasizes several of the factors that have made the memorial giving program succeed at her university. The first is promptness. The gifts are receipted and an acknowledgment is mailed to the family of the deceased on

FROST NATIONAL BANK

Donald W Garrett
President

Post Office Drawer [illegible]
Main at Commerce Street
San Antonio, Texas [illegible]

May, 1972

Dear Fellow Alumnus,

One of the traditions often observed at Texas A&M is the remembrance of individuals through memorial gifts. Honoring a friend with your gift to the Association of Former Students Memorial Scholarship Fund program is a sincere, dignified and deeply satisfying manner of paying tribute. Knowing at the same time you are providing support and encouragement to the living makes your contribution doubly meaningful.

Another custom is that of sending gifts to the Memorial Scholarship Fund in honor of your friends recovering from illnesses or in honor of birthdays, anniversaries and other special occasions.

When such contributions are received from you, the Association of Former Students will make immediate acknowledgment to the family of the honoree. Your name and the purpose of the gift will be stated on the card with no mention of the amount given. A receipt will be sent to you along with another envelope for future use.

Monies received in this fashion will be used in the Association's scholarship program. Any time there is as much as $250 in any one individual's name, a permanent named endowment may be established which would insure an annual listing in the individual's name for the Annual Fund.

The enclosed blue envelope is for your convenience in sending a memorial contribution to the Association of Former Students.

You may wish to honor a relative or friend with a Memorial Gift immediately. If not, put the blue envelope aside until the occasion arises to use it. All Memorial Gifts, now or later, frequently or infrequently, large or small, are greatly appreciated!

Sincerely,

Don Garrett

Donald W. Garrett '50
Vice-President for Fund Raising
The Association of Former Students

P.S. Enclosed you will also find a white return envelope for your convenience to participate in the 1972 Annual Fund. Your participation is important! If you have already made your gift, thank you.

Exhibit 17. Texas A&M University Memorial Giving Mailing

the same day that the gift is made. Often the family will receive the card of acknowledgment before the funeral is held. The second factor is publicity. The development office insures that all donors are recognized publicly by printing the names of the deceased and the memorial donors in the alumni newspaper. The third is that much effort is made to guarantee that the name of the deceased is correctly spelled and that the acknowledgment card is sent to the proper next of kin.[1]

The acknowledgment card and its envelope are generally prepared to reflect the dignity of the occasion. The card is printed on good paper stock and the copy allows for inserting the name of the deceased, the name of the donor, and the date the gift is received (see Exhibits 18 and 19). The card cover design is generally simple and tastefully prepared.

Another aspect of memorial giving is the establishment of an endowed scholarship or some other appropriate fund to honor the memory of the departed. Friends and relatives of the deceased are then solicited to contribute to the fund. In all cases, the family of the person who has died is consulted before the fund is established and often it is the family itself which initially conceived the

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[1]Sanders, interview.

In Memoriam

A Gift has been made to the
UNIVERSITY OF WISCONSIN FOUNDATION
In Loving Remembrance of

This Memorial Gift has been made by

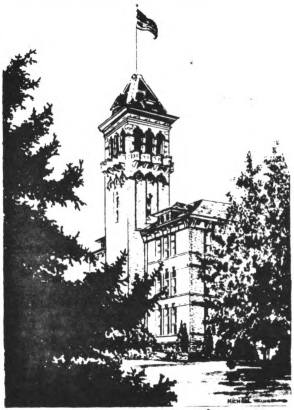
and it has been duly entered upon the records of the Foundation and will be used to help the University in furthering its goal of excellence in teaching, research, and public service.

Dated at Madison, the ____ day of __________ 19___

uwf

POST OFFICE BOX 5025 • MADISON, WISCONSIN 53705

Exhibit 18. University of Wisconsin Foundation: Memorial Gift Acknowledgment Card



Old Main, Utah State University, Logan, Utah

Your contribution
in memory of

has been received and allocated
as you requested.
Thank you for your thoughtfulness
and generosity.

Sincerely,

Glen L. Taggart
President

Exhibit 19. Utah State University Development Fund: Memorial Gift Acknowledgment Card

memorial fund. Such funds present some problems, for should the amount of money so collected be small, maintaining its identity as a memorial fund could prove costly and be counter-productive. Thus the universities involved in this study have established minimum totals which must be achieved before the memorial can be perpetuated. At Texas A & M it is $250, at Utah State University it is $2,000 (the amount has been established by state law).

Texas A & M has extended the program to provide for receipt of tribute gifts to the university, i.e., gifts received on the occasion of a person's birthday or some other significant event in the life of the person to be honored. The mechanism is the same as for memorial gifts. The donor receives a receipt and the person honored receives a card of acknowledgment.

Gift Acknowledgments

Perhaps no aspect of an annual giving campaign is more important than the prompt acknowledgment of gifts.[1] Each of the eight universities has devised its own gift acknowledgment procedures, but all issue official receipts which are mailed to the donors, usually on the same day the gifts are received. (See Exhibit 20 for sample receipts

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[1]Bost, interview.

THE UNIVERSITY OF NORTH CAROLINA at Chapel Hill

Alumni Annual Giving gratefully acknowledges the receipt of

$50.00 on 2/25/72 , your seventh consecutive gift

It is with a feeling of real appreciation that we record your name among those alumni who have contributed to the University for the current fiscal year.

Class of 1940

Donor: Mr. Charles Edward Diffendal
P. O. Box 5471
High Point, North Carolina 27262

Receipt No. **102123**

This gift constitutes a deduction under income tax laws.

Tom Bost Jr.
Director of Alumni Annual Giving

Utah State University Development Center
Logan, Utah 84321

2 Sept. 25, 1974 21076

Thank you for your recent gift of **$100.00**

designated for

Institutional Scholarship Fund
495 6892 6100 0001 0 241

Mr. John Doe
3303 Maple Drive
Salt Lake City, Utah 84101

Your gift is greatly appreciated and will be wisely used to guide youth to knowledge.

This is your official receipt. Remember that your gift is tax deductible.

Exhibit 20. Sample Gift Receipts

used by the University of North Carolina at Chapel Hill and Utah State University.)

The University of Michigan sends an official receipt to all who give, but donors of gifts of $500 or more receive a special letter from the president of the university. It is also the institution's policy to send a letter from the president to all Ann Arbor contributors of $100 or more, in an attempt to maintain good town and gown relationships.[1]

The Kansas University Endowment Association sends an individually typed and signed letter to all contributors; the letters are prepared on an IBM magnetic machine. Personally dictated letters are prepared for all those who contribute $500 or more.[2]

It is the policy of the University of Wisconsin Foundation to enclose with its receipts of gifts under $50 a printed message of thanks. (See Exhibit 20 for sample of the gift acknowledgment.) All donors of gifts in excess will receive a receipt and a personal letter.[3] The University of Colorado uses a similar procedure, except that personal letters are sent only to those who contribute $100 or more.[4]

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[1]Van Almen, interview.

[2]Todd Seymour, questionnaire.

[3]Rennebohm, questionnaire.

[4]Roberts, questionnaire.

The University of North Carolina at Chapel Hill acknowledges all gifts with a receipt, but donors of gifts of more than $50 receive a letter from the university chancellor as well as from the alumni annual giving office. All new contributions each year are also acknowledged by the chancellor.[1]

The University of Indiana sends a letter acknowledgment to its donors,[2] while a computer receipt and personal letters for larger gifts is the pattern at Texas A & M.[3] Utah State University sends an individually typed form letter of thanks to all donors; however, personally dictated letters are directed to those who donate $100 or more. Several of the deans at Utah State University have also elected to write letters of thanks to donors to their colleges.[4]

Another means of acknowledging gifts is the publication at the campaign's end of a "roll of honor" list. The names of persons who donated to the annual fund during the campaign year are arranged in lists and printed in a booklet which several of the universities mail to all of the donors. The booklet prepared by the annual giving program at Kansas University, for example, contains a

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[1]Bost, questionnaire.

[2]Whitacre, questionnaire.

[3]Walker, questionnaire.

[4]Sanders, interview.

report of receipts and disbursements of the Endowment Association and a listing of donors by state and county,[1] a pattern also used by the Indiana University Foundation.[2] The honor roll published by the University of Michigan lists contributions in alphabetical order.[3]

Several of the universities publish their honor rolls as inserts in the newspapers sent to all alumni. The University Report, published five times each year by the General Alumni Association of the University of North Carolina at Chapel Hill, carries an honor roll insert each year in its April edition. The honor roll names are listed by their graduating classes and the total amount of giving by each class is also indicated. Adjacent to each name is a number which shows the number of years of giving. Next to some of the names is a symbol of a campus landmark (the Old Well) which designates that the individuals are "charter contributors," donors who have given every year since the North Carolina ann l giving program was launched in 1952 or for each year since the graduation of the donor's class.

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[1]Kansas University Endowment Association, Nineteenth Annual Report and Roll of Honor (Lawrence, Kan.: Kansas University Endowment Association, 1972).

[2]Indiana University Foundation, Roll of Honor (Bloomington, Ind.: 1971).

[3]Michigan Annual-Giving Fund, Honor Roll (Ann Arbor, Mich.: University of Michigan, 1970.

Another symbol, a bell, is used to indicate that the alumnus has given as many as ten times or more.

Roberts maintains the honor rolls are combination sales and information pieces:

> We've gone the gamut from reports with fancy dye cuts and embossing down to the newspaper insert. . . . People like to see their names in print and if you think people don't care, put down a 13 instead of a 14 in consecutive giving and see how many let you know.[1]

Records Keeping

Essential to an annual giving campaign is access to a list of alumni with current addresses and past giving records. All of the universities of this study maintain computer lists with several having developed rather sophisticated records-keeping programs.

Alumni records are generally maintained by the alumni associations (Texas A & M, University of Michigan, University of Indiana, University of Wisconsin, and University of North Carolina). But the Colorado University Foundation and alumni association maintain the records jointly,[2] while the Utah State University Development Fund maintains its own alumni records.[3] The Kansas University Endowment Association receives its alumni

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[1]Roberts, interview.

[2]Roberts, questionnaire.

[3]Lambert, interview.

lists from the alumni association but the giving records are kept by the Endowment Association itself.[1]

The Texas A & M Association of Former Students has placed its records on a computer using a disk pack with random access. The individual computer record contains a wide variety of information including the alumnus' name, home address, title, business address, and address where he prefers to receive his mail. The record indicates whether or not he is married and, if so, the number of sons and daughters. Fund information includes the number of years he has made a gift, the amount of the gift in the current year, the amount of his giving over the last two years, and the grand total of the number of dollars donated since 1942.[2]

The computer record also carries information of the alumnus' participation while a student at Texas A & M including whether or not he was in the military band and his R.O.T.C. branch (Air Force or Army). The record contains information on whether he was awarded a scholarship or loan, his marital status as a student, and if he worked during his college years. If the alumnus was an athlete, the record will show if he lettered and if he was tapped to the Key Club, the athletic recognition society.[3]

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[1] Todd Seymour, questionnaire.

[2] Walker, interview.

[3] Ibid.

The Texas A & M individual record also provides for a note section where any special information is stored. If an alumnus works for an employer who matches educational gifts, that information is also recorded. In the gift posting section, provisions are made for monthly gift pledges and the computer is called upon to print the reminders which are mailed.[1]

The Texas A & M annual fund has a Century Club program with four levels of participation. If a donor contributes at the $100 level, the letter "C" is printed next to his computer gift record. If he gives at the $250 level (Silver Century), an "S" is substituted for the "C." If he is a Golden Century member (an annual gift of $500), a "G" is placed next to the gift record, and if he is a Diamond Century level member ($1,000 or more), a "D" is recorded. If the donor is a second year participant in any of these programs, the "C" is changed to "1," the "S" becomes a "2," the "G" a "3," and the "D" becomes a "4."[2]

A key factor in the association's ability to keep so much information current is the periodic publication of an alumni directory. In advance of the directory's

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[1] Ibid.

[2] Ibid.

printing, a questionnaire is sent to all alumni on record. The questionnaire contains a print-out of the information contained on the university's computer records and a request that the alumnus review the information and report any incorrect data. Of the last questionnaires issued by the Association of Former Students, more than 26,000 were returned with up-to-date information.[1]

Summary

Part 3 presented the findings obtained from the questionnaire and the personal interview as they related to the annual giving campaigns. Essentially the findings covered the third section of the questionnaire. The concluding chapter, Chapter V, contains conclusions and recommendations of this study.

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[1] Ibid.

PART 4

DEVELOPMENT PROGRAMS FOR CORPORATE, FOUNDATION, AND DEFERRED GIVING

Introduction

> Had the University of Kansas not received private support in the years past from alumni, friends, foundations, and corporations--many with matching grant programs--our present campus of nearly 800 acres would be less than 100 acres in size, our physical plant would consist of 35 fewer buildings than we have now, we would not have one of the finest museums of art in the mid-west, we would have no loan and scholarship program for worthy, needy students, we would have many thousand fewer volumes in our library. . . .[1]

The value of private support for public universities is evident in the above statement by Irvin Youngberg, Executive Secretary of the Kansas University Endowment Association. At Kansas University, as at the other seven institutions of this study, private fund-raising has become an important, perhaps even essential, aspect of the university program. But despite their proved fund-raising success, each of the eight development directors stress that there exists ample room for improvement. And most hope to put more emphasis into those programs which yield the greatest

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[1]Office for Institutional Research, Margin for Excellence and Opportunity, p. 12.

results: corporate and foundation solicitations and deferred giving programs.

Part 4 of this chapter is devoted to a discussion of the methods and techniques used by the universities of the study in winning the financial support of corporations, private foundations, and of individuals through deferred gifts. It describes some of the ways in which gift prospects are identified; outlines various corporation and foundation giving programs; and examines the various components of a deferred giving program, including bequests, charitable gift annuities, trust annuities, life insurance, gifts of appreciated properties, and program management. Part 4 concludes with a brief summary.

Prospect Identification

> "The most sophisticated fund-raising program is doomed to failure if it is directed to the wrong people," insists William Goodwin of the University of Michigan development office, "and so it is highly important that lists of prospects be carefully prepared. Research of potential donors is the most important aspect of a development program. It can tell us who to ask and for what purposes. Often it can tell us how much to ask for too."[1]

The development directors of this study agree with Goodwin's observation and have established techniques and equipment in their development offices for the locating and researching of prospects, whether it be a wealthy

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[1]Goodwin, interview.

alumnus, a corporation with ties to the university, or a foundation whose announced objectives match those of a university department or activity.

Prospect files are maintained by all of the study's development offices, and usually they are divided into three divisions: individuals, corporations, and foundations. The design of the record cards vary, but most are similar to those of the Kansas University Endowment Association.

The Endowment Association maintains cards on all of its prime individual prospects. The cards contain sections devoted to the prospect's family, occupation, gift record, affiliations, and points of contact. The individual's estimated net worth and his estimated annual income are also reported, should such information be available. Prior to a solicitation by a staff member or volunteer, the information recorded on the card is reviewed and after the contact has been made, any new information is recorded and the old information up-dated. (See Figure 21 for sample of individual cards used by the Kansas University Endowment Association.)

Prospects are identified by a variety of methods. Names of potential large donors are often solicited from members of the governing board and from the offices of the university. Records are maintained on previous large donors and members of the President's Clubs, since if they have given once, they are often inclined to give again.

Individuals

(name) | K.U.? √ | K.U. Year

(spouse—maiden name)

Home address:

Tel. No.

Business Address:

Tel. No.

ALUMNI ACTIVITIES

Membership: Life ☐ Active ☐ Inactive ☐

List membership on K.U. Boards, Councils, Etc.—Past and Present.

K.U. interest rated: Strong ☐ Passive ☐ Unknown ☐

GIFT RECORD AT K.U.

Year	Amount	To	Purpose

MAJOR GIFTS ELSEWHERE

Year	Amount	To

FAMILY | K.U.? √ | K.U. Year

< Parents:

< Parents:

Children:

Others:

*denotes deceased.

POINTS OF CONTACT

1. Endowment Trustees:

2. Faculty and Staff:

3. Others:

FINANCIAL DATA

Estimated Net Worth ________________ code amount

Estimated Annual Income: $________________

OCCUPATION
(both husband and wife—now and formerly)

Honors—Major Positions—Publications

AFFILIATIONS

Fraternity:

Sorority:

Directorships:

Clubs:

Civic—Foundation:

Bank:

Attorney:

Major Outside Interests:

Exhibit 21. Kansas University Endowment Association: Individual Record Card

Various directories (Standard and Poors, Who's Who, Dunn and Bradstreet) are also sources of possible donors. Texas A & M University derives names of prospects from information received in a questionnaire it submits to its alumni periodically.[1] The Colorado University Foundation has discovered that attorneys and trust officers are a valuable source of information on large-gift prospects.[2]

> We get prospect leads any way we can. Sometimes a name comes up in a conversation with a colleague or with another prospect, and we write it down and research it. Sometimes we note a newspaper article that one of our alumni has been made a corporation officer, and we write that down. Or we are told that an alumnus has made a gift somewhere else, and we record that, too. Primarily they come from just being alert and prospect conscious.[3]

Utah State University gathered many of its prime prospect names from a list it purchased of major landowners in Utah. Another group of names was submitted by department heads who had been asked by the university's development officers to review their graduates and acquaintances in terms of their capacity for charitable giving.[4]

The compilation of a list of prospects for deferred gifts takes into consideration most of the methods outlined

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[1]Walker, questionnaire.

[2]Roberts, questionnaire.

[3]Roberts, interview.

[4]Steinitz, interview.

above--to identify large-gift donors, as well as lists of alumni or friends of the university who are unmarried or married but without children, faculty widows or widowers, and sustained givers to the annual giving program.

Prospect records of companies and foundations are secured in much the same manner as for individuals. Files of cards are maintained in the development offices (see Exhibits 22 and 23 for sample cards used by the Kansas University Endowment Association) and efforts are made to keep them as current as possible.

A corporation record card generally includes information as to the firm's type and volume of business, its number of employees, the names and addresses of its officers and attorneys, the location of its plants or subsidiaries, a listing of its gifts to the university and to others, and a record of contacts made by the development staff or its representatives with the corporation's officials.

A foundation record card will ordinarily contain data on the foundation's history, its original and current donors, its published resources, the names and addresses of its officers and directors, as well as a statement of the general policies and purposes of the foundation. As with the corporation record cards, a contact record is

CORPORATIONS

DATE

NAME

ADDRESS

PHONE

LOCATION OF PLANTS OR SUBSIDIARIES

CONTACT(S)

HOW ADDRESSED?

NUMBER OF EMPLOYEES

TYPE OF BUSINESS

PRODUCT(S)

END OF FISCAL YEAR

BANK

VOLUME OF BUSINESS

WHERE IS PRODUCT DISTRIBUTED?

NAMES OF OFFICERS

NAMES OF BOARD MEMBERS

ATTORNIES

PRIVATE CORPORATE

NUMBER OF STOCKHOLDERS

CORPORATION CONTROLLED BY WHOM?

CORPORATION FOUNDATION

FOUNDATION CONTACT(S)

GIFTS TO THE UNIVERSITY OF KANSAS

DATE	AMOUNT	PURPOSE

CONTACT RECORD

BY WHOM	DATE	LETTER SENT	RESULTS

NON-KU GIFTS

YEAR	AMOUNT	PURPOSE

REMARKS

Exhibit 22. Kansas University Endowment Association: Corporation Record Card

FOUNDATIONS

NAME

DATE

CONTACT(S)

ADDRESS

HOW ADDRESSED?

PHONE

PERSON | CORPORATION | INDEPENDENT

WHEN ESTABLISHED

GENERAL POLICIES

DONOR(S)

RESOURCES

$..............................

...... SPENDS INTEREST ONLY

...... CAN SPEND BOTH CAPITAL AND INTEREST

...... SEE REPORTS—

PUBLISHED ....

....

...... PUBLISHES NO REPORTS

OFFICERS, DIRECTORS, ETC.

GIFTS TO KU

DATE	AMOUNT	PURPOSE

CONTACT RECORD

BY WHOM	DATE	LETTER SENT	RESULTS

NON-KU GIFTS

YEAR	AMOUNT	PURPOSE

REMARKS

Exhibit 23. Kansas University Endowment Association: Foundation Record Card

maintained and separate listings of the foundation's gifts to the university and of non-university gifts are made.

Foundation Giving Programs

The largest single source of private voluntary support for higher education is the nation's philanthropic, family, and corporate foundations, which number more than 45,000[1] and whose aggregate assets are counted in the billions of dollars. In the fiscal year 1972-1973, foundation grants to six of the universities of this study (statistics were not available for the other two) totaled $19,029,693, or 22 percent of their grand total of support in that year.[2] Table 19 provides a breakdown by university of foundation grants in 1972-1973.

The nation's private foundations exist as an immense resource to higher education, their contributions in 1972-1973 totaling $409,926,000 or 23.4 percent of all voluntary support to America's colleges and universities. Their support to public four-year institutions in that same year was $99,534,223 or 27.9 percent of the grand total of private giving to public colleges and universities.[3]

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[1]Charles A. Cooley, Fund-Raising for the Private School--The Foundation Approach, Vol. I (Cohasset, Mass.: Independent School Consultants, 1964), p. 1.

[2]Council for Financial Aid to Education, pp. 36-45.

[3]Ibid., p. 60.

Table 19. Support of general welfare foundations to participating universities, 1972-1973

University	Amount of Support
University of Colorado	NA[a]
Indiana University	$2,431,869
University of Kansas	735,568
University of Michigan	7,335,697
University of North Carolina at Chapel Hill	NA[a]
Texas A & M University	2,174,094
Utah State University	309,042
University of Wisconsin	6,199,564

Source: Council for Financial Aid to Education, pp. 36-45.

[a]Information not available.

Little wonder, then, that most of the development offices of this study maintain an organized program for the solicitation of gifts and grants from foundations, and that those which do not are planning to expand into this area.

Newberry has classified the general welfare foundations into two types: the professional and non-professional. The professional foundations are of such magnitude that they require professional staffs to study the thousands of appeals they receive for funds annually. Included in this category are the Ford, Rockefeller, Carnegie, Kellogg, and other similar large foundations. The non-professional foundations do not usually have professional staffs; these include company and community foundations or trusts and the large number of family foundations. The non-professional foundations are generally governed and controlled by appointed trustees, with the founder of the foundation or his heirs generally serving as the principals and trustees.

The Russell Sage Foundation, established in 1907, has published a selection of manuscripts and documents dealing with the philanthropy of foundations.[1] The present position of foundations, their types, organization, boards of trustees, finances, professional staff, methods of operation, grant programs, areas of interest, reporting and publicity, legal problems, and current trends are all covered in foundation publications.

F. Emerson Andrews, in particular, has produced a series of books under the sponsorship of the Russell Sage Foundation which explore the influence and activities of foundations. His book Philanthropic Foundations, published in 1955, has served as a guide for the organization of a number of foundations, since the book contains a sample foundation charter, constitution, and declaration of trust.[2]

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[1]J. O. Newberry, "Foundations Today and in the Future," Fund-Raising Techniques for Colleges and Universities: A Symposium (New York: The American Association of Fund-Raising Counsel, Inc., 1965), pp. 86-87.

[2]F. Emerson Andrews, Philanthropic Foundations (New York: Russell Sage Foundation, 1956).

Andrews has also explored the motives and the attitudes for charitable giving,[1] the legal aspects of foundations,[2] the role of foundations in American society,[3] and a treatise on philantropic giving.[4]

Erickson notes that foundations have had a long history, but "their proliferation is a recent phenomenon (35 years ago there were only about 300 foundations)." Until passage of the Tax Reform Act of 1969, the regulation of foundations and the reporting procedures required of them were minimal. In the late 1960's a congressional subcommittee chaired by Representative Wright Patman of Texas began an investigation of foundations and uncovered abuses which led to the provisions of the 1969 Tax Reform Act dealing with foundations.[5] Because foundations are now required to dispose of their assets, colleges and universities will

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[1]F. Emerson Andrews, Attitudes Toward Giving (New York: Russell Sage Foundation, 1953).

[2]F. Emerson Andrews, Legal Instruments in Foundations (New York: Russell Sage Foundation, 1958).

[3]F. Emerson Andrews and Shelby M. Harrison, American Foundations for Social Welfare (New York: Russell Sage Foundation, 1946).

[4]F. Emerson Andrews, Philanthropic Giving (New York: Russell Sage Foundation, 1950).

[5]E. V. Erickson, "A Trustee Looks at Foundations," College and University Journal, January 1972, p. 21.

likely benefit even more than formerly as recipients of their contributions.

Michael Radock, Vice President for University Relations and Development at the University of Michigan, cites recent studies which indicate that there has been a marked shift of foundation support from private to public institutions, which might reflect the more aggressive fund-raising efforts by public institutions. However, two other factors which should also be considered are that (1) the great majority of college students now are enrolled in public institutions as opposed to private colleges and universities, and (2) the large university has a diversity, a capacity for innovation, matching resources and an adequate staff, in contrast to the small, liberal arts colleges typical of private institutions.[1]

The University of Michigan ranked tenth in 1972-1973 among all colleges and universities in foundation support with gifts of $7,179,556. It is a perennial leader among public institutions in the volume of foundation support, exceeded in 1972-1973 only by the Citadel, South Carolina.[2]

Radock has formulated ten rules which govern the foundation solicitation program at the University of Michigan.

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[1]Radock, p. 24.

[2]Council for Financial Aid to Education, pp. 14-50.

1. Lay the Groundwork Solidly.
   Make a careful study of the foundation before submitting any proposal, paying special attention to its correct address, names of personnel, annual reports, newsletters, history, nature of grants, special interests, geographic limitations, officers and recent grants.

2. Be Pragmatic.
   Do not attempt to be clever in your approach. Follow the procedures and policies indicated for the foundation and the format, if one is to be used.

3. Make Informal Inquiries.
   Save time for yourself and the foundation by informally inquiring about the possibility of foundation interest in the proposal.

4. Be Brief, Direct, Plain-Spoken.
   Assume that the recipient of your foundation inquiry is busy, impatient, skeptical, not especially interested in your problems and is faced with many more requests than he can even read thoroughly, let alone grant.

5. Use All Resources.
   Exploit the specialized resources of the Foundation Directory, Foundation News, public and private research facilities and directories, newsletters and other similar sources of up-to-date information on trends, interests, new grants, policy and personnel changes.

6. Prepare Solid Proposals.
   Following any guidelines foundations may issue, prepare proposals which present the essential information needed by the foundation to make a decision on the grant. You may want to answer these questions:

   a. What do you want to do; how much will it cost; how much time will it take?
   b. How does the proposed project relate to the foundation's interest?
   c. What difference will the project make to your university, your students, your discipline, the state, the nation, the world?
   d. What has already been done in the area of your project?

e. How do you plan to do it?
f. How will the results be evaluated?
g. Why should you, rather than someone else, do this project?

7. Don't Waste the Foundation's Time. Recognize that foundations are understaffed and generally overwhelmed with requests. Do not make a nuisance of yourself by requesting unnecessary personal interviews, telephone calls, correspondence, word on decisions.

8. Cultivate Foundation Personnel. Fund-raising, including that with foundations, is primarily a person-to-person business. Use every opportunity to become known to foundation personnel, including trustees, field representatives.

9. Practice Accountability. The acceptance of a foundation grant carries with it the responsibility of reporting results, with appropriate credit to the foundation's role in the project. Stewardship is very important.

10. Be a Good Salesman for Your Project or Cause. An informed, enthusiastic and committed college representative often will make the difference between affirmative and negative attitudes on the part of foundation officers, who in turn must sell their boards, committees or colleagues on the project.[1]

Radock notes that approaching a foundation can be a problem, especially since many private foundations do not adequately communicate their purposes. Some have

> . . . shrouded their areas of concentration in ambiguous jargon; still others have never clearly defined their objectives; many have never published annual reports; still others have classified such reports top secret. Some foundations refuse to talk to a prospective grant applicant, even to tell him that his project does not fall within their giving areas and priorities.

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[1] *Ibid.*

Indeed, as Radock laments, many foundations do not even answer their mail.[1]

Some of the development offices of this study have staff members with specific responsibilities for the area of foundation relations. These include the University of Michigan, the Kansas University Endowment Association, and the Utah State University Development Fund. Essentially these staff members serve as consultants to faculty and others in the preparation of proposals and then assist in matching the proposal with the foundations most likely to fund them. Table 20 outlines some of the aspects of the various development offices as they relate to foundations relations programs.

Most of the development officers prepare letters of inquiry to foundations and review and edit the proposals before they are mailed or delivered. However, several will occasionally write and otherwise fully prepare proposals for specific or multi-target uses.

Debrodt states that among the aspects of a proposal reviewed at the University of Michigan development office are:

1. Its specificity to university programs,
2. Its geographical appropriateness (some foundations will not give out of a specific area),

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[1]*Ibid.*, p. 25.

Table 20. Programs of foundation relations

Program Aspects	University of Colorado	Indiana University	University or Kansas	University of North Carolina	University of Michigan	Texas A & M University	Utah State University	University of Wisconsin
Maintains an organized program for the solicitation of foundation grants and gifts.	No	Yes	Yes[a]	No	Yes	Yes	Yes	Yes
Maintained a library of materials relating to foundations.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Requires that all proposals being submitted to the university to foundations must be "cleared" through the development officer.	Yes	Yes	Yes	No	No	Yes	Yes	No
Subscribes to a foundation reporting service.	No	No	Yes	Yes	No	Yes	Yes	Yes
Attempts to bring foundation officials to the campus.	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Attempts off-campus meetings with foundation officials.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Provides foundations which have made grants to the university with an accounting of how the money was spent.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Prepares written reports for the office files following meetings with foundation officials.	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes

[a]Only as such solicitations fit into specific projects being carried out.

3. Any previous connection with the foundation,

4. Appropriate size of the requested alumni, and

5. Any possible relationships with the foundation officers (alumni, faculty, etc.).[1]

All of the development officers maintain a library of materials relating to foundations, such as annual reports, brochures, listings of officers, etc. Four officers also subscribe to foundation reporting services, private firms which issue materials on foundations and which can, for a fee, prepare foundation profiles, lists of foundations which have funded proposals in a certain area, and foundation officer lists.

Corporate Giving Programs

One of the most significant trends in recent years is the growing support from business corporations to higher education. Corporate giving to higher education in 1972-1973 increased by roughly 16 percent over the previous year, to a record $249,764,000 or 14.3 percent of the total support received by the nation's colleges and universities from all sources. Almost half of the dollar increase went to public colleges and universities.[2]

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[1]Robert Debrodt, questionnaire, April 27, 1972.

[2]Council for Financial Aid to Education, pp. 8-9.

In fiscal 1972-1973, corporate gifts to six of the universities of this study (statistics were not available for the other two) totaled $18,900,266, or 22 percent of their grant total of support in that year.[1] Table 21 provides a breakdown by university of corporate grants in 1972-1973.

Table 21. Support of business corporations to participating universities, 1972-1973

University	Volume of Support
University of Colorado	NA[a]
Indiana University	$1,373,288
University of Kansas	865,226
University of Michigan	7,179,556
University of North Carolina at Chapel Hill	NA[a]
Texas A & M University	4,324,331
Utah State University	58,817
University of Wisconsin	4,942,907

Source: Council for Financial Aid to Education, pp. 36-45.

[a]Information not available.

In the nine-year period from 1964-1965 to 1972-1973, corporate giving to higher education increased by $75,778,000, from 1964-1965's $173,986,000 to 1972-1973's

[1]*Ibid*.

$249,764,000. During this period, the corporate percentage of total private support to the nation's colleges and universities remained about the same (14 percent in 1964-1965; 14.2 percent in 1972-1973).[1]

The Voluntary Support Committee of the National Association of State Universities and Land-Grant Colleges has stated that while all sectors of society must increase their contributions to higher education, corporations have special reasons to lead the way:

> . . . The business sector most directly profits from public university programs. Business and industry most frequently make use of research, consulting, manpower, advanced training and cultural programs available through public higher education. It is, therefore, in the interest of corporations to invest in the survival and advancement of strong public colleges and universities.[2]

Corporations sometimes believe that because they pay state and local taxes they have adequately contributed to public higher education. The committee notes, however, that recent studies "show the corporate share of these taxes actually reaching higher education is often quite low," and it cites research by Dr. Robert Pitchell which disclosed that major public universities receive only one to nine cents of the corporate state and local tax dollar for

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[1] Ibid.

[2] Office of Institutional Research, Margin for Excellence and Opportunity, pp. 9-11.

current-fund expenses and no more than two cents for plant fund additions.[1]

Beyond this, the committee points out that state and local tax dollars are paid only to institutions within the state in which tax payments are made and often corporations located in one state benefit from strong colleges and universities in other states:

> . . . A New York company may hire most of its new engineers from public universities in Illinois and Michigan. University research in Minnesota may help a Texas corporation increase its efficiency. An engineer working in Missouri may return to a Massachusetts university to update his job skills.[2]

Public colleges and universities have long protested the alleged discrimination of some corporations which have adopted a matching gift program for employees who give to private institutions but do not make the same provisions for gifts to public colleges and universities. With approximately 40 percent of all their known living alumni working in business and industry, public colleges and universities claim that the share they receive (less than 7 percent) of support from corporate matching gift programs is unfair and unrealistic. Because of the complaints leveled against the corporations, such discrimination is rapidly disappearing.[3]

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[1] Ibid.

[2] Ibid.

[3] Ibid.

Two corporate leaders have described the relationship between corporations and higher education in explaining why businesses support colleges and universities. Lynn A. Townsend, an official of Chrysler Corporation, has said that "businessmen are inescapably involved in the problem of finding ways to pay the price of excellence in education. . . . In a very real sense the educational system of America is industry's most important supplier."[1] Donald S. Kennedy, chairman of the Oklahoma Gas and Electric Company, has added:

> As a businessman, I would regard financial support of colleges and universities as being not philanthropy or charitable giving, but as an investment, and a sound investment at that. Or call it enlightened self-interest, if you prefer. The fact is that business and industry have the most to gain from this. . . . Business and industry employ more of the alumni than do education and other professions combined. . . . It is to the colleges and universities that we turn for able people.[2]

Bolstered by the receptiveness of corporations to the need for contributing to higher education, all of the development officers of this study have adopted programs for solicitation of business corporations. The success of their endeavors is demonstrated by the fact that of the top four public universities in terms of volume of corporate support in 1972-1973, three were participants in this study.

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[1] Ibid.

[2] Ibid.

The University of Michigan ranked first with corporate gifts of $7,335,697; the University of Wisconsin was third with $4,942,907; and Texas A & M University was fourth with $4,324,331.[1]

Three of the eight development offices have assigned to staff members specific responsibilities for the cultivation of corporate gifts: the Kansas University Endowment Association, the University of Michigan, and the Utah State University Development Fund. While the approaches and techniques of the development officers toward corporate giving varies, all have responsibilities for:

1. Developing corporate giving programs designed to attract the private financial support of business executives and officers and their corporations. This includes the identification, cultivation, solicitation, and recognition of corporate giving prospects.

2. Working cooperatively with other members of the development offices to insure that corporate giving programs are adequately represented in their annual and deferred giving efforts.

3. Arranging for campus visits of corporate officers and groups and insuring that their reception is hospitable and informative.

4. Developing direct mail programs designed to inform, cultivate, and solicit corporate prospects.

5. Insuring that corporate gifts are properly acknowledged and publicized.

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[1]Council for Financial Aid to Education, pp. 36-45.

6. Directing a corporate research program aimed at identifying and developing detailed files on prospect corporations and key executives, including the detection of alumni in positions of corporate responsibility.

7. Working with university officials, including deans and directors, to insure that university needs which merit corporate support are identified.

8. Consulting with faculty and others in the preparation of proposals and in matching the proposals to the corporations most likely to fund them.

Table 22 outlines some of the aspects of the various development offices as they relate to programs of corporate relations.

Most development offices require that anyone submitting a proposal to a corporation must first have the proposal reviewed in the development office and approved for forwarding to the business corporation. Nearly all of the development offices attempt to get corporation officers to visit the campus and, failing that, they try to arrange off-campus meetings in which they can present proposals or discuss ways in which the corporation can assist in the financing of university programs or activities. Following such meetings, nearly all of the development officials prepare written reports which are placed in the development files as a guide in the preparation of future proposals and to assist in getting ready for additional meetings. In addition, five of the eight development offices have

Table 22. Programs of corporate relations

Program Aspects	University of Colorado	Indiana University	University of Kansas	University of North Carolina	University of Michigan	Texas A & M University	Utah State University	University of Wisconsin
Maintains an organized program for the solicitation of corporate grants and gifts	No	Yes	Yes[a]	No	Yes	Yes	Yes	Yes
Maintains a library of materials relating to corporations.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Requires that all proposals being submitted by the university to corporations must be "cleared" through the development office	Yes	Yes	Yes	No	Yes	Yes	Yes	No
Attempts to bring corporation officials to the campus	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Attempts off-campus meetings with corporation officials	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Provides corporations which have made gifts to the University with an accounting of how the money was spent.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Prepares written reports for the office files following meetings with corporate officials.	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Prepares priority list of needs to guide individuals and corporations in designating gifts to the university.	No	Yes	Yes	Yes	No	Yes	No	Yes

[a]Only as such solicitations fit into specific projects being carried out.

prepared priority lists of university needs to aid corporate officers in designating how their gifts are to be used by the universities.

The University of Michigan's corporate relations program trades on the institution's multi-disciplinary, task force capability. Debrodt states that in a multi-versity such as Michigan, it is productive to capitalize on previous specialized (i.e., departmental) relationships to benefit the whole of the university. The corporate giving director attempts to broaden the knowledge within each organization (the university and the corporation) of the other's goals, interests, and competencies. Specific negotiations with the corporation's officials are usually left to the faculty.[1]

Rennebohm agrees that at Wisconsin direct approaches by the department faculty are effective,[2] and Roberts asserts that at Colorado going through correct channels is important, as is matching the project with the right corporate donor.[3] Seymour indicates that the Kansas University Endowment Association is very project-oriented in approaching corporations. Officials at KU always try to determine if a corporation might have some reason for an

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[1]Debrodt, questionnaire.

[2]Rennebohm, questionnaire.

[3]Roberts, questionnaire.

interest in a specific project and if one is found, they attempt to tailor their appeal to that reason.[1]

Texas A & M development officers also gear their corporate giving program toward specific projects rather than requests for general support. They have integrated their corporate giving program with the university's student placement efforts and credit the wedding of the support and placement enterprises for much of Texas A & M's success in winning corporation gifts. Then, too, they always insure that correspondence with corporate officials is individualized, shunning form letters and impersonal acknowledgments.[2]

At the University of North Carolina at Chapel Hill proposals to corporations for sponsored research or training grants are cleared through the office of the university's Dean of Research Administration. Shaffer states that the institution's relationship with North Carolina corporations has been most cordial and productive, due in no small part to the fact that so many of the heads of corporations in the state are alumni of the university.[3]

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[1]Todd Seymour, questionnaire.

[2]Walker, questionnaire.

[3]Shaffer, questionnaire.

Deferred Giving Programs

Deferred giving is an "area of financial aid to an institution of higher learning wherein the full enjoyment of a donor's gift or bequest is deferred, in whole or in part, to some future date."[1] It is one of the most productive areas of educational fund-raising, though, as Fields notes, it is not easily cultivated and its management requires skill, understanding, persistence, patience, energy, and discernment.[2]

Brakebill states that no phase of the development programs of state universities and land-grant institutions has been more appropriately named than that of "deferred gifts," since it is the program most likely to be deferred. Among the reasons why deferred giving is so often delayed, Brakebill lists:

1. State institutions, bolstered by legislative appropriations, have not been as financially pressed as private colleges and universities so, until recent years, educational fund-raising has not been a necessity.

2. Deferred gifts and estate planning programs do not generate immediate results as is often the case of the annual fund drive or for capital campaigns.

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[1]Beckett, p. 4.

[2]Curtis P. Fields, "I Give and Bequeath . . . ," Association of American Colleges Bulletin, December 1952, p. 525.

3. There is a lack of expertise in this area which requires specialized knowledge and training sometimes not available to a university.

4. Top university administrators lack an understanding of a deferred gifts program and often are not willing to pay the price, in terms of both dollars and time.[1]

Cassel states that 85 percent of all college endowments are a result of deferred gifts and that successful deferred giving programs have, in many instances, been the determining factor in keeping some colleges and universities alive.[2]

Cassel has listed seven types of programs which he believes a university should offer under the umbrella of a deferred giving program. These are: (1) outright gifts, (2) unitrusts, (3) annuity trusts, (4) testamentary trusts, (5) pooled funds, (6) annuities, and (7) bequests.[3]

An outright gift, which Cassel puts at the top of his list, is not a deferred gift as such since the university receives its benefits immediately upon receipt, but

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[1]Charles F. Brakebill, "Why a Deferred Gifts Program at a State University or Land-Grant Institution?" (paper presented at the National Conference of the American College Public Relations Association, July 1972), not paged.

[2]William C. Cassel, "How to Organize a Successful Deferred Giving Program," Deferred Giving Programs: Administration and Promotion, ed. by William C. Cassel (Washington, D.C.: American Alumni Council, 1972), p. 1.

[3]Ibid., p. 3.

Cassel states he put it first because "one of the advantages of a strong deferred giving program is the 'now' gifts generated from individuals who were originally [deferred] giving prospects."[1]

Davis states there are typically two approaches to a deferred giving program.[2] In the first, the members of the development staff become familiar with the area and apply it, when useful, while performing the development functions of alumni, corporate, foundation, and individual fund-raising. With this approach, deferred giving has no clear identity as a giving program, but is incorporated into the other various fund-raising efforts. This is the approach used by the University of North Carolina at Chapel Hill and at Texas A & M University, for example.

In the second approach, a specialist in deferred giving is appointed to the staff and is assigned the responsibilities of identification and cultivation of deferred gift prospects, the promotion and solicitation of deferred gifts, and usually the negotiation and transaction of the gift. This is the plan, for example, used at the University of Colorado Foundation, the Utah State University Development Fund, and the University of Michigan.

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[1]Ibid.

[2]Frampton Davis, "Organizing a Deferred Giving Program," College Management, October 1973, p. 19.

While all of the universities of this study conduct at least some aspects of a deferred giving program (see Tables 23 and 24), those with formalized programs seem to have received the most benefits. The University of Wisconsin received in excess of $3,500,000 in 1972-1973 in deferred gifts; the University of Michigan gained nearly $2,500,000; and the University of Colorado received in excess of $1,000,000 in bequests alone.[1] The deferred gifts of the participating universities are shown in Table 25.

A few examples of ways in which deferred gifts have benefited some of the universities of this study:

- University of Colorado: A $640,000 life income agreement was used to endow the University of Colorado Foundation. A bequest of $1,700,000 built and equipped a planetarium. A $750,000 charitable remainder unitrust has endowed a chair in engineering.
- University of Wisconsin: A $1,000,000 bequest was used to construct recreational and sports facilities. Another deferred gift of $300,000 has established a distinguished professorship.
- University of Michigan: Bequests have provided books for the library, and medical and legal scholarships.
- Texas A & M University: A $300,000 trust fund was used to help finance a new alumni center and a $200,000 bequest established a special scholarship fund.

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[1]Council for Financial Aid to Education, pp. 36-45.

Table 23. Aspects of deferred giving programs of participating universities

Deferred Giving Program Aspects	University of Colorado	Indiana University	University of Kansas	University of Michigan	University of North Carolina	Texas A & M University	Utah State University	University of Wisconsin
Maintains a program for the solicitation of gifts through wills, estates, and trusts.	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Has an identified constituency to whom mailings on deferred giving are sent.	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Has a committee on bequests and annuities.	No	Yes	Yes	Yes	Yes	Yes	No	Yes
Maintains a pooled income fund	No	Yes	No	Yes	No	Yes	Yes	Yes
Has a program to encourage life insurance gifts.	No	Yes	No	No	No	Yes	Yes	Yes
Has a program to encourage giving through wills.	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes

Table 24. Aspects of deferred giving programs of participating universities--continued

Deferred Giving Program Aspects	University of Colorado	Indiana University	University of Kansas	University of Michigan	University of North Carolina	Texas A & M University	Utah State University	University of Wisconsin
Has a program to encourage living trusts.	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Attempts to supply its constituencies with information on tax incentives of charitable gifts.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Attempts to train members of the development office staff in aspects of deferred giving.	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Pays for the preparation of wills or trusts in which the university is designated as a beneficiary.	No	No	†	†	No	Yes	†	No
Uses volunteer workers to solicit deferred gifts.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Attempts special deferred giving programs in connection with class reunions and class anniversaries.	Yes	No	No	Yes	No	Yes	No	Yes

†Under certain circumstances.

Table 25. Deferred gifts to participating universities, 1972-1973

Institution	Bequests	Annuities, Life Contracts, Insurance
University of Colorado	$1,089,285	0
Indiana University	NA[a]	NA
University of Kansas	400,262	270,306
University of Michigan	2,238,234	197,477
University of North Carolina at Chapel Hill	NA[a]	NA[a]
Texas A & M University	680,000	100,000
Utah State University	0	0
University of Wisconsin	3,161,520	468,509

Source: Council for Financial Aid to Education, pp. 36-45.

[a]Information not available.

- Utah State University: A $3,000,000 bequest is intended to endow the university's department of food science and nutrition. A $30,000 life insurance policy is to be applied as an endowment to the Development Fund. Proceeds of the university's pooled income fund will go toward scholarships and loan funds.

The deferred giving area is complex and therefore difficult to operate. The majority of gifts received in the other development areas involve the simple transmittal of funds from the donor to the university, primarily by check. But the receipt of a deferred gift usually requires legal documents, a contractual agreement, or a legal disposition of property.

State and federal tax, estate, and other laws are exceedingly complex and may apply differently to different individuals, depending on many varying facts. For that reason, the discussions which follow of the various types of deferred giving available to a donor are general in nature and, of course, subject to legislative changes.

Bequests by Wills

An outright bequest is one which passes at the time of estate settlement to the university where it is available for immediate use. A will, being a highly technical document, is usually drafted by a competent attorney who assists the testator in working out an estate plan in consultation with the donor's accountant, life insurance agent, and trust officer. A well-drafted estate plan can realize major tax savings by possible advantageous use of the marital deduction, and of a combination of trusts and life income arrangements.

When the donor dies, his estate is subject to federal taxes if it exceeds in value the allowable exemptions and deductions. The federal estate tax is determined as a percentage of the estate's taxable assets--the larger the estate the larger the taxes. However, a bequest to a university is deducted from the value of the estate, thus reducing the amount of federal taxes which the donor's estate has to pay.

Common methods for specifying outright bequests include:

- A gift of a specified monetary value.
- A fraction or percentage of the total estate.
- A fraction or all of the residuary estate, i.e., the portion of the estate which remains after deduction of all expenses, debts, taxes, and specific bequests.
- Specified property, wuch as securities, a car, a house, real estate, works of art.

While some states have enacted statutes which limit the percentage of an estate which may be bequeathed to a charitable organization, there are no such federal statutes. A bequest of money is fully deductible from the testator's estate. A bequest of property is entitled to an estate tax deduction for the fair market value of the property at the time of the testator's death, free of all capital gains and gift tax. Property for which there is no established market (such as art, stamp, or coin collections), if given to a university, are not included in determining the value of the estate for federal estate tax purposes.[1]

Bequests, like current gifts, can be restricted by the donor for use as stipulated in the will. However, deferred gift specialists suggest that restrictions be made in rather broad and general terms to avoid a situation

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[1]Thomas M. McGlasson, Giving to Indiana University (Bloomington, Ind.: Indiana University Foundation, n.d.), not paged.

where a bequest has been designated to be used for a particular project or program which is no longer in existence at the time of the testator's death or is no longer in need of assistance. Some wills are written so as to make alternative provisions to allow the necessary flexibility in accomplishing the testator's purposes.[1]

Life Income Plans

Under current tax law, there are four basic life income plans available to university donors. These are: the charitable gift annuity, the pooled income fund trust, the charitable remainder unitrust, and the charitable remainder annuity trust.[2]

A life income plan is a method by which a donor makes a gift to a university without giving up the income. For example, a donor presents the university with a gift of long-term appreciated securities and retains control of the income during his lifetime (or sometimes during the lifetime of another person).

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[1]University of Wisconsin Foundation, A Guide to Thoughtful Giving and Estate Planning (Madison, Wis.: University of Wisconsin Foundation, n.d.), p. 11.

[2]Leonard Wright Bucklin, "Increase Your Endowment Through Deferred Giving," College Management, August 1972, p. 9.

Gift annuities. A gift annuity is an agreement between the donor and the university in which the donor contributes a given sum of cash, securities, or other property. In return for the gift, the university agrees to pay the donor (and a surviving beneficiary, if so designated by the donor) a fixed income for life. Upon the donor's death (or the surviving beneficiary), the gift's principal is released to the university without further obligations.

The gift annuity has several advantages for the donor. It provides him or her with a fixed annual income for life; it presents the possibility of realizing a higher rate of income on savings and securities; and it represents a current charitable contribution for a portion of the value of the property and is deductible (under present tax laws), subject to a 30 percent limitation.

The amount of the income the donor receives under a gift annuity plan is dependent on the donor's age (or that of the other beneficiary) and the schedule of life annuity rates in force at the time of the gift. The rates are usually based upon schedules published by a committee on gift annuities.[1]

Pooled income fund trust. A pooled income fund is a trust into which two or more donors irrevocably transfer

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[1] *Ibid.*, p. 10.

property, contributing the remainder interest in the property to the university or its foundation. The property conveyed is commingled with the other property in the fund, each donor retaining an annual income interest based upon the proportionate share of the assets which he contributed to the total fund.[1]

The donor can retain the right to receive the income for himself or for other beneficiaries so long as all are living at the time he transfers property into the fund.[2] The donor receives a charitable contribution deduction in the year of the gift based on his age and calculated from treasury tables. For a fund in existence less than three taxable years, the amount of the contribution is discounted at a 6 percent rate of interest. For a fund in operation longer than three taxable years, the value of the gift is discounted at a rate of interest compounded annually equal to the highest yearly rate of return for the three taxable years preceding the year in which the gift to the fund was made.[3] If the deduction is large enough, the donor may carry forward any unused portion for five additional years.[4]

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[1]McGlasson.

[2]*Ibid.*

[3]Conrad Teitell, "Pooled Income Fund Trusts Under the Tax Reform Act," *Deferred Giving Programs: Administration and Promotion*, p. 91.

[4]*Ibid.*, p. 94.

Upon the death of the donor (or the death of the other beneficiary), the gift is withdrawn from the fund and used by the university as the donor had specified. Because only the fund's income is paid to the donor, and all capital gains must be added to the principal of the fund, the donor's gift is likely to have increased in value over the years. The fund may be managed by the university itself or by a trust company.[1]

Half of the eight universities of this study maintain pooled income fund trusts: the Indiana University Foundation, the University of Michigan, the Utah State University Development Fund, and the University of Wisconsin Foundation.

Charitable remainder trusts. Under the 1969 Tax Reform Act, two kinds of charitable remainder trusts are permitted: the unitrust and the annuity trust. The trusts may be established for the lives of one or more individuals or for a fixed term of 20 years. However, all of the beneficiaries must be alive at the time of the creation of the trust and payments can be made for the lives of the beneficiaries only. The charitable remainder trust is not taxable and so any gain realized or any other income

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[1] Ibid., pp. 85-98.

received which is not distributed to the beneficiaries is tax free.[1]

Unitrust and annuity trusts differ in several ways. Payments made by a unitrust are determined by multiplying the rate (selected by the donor at the time of the agreement) by the fair market value of the principal. Payments of an annuity trust are of a predetermined dollar amount. Then, too, a donor can make additions to the corpus of a unitrust but not to the annuity trust corpus.[2]

In both a unitrust and annuity trust, the donor's cash or property gift is irrevocably transferred to the university or its foundation under an agreement specifying that the beneficiaries will receive a certain amount of annual income for life, the remainder being the gift to the university. The donor is entitled to an income tax deduction for the remainder interest value, and, further, he does not have to pay capital gains tax on the property conveyed to the university.[3]

An example of a unitrust: A donor sets up an agreement with the university in which he transfers $100,000 to the institution in return for which he is paid 5 percent

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[1]John H. Myers, "Charitable Remainder Trusts," Deferred Giving Programs: Administration and Promotion, p. 99.

[2]Bucklin, p. 10.

[3]McGlasson.

of the fair market value annually. In the first year he would receive $5,000, but at the beginning of the second year the amount will be 5 percent of the value of the assets, which might have increased or decreased during the year. Upon the death of the donor, whatever is left in the unitrust would go to the university.

Some unitrusts are structured so that the beneficiary receives only the income earned by the trust should the income be less than the percentage fixed in the agreement. Deficiencies in payments must be made up in future years when the earned income is in excess of the fixed percentage required under the trust.[1]

An example of an annuity trust: A donor transfers $100,000 to the university. The trust agreement specifies that the sum of $5,000 is paid to the donor each year for the duration of his life and then to the donor's wife for the duration of her life. Upon the wife's death, whatever is left in the trust becomes the property of the university.

Life Insurance

The gift of life insurance policies can be an important part of a deferred giving program. A donor who has an insurance policy which is no longer needed can irrevocably transfer the policy to the ownership of the university. The donor is entitled to claim as a charitable

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[1] Ibid.

deduction an amount approximately equivalent to the cash surrender value of the policy. Any premiums paid by the donor after the transfer of the life insurance policy are also deductible as charitable contributions. Upon the death of the donor, the policy proceeds are paid to the university and are not taxed in the estate.

The same situation applies to a new policy, except that it will not have the present cash surrender value unless premiums have been prepaid, as is true of the case in which a paid-up policy is purchased.

The gift of life insurance policies has appeal to both the young and the old. For young alumni, it presents a way of presenting the university with a substantial legacy for payment of but a few hundred dollars a year. For older alumni with changed situations in which a life insurance policy has outlived its original purpose, the gift of the policy will enable them to realize personal tax benefits.

Gifts of Real Property Subject to Life Estates

A benefactor to a university might elect to transfer a personal residence or a farm to the university, while retaining the use of the property transferred. In such a case, the donor is entitled to a federal income tax deduction for the fair market value of the property at the time it is transferred (less the value of the retained life estate as well as the loss in value of the property due to depreciation or depletion during the period of the life estate). The advantages from such a transfer to the donor vary according to the circumstances of each situation.[1]

Program Management

Essential to an effective deferred giving program is the identification of people to be approached for deferred gifts. The University of Colorado Foundation relies on past giving records, direct mail solicitation returns, and leads furnished by members of the foundation's board, and by alumni and staff, for the identification of deferred gift prospects.[2] Texas A & M University selects its prospects from a list of friends and alumni of the university who are prominent in business and industry, as well as graduates of 50 years or more.[3] The Kansas University Endowment Association identified many of its potential deferred gift donors through contacts established in a recent capital gains campaign.[4] The Indiana University Foundation uses the past giving record of donors and the amount of involvement of an alumnus with the university as indicators of a person's potential as a deferred giver.[5]

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[1] Ibid.

[2] Roberts, questionnaire.

[3] Walker, questionnaire.

[4] Todd Seymour, questionnaire.

[5] Whitacre, questionnaire.

Roberts emphasizes that the most effective way to raise deferred gifts is through personal contacts, though some find it more difficult to approach a prospect for a deferred gift than for current gifts.[1]

Less effective, but probably more widely used, is the direct mail approach. This technique involves the publication of materials relating to the various aspects of deferred giving which are mailed to a select list of prospects. The mailings generally illustrate tax advantages of deferred giving and provide a card which a prospect can mail back to the university for further information. Those who have sent in the return card have identified themselves as deferred gift prospects. They then usually receive a personal visit by a member of the development staff.

The mailing pieces used in a direct mail approach vary in size and format. The Utah State University Development Fund uses printed materials prepared by a professional firm which it mails to its prospects list along with a cover letter and return card. The Utah State University development officers believe that materials especially prepared by the university and taking advantage of the institution's distinctive characteristics would be more effective than the commercially prepared pieces, but they feel the staff does not have a sufficient expertise

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[1]Roberts, interview.

in deferred giving technicalities to produce a satisfactory mailing product. Therefore they subscribe to a mailing piece prepared bi-monthly by a commercial firm which allows for a degree of institutional identification.[1]

The University of Colorado Foundation prepared its first mailing piece with the assistance of the dean of the university's law school. Another piece, emphasizing the tax benefits of deferred gifts, was prepared by a professor of the law school.[2]

Several of the universities have printed booklets which outline ways in which deferred gifts can be prepared. One such pamphlet, issued by the Indiana University Foundation, explores aspects of both current and deferred giving. A similar publication has been issued by the University of Wisconsin Foundation and the Utah State University Development Fund.

Among the methods used to promote deferred gifts is the use of articles which are printed in alumni publications. The Kansas University Endowment Association regularly inserts deferred giving articles in its newspaper, Endowment Digest, and the Utah State University Development Fund publishes at least one article on deferred giving in each issue of its newspaper, Statesman.

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[1] Steinitz, interview.

[2] Roberts, interview.

Most of the eight development offices also use the direct mail pieces of the annual fund as a means of encouraging deferred gifts. This involves including the form or envelope which the donor uses to send in his gift or a box which can be checked if the donor also desires to receive information on estate planning or the tax benefits of deferred giving.

Volunteers are used to solicit deferred gifts at all of the universities. Attorneys, trust officers, accountants, life underwriters, and stockbrokers, as well as other people whose professions are connected with the area of deferred giving, are contacted and furnished with information that could facilitate a deferred gift to the university. Members of the governing boards of the university foundations are also urged to identify prospects and to promote deferred gifts.

Five of the universities (Kansas, Michigan, North Carolina, Texas A & M, and Wisconsin) have organized committees on bequests and annuities, usually composed of attorneys or others who have knowledge of the field. The committee members serve to offer counsel in legal aspects of gifts as well as to suggest prospects who could be contacted by the development staff's deferred giving specialist.

The University of Colorado Foundation, the University of Michigan, and the University of Wisconsin

Foundation have sponsored special deferred giving programs in connection with class reunions and class anniversaries.

Clearly, in all of these matters, the deferred giving specialist on the development staff plays a decisive role. While few of the specialists have legal backgrounds, all have learned enough about the laws so that they can offer information and assist in creating an awareness in the prospects of the various giving options open to them. Roberts believes being an attorney is not a necessary requirement for a deferred giving specialist, although the specialist at the University of Colorado Foundation is a lawyer:

> Most attorneys are not familiar with the tax laws and often a director of deferred giving will be better informed in the area than lawyers. We have had our specialist attend a variety of seminars, courses and meetings conducted by such recognized authorities in the field as Conrad Teitell and Jack Myers. Then, too, there are many books on the subject which he studied.[1]

The programming effort for deferred giving at the universities of this study utilize a number of dimensions. They involve, among others, a direct mail program designed to disseminate information and identify prospects, personal contacts with potential donors, and the encouragement of volunteers to surface prospects and nurture gifts.

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[1] Ibid.

Summary

Part 4 presented the findings from the questionnaire and the personal interviews as they related to the administration of programs for corporate, foundation, and deferred giving. The findings covered the fourth section of the questionnaire. The concluding chapter, Chapter V, examines the results and findings of the questionnaire and the interviews, enabling presentation of conclusions and recommendations of this study.

CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

In the first chapter of this thesis, the author listed six research questions upon which the accumulation and examination of information relating to fund-raising for public universities were to focus. Discussions of these questions based upon the data collected for this study are recapitulated in this chapter, and conclusions are made and recommendations delineated.

Summary

The First Research Question

How are development offices organized and managed?

The development offices of this study vary in style and manner of organization and because of these differences, general inferences must be qualified. However, a number of distinguishing characteristics common to most of the eight development offices exist. These characteristics are described in the summary statements which follow.

As available resources for the funding of public universities have failed to meet the increased needs caused by rampant inflation and burgeoning enrollments, administrators have moved to organize campus offices specifically designed to solicit private support. These development offices, staffed by professional fund-raisers, have capitalized on the traditional American willingness to invest in the advancement of higher education.

The development offices exist either as a division of the university or as separate corporations allied to the institution. As behooves their importance to the welfare of the universities, most development staff members have access to both the governing and administrative officers of the institutions and thus are usually privy to the central needs and objectives of the university.

The development offices have been assigned the responsibilities for planning and implementing the institutions' fund-raising efforts, including extensive public relations duties. The staffs are usually accountable to a governing board, often composed of top university officials and prominent alumni and friends of the institution. The governing boards provide the general guidelines which control the efforts of the staff, and board members are themselves frequently called upon to make contacts with potential donors. A prime criterion for membership on the governing boards seems to be the board members' giving records.

The development staffs ordinarily consist of a manager with overall responsibilities (usually carrying the title Director of Development) and assistant managers for the areas of annual giving, corporate and foundation relations, deferred giving, donor relations and publications and promotions. Those development offices which also have the responsibility for endowment investment have personnel who serve as asset managers. The development staff members come from diverse career backgrounds, although most are alumni of the university they serve.

The development offices are all located on the main university campuses although several have established subsidiary offices off campus, either in areas of large alumni accumulations or at university medical centers.

The development offices are funded from various sources. Some exist primarily on university appropriations while others receive their budgets from endowment earnings or a combination of donor contributions and university appropriations. The old aphorism, "It takes money to make money" seems to have special meaning in university fund-raising efforts.

Separate foundations have been established at all but one of the institutions studied. The rationale for the creation of the separate corporations seems to lie in the protection such foundations provide for anonymity of giving, flexibility in expenditures, and insurance against legislative control of gifts.

The Second Research Question

> *Who are the sources of support for the university and how does an institution go about identifying them?*

Universities, those of this study and presumably all others as well, have natural constituencies which are the logical contributors to the institutions. The constituents include the alumni, faculty, present student body, and parents. Each of these constituent bodies has a relationship to the institution and is interested in its promotion either because of a sense of loyalty or obligation or because of personal self-interest. To these natural constituencies can be added the community in which the university exists, businesses which depend on the university for trained personnel or as a market for their products, and friends of the institution who value its services and see their contributions to the university as a means of advancing society.

The alumni are the traditional supporters of their alma maters as is shown in the giving totals of the eight universities of this study. Appeals directed to alumni usually emphasize sentiment for the college years, pride of university association, and the university's demonstrated need for financial assistance.

Parents comprise a small but growing percentage of the total annual proceeds from private gifts. Parents of students currently enrolled at the university constitute a special group who require special efforts. Parent solicitation programs have met with mixed results, with probably the most successful efforts conducted by students.

Students as constituents of a university have largely been ignored, but in recent years development officials have utilized them as volunteer workers on the premise that exposure to fund-raising efforts as a student should motivate giving later as an alumnus.

Since university teaching is one of America's better-paid professions, the university faculty comprises an important natural constituency, not only as potential donors but also as volunteers for soliciting funds from businesses, foundations and individuals. Faculty have proved particularly receptive to appeals for scholarships and books, as well as departmental and college needs.

Not all donor groups have the natural ties so evident in alumni, parents, students, and faculty. Others develop their institutional relationships through interests in the academic, research, and athletic programs of the university. Still others are attracted by the quality of an institution and thus form desires to be associated with it. The friends constitutency lacks a definite form and patronage is, therefore, narrowly focused and highly personal.

Identification of potential donors is achieved through surveys, mail questionnaires, personal contacts on many levels, and by research utilizing published listings of people of positions and means.

The Third Research Question

> *What methods are employed to create a "climate of acceptance" among the university's various constituencies?*

The cultivation of potential donors to a university begins with efforts to learn as much as can be gleaned about the prospects. Knowing a possible donor's interests and hobbies, career achievements, institutional ties, ability to donate, past giving record, among other important data, is an essential aspect in donor cultivation. Because of this most of the development offices maintain records sections in which data on donor prospects are stored and continually updated.

Recognizing that a prime factor behind the motivation for giving is simple pride of association, development officials attempt to instill in their constituencies a feeling of confidence in the institution and its method of administration. Utilizing various alumni and university publications, staff members attempt to report the university's aspirations and achievements in order to win the esteem of those whose support they seek. Using printed appeals, letters, visits, phone calls, conferences and workshops, the fund-raisers seek to promote a feeling of involvement with the university and to establish a relationship between the possible donor and university officials in which there is mutual respect and regard.

Development officials indicate that it is also important to adequately acknowledge contributions and to recognize the efforts of volunteer workers. Gift acknowledgment embraces letters, dinners, news articles, plaques, special publications, memberships in donor clubs, and, occasionally, the naming of buildings, rooms, and laboratories. Volunteer workers are rewarded through letters, certificates, gifts, pins, and special campus privileges.

Special efforts are also made to attract potential donors to the campus where they can see the university in operation and gain a feel for the institution's needs and potential for service. Among the techniques used is the sponsorship of special meetings and conferences specifically designed to bring donors and administrators together for discussions on the university's problems and programs.

The Fourth Question

How are annual giving campaigns planned, organized, and directed?

The annual giving solicitations at the institutions studied have evolved over the years into highly sophisticated, complex programs involving hundreds of volunteer workers and yielding substantial income to bolster institutional budgets. The campaigns can incorporate as many as 23 separate mailings in one year, as well as telephone and personal solicitations. Nor are these solicitations merely confined to alumni requests; parents, students, faculty, and friends of the university are also asked to donate.

The annual giving campaign has become a year-round assignment for its managers, who devote much effort to the identification and cultivation of volunteer workers, to the preparation of printed appeals and volunteer manuals, and to the development of a case for giving to the institutions. As the foundation for all of the other fund-raising efforts of the university, the dynamics of the annual giving campaign are a matter of much study and deliberation by development officials.

The annual fund drive can be organized in a number of ways. Its solicitations can be directed to alumni by classes, through colleges and departments, or by geographical residence. It can consist of a series of mailing appeals, or telephone canvasses, or personal visits, or a combination of all three. The campaign can last all year or be confined to special drives in the spring and fall or during the last four months of the year. It can be conducted out of the development office or by the alumni association. And it can draw its corps of workers solely from alumni ranks, or it can also reach out to embrace students, faculty, parents, and friends as volunteer solicitors.

The training of volunteers can be achieved in on-campus training workshops, in regional meetings of volunteer workers, or by means of printed handbooks. Fund-raising efforts can be governed by pre-campaign monetary goals or completely without quotas. Mailings can take the shape of letters from university officials or classmates, or take the form of a small brochure outlining the needs and worth of the university, or combine both letter and brochure. The appeals can be personally typed or handwritten, run off by a computer, or merely printed. And once the gifts are received they can be acknowledged via a letter from the university president or the development director, by phone calls from class agents, by the printing of donor names in an honor roll of donors, or by an assortment of the above. Indeed, the dynamics of the annual fund drives--as represented at the eight institutions studied--reflect varied approaches dictated by what has proved successful in the past at each university.

The annual giving campaign is the most expensive of the various fund-raising programs implemented by the development officers in terms of returns to cost, and it can be a long, tedious, arduous task. But it also involves the greatest number of alumni donors, is often the catalyst for large, capital gifts, and its yield has become a "living endowment" for its university sponsors, especially effective for reaping funds for student financial aid and as a source of unrestricted money.

The athletic fund drive, a corallary to the annual giving campaign, has grown to such proportions that it is usually conducted separately and often boasts a full-time staff operating out of the athletic department. Then, too, memorial giving in remembrance of someone who is dead has emerged as an increasingly important aspect of the annual giving drive. This concept of memorial giving has been expanded in recent years to include tribute gifts such as donations received in honor of a person's birthday or wedding anniversary.

The Fifth Question

What techniques are used in developing foundation and corporate support for universities?

To the development offices of this study, the nation's corporations and philanthropic foundations comprise lucrative sources of private support. In the 1972-1973 academic year, fully 42 percent of all voluntary support to public four-year institutions of higher learning came from these two origins.[1]

Radock notes that in recent years foundations, which had previously concentrated their largess on private colleges and universities, are shifting greater support to public institutions,[2] a move which augers well for the fund-raising future of public higher education. Then, too, corporate giving to colleges and universities has increased markedly in the last decade.[3]

Encouraged by the growing responsiveness of corporate and foundation officers to the needs of public universities, the development offices of the eight institutions studied have increased fund-raising efforts directed to business enterprises and philanthropic foundations--with

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[1]Council for Financial Aid to Education, p. 60.

[2]Radock, p. 24.

[3]Council for Financial Aid to Education, pp. 8-9.

marked results. Some have assigned staff members specific responsibilities for the cultivation of corporations and foundations.

The approach used by the development officers in their efforts to win corporate and foundation grants begins with extensive research into the special interests and giving penchants of the firms and foundations. Careful study is made of the composition of the staffs and boards, the nature of grants that have been awarded, limitations which might have been adopted (geographic, amounts of gifts, areas of giving and non-giving, etc.), and preferred methods of proposal preparation. Sources tapped for information include various research directories and facilities, foundation and corporation newsletters and annual reports, as well as published listings of new grants, new personnel, assignments, policy changes, and giving trends.

Proposals are ordinarily not prepared in the development offices although some offices are moving more in the direction of "in-house" proposal writing. The majority of the proposals are prepared in the academic departments with development staff input and guidance. Such proposals include a description of the project needing private support, an analysis of how much money is required, and an outline of the time span desired to complete the program. Proposals also often contain discussions on how the proposed project will benefit the university, its students and society in general.

Development officers attempt to establish personal relationships with those in the corporations or foundations who are concerned with grant-making decisions. All available opportunities for developing such person-to-person contacts are explored and encouraged. Attempts are also made to identify any members of the faculty, governing board, or other university personnel who have access to foundation employees and board members.

Most of the development offices also attempt to account for the stewardship of any funds received from the two sources, including the preparation of detailed reports of expenditures and periodic reviews of the progress being made on the funded project, thus helping maintain a receptiveness by the foundations or corporations to future proposals.

The Sixth Question

> *What methods are used in developing programs of deferred giving for universities?*

Only recently has the area of deferred giving received the emphasis it deserves in the development programs of the universities studied, although all have received benefits from such gifts in the past. It can be, as Roberts has noted,[1] one of the most fertile fields of fund-raising. It is, however, an area requiring specialized knowledge and sensitivity. Among the types of programs available under the deferred giving canopy are unitrusts, annuity trusts, testimentary trusts, pooled funds, annuities, life insurance, and bequests.

Approaches to a deferred giving program generally take one of two forms. The first consists of an educational program in which development officials become acquainted with the field and use their new knowledge while performing their assigned development responsibilities, thereby incorporating deferred giving into their various fund-raising efforts. The second approach consists of the appointment of a staff specialist who has specific responsibilities for the identification and cultivation of deferred giving prospects.

Because deferred gifts are complex to handle, requiring the preparation of legal documents, contractual agreements, or legal dispositions of property, the assistance of competent attorneys is often required. Several of the universities studied have organized deferred giving committees composed of attorneys, life insurance agents, and others with the specialized knowledge needed to process deferred gifts.

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[1]Roberts, interview.

Among the various techniques used in approaching people for deferred gifts are personal contacts by the development staff, direct mail appeals, estate planning seminars, presentations to groups like civic and social clubs, and the use of volunteers such as trust officers, attorneys, life underwriters, accountants, and stockbrokers, as well as others who can identify prospects and supply them with information that might produce deferred gifts.

Conclusions

In reviewing the analysis of this study, several conclusions can be made.

While public universities have been less alert than their private counterparts to the need for initiating development programs aimed at winning private gift dollars, sophisticated fund-raising programs now exist at the eight universities studied. Their successes in attracting private support indicates the effectiveness of development offices staffed with professional fund-raisers.

Shaffer[1] and Rennebohm[2] stress the importance of designing a development program to meet the specific requirements and needs of the institution and of insuring that such programs reflect the university's mission and

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[1]Shaffer, interview.

[2]Rennebohm, interview.

unique character. Roberts emphasizes the necessity of support of the university's governing board and administrative officers for a successful fund-raising enterprise, adding that development officials must have access to the key decision-makers if they are to correctly interpret fund-raising goals and priorities.[1]

Walker argues for the development of adequate records as the foundation upon which a successful fund-raising effort is built,[2] a position shared by Todd Seymour.[3] Sanders deplores the penchant of some institutions to launch fund-raising efforts without adequate planning and funding, noting that most successful development programs do not just happen; they are the results of careful preparation and guidance.[4] Harold Seymour asserts that, within reasonable limits, the size of the returns is likely to be commensurate with the amount of the investment; to raise money one must spend money.[5]

Yet another crucial ingredient to a thriving development program, Bost states, is the quality of leadership available, among those on the professional staff as well as

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[1]Roberts, interview.

[2]Walker, interview.

[3]Todd Seymour, interview.

[4]Sanders, interview.

[5]Harold J. Seymour, p. 87.

in the volunteer ranks.[1] Successful fund-raisers seem to emerge out of a variety of backgrounds, although Goodwin believes that, everything else being equal, an alumnus has an advantage over a non-alumnus as a development officer.[2]

The natural constituencies of a university--its alumni, students, parents, and faculty--serve as its primary source of gifts; but others with less direct ties can also be identified as development prospects, including those whose interests coalesce with the institution and those who enjoy the university atmosphere and relate to its missions. Beyond these, business corporations and philanthropic foundations have recognized the worth of investing in higher education as a means of promoting society's general welfare.

Armstrong has indicated that the degree of acceptance of a fund-raising appeal depends in large part on the way in which the prospective donors view the institution and whether or not they feel the university is worthy of support.[3] Harold Seymour agrees, maintaining that simple "pride of association" is the strongest motivation for supporting a group or cause and, conversely,

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[1]Bost, interview.

[2]Goodwin, interview.

[3]Armstrong, interview.

a lack of confidence in an institution's worth is the most serious block to persuasion.[1]

Among the techniques for fund-raising, one of the oldest is the annual fund, a yearly appeal directed to the university's natural constituencies. Lambert contends that properly organized and administered, the annual fund can be a profitable enterprise and a means of building a cadre of supporters whose assistance--financially and otherwise--can be of great benefit to a university.[2] Bost avers that the ability to attract workers--class agents, telephone volunteers, town and city representatives, and the like--is an essential part of the organizing process of an annual fund drive and, in the end, spells the difference between fund-raising success or failure.[3]

Radock sees private foundations as a high priority field for fund-raising activities and foresees a growing linkage between foundations and universities over the next several decades.[4] Shaffer asserts that proposals submitted to the officers of a foundation must be accurate and based on sound thinking, as well as being thorough, yet brief.[5]

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[1]Harold Seymour, p. 6.

[2]Lambert, interview.

[3]Bost, interview.

[4]Radock, p. 24.

[5]Shaffer, interview.

Todd Seymour emphasizes that appeals to business corporations for grant support should be project-oriented and specifically tailored to appeal to a company's demonstrated areas of interest.[1] Walker urges that development officers shun impersonal form letters and proposals when approaching business firms for donations.[2]

Roberts contends that many universities are not making full use of the various methods that are available for deferred gifts.[3] Steinitz believes this is due more to a lack of staff expertise in such programs than in a lack of confidence in their fund-raising potential.[4] Walker calls for a program aimed at educating the development staff and university officials to an understanding of the deferred giving program and its potentialities as a fund-raising vehicle.[5]

As a concluding comment of the author, this study has shown that educational fund-raising is less the art it was long considered to be and more a science whose parameters grow more exact with each passing year. Those who have elected to make it their career have undertaken an

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[1]Todd Seymour, interview.

[2]Walker, interview.

[3]Roberts, interview.

[4]Steinitz, interview.

[5]Walker, interview.

assignment that could be of profound influence in creating what scholars feel a university ought to be, but all too often is not.

Recommendations

As is customary with such studies, a need for more research has been revealed. Such research should include:

1. Further inquiry should be made into the nature of the giving impulse and the factors which promote or hinder philanthropic motivations.
2. A study should be formulated of the fund-raising efforts of private universities as a means of further identifying methods and techniques which can be adapted and used by development officers (a replication of this study using private universities would be of benefit in studying the difference between the approaches used by public and private institutions).
3. Additional studies should be directed to the various components of a university development program to elicit comparisons as to their effectiveness and to provide cost-benefit analyses.
4. Likewise studies are warranted of the part university administrators and governing boards play in the process of development and how they view their respective roles.

Since the following have received only cursory scrutiny in this study and are deserving of a more comprehensive examination, unique research could be directed to:

5. the annual fund,
6. corporate programs,
7. foundation programs, and
8. deferred giving.

And finally,

9. further study needs to be directed toward the fund-raisers themselves to discover those characteristics which distinguish the successful professionals in the development field.

APPENDICES

APPENDIX A

THE UNIVERSITY OF COLORADO FOUNDATION, INC.:

CODIFICATION OF ARTICLES OF

INCORPORATION BY-LAWS

APPENDIX A

CODIFICATION OF ARTICLES OF INCORPORATION OF THE UNIVERSITY OF COLORADO FOUNDATION, INC.

(As Amended Feburary 12, 1971)

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, all of whom are citizens of the United States of America, of full age and residents of the State of Colorado, have this day hereby voluntarily associated ourselves together and do by this Certificate of Incorporation, establish a corporation not for profit, in accordance with and pursuant to Article 24, Chapter 31, Colorado Revised Statutes 1963, otherwise known as the Colorado Nonprofit Corporation Act of 1967, as amended.

ARTICLE I

Name and Place of Business

The name of this corporation shall be "THE UNIVERSITY OF COLORADO FOUNDATION, INC.," and its principal place of business shall be in the City of Boulder, County of Boulder, State of Colorado.

ARTICLE II

Period of Duration

The term for which the Foundation shall exist shall be in perpetuity.

ARTICLE III

Objects and Purposes

This corporation is organized and shall be operated exclusively for educational purposes. It shall be operated exclusively to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the institution now known as THE UNIVERSITY OF COLORADO. Solicitation of assets shall be administered so as to gain the broadest possible public support for the Foundation. All the assets and earnings shall be used exclusively for

the purposes herein set out, including the payment of expenses incidental thereto; and no part of the net earnings shall inure to the benefit of any private shareholder or individual; and no part of its activities shall be for the carrying on of propaganda or otherwise attempting to influence legislation or participating or intervening in any political campaign on behalf of any candidate for public office.

ARTICLE IV

Registered Office and Agent

The registered office shall be:

622 American National Bank Building
818 17th Street
Denver, County of Denver, Colorado 80202

The registered agent for service of process is:

George M. Allen
622 American National Bank Building
818 17th Street
Denver, County of Denver, Colorado 80202

ARTICLE V

Powers

The Foundation is organized and shall be operated exclusively for charitable, scientific or educational purposes designed to promote the welfare of the University of Colorado. To effectuate these purposes, the Foundation, although not limited to the following activities, shall have the power:

(1) To acquire by gift, bequest, devise, endowment or purchase property, real, personal or mixed, to own, hold, manage, sell, convey, lease, exchange and dispose of such property; to encumber such property when deemed necessary; to use the proceeds thereof for the uses and purposes of the Foundation.

(2) To lease as lessee the property of others; to build, erect, construct and equip buildings and other improvements upon the lands of the Foundation or the lands of others; to purchase or lease equipment.

(3) To invest in, acquire, hold, mortgage, pledge, hypothecate, resell, exchange, transfer or otherwise dispose of securities of any nature and exercise all the rights, powers and privileges of ownership thereof, including the right to vote thereon for any and all purposes.

(4) To act as trustee of trusts or otherwise act in a fiduciary capacity when so designated in any inter vivos or testamentary gift and to become the beneficiary of insurance policies and annuities.

(5) To create chairs of learning, professorships, instructorships, fellowships, grants-in-aid and scholarships and to endow the same and others.

(6) To borrow money and secure the same, to lend money with or without security therefor and on such terms as the Board of Directors may determine.

(7) To enter into, make and perform contracts of every kind for any lawful purpose, without limit as to amount, with any person, firm, association, corporation, town, city, county, district, state, territory or government.

(8) To exercise any and all powers which may be conferred by law or which may be necessary, incidental or convenient to the objects and purposes above mentioned.

ARTICLE VI

Exemption of Members from Liability

The corporation shall have no capital stock and the private property of the incorporators and members of the Board of Directors shall not be liable for the debts of the corporation.

ARTICLE VII

Membership of the Board of Advisors

There shall be at least twenty, but not more than thirty voting members of the Board of Advisors, as further provided by the By-Laws.

ARTICLE VIII

Board of Directors

The business of the Foundation shall be managed and conducted by a Board of seven Directors. The Board shall consist of one member appointed by the Board of Directors from the Governing Board of the University of Colorado who shall serve for a term of three years, one member appointed by the Board of Directors who is an administrative officer of the University of Colorado who shall serve for three years, two members elected by the Associated Alumni Board of Directors of the University of Colorado, and three members to be elected by and from the membership of the Board of Advisors of the Foundation, one of whom, but not more than one, may be a member of the faculty of the University, and one of whom, but not more than one, may be a student of the University. The terms of the Directors selected by the Associated Alumni and by and from the members shall be for three years, except that the members may elect a student to the Board of Directors for a term of less than three years.

Whenever any person elected to the Board of Directors is, at the time of his election, a faculty member or student of the University, there shall be a designation whether he has been elected to the Board of Directors in his capacity as a faculty member or student.

Whenever any member of the Board who serves by virtue of his status, as a member of the University's Governing Board, or as an administrative officer of the University, or as a faculty member or student of the University, designated as such pursuant to this Article, his membership on the Board will terminate upon the termination of such status.

ARTICLE IX

Officers

The officers of the Foundation shall be a President, a Vice President, and an Executive Director who shall also serve as Secretary-Treasurer. Neither the member of the Board who is also a member of the Governing Board of the University, the administrative officer of the University who is a member of the Board of Directors, any member of the faculty who is a Director nor any student of the University who is a Director shall be eligible to be President of the Board of Directors.

ARTICLE X

By-Laws

The Board of Directors shall have the power to make, amend and repeal By-Laws and regulations for the government of the foundation for the orderly conducting of the affairs and management of its property, and fixing the time and place for special meetings of the Board. The Board shall have the power to delegate to the officers of the Foundation the right to convey or encumber all or any part of the property of the Foundation, and until changed by amendment of this Certificate, the President of the Board or the Vice President is authorized to execute instruments of conveyance or encumbrance, such execution to be attested to by the Secretary or Treasurer, subject, however, to the restriction, which shall not be removed by any amendment of these Articles, that no member of the Board of Directors of the Foundation shall be given or be deemed ever to have any proprietary interest in the property or assets of this Foundation, whether during the term of its existence or as an incident to its dissolution.

ARTICLE XI

Disposition of Assets on Dissolution

(1) No officer or director of the Foundation, as such, shall at any time receive or become entitled to receive any pecuniary profit from the Foundation; provided, however, that compensation may be paid for any services rendered to the Foundation by any officer, director, agent, or employee or any other person or corporation pursuant to authorization by the Board of Directors.

(2) No distribution of the property of the Foundation shall be made upon its final dissolution until all debts are fully paid, nor shall the Foundation be dissolved or any distribution made except by a vote of a majority of the members of the Board of Directors.

(3) Upon dissolution, any assets remaining shall be transferred to the University of Colorado either as general endowment, if the Board of Directors of the Foundation shall so direct, or for such restricted charitable, educational or scientific purpose or purposes as said Board may designate in the instrument of transfer or in concurrent writing; provided that if at the time of dissolution of the Foundation the Board of Directors of the Foundation shall determine that the University of Colorado is unable or unwilling

to accept such transfer or effectively to carry out the purposes to be accomplished thereby, then said Board may transfer said remaining assets or any part thereof to such other institution or institutions as it may select, for charitable, educational or scientific uses, subject to such restrictions on such uses as it may fix.

(4) Members of the Board of Directors and officers appointed by them pursuant to the terms hereof shall not be personally liable for acts performed in good faith, nor shall they or any of them be liable for non-feasance or misfeasance in the performance of their duties or acts hereunder, but they shall be liable only in the case of malfeasance. The Foundation shall indemnify the members of its Board of Directors, officers and employees against any and all expense, including attorney's fees and liability expense sustained by them, or any of them, in connection with any suit or suits which may be brought against said members of the Board of Directors, officers and employees, involving or pertaining to any of their official acts or duties (whether it be alleged that same are ultra vires or otherwise) in which suit or suits no personal liability is finally established against them incident to any act of malfeasance; and this provision shall not be deemed to prevent compromise of any such litigation where the comprise is deemed advisable in order to prevent greater expense or cost in the defense of any such litigation.

ARTICLE XII

Transaction of Business

The Board of Directors of the Foundation may meet and transact the business of the Foundation either at the principal place of business herein designated or at such other place within or without the State of Colorado as may be designated by resolution of the Board of Directors.

ARTICLE XIII

Amendments

These Articles of Incorporation may be amended at any time and in any respect, as permitted by law, except as herein expressly restricted or forbidden, if so authorized by the vote of at least a majority of the members of the Foundation at any meeting called for the purpose of considering such proposed amendment or amendments, upon notice given to the members as provided in the By-Laws for calling meetings of the membership of the Foundation.

As amended 2/12/71

BY-LAWS OF

THE UNIVERSITY OF COLORADO FOUNDATION, INC.

ARTICLE I

Offices

The principal offices of the Foundation shall be in the City of Boulder, County of Boulder, State of Colorado. The Foundation may also have offices and may carry on its purposes at such other places within and without the state of Colorado as the Board of Directors may from time to time determine.

ARTICLE II

Membership of Board of Advisors

Section 1 - Number

The membership of Board of Advisors shall consist of at least twenty-three voting members and four ex officio members without vote.

Section 2 - Designation of Members

The membership of the Board of Advisors shall be appointed, or shall qualify by virtue of office, as follows:

A. Nine members, appointed by the Board of Directors of the Associated Alumni, of whom at least six shall be alumni of the University of Colorado at Boulder.

B. Nine members appointed by the Board of Directors of the Foundation, of whom at least six shall be alumni of the University of Colorado at Boulder.

C. One member shall be the Director of the Student Development Association of the University of Colorado.

D. One member shall be the Chairman of the Colorado Law Alumni Fund.

E. One member shall be the Chairman of the Colorado Engineering Development Council.

F. One member shall be the Chairman of the Colorado Business-Alumni Advisory Council.

G. One member shall be the Chairman of the Colorado Medical Fund.

H. Four ex officio members without vote shall be the President of the University, the administrative officer of the University who is a member of the Board of Directors, the executive officer of the University to whom the Director of Development directly reports, and the Director of Development of the University of Colorado.

Section 3 - Term of Office

The term of office of Advisors elected under paragraphs A and B of Section 2 of this Article shall be three years.

ARTICLE III

Meetings

Section 1 - Annual Meeting

The annual meeting of the membership of the Board of Advisors shall be held on the Friday of the holiday weekend in February without further notice.

Section 2 - Regular Board Meetings

Regular meetings of the Board of Directors shall be held at least once every three months at a time and place determined by the Board.

Section 3 - Special Board Meetings

Special meetings of the Board of Directors may be held upon the call of the President of the Foundation at any time that the attendance or consent of at least 5/7ths of the Board can be obtained, upon the sending of not less than five days' notice to each member. Notice of any special meeting may be waived by any member in writing before, during, or at the meeting or by attendance thereat, and such waiver shall be held to constitute consent to the holding of the meeting.

ARTICLE IV

Officers

Section 1 - President

The President shall be elected from among the members of the Board of Directors by the entire membership of the Board of Advisors of the Foundation at the annual meeting of the members of the Board of Advisors. Eligibility to hold the office of President shall be as limited by Article IX of the Articles of Incorporation. The President shall serve as the Chief Executive Officer of the Board of Directors and as Chief Executive Officer of the Foundation.

If at the time of his election, the President is not already a member of the Board of Advisors of the Foundation, he shall automatically become a member of the Board of Advisors, notwithstanding any provision of Article II of the By-Laws to the contrary.

The term of office of the President shall be two years.

Section 2 - Vice President

The Vice President shall be chosen in the same fashion as the President and his eligibility to hold the office of Vice President shall be limited in the same way. The term of office of the Vice President shall be one year.

Section 3 - Secretary-Treasurer

The Executive Director, who shall also serve as Secretary-Treasurer, shall be the Director of Development of the University of Colorado at Boulder. He shall keep the minutes of all meetings of the membership and of all meetings of the Board of Directors. He shall sit at meetings of the Board of Directors, ex officio, except on such occasions when the Board of Directors meets in executive session. He shall retain custody of the records of the Foundation, shall give notice of all meetings, and shall carry out such further duties usual to the office of Secretary.

He shall be the principal financial officer of the Foundation and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Foundation and shall deposit, invest, and discharge the same in accordance with the instructions of the Board of Directors.

He shall receive and give receipts and acquittances for monies paid in on account of the Foundation, and shall pay out of the funds on hand all bills, payrolls, and other just debts of the Foundation of whatever nature upon the maturity of the same. He shall perform all other duties normally incident to the office of the Treasurer, and upon request of the Board, shall make such reports to it as may be required at any time. The Executive Director / Secretary-Treasurer shall also be the principal accounting officer of the Foundation. He shall prescribe and maintain or cause to be maintained the methods and systems of accounting to be followed, file all local, state and federal tax returns, prescribe and maintain an adequate system of internal audit, and prepare or cause to be prepared and furnish to the President and the Board of Directors statements of account showing the financial position of the Foundation and the results of its operations.

He shall, if required by the Directors, give the Foundation a bond in such sums and with such securities as shall be satisfactory to the Directors, conditioned upon the faithful performance of his duties and for the restoration to the Foundation in case of his death, resignation, retirement or removal from office of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Foundation. He shall have such other powers and perform such other duties as may be from time to time prescribed by the Board of Directors.

ARTICLE V

Quorums

Unless stated elsewhere herein, a quorum of the Board of Directors shall consist of a majority thereof.

ARTICLE VI

Seal

The seal of the Foundation shall consist of a circle with the inscription:

"THE UNIVERSITY OF COLORADO FOUNDATION, INC. - COLORADO."

ARTICLE VII

Care and Custody of Funds, Property and Assets of any Kind and Description

Section 1

All funds, bequests and gifts of any kind made to the Foundation shall, unless otherwise provided by the donor or grantee, be subject to the disposition of the Board of Directors.

Section 2

The Board of Directors, pursuant to its contract power under Article IV of the Articles of Incorporation, shall be empowered to enter into such contract or contracts as in its sole discretion it deems advisable for procurement of investment administrative services and advice, including but not limited to: custodial care of securities and property, both real and personal; investment administration; investment advice; management of securities and other property both real and personal by such trustee or trustees as it may select. The Board of Directors shall be empowered to expend such sums as it in its sole discretion deems advisable to compensate any party with whom a contract is entered into for the above services.

Section 3

The Board of Directors, pursuant to its contract power under Article IV of the Articles of Incorporation, shall be empowered to place in trust any and all securities and other property, both real and personal, of the Foundation.

ARTICLE VIII

Committees

The Board of Directors may appoint an executive committee composed of not less than three nor more than five members of the Board. It may also appoint such other committees from among the membership of the Board as it may consider advisable, including but not limited to investment and gift committees. Each of such committees shall consist of such persons and shall have such powers and authority as the Board may prescribe.

ARTICLE IX

Annual Report

The Board of Directors shall make a public annual report listing the assets and liabilities of the Foundation and describing its affairs throughout the preceding year and explaining concisely the plans for the ensuing year.

ARTICLE X

Removal; Vacancy in Office

Section 1 - Removal

Any member of the Board of Directors or officer may be removed by a 5/7ths majority vote of the Board of Directors.

Section 2 - Vacancy in Office

Whenever a vacancy occurs in the Board of Directors, whether by death, resignation, removal, or termination of requisite status, the person chosen to fill the vacancy shall be chosen in the same manner as the person whom he replaces was chosen. He shall serve out the remainder of the unexpired term of the person whose vacancy he filled.

Whenever the Board of Directors deems it impossible to fill a vacancy by the method prescribed above the Board may itself act to appoint a person to fill the vacancy or may elect to leave the vacancy unfilled until such times as it shall be practicable for it to be filled.

ARTICLE XI

Miscellaneous

Section 1 - Waivers of Notice

Whenever notice is required by law, by the certificate of incorporation or by these By-Laws, a waiver thereof in writing signed by the Directors, member or other person entitled to said notice, whether before, at or after the time stated therein, shall be equivalent to such notice.

Section 2 - Conveyances and Encumbrances

All or any part of the Foundation property may be conveyed or encumbered by such officers of the Foundation as may be authorized to do so by the Board of Directors and such authorized persons shall have power to execute and deliver instruments of conveyance or encumbrance.

Section 3 - Corporate Changes

The Foundation shall have power to amend its certificate of incorporation by a majority of the members present and voting and it may merge, consolidate or dissolve upon the vote of two-thirds of such members present and voting.

ARTICLE XII

Dissolution

Dissolution of the Foundation shall be in accordance with Article XI of the Articles of Incorporation.

ARTICLE XIII

Amendments by Directors

The Board of Directors shall have power to make, amend and repeal the By-Laws of the Foundation at any regular meeting of the Board or at any special meeting called for that purpose.

ARTICLE XIV

Fiscal Year

The fiscal year of the Foundation shall run from January 1st to December 31st of the calendar year.

APPENDIX B

INDIANA UNIVERSITY FOUNDATION:

BY-LAWS

APPENDIX B

BY-LAWS OF

INDIANA UNIVERSITY FOUNDATION

ARTICLE I

Purposes

The purposes for which the Foundation is formed and functions are to provide support for Indiana University, its faculty and students, and to promote, sponsor, and carry out educational, scientific, charitable and related activities and objectives at Indiana University.

ARTICLE II

Directors

Section 1. Number. The number of Directors of the Foundation shall be thirty, which number may be increased and may be decreased from time to time by resolution of the Board of Directors, provided, however, that there shall not at any time be more than fifty nor less than ten members.

Section 2. Qualifications. A majority of the Directors shall be graduates of Indiana University, and one of the Directors shall be the chief executive officer (presently the President) of Indiana University.

Section 3. Election, Classification and Terms.

(a) The chief executive officer of Indiana University serving as a Director shall serve by reason of his office and without formal election.

(b) The remaining Directors shall be elected by a majority of the Directors then in office.

Such remaining Directors shall be divided into three annual classes and the terms of the members of one such annual class shall expire each year.

(i) Three Directors, one in each of the three annual classes, shall be members of the Board of Trustees of Indiana University (or such other body as by law may be vested with the management of the University's affairs). Such Directors shall be elected from a list of names submitted for such purpose by the Board of Trustees.

(ii) Six Directors, two in each of the three annual classes, shall be elected from a list of names submitted for such purpose by the Executive Council of the Indiana University Alumni Association or its successor organization.

(iii) Twenty Directors, seven in each of two annual classes and six in the third annual class, shall be elected on nominations made by a Nominating Committee composed of three members of the Board of Directors and appointed by the Chairman of the Board, with approval of the Board, annually at the winter meeting.

(c) The regular term of a Director shall be three years, expiring on June 30 of the third year following his election. The elections of Directors to fill regularly expiring terms shall be held at the annual meetings of the Board of Directors.

Section 4. Vacancies. A vacancy in the Board of Directors resulting from any cause other than the expiration of a term of office may be filled at any meeting by a majority of the Directors then in office.

Section 5. Powers. The Board of Directors shall manage and govern the business and affairs of the Foundation, and in connection therewith, the Board may exercise all of the powers granted the Foundation under its Articles of Amendment.

Section 6. Meetings.

(a) The Board of Directors shall meet regularly three times a year, in the spring, fall and winter. The spring meeting shall be the annual meeting. The time and place of each regular meeting shall be fixed by the Chairman of the Board, and written notice of such time and place shall be given each Director at least thirty days before the selected date.

(b) Special meeting may be called by the Chairman of the Board on his own motion, and shall be called on the written request of five Directors. Written notice of the time, place and subject matter of each special meeting shall be given to each Director at least ten days before the meeting date, unless such notice is waived in writing or by attendance at the meeting.

(c) Written concurrence by a member of the Board in any action taken at a meeting at which he is not present shall be equivalent to an affirmative vote at the meeting.

Section 7. Quorum. One-third of the Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board; and, except as may otherwise be required by law or the Articles of Amendment, the act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.

ARTICLE III

Officers

Section 1. Number and Qualifications. The officers of the Foundation shall consist of a Chairman of the Board, a President, two or more Vice Chairmen, one of whom shall be the First Vice Chairman, one or more Vice Presidents, a Secretary, an Assistant Secretary and a Treasurer. The Board of Directors may appoint such other assistant officers as it may, from time to time, determine and may define their powers and duties.

The Chairman of the Board, the President, the Vice Chairmen, and the Treasurer shall be chosen from among the Directors of the Foundation. The chief executive officer of the University shall be the First Vice Chairman. Other officers need not be Directors. Any officer may be required to give such fidelity bond as the Board may determine.

Section 2. Election. The officers of the Foundation shall be elected at the annual meeting of the Board of Directors and each shall hold office until the next annual meeting, or until his successor shall have been elected and qualified. A vacancy in any office may be filled by the Board for the balance of the vacant term.

Section 3. Removal. The Board of Directors may remove any officer at any time with or without cause.

Section 4. Duties. The duties of the officers of the Foundation shall be:

(a) The Chairman shall preside over all meetings of the Board and shall have primary responsibility in the Foundation's relations with the University. The Chairman shall also cooperate and consult with and advise the other officers of the Foundation in the discharge of their functions.

(b) The First Vice Chairman shall have full authority to act for the Chairman in his absence or incapacity. In the absence or incapacity of the Chairman and First Vice Chairman, another Vice Chairman shall discharge the functions of the Chairman. If more than one is available, the one with the then longest membership on the Board shall act.

(c) The President shall be the chief executive officer of the Foundation and shall have the powers usually vested in the president of a corporation.

(d) Each Vice President shall have full authority to act for the President in his absence or incapacity. If more than one is available, the one with the longest membership on the Board shall act.

(e) The Secretary shall have supervision over the records of the Foundation, and shall record the minutes of all meetings of the Board.

(f) The Assistant Secretary shall act for the Secretary in the latter's absence or incapacity, and shall perform such other duties as may be assigned to him by the Secretary.

(g) The Treasurer shall supervise the fiscal affairs of the Foundation.

(h) The Board may prescribe additional duties for any officer.

ARTICLE IV

Committees

Section 1. Standing Committees.

(a) An Executive Committee consisting of five members of the Board of Directors shall be appointed by the Chairman, subject to approval of the Board. During the intervals between meetings of the Board, the Executive Committee shall have and may exercise on behalf of the Board all of the authority of the Board in respect to the management of the Foundation. The Executive Committee shall report its act to the Board at its meetings for approval.

(b) A Finance Committee, consisting of the Treasurer and two other members of the Board of Directors, appointed by the Chairman with approval of the Board, shall advise with the Treasurer and the Board in regard to the investments and general fiscal policy of the Foundation.

Section 2. Other Committees. The Board of Directors may from time to time create additional committees with such powers and duties as the Board may prescribe.

ARTICLE V

Execution of Instruments

Section 1. Contracts and Instruments Generally. Contracts and other instruments (not including routine instruments) to be executed by the Foundation shall be signed, unless otherwise required by law, by the Chairman, the President, a Vice Chairman of a Vice President, in conjunction with the Secretary or Assistant Secretary. The President of the Foundation, signing alone, is authorized and empowered to execute in the name of this Foundation all routine instruments arising in the day-to-day operation of the business of this Foundation. The Board of Directors may authorize any other person or persons, whether or not an officer of the Foundation, to sign any contract or other instrument, and may authorize any such officer or other person to delegate, in writing, all or any part of such authority to any other person or persons.

Section 2. Notes, Checks and the Like. All notes, drafts, acceptance checks, endorsements and all evidence of indebtedness of the Foundation shall be signed by such person or persons and in such manner as the Board of Directors may from time to time determine.

Section 3. Deposits. All funds of the Foundation shall be deposited to the credit of the Foundation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VI

Indemnification

Subject to the conditions set out below, each person now or heretofore or hereafter a Director, officer or employee of the Foundation, whether or not such person continues to serve in any such capacity at the time of incurring the costs or expenses hereinafter indicated, shall be indemnified by the Foundation against all financial loss, damage, costs and expenses (including counsel fees) reasonably incurred by or imposed upon him in connection with or resulting from any civil or criminal action, suit, proceeding, claim or investigation in which he may be involved by reason of any action taken or omitted to be taken by him in good faith as such Director, officer or employee of the Foundation. Such indemnification is subject to the condition that a majority of a quorum of the Board of Directors comprised of those Directors who are not parties to such action, suit, proceeding, claim or investigation or, if there be no such quorum, independent counsel selected by a quorum of the entire Board of Directors, shall be of the opinion that the person involved exercised and used the same degree of care and skill as a prudent man would have exercised or used under the circumstances, or that such person took or omitted to take such action in reliance upon advice of counsel for the Foundation or upon information furnished by an officer or employee of the Foundation and accepted in good faith by such person. The indemnification provided herein shall inure to the benefit of the heirs, executors, or administrators of any Director, officer or employee and shall not be exclusive of any other rights to which such party may be entitled by law or under any resolutions adopted by the Board.

ARTICLE VII

Amendment

These By-Laws may be amended at any meeting of the Board by the action of a majority of the Directors then in office.

APPENDIX C

THE KANSAS UNIVERSITY ENDOWMENT ASSOCIATION:

CHARTER AND BY-LAWS

APPENDIX C

THE KANSAS UNIVERSITY ENDOWMENT ASSOCIATION:

CHARTER

(as amended)

In consideration of the desirability of securing for the benefit of the University of Kansas all such gifts of money or other values as cannot be secured directly to the State, and in consideration of the desirability of an auxiliary association for the aid and assistance of the University generally, and especially by way of cooperation with the Legislature and Board of Regents, we the undersigned voluntarily associate ourselves together for the purpose of forming a private Corporation under the Laws of the State of Kansas, and do hereby agree and set forth as follows:

"FIRST: The name of this Corporation shall be 'The Kansas University Endowment Association.'

"SECOND: The purposes for which said corporation is formed are the support of an educational undertaking, to wit, the University of Kansas, and to that end to receive and hold in trust any property real and personal given, devised, bequeathed, given in trust, or in any other way made over to the said Corporation for the use or benefit of the University of Kansas, or of any student or professor therein as such, or of any department thereof, or for the carrying on at said institution of any line of work, teaching, or investigation, which the donor, grantor or testator may designate; to invest or disburse all moneys so received, and generally to care for, manage, administer and control all such property so received, and to carry out the wishes and to see that the funds and property so received are applied to the uses specified by the donors; or, in case the gift, devise or bequest is a general one, then to such uses as may be agreed on by the Board of Trustees.

"THIRD: The place where the business of the association is to be transacted is at Lawrence, Kansas.

"FOURTH: The term for which the Association is to exist is to be Nine Hundred and Ninety-Nine Years.

"FIFTH: The members of this Association shall be sixty in number and shall be known as trustees. They shall consist of those now serving as such trustees and such additional trustees to make the requisite number and they shall be chosen in the manner provided in Paragraph Sixth for filling vacancies. The trustees of the association may vote by proxy. They shall receive no compensation for their services as such trustees.

"SIXTH: All vacancies in the board of trustees of this association shall be filled by election by the remaining trustees, a two-thirds vote of such remaining trustees being necessary for election.

"SEVENTH: This Association shall have no capital stock. Its duties and functions shall be limited to the purposes specified in Section Second. No profit may accrue to the Association as such or to any Trustees thereof.

"EIGHTH: This Association shall hold such meetings and shall make such regulations for the conduct of its business as may be provided in its by-laws.

"NINTH: The location of the registered office of the corporation in the State of Kansas is The Kansas University Endowment Association building, The University of Kansas, Lawrence, Kansas; and

The name of the resident agent in the State of Kansas is Irvin E. Youngberg, The Kansas University Endowment Association building, The University of Kansas, Lawrence, Kansas."

By-Laws

(as amended)

1. OFFICERS

The officers of this Association shall be a President, a First Vice-President, a Second Vice-President, a Secretary, an Assistant Secretary, a Treasurer, an Assistant Treasurer, and an Executive Committee consisting of the officers of the Association, the Chancellor of the University, and not less than two nor more than five additional members to be elected. They shall be elected annually at the regular meeting and shall serve until their successors shall have been elected.

2. DUTIES OF OFFICERS

The President, First Vice-President, Second Vice-President, Secretary, Assistant Secretary, Treasurer, and Assistant Treasurer, shall perform the usual duties pertaining to their offices, and shall give such bonds as the Trustees may require. The Executive Committee shall have, and may exercise, during the interval between meetings of the Trustees, all the powers vested in the Trustees, except (a) power to fill vacancies in the Board of Trustees; (b) power to change membership of or fill vacancies in said committee; and (c) power to change the by-laws. The Trustees shall have power to change the membership of such committee at any time and shall fill vacancies in it. The Executive Committee may make rules for the conduct of its business. A majority of the members of the committee shall constitute a quorum. The Trustees shall designate a chairman of the Executive Committee.

3. MEETINGS

The annual meeting of the Kansas University Endowment Association shall be held on Sunday, the day before Commencement, at 9:00 a.m.

Special meetings may be held at any time on the call of the President, but notice of such special meeting shall be given by mail to each Trustee at least five days in advance of such meeting, which notice shall state the object of the meeting. Upon written request of three Trustees the President shall call a special meeting.

4. QUORUM

Ten members shall constitute a quorum who shall be authorized to transact the business of the Association.

In case of necessity, as declared by the President, questions may be decided by vote taken by mail, provided specific statements of such questions shall have been submitted to the Trustees for their consideration and decision.

5. DISPOSITION OF FUNDS

All funds and other properties of the Association are subject to the control and disposition of the Trustees. The officers of the Association shall execute the directions of the Trustees in the managements of such funds and properties. Upon the authorization of the Executive Committee, funds of the Association shall be disbursed by check signed by the Secretary or the Assistant Secretary and countersigned by the President, the First Vice-President, the Second Vice-President, the Treasurer, or the Assistant Treasurer of the Association; provided however, that special deposit accounts may be established in the depository of the Association for specific purposes, and the withdrawal of such funds when so authorized shall be made by check signed by the Secretary.

A Finance Committee of five members shall be appointed annually by the President, three members of which shall be members of the Executive Committee; the Finance Committee shall meet at regular intervals; three members shall constitute a quorum; and the duties of the Finance Committee shall be the investment of all funds of the Association available therefor.

6. CORPORATE SEAL

The corporate seal of this Association shall be circular in form, shall bear the words "The Kansas University Endowment Association" near the outer edge of the circle, and shall have in the middle of the circle the words "Corporate Seal," and the seal is hereby adopted as the seal of the corporation.

7. AMENDMENTS

These by-laws may be amended by a majority of all the Trustees.

APPENDIX D

THE UNIVERSITY OF MICHIGAN DEVELOPMENT COUNCIL: CHARTER OF ORGANIZATION

APPENDIX D

THE CHARTER OF ORGANIZATION OF

THE DEVELOPMENT COUNCIL OF

THE UNIVERSITY OF MICHIGAN

Article 1 - Purposes

General Statement: The development program of The University of Michigan has as its main objective the achievement of financial support for The University of Michigan from private sources, alumni, students, and friends of the University. To pursue this objective efficiently the Development Office of the University has been vested with the responsibility to coordinate the University's various fund seeking efforts. Furthermore, guidance for the conduct of the development program is provided in Regent By-Laws and such policies as established by the President of the University, including "Guidelines for Fund Raising" issued January 14, 1969. A copy of the guidelines is attached to this Charter. All fund seeking efforts will be conducted in accordance with the previously mentioned provisions.

Involvement of Alumni and Friends: A basic principle of good fund raising is the involvement of volunteers in both planning and decision-making, within the authority given by the President of the University. That principle underlies the Development Council organization described below.

Article II - Board of Directors

1. Definition: Responsibility for achieving the greatest potential in fund raising shall be vested in a Board of Directors. Such Board shall determine policy for particular fund raising activities or projects, within the authority given by the Regents and/or the President of the University.

2. Functions and Powers of the Development Board

    a. To encourage voluntary contributions to the University;

b. To help organize a structure that will involve alumni, friends, and students and maintain their interest in the objectives of the development program, and the educational goals of The University of Michigan;

c. To advise on and recommend methods of fund solicitation and promotion that will realize the greatest potential results;

d. To elect and appoint officers and committee for the proper accomplishment of the development program;

e. To react and respond when requested and to make recommendations to the President of the University on the various aspects of proposed fund-raising programs;

f. To recommend short-term and long-term goals for the development program to the President or his delegated representative;

g. To have the privilege of making recommendations to the appropriate person, persons, or official bodies on such subjects as personnel, budget, campaigns, use of money raised, etc. that affect the development program.

3. Membership: There shall be 40 members on the Board of Directors. Of this number there shall be thirteen ex-officio members as follows: President of the University; Vice-President for University Relations; the chairman of each operating committee of the Board; Chairman, or Vice-Chairman of the University Senate Advisory Committee on University Affairs; an additional faculty member-at-large, who is a Michigan Alumnus, to be nominated by the Senate Advisory Committee on University Affairs; President of the Alumni Association; Executive Director of the Alumni Association; one undergraduate and one graduate student member to be nominated by the Vice-President for University Relations; and the Director of Development. All ex-officio members of the Board, with the exception of the Director of Development, shall have one vote, the same number as each regular Board member. Of the 27 (elected) members, at least 22 must be alumni of The University of Michigan.

4. <u>Tenure</u>: Except for some ex-officio members whose tenure continues while they continue in the office that warrants Board membership, each member shall serve for a period of three years and may succeed himself. Each term of office shall expire with the Annual Meeting, and each new term begins immediately following election and appointment by the President. A student member shall serve for a one-year term and may succeed himself for one additional one-year term.

5. <u>Election</u>: Those members of the Board not serving by virtue of their office shall stand for election at the first meeting of the Board of Directors following January 1 of each year. The Nominating Committee will prepare a single slate of nominees equalling the number of expiring terms and vacancies due to other causes. The Nominating Committee report listing nominees shall accompany the meeting call, and the election will be held during the regular business of that meeting. Nominations from the floor shall be called for. Should there be more than one nominee for a vacancy a vote of incumbent and out-going Board members shall be taken and the nominee receiving the greatest number of votes shall be declared elected, subject to approval and appointment by the President of The University of Michigan.

6. <u>Officers</u>: Officers of the Board of Directors shall be a Chairman, Vice-Chairman, and Secretary. These officers shall be elected at the first meeting of the Board of Directors following January 1 of each year. They shall hold office for a term of one year and are eligible for re-election. The Nominating Committee shall prepare a single slate of officer nominees to be presented to the Board of Directors. Nominations may be made from the floor. In the case of competing candidates the same procedure for selection shall be followed as outlined in Section 5, Election, above.

7. <u>Meetings</u>: The Board of Directors shall meet at times set by the Executive Committee. The first meeting of each calendar year shall be held as early in the year as feasible and shall be the Annual Meeting of the Board and include in its business the election of Board Members and Officers. Special meetings may be called by the Chairman. Sixteen members of the Board, including proxies, shall constitute a quorum.

Article III - Committees

1. The following and other such operating committees as may become necessary are authorized by the Charter of Organization:

   Annual Giving Committee
   Corporate and Foundation Committee
   Deferred Giving Committee
   Presidents Club Executive Committee

2. The following and such other committees as may become necessary from time to time are also authorized by the Charter of Organization:

   Executive Committee
   Local Advisory Committee
   Nominating Committee

3. For the Annual Giving, Corporate and Foundation, Presidents Club, Deferred Giving and such other operating committees as may become necessary, the purpose, duties, membership and meeting schedule will be as follows:

   Purpose: To help The University of Michigan institute and/or carry on programs that will ensure the maximum amount of private support from alumni, students, and friends through such means as annual giving, the Presidents Club, deferred gifts, and from corporations and foundations.

   Duties:

   - To counsel with and advise the professional staff of the Development Office;

   - To make such recommendations to the Development Board of Directors as are related to the effective achievement of the objective of each committee;

   - To assist, co-operate and co-ordinate with staff on on-going appeals, such as those conducted by the professional schools each year;

   - To submit to the Vice President for University Relations such recommendations as requested by him with regard to particular programs;

- In the case of the Corporate and Foundations Committee, to recognize that other University units, besides the Development Council, make appeals that result in contractual arrangements that are quite satisfactory, and outside the responsibility of the Development Council;

- In the case of the Deferred Giving Committee, to review plans, brochures and other promotional materials for their appeal and use in obtaining the co-operation of attorneys, banking and trust officers, and insurance brokers to ensure an effective program for obtaining gifts for the University through bequests, trust arrangements, and other deferred instruments.

Membership: The Chairman of each operating committee, with the exception of the Presidents Club Executive Committee, shall be appointed by the Chairman of the Development Council Board of Directors. He shall hold office for a one-year term and is eligible for re-appointment. Other members of each committee shall be appointed by the Chairman of the Board in consultation with the respective committee chairmen. A minimum of two members of each committee, including the chairman, shall be members of the Development Council Board of Directors. Special attention should be given to encouraging alumni membership on each Committee. Staff support will be assigned each Committee. But staff members are without vote. The Presidents Club Executive Committee shall submit to the Chairman of the Board of the Development Council, and through him to the Nominating Committee, the nominations for chairman and members of that committee for the ensuing year. The Nominating Committee and the Chairman of the Board shall abide by the nominations by the Presidents Club Executive Committee.

Meetings: Each of the above named committees shall meet upon call of the chairman, following consultation with the appropriate staff person.

4. Executive Committee

Purpose: The Executive Committee shall execute matters of policy and operations relative to the development program within the scope granted by the Regent By-Laws and/or Directives established by the President of the University or his delegated representative.

Powers and Duties:

a. To represent and act for the Board of Directors between meetings, on any matter of policy or procedure, with such action to be subsequently reported to the Board of Directors;

b. To receive from the Director and Associate Director progress reports on the development program;

c. To act as an advisory group on matters of policy and procedures and, when indicated, to make recommendations on decisions to the Board;

d. Upon request from the President of the University or his delegated representative, the Executive Committee shall have the responsibility to advise on matters relative to the development program;

e. The Executive Committee may make recommendations for consideration by the President or his delegated representative on matters pertaining to the development program. Such items as budget, personnel, campaigns, are included in this category;

f. The Executive Committee shall also guide activities of the local Advisory Committees.

Membership: The Executive Committee shall consist of the following: the Chairman, Vice Chairman, Secretary of the Development Board of Directors, the Vice-President for University Relations, and the chairman of all operating committees. The Director and Associate Director shall be members, ex-officio, without vote.

The officers of the Board of Directors shall also serve as officers of the Executive Committee.

Meetings: The Executive Committee shall meet at the discretion of the Chairman, or by call of at least three members of the committee.

5. Local Advisory Committees

Purpose: Where and when feasible, Development Council Advisory Committees may be formed in local communities. They will assist the development program by identifying prospects and advising on ways and means of solicitation. Their additional specific responsibilities are to be outlined by the Executive Committee.

Membership: The Chairman of the Board of Directors shall appoint the advisory chairman and committee members upon suggestion of the staff-related person assigned to the particular community. As much as possible, there shall be representation on the Advisory Committees from various units of interest such as Annual Giving, Presidents Club, Corporate and Foundations, etc.

Tenure: Committee members shall serve for three years or until their successors are appointed.

Meetings: The Advisory Committees shall meet upon call of the Chairman following consultation with the appropriate staff person. Once each year the chairmen of the Advisory Committees shall be invited to attend a special briefing on the campus to receive information on the needs of the University, share common concerns and such other matters as will assist the chairmen in doing a satisfactory job.

6. Nominating Committee

Purpose: The Nominating Committee shall have the responsibility for presenting nominees to fill vacancies on the Board as they may occur due to expirations of terms, resignations, or inability to serve. In all cases they shall submit one name only for each vacancy. Further, they shall submit a single slate for the officers at the Annual Meeting.

Membership: At the Annual Meeting of the Board the Chairman shall present the names of five Board members to serve as members of the Nominating Committee, and indicate who is to be chairman. Additional persons may be nominated from the floor. Should there be nominations from the floor an election shall be conducted and the five persons receiving the greatest number of votes shall be elected.

Tenure: Members of the Nominating Committee shall serve for a one-year term and are eligible for re-election.

Article IV - Amendments

Amendments to this Charter of Organization may be enacted by the Board of Directors at any stated meeting providing the proposed amendment is stated in the notice of the meeting. A two-thirds vote of the Board of Directors in attendance shall be necessary to pass an amendment. Amendments so passed shall be subject to approval by the President of the University before becoming effective.

This Charter was adopted by the Development Council Board on June 11, 1969.

APPENDIX E

THE TEXAS A & M COLLEGE DEVELOPMENT FOUNDATION:

INDENTURE OF TRUST AND BY-LAWS

APPENDIX E

THE TEXAS A & M COLLEGE DEVELOPMENT FOUNDATION:

INDENTURE OF TRUST

THE STATE OF TEXAS:

COUNTY OF BRAZOS:

THIS INDENTURE OF TRUST, made on this 12th day of September 1953, by and between R. Wofford Cain, E. E. McQuillen, David H. Morgan, A. F. Mitchell, Guy W. Adriance, Herman F. Heep, C. W. Crawford, W. P. Machemehl, Gibb Gilchrist, J. W. Porter, Dale F. Leipper, Tyree L. Bell, W. C. Freeman, M. T. Harrington, Frank Bolton, Jr., R. F. Allen, Olin E. Teague, J. H. Dunn, Oscar T. Hotchkiss, Jr., and H. D. Heldenfels and S. C. Evans, hereinafter referred to as "Donors" or "Creators," and the Trustees, hereinafter described,

W I T N E S S E T H

THAT in consideration of the acceptance by the Trustees of the irrevocable public, charitable, and educational Trust hereby created and the Trustees' acceptance of the responsibilities, rights, privileges, and powers of the Trustees hereunder, and in order to create this irrevocable Trust, Donors by these presents do irrevocably GRANT, CONVEY, ASSIGN, and DELIVER unto said Trustees and their successors or substitutes hereunder, One Hundred Dollars ($100.00) in cash.

TO HAVE AND TO HOLD all the singular and above described property, and all other property, real or personal, which may at any time be added hereto by gift, devise, assignment or otherwise, in trust, nevertheless, for the uses and purposes, and subject to and upon all of the terms, provisions, conditions, privileges, rights, and powers, hereinafter set out.

1. This Trust shall be known and designated as "THE TEXAS A. & M. COLLEGE DEVELOPMENT FOUNDATION."

2. The Donors and any other person, association, or corporation shall have the right, at any time and from time to time, to add to the Trust Estate, by any form of gift, any and all other property deemed acceptable by the Trustees.

3. There shall be five (5) Trustees. The original Trustees shall serve terms of unequal length. The Texas Agricultural and Mechanical College Development Fund Board (hereinafter called "Development Fund Board") shall appoint one Trustee to serve until December 31, 1961, and one Trustee to serve until December 31, 1957. The Executive Board of The Association of Former Students of Agricultural and Mechanical College of Texas (hereinafter called "Executive Board") shall appoint one Trustee to serve until December 31, 1963, one Trustee to serve until December 31, 1959, and one Trustee to serve until December 31, 1955.

The number of Trustees may be increased from five (5) to seven (7) by unanimous vote of the Trustees, in which case the Development Fund Board shall appoint one Trustee whose term shall expire December 31, 1962, or, if appointed after December 31, 1962, on the December 31st at the end of the ten-year period (measured from December 31, 1962) in which such Trustee was appointed.

The number of Trustees may be reduced from seven to five by unanimous vote of the Trustees at any time, in which case the Trustees appointed under the next preceding sentence, or their successors, shall cease to act. The number of Trustees may be increased from five to seven or decreased from seven to five at any time.

Upon the expiration of the term of each original Trustee, a successor Trustee shall be appointed by the Executive Board or the Development Fund Board, whichever of said Boards appointed the Trustee whose term is then expiring. Each successor Trustee shall serve for a term of ten (10) years, and upon the expiration of such term, the Board which appointed such Trustee shall appoint a successor Trustee. In like manner, unless the provisions of the next preceding paragraph of this, Paragraph 3, preclude filling the vacancy, upon the expiration of the term of any Trustee, whether an original, substitute, or sucessor Trustee, the Board which appointed such Trustee shall appoint his successor to serve for a term of ten (10) years. If any Trustee shall, for any reason, fail or cease to act as Trustee, the Board which appointed such Trustee shall appoint a substitute Trustee to serve for the unexpired portion of such Trustee's term. Any Trustee whether an original, substitute, or successor Trustee, may be appointed for a subsequent term or terms.

If, at any time when a successor Trustee is to be appointed, the Development Fund Board is not in existence, the Executive Board shall appoint such Trustee, and shall appoint all successor Trustees thereafter. If, at any time when a successor Trustee is to be appointed by the Executive Board, the Executive Board is not in existence, then the governing body of the organized former students or alumni of Texas A. & M. College, by whatever name designated, shall make such appointment.

No Trustee shall ever be required to give bond for any reason.

4. If, at any time, the Trustees determine that the Trust Estate, or any part thereof, would be better or more conveniently administered in corporate form, or that incorporation of any part or all of such Trust Estate would more conveniently or efficiently accomplish the purpose of this Trust, then the Trustees may cause one or more corporations to be created under the laws of Texas, bearing the name of this Trust, or any other appropriate name or names selected by the Trustees, and with such corporate powers as shall, in the Trustees' judgment, be necessary or desirable to carry out the terms of this instrument, and shall then convey to such corporation or corporations such part, or all, of the Trust Estate in the Trustees' possession and control as the Trustees determine to be desirable to incorporate.

5. If one or more corporations are formed by the Trustees to administer this Trust, as aforesaid, the Trustees then acting shall become incorporators and directors of such corporation or corporations, and the by-laws of such corporation or corporations shall provide irrevocably that all successor directors shall, from time to time, be chosen for the corporation in the manner provided for the appointment of the Trustees. In any such by-laws the word "directors" shall be inserted for "Trustees" in all places herein, mutatis mutandis.

6. Any Trustee may resign by giving written notice of such resignation to the Attorney General of the State of Texas, and to the Co-Trustees.

7. Any Trustee may be removed at any time by unanimous vote of his Co-Trustees for any cause they deem sufficient for such removal.

8. If, from any cause, a vacancy occurs in the office of Trustee and such vacancy cannot be, or is not, filled by the procedure set forth in Paragraph 3, then the senior judge, in years of service, of the District Court of the State of Texas whose district includes any part of Brazos County, Texas, acting as an individual, shall appoint the number of Trustees necessary to provide a full Board of Trustees.

9. Each Trustee shall be liable only for his own gross neglect, bad faith, or fraud.

10. Subject to Paragraph 19, the Trustees shall not receive any compensation whatever for their services in any capacity from the Trust.

11. This Trust is created and the Trust Estate shall be held, managed, operated, administered, invested and reinvested, and distributed exclusively and solely to, and in aid of, religious, charitable, educational, or scientific purposes which are wholly of a public and non-profit nature. The broadest discretion is vested in and conferred upon the Trustees for the accomplishment of these purposes.

12. Subject to the provisions of Paragraph 11, the Trust Estate shall be used, expended, and applied for the benefit of the Agricultural and Mechanical College of Texas, sometimes called Texas A. & M. College, now located at College Station, Texas. The income of the Trust Estate may be accumulated and retained, in whole or in part, or the Trustees may, from time to time, distribute any amounts of the Trust Estate to further the educational purposes of such college; provided, however, that the Trustees may distribute only the net income and, or, accumulated income of the Trust Estate, unless the value of the corpus of the Trust Estate, exclusive of any of the accumulated income and net income, exceeds $5,000,000.00 after such distribution. The furtherance of the educational purposes of Texas A. & M. College shall include, but is not limited to, use of the Trust Estate for opportunity awards to deserving students, scholarships, fellowships, and salaries to students or faculty, or both, purchase of furniture, fixtures, land, buildings, and, or, any supplies for Texas A. & M. College or those employed by or in attendance at said college, and any other educational purposes at such college permissible under the Constitution and Laws of Texas in force and effect at the time of such expenditure or use of the Trust Estate. The Trustees may, but need not, counsel with the Board of Directors of Texas A. & M. College, with the President of the College, with the President, or other officers, of the

Association of Former Students of the College, with the Development Fund Board, with the Executive Board, or with any other persons or entities, as to the use which shall be made of the Trust Estate.

13. If property shall be given to the Trustees for any limited purpose which is nevertheless within the broad purposes for which this Trust is created, the Trustees shall accept and administer such property as a part of the Trust Estate for such specified limited purposes; however, such property shall not be included in the value of the Trust Estate in determining the value of the corpus of the Trust Estate for the purposes of Paragraph 12 unless the only limitation on its use is that it may be used only within the State of Texas.

14. Anything to the contrary herein notwithstanding, this Trust shall not be operated for profit and no part of the Trust Estate or the income therefrom shall ever inure to the benefit of any private individual, corporation, association, or other organization, or be used to influence or attempt to influence legislation, or to carry on propaganda.

15. In no event shall this Trust indenture be modified, amended, or revoked by anyone, including any Donor or the Trustees, but by appropriate instrument, in writing, the Trustees, if a corporation be formed, may modify or change such of the provisions hereof as may be necessary or desirable, in their judgment, to effect a more convenient or efficient administration of this Trust solely to accomplish the above described purposes; but no one shall ever have the power or authority, separately or jointly, to divert any part of the Trust Estate whatsoever, whether corpus, income, or any accumulation thereof, to purposes other than those expressed herein.

16. Wherever in this instrument the term "Trust Estate" is used, it shall comprise the original corpus, as long as it remains in trust hereunder, and all other properties, real, personal, or mixed, however and whenever acquired which may be included in or belong to the Trust and any income therefrom including any accumulated income.

17. The Trustees shall keep full and complete records showing separately the corpus and the income of the Trust Estate. The Trustees shall, within one hundred twenty (120) days after the first day of each January during the term of the Trust, submit statements to such of the Donors as are

then living and request such statements, and to the Attorney General of the State of Texas, showing the true status and condition of the Trust Estate as of said date and all receipts and disbursements of the trust during the preceding calendar year.

18. The situs of the administration of the Trust hereby created is fixed in Texas, and it is directed that in respect to the administration, construction, and validity of the Trust, wherever possible, the laws of the State of Texas shall control.

19. No Donor, Creator, Trustee, or ex-Trustee, (and in the event of an incorporation, no shareholder, member, director, trustee, or officer of such corporation) or the spouse or child or children of any such individuals, shall ever receive any part of the Trust Estate, nor shall any of such individuals ever become an employee under the Trustees, or any corporation organized hereunder, nor shall any benefit ever result to any of said persons, directly or indirectly, from the Trust Estate; provided, however, that the Trustees may be paid reasonable compensation for personal services actually rendered to the Trust, and may be reimbursed for expenses actually incurred in attending meetings or in the service, or on behalf, of this Trust.

20. The revenues, receipts, proceeds, disbursements, expenses, accruals, and losses of the Trust Estate shall be allocated or apportioned between corpus and income in the discretion of the Trustees, and the determination of the Trustees need not necessarily be in accordance with the provisions of the Texas Trust Act which shall control only if such discretion and opinion cannot be or is not exercised by the Trustees. The excess of the revenues, receipts, and proceeds allocated to income over the disbursements, expenses, accruals, and losses chargeable to income (including such reasonable reserves as the Trustees may deem appropriate) shall constitute the net income of the Trust Estate.

21. This Trust shall continue until the final disposition by the Trustees of the entire Trust Estate; if the Trustees shall determine to cause the incorporation herein provided for, proper provision shall be made so that such corporation shall continue to exist as long as shall be permitted by the laws of the State of Texas, unless final distribution of the Trust Estate shall be made by the directors prior to that time, and upon termination of the corporation, the net assets thereof shall be distributed pursuant to the purposes hereof.

22. To carry out the purposes of the Trust, and subject to any limitations stated elsewhere in this instrument, in addition to the authority, rights, privileges, and powers elsewhere herein conferred upon and vested in the Trustees, and those now or hereafter conferred by law, the Trustees shall also have the following authority, rights, privileges, and powers:

(a) The Trustees are empowered to hold, manage, control, collect, administer, and use (including the power to hold any property unproductive of income), invest and reinvest the property, real, personal, and mixed, now or hereafter belonging to or included in the Trust Estate as long as the Trustees may deem retention to be in the best interests of the Trust.

(b) The Trustees are empowered to sell (for cash or on credit or partly cash and partly credit), exchange, deliver, transfer, assign, grant, and convey or otherwise dispose of, the whole or any part of the Trust Estate at or pursuant to public or private sale, free from the Trust, and to lease (including, but not limited to, oil, gas, and, or, mineral leases), rent, loan, mortgage, pledge, or otherwise encumber the whole or any part of the Trust Estate, and to borrow money, in any manner, with or without security, all upon such terms, provisions, conditions, covenants, and warranties, and for such consideration and for such purpose as the Trustees may deem advisable or proper; to construct, add to, repair, improve, or demolish, in whole or in part any improvements upon any property of the Trust Estate; to make, renew, extend, amend, acknowledge, and deliver contracts, deeds, liens, mortgages, notes, or other obligations, deeds of trust, and other encumbrances, conveyances and leases (including, but not limited to, oil, gas, and, or, mineral leases), upon any or all of the Trust Estate, and any and all other instruments and papers, with or containing such words, phrases, terms, conditions, warranties, and, or, provisions and in such form, as the Trustees may deem advisable or proper.

(c) The Trustees shall have the power to invest and reinvest the Trust Estate and the rents, proceeds, profits, and revenues therefrom in property of any description whatsoever, real, personal, or mixed, (including, but not limited to, oil, gas, and mineral interests), and to make and, or, hold investments of any part of the Trust Estate in common or undivided interest with other persons, corporations, partnerships, or Trusts, including an undivided interest in any property in which the Trustees, individually or otherwise, may hold an undivided interest. The Trustees may deal with, buy from, and, or, sell to any person, corporation, or other entity regardless of any relationship of any Trustee to such person, corporation, or entity. Such investment powers shall not be restricted to any class of investments which fiduciaries under any character of trust are or may hereafter be permitted to make by law or any regulation. However, anything to the contrary herein notwithstanding, no investment shall jeopardize the purposes herein set forth.

(d) The Trustees in person or by their attorneys are authorized to institute, join in, maintain, defend, compromise, or settle any litigation or controversy with respect to any part of the Trust Estate or in relation to any matter arising in connection therewith, regardless of the manner in which such litigation or controversy has arisen, whenever and as often as in the opinion of the Trustees it is for the best interests of the Trust Estate to do so.

(e) The Trustees are empowered to employ and retain from time to time such attorneys, counsel, brokers, banks, investment counsel, or other agents or employees, and to delegate to them such of the duties, rights, and powers of the Trustees (including the power to vote shares of stock) as the Trustees may deem necessary or advisable in handling and administering the Trust.

(f) The Trustees, whenever and as often as the Trustees shall deem it advisable to do so, are empowered to make or cause to be made a partition of any property or interests, or any part thereof held in common or jointly by the Trustees under the Trust or belonging to the Trust Estate with any other person, firm, association, corporation, or Trustee, and to join with others in making, and to do or cause to be done any and all such acts and things deemed advisable by the Trustees in order to make and effectuate, any and all such partitions; also, in any and all such partitions, in order to equalize differences, the Trustees are empowered to pay out of the Trust Estate, or receive, such sums of money or property as may be necessary or advisable for that purpose.

(g) In making distributions of any portion of the Trust Estate, the Trustees are empowered to make the same in cash or its equivalent or in any property belonging to or included in the Trust Estate or in any manner whatsoever which may then be deemed practicable by the Trustees, considering the purposes of the Trust.

(h) Generally, and without being limited by the foregoing, the Trustees shall have, hold, manage, control, use, invest, and reinvest, disburse, and dispose of the Trust Estate and the rents, revenues, proceeds, profits, and the income and accumulated income therefrom in their sole discretion in all things and under all circumstances and to the same extent as if the Trustees were the owners thereof, in fee simple, instead of in trust, subject only to such limitations as are contained herein, or such of the laws of the State of Texas as cannot be waived. The Trustees shall have all such additional powers, rights, and privileges as may be reasonably necessary for faithful administration or effectuation for the Trust, and this instrument shall always be construed in favor of the validity of any act or omission by or of the Trustees; and the Trustees are authorized to exercise all the rights, powers, options, and privileges now or hereafter granted to, provided for, or vested in trustees under the Texas Trust Act except such as conflict with the terms of this instrument. Insofar as is possible, no subsequent legislation shall be in limitation of the rights, powers, or privileges granted herein or in the Texas Trust Act as it exists at the time of the execution of this instrument.

Any Trustee may delegate any of his rights, powers, privileges, duties, and discretions to any other Trustee for such period as such delegating Trustee may deem fit. The Trustees shall be fully protected in acting on any telephone call, telegram, letter, or other communication that the Trustees believe to be genuine, and shall have no duty to inquire into the source of such communications.

23. Anything to the contrary herein notwithstanding, the Trustees shall not:

1. Lend any part of the Trust Estate, without receipt of adequate security and a reasonable rate of interest, to;
2. Pay any compensation in excess of a reasonable allowance for salaries, or other compensation, for personal services actually rendered, to;
3. Make any services, benefits, or facilities of the Trust Estate available on a preferential basis, to;
4. Purchase any securities or other property for more than adequate consideration in money or money's worth, from;
5. Sell any securities or other property for less than adequate consideration in money or money's worth, to; or
6. Engage in any other transaction which results in any substantial divergence of any part of the Trust Estate to;

any Creator, Donor, Trustee, or ex-Trustee, a member of the family of any such individuals (the word "family" shall include brothers and sisters whether by the whole or half blood, spouse, ancestors, and lineal descendants) or a corporation controlled by any such person through ownership, directly or indirectly, of fifty percent (50%) or more of the total combined voting power of all classes of stock entitled to vote or fifty percent (50%) or more of the total value of shares of all classes of stock of the corporation.

24. As used herein, the words "Donor" and "Donors" include the original Donors and any other person, association, or corporation who has made a substantial contribution to the Trust Estate.

25. The Trustees, by joining in the execution of this indenture of trust, accept all of the rights, powers, privileges, duties, and responsibilities of the Trustees hereunder and agree that they will exercise or perform the same in accordance with the terms and provisions contained in this indenture of trust.

IN WITNESS WHEREOF, Creators and Trustees hereunto set their hands on this 12th day of September, 1953.

CREATORS

Original signed by:

R. Wofford Cain
E. E. McQuillen
David H. Morgan
A. F. Mitchell
Guy W. Adriance
Herman F. Heep
C. W. Crawford
W. P. Machemehl
Gibb Gilchrist
J. W. Porter
Dale F. Leipper
Tyree L. Bell
W. C. Freeman
M. T. Harrington
Frank C. Bolton, Jr.
R. F. Allen
Olin E. Teague
J. H. Dunn
Oscar T. Hotchkiss, Jr.
H. C. Heldenfels
Sterling C. Evans

TRUSTEES

Original signed by:

R. Wofford Cain
Herman F. Heep
W. P. Machemehl
A. F. Mitchell
Sterling C. Evans

STATE OF TEXAS:

COUNTY OF BRAZOS:

BEFORE ME, the undersigned authority, on this day personally appeared R. Wofford Cain, E. E. McQuillen, David H. Morgan, A. F. Mitchell, Guy W. Adriance, Herman F. Heep, C. W. Crawford, W. P. Machemehl, Gibb Gilchrist, J. W. Porter, Dale F. Leipper, Tyree L. Bell, W. C. Freeman, M. T. Harrington, Frank C. Bolton, Jr., and H. C. Heldenfels, Creators, and R. Wofford Cain, Herman F. Heep, W. P. Machemehl, A. F. Mitchell, Trustees, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS, the 12th day of September, 1953.

/s/ B. H. Dewey, Jr.
B. H. Dewey, Jr., Notary
Public in and for Brazos
County, Texas

STATE OF TEXAS:

COUNTY OF HARRIS:

BEFORE ME, the undersigned authority, on this day personally appeared Sterling C. Evans, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS, the 16th day of September, 1953.

/s/ R. R. Brown
R. R. Brown, Notary Public in
and for Harris County, Texas

BY-LAWS OF

THE TEXAS A. & M. COLLEGE DEVELOPMENT FUND

ARTICLE I: TRUSTEES

SECTION 1: There shall be five (5) Trustees, appointed as provided in the Indenture of Trust creating this Foundation, as executed on September 12, 1953, and filed for record in the office of the County Clerk of Brazos County, Texas, on September 17, 1953.

SECTION 2: The number of Trustees may be increased from five (5) to seven (7) by unanimous vote of the Trustees, with appointment of such additional Trustees as provided in the Indenture of Trust. In similar manner the number of Trustees may be reduced from seven (7) to five (5).

SECTION 3: Trustees shall serve for terms of ten (10) years, unless precluded by provisions of paragraph 3 of the Indenture of Trust as relating to the increase or decrease of the number of trustees.

SECTION 4: Any Trustee may delegate another Trustee to act as proxy for him, providing such delegation is made in the form of a signed statement, transmitted to the Secretary-Treasurer of the Foundation.

ARTICLE II: MEETINGS

SECTION 1: Trustees shall meet at least once each year and may hold such other meetings as may be deemed necessary. Meetings shall be called by the Chairman of the Trustees, or at the request of any three Trustees.

SECTION 2: A majority of the Trustees, in person or by proxy, shall constitute a quorum for the transaction of any business of the Foundation.

SECTION 3: Decisions may be made and actions approved by the Trustees by letter, telephone call or telegram. Any such actions shall be promptly and fully outlined and placed in the Minutes of the Foundation, and copies of such Minutes sent to each Trustee.

ARTICLE III: OFFICERS

SECTION 1: Officers of the Foundation shall be named by the Trustees and shall consist of a Chairman, a

Vice-Chairman, a Secretary-Treasurer and an Assistant Secretary-Treasurer. The Chairman and Vice-Chairman shall be chosen from among the Trustees, the Secretary-Treasurer and Assistant Secretary-Treasurer need not be Trustees.

SECTION 2: Such officers shall serve such terms as may be determined by the Trustees or until successors are named.

SECTION 3: It shall be the duty of the Chairman to preside at meetings of the Trustees, or in his absence, the Vice-Chairman shall serve.

SECTION 4: It shall be the duty of the Secretary-Treasurer to maintain records of the Foundation, including its Minutes and its financial affairs, and to make such reports to the Trustees as they may direct.

ARTICLE IV: GENERAL ADMINISTRATION

SECTION 1: The Trustees shall designate a bank as repository of the Foundation's Funds.

SECTION 2: Disbursements or withdrawals of Foundation Funds shall be by check, signed by the Secretary-Treasurer of the Foundation and countersigned by a Trustee who shall normally be the Chairman of the Trustees, but who may be, in the absence of the Chairman, any other Trustee.

SECTION 3: The Secretary-Treasurer shall be placed under Surety Bond as may be determined by the Trustees.

SECTION 4: An annual audit of the affairs of the Foundation shall be made by an Auditor appointed by the Trustees.

SECTION 5: All records of the Foundation shall be kept and maintained in the Office of the Secretary-Treasurer of the Foundation.

ARTICLE V: AMENDMENTS

SECTION 1: These by-laws may be amended, revised or repealed at any meeting of the Trustees, provided notice of such proposed amendment, repeal or change shall have been given in the call for such meeting.

APPENDIX F

UTAH STATE UNIVERSITY DEVELOPMENT FUND:

ARTICLES OF INCORPORATION

APPENDIX F

ARTICLES OF INCORPORATION OF THE

UTAH STATE UNIVERSITY DEVELOPMENT FUND

STATE OF UTAH)
: SS
COUNTY OF CACHE)

I, Alma Sonne, Chairman of the Board of Trustees of the Utah State University of Agriculture and Applied Science, solemnly swear that at a meeting of the Board of Trustees, who constitute all of the incorporators of the Utah State University Development Fund, residing in Utah, held at Logan City, in the County of Cache, State of Utah, on the 11th day of August, 1958, pursuant to waiver of notice by the incorporators (being all the members of said Board of Trustees) as follows:

Waiver of Notice
of Meeting of Members and Incorporators
of the Utah State University Development Fund
* * * * * * * * *

We, the undersigned incorporators and members of the Utah State University Development Fund, hereby waive notice and all requirements of notice of a meeting of said members and incorporators to be held on the 11th day of August, 1958, at 2 o'clock p.m. in the President's office of said University, Logan, Utah, for the purpose of incorporating the said organization as a non-profit corporation under the laws of the State of Utah, and consent to the adoption of Articles of Incorporation of the said Utah State University Development Fund.

Alma Sonne	Wesley D. Soulier
Fern B. Ercanbrack	Henry R. Hurren
Eve S. Ashton	Lamont F. Toronto
N. V. Hod Sanders	L. N. Marsden
Ralph S. Blackham	Joseph Rosenblatt
David W. Evans	Bennie Schmiett
R. J. Potter	L. Glen Garrett

It was decided by a unanimous vote of the members present at said meeting to incorporate The Utah State University Development Fund within said limits, to wit: the State of Utah, with such rights and obligations as may be prescribed by law as follows:

ARTICLE I. NAME, DURATION AND PURPOSE

Section 1. NAME: The name of this corporation shall be the Utah State University Development Fund.

Section 2. DURATION: This corporation shall be perpetual, unless sooner dissolved or disincorporated in the manner provided by law.

Section 3. LOCATION: The location of this corporation's place of business shall be at Logan City, Cache County, Utah, but the corporation may effect its purposes and objects at any place within the State of Utah.

Section 4. NATURE: The Development Fund shall be a wholly non-profit corporation, organized exclusively for educational purposes and created by act of the Board of Trustees, the governing board of Utah State University, hereinafter referred to as "the University," with and upon the approval of the Utah State University Alumni Association, hereinafter referred to as "the Alumni Association."

Section 5. PURPOSE: The purpose of the Development Fund is to assist the Board of Trustees of Utah State University in strengthening the effort of the University to provide more effective educational opportunities by encouraging grants, bequests and gifts of money, property, works of art, historical papers and documents, the museum specimens having educational, artistic or historical value, to the University, all as more particularly set forth in the Articles of Incorporation of this corporation.

ARTICLE II. ORGANIZATION

A. THE BOARD OF DIRECTORS

Section 1. NUMBER: The Board of Directors shall be eleven (11) or more in number.

Section 2. MANNER OF SELECTION: Eight (8) of the members of the Board of Directors shall be selected from the general public; one (1) shall be the President of the Utah State University Alumni Association; one (1) shall be the chief executive officer of the University, and one (1) shall be the student body president. The eight (8) directors selected from the general public will be initially appointed by the retiring Board of Directors while subsequent appointments from the general public will be made by a majority of the Directors then in office.

Section 3. TENURE: The directors selected from the general public shall serve for a period of four (4) years, except that four (4) directors initially appointed hereunder shall serve a term expiring June 30, 1971, and four (4) directors will serve a term expiring June 30, 1973. Subsequent appointments occurring at the expiration of the term of office shall be made for a full term of office. Appointments made in filling of a vacancy occurring before the expiration of the term shall be for the remainder of the unexpired term. Regardless of the termination date of the term of office, all members shall continue to hold office until their successors have been appointed. A director may be reappointed to the Board.

Section 4. FUNCTIONS AND POWERS: The functions and powers of the Board of Directors of the Development Fund shall be:

(1) To govern the affairs of the Fund.

(2) To establish such by-laws and policies as are necessary to manage and carry out the purposes of the Fund.

(3) To elect and appoint such officers and committees and incur necessary expenses within its budget allowance as are needed for the proper accomplishment of the Fund's purposes.

Section 5. VACANCIES: In the event of the death, disability or removal of any director, a successor shall be named to serve out the unexpired term in the manner provided in Section 2 of this article.

Section 6. MEETINGS: There shall be one regular annual meeting of the Board of Directors. Special meetings may be called by the Chairman at his discretion, or must be called by him on the written request of three (3) members of the Board of Directors. Notice of the regular annual meeting shall be given by mail at least fifteen (15) and not more than thirty (30) days prior to such meeting.

Section 7. QUORUM: A quorum shall be six (6) members of the Board of Directors. Except as provided in Article V, Section 1, of the Articles of Incorporation, all actions of the Board of Directors shall be determined by majority vote of those present.

Section 8. MAIL VOTE: Should a meeting fail of a quorum, the members present may record their votes and request a mail vote be taken of those not in attendance, limiting the time for a reply. Upon receipt of their votes the combined votes shall determine all actions taken except as provided in Article V, Section 1.

B. OFFICERS

Section 1. NUMBER: The officers of the Development Fund shall be a Chairman; a Vice-Chairman; A Secretary, who shall be the administrative officer of the University with responsibility for development; and a Treasurer, who shall be the Treasurer of the University. Their duties shall be such as usually devolve upon such officers together with such further duties as are prescribed below.

Section 2. CHAIRMAN: The Chairman shall be elected by the Board of Directors from their own membership.

Section 3. THE VICE-CHAIRMAN: The Vice-Chairman shall be elected by the Board of Directors from their own membership.

Section 4. COMPENSATION: All officers shall serve without compensation. Actual necessary expenses of persons engaged in fund activities may be approved by the Board of Directors.

Section 5. TENURE: The Chairman and Vice-Chairman shall hold office for one year, or until their successors are duly elected, and shall be elected at the annual meeting of the Board of Directors.

C. DEVELOPMENT FUND DIRECTOR

Section 1. MANNER OF SELECTION AND COMPENSATION: The Development Fund Director shall be appointed by the Board of Directors of the Development Fund. He shall receive such compensation as shall be approved by the Board of Directors of the Fund.

Section 2. DUTIES: The Development Fund Director shall prepare annually for consideration of the Board of Directors a proposed program for the Fund and shall administer such a program as shall have been approved by the Board of Directors. He shall be allowed such stenographic, clerical and other assistants as approved by the Board of Directors.

ARTICLE III. BONDS

The Board of Directors may require a bond from any and all of the officers of the corporation conditioned upon the faithful performance of their duties.

ARTICLE IV. FINANCES

Section 1. SOLICITATIONS: Contributions and gifts may be received for any use consistent with the purposes of the Development Fund; active solicitation of contributions, grants, and gifts shall, however, be limited to those in support of specific projects previously approved by the Board of Directors of the Fund. The Alumni Association shall be an official soliciting agency.

Section 2. DEPOSIT AND DISBURSEMENT OF CONTRIBUTIONS: All contributions shall be made to the Development Fund who shall hold title to and control all such funds or property and which, before disbursing or disposing of such funds or property, shall consider the recommendations therefor of the Board of Trustees of the University.

Section 3. USES OF CONTRIBUTIONS: The limitations and restrictions upon any grant, gift, donation, bequest or devise as applicable to such special gift, donation, bequest or devise shall be observed in perpetuity, except and unless it shall be determined by the Board of Directors or by other authority deemed competent and appropriate by such Board:

(1) That changed conditions or other reasons shall have rendered the application of the grant, gift, donation, bequest or devise for the purpose provided illegal, unnecessary or impracticable.

(2) That the purposes of the grant, gift, donation, bequest or devise have been fulfilled or become impossible of fulfillment, in which event said funds shall be administered for such other Development Fund purposes as will best carry out the intentions of the donor or testator and as may be sanctioned by law. If the donor is living, he shall be consulted and the funds used for such Development Fund purposes as he may direct.

Section 4. FUNDS FOR OPERATING EXPENSES: Operating expenses of the Development Fund shall be defrayed by funds from the following sources: (a) Appropriations made by the Board of Trustees; (b) Appropriations made by the Alumni Council of the Alumni Association; (c) Specific appropriated grant funds for administration; (d) Unrestricted contributions made to the Development Fund.

ARTICLE V. AMENDMENTS AND BY-LAWS

Section 1. AMENDMENTS: The Articles of Incorporation may be amended at any meeting of the Board of Directors, provided the substance of the proposed amendment is stated in the notice of the meeting and mailed to the Directors at least 15 days before the meeting. A two-thirds vote of the Directors in attendance shall be necessary to pass an amendment. Any amendments so passed shall become effective upon approval.

Section 2. BY-LAWS: By-laws not in conflict with the Articles of Incorporation may be adopted by a majority vote of the Board of Directors.

ARTICLE VI. LIABILITY

The members, directors, officers and employees of this corporation shall not be individually or personally liable for the debts or obligations of the corporation.

Affiant further states that he has read the foregoing affidavit and the Articles of Incorporation contained therein and that they are true and correct and are as they were adopted by the members-incorporators present at the meeting aforesaid.

/s/ Alma Sonne
Alma Sonne

Subscribed and sworn to before me this 7th day of October, 1958.

/s/ William Watkins
Notary Public

Residing at Logan, Utah

APPENDIX G

UNIVERSITY OF WISCONSIN FOUNDATION:
ARTICLES OF ASSOCIATION AND BY-LAWS

APPENDIX G

ARTICLES OF ASSOCIATION OF

UNIVERSITY OF WISCONSIN FOUNDATION

(As Amended April 28, 1945; November 9, 1945; February 12, 1946; April 7, 1952; October 22, 1953; September 23, 1961; and April 25, 1969)

* * * * * * * *

Articles of Association, made and entered into by and between the undersigned, all of whom are adults, residents, and citizens of the State of Wisconsin, on the 20th day of March, 1945, under the pursuant to the provisions of Chapter 180 of the Wisconsin Statutes.

WITNESSETH:

FIRST: The undersigned have associated and do hereby associate together as a corporation under and by virtue of the provisions of Chapter 180 of the Wisconsin Statutes.

SECOND: The purposes for which said corporation is organized are exclusively educational and charitable, as follows:

To aid the University of Wisconsin by solicitation for the benefit of said University of gifts of real property or personal property, or both, from individuals, association, corporations, or other entities.

To collect and receive gifts, bequests, devises or things of value, to accept the same subject to such conditions and trusts as may be imposed thereon, for the benefit of the University of Wisconsin, and to hold, administer, use or distribute the same, and to obligate itself and to execute and perform conditions or trusts, all for the benefit of the University of Wisconsin in the advancement of the scientific, literary and educational purposes thereof.

And in furtherance of its primary purpose to benefit the University of Wisconsin in the advancement of the scientific, literary and educational purposes thereof to acquire by gift, purchase, or otherwise, properties, businesses and things of value, to use, operate, mortgage, sell or otherwise exploit or dispose of the same, and to devote the net income, profits and avails thereof to the aforesaid purposes.

THIRD: The name of the corporation shall be

UNIVERSITY OF WISCONSIN FOUNDATION

and said corporation shall be located in the City of Madison, Dane County, Wisconsin.

FOURTH: The corporation is organized without capital stock, and no part of the net earnings or profits thereof shall inure or be paid to any private member thereof.

FIFTH: The incorporators shall choose the original members of the corporation, and additional members may be elected and accepted from time-to-time by action of the Board of Directors or by consent in writing of the members of the Board of Directors or by consent in writing of the members of the Board as then constituted, irrespective of the number then qualified or acting as directors of the corporation.

The number of members shall be one hundred, but the Board of Directors may increase the number not more than thirty in any year to a maximum of three hundred. Membership shall be independent of being, or not being, a graduate or student or former student of a university or college, or holding, or not holding or having held, any office, position or membership in any other organization, public or private.

Each member shall be entitled to one vote at all meetings of the members of the corporation, and may vote either personally or by proxy. One-fifth of the members of the corporation, present in person or by proxy, shall constitute a quorum of the members for all purposes at any and all meetings.

Membership shall be personal and no membership or rights of a member shall be assigned or transferred in any manner. The membership of any person shall be terminated by death, and may be terminated by resignation, or by action of the Board of Directors. All rights and interests of a member in the estate, property, privileges, franchises, and affairs of the corporation, shall cease on termination of the membership.

SIXTH: The property, affairs and business of the corporation shall be under the care of and managed by a board of not less than twenty directors but as many more and for such terms as from time-to-time may be fixed by the By-Laws.

SEVENTH: The general officers of the corporation shall be a president, one or more vice-presidents, a treasurer, and a secretary. The Board of Directors may provide for the appointment of such additional officers with such duties as they may deem for the best interests of the corporation.

The aforesaid general officers of the Foundation, with the exception of the president, shall be elected by the Board of Directors at its first meeting after the annual election to serve until the next annual election. A president who has served two successive two-year terms may be eligible for re-election after an interval of one term (two years) from the expiration date of his last two-year term. In addition to the general officers specified, a president upon completion of his term of office shall be elected Chairman of the Board and shall serve in that capacity until a subsequent president succeeds him. At such time he shall be elected honorary vice-president.

In case of a vacancy in any office of the corporation the Board of Directors shall elect a person to fill such office for the unexpired term and until his successor is chosen.

EIGHTH: The principal duties of the officers of the corporation shall be as follows:

The president shall preside at all meetings of the members of the corporation and board of directors, have general supervision of the affairs of the corporation, subject to the control of the board of directors, and shall generally perform all of such duties as shall devolve upon such office.

The vice-presidents shall do and perform all such duties as usually devolve upon such office, and such other duties as may be required by the Board of Directors.

The treasurer shall have the custody of all funds, papers, books of account and property, and shall perform such duties as shall devolve upon such office.

The secretary shall countersign all deeds, leases, mortgages, and conveyances of the corporation, and shall have the care and custody of the general books and documents, keep a record of the proceedings of the board of directors and members of the corporation at their meetings, and perform all such other duties as usually devolve upon such office.

NINTH: In the event of the dissolution of the corporation, the assets, property, and estate of the corporation after payment or discharge of its debts, obligations and liabilities, shall be transferred to the Regents of the University of Wisconsin.

TENTH: The By-Laws for the further government of the affairs of the corporation and enforcement of these Articles, may be adopted by the Board of Directors and thereafter from time-to-time may be amended as provided therein.

ELEVENTH: The Articles of Association may be amended at any regular or special meeting of the corporation by a vote of not less than one-half of the members of the corporation, but no such amendment shall substantially change the original purposes of the corporation.

IN WITNESS WHEREOF we have hereunto set our hands and seals the day and year first above written.

(Signed)

George B. Luhman
Ray M. Stroud
Herman L. Ekern
W. J. Hodgkins
Howard T. Greene
G. V. Rork

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

Personally came before me this 20th day of March, 1945, the above named W. J. Hodgkins, Howard T. Greene, George B. Luhman, Ray M. Stroud, Herman L. Ekern, G. V. Rork, to be known to be the persons who executed the foregoing instrument and acknowledged the same.

(Signed)

W. J. Hodgkins
Howard T. Greene
Herman L. Ekern
Ray M. Stroud
G. V. Rork
George B. Luhman

/s/ Mildred B. Smith
Notary Public, Dane County, Wiscons.
My Commission expires Feb. 24, 1946.

(NOTARIAL SEAL)

* * * * * * * *

NOTE: Verified Copies of the Original Articles as well as of the Amendments herein incorporated are on file with the Secretary of State (Wisconsin), and at the office of the Register of Deeds for Dane County, Wisconsin.

BY-LAWS OF

UNIVERSITY OF WISCONSIN FOUNDATION

(Adopted March 20, 1945)
(Including Amendments of November 9, 1945; February 12, 1946; February 14, 1949; April 27, 1949; April 3, 1959; September 23, 1961; April 24, 1964; April 15, 1966; April 7, 1967; April 19, 1968, and April 25, 1969)

* * * * * * * * *

ARTICLE I

Section 1. The fiscal year of the corporation shall begin on the first day of January in each year.

Section 2. The annual meeting of the members of the corporation shall be held during April in each year on such date and at such hour in the city of Madison, Dane County, state of Wisconsin, as from time to time may be fixed by the board of directors, or in the absence of designation by the board of directors, then by the president.

Section 3. Special meetings of the members may be called by the board of directors or the president, or shall be called by the secretary on the written request of one-third (1/3) of the members of the corporation. No business shall be transacted at any special meeting excepting such as may be designated in the notice thereof. Special meetings shall be held at such place in the city of Madison, or elsewhere, and at such time as the president may designate, and in case the president shall fail or neglect to make such designation, the secretary shall designate the place of such meeting.

Section 4. Notice of the time and place of all meetings shall be given by the secretary to each member of the corporation by mailing such notice in any post office or United States mail box in the city of Madison, not less than three (3) days before the day appointed for such meeting, addressed to the member as his address may appear on the records of the corporation; provided, however, that any member may waive notice to him of any meeting.

Section 5. One-fifth (1/5) of the members of the corporation shall constitute a quorum at any meeting of the members, but a smaller number may adjourn to a fixed time and place.

ARTICLE II

Section 1. Members of the corporation may vote by proxy, but no proxy shall be permitted to vote unless the appointment be in writing and filed with the secretary before the meeting, and each member shall be entitled to one (1) vote.

ARTICLE III

Section 1. The Board of Directors shall consist of not less than 20 and no more than 30 elected from the membership. Directors shall be elected for a 3-year term or less as designated by the Board of Directors and no director may succeed himself more than twice. Any director who has served three successive 3-year terms shall be eligible for re-election to three successive 3-year terms after an interval of one year from the date of the expiration of his last 3-year term. Directors who have completed their terms of office shall be recorded as Directors Emeritus for their lifetimes. They shall be welcome at all meetings of the Board of Directors and the Executive Committee and may participate in all discussions but they shall not be eligible to vote. In addition to the above maximum of 30 elected directors, the general officers and all Past Presidents of the Foundation and the President and Executive Director of the Wisconsin Alumni Association, while serving as such, unless otherwise a member of the University of Wisconsin Foundation and a member of its Board of Directors, shall be, ex-officio, a member of this Foundation and a member of its Board of Directors.

Section 2. Regular meetings of the board of directors of the corporation shall be held at least annually at such time and place as the board of directors may designate, but the first meeting of the board shall be held immediately after the first meeting of the members of the corporation, and thereafter a regular meeting of the board of directors shall be held immediately after the annual meeting of the members of the corporation in each year, and in case of any adjournment or adjournments of such annual meeting, such meeting of the board of directors shall be held after such adjourned meeting of the members.

Section 3. Special meetings of the board of directors may be held at any time on call of the president, or shall be called by the secretary on the written request of any five (5) directors, and such meetings shall be held at such time and place as shall be designated by the president, or if not so designated then as shall be designated by the secretary.

Section 4. Notice of all regular or special meetings of the Board of Directors shall be given to each director and may be given in any one of the following methods, to-wit: by delivery of or telephoning such notice to a director personally at least twenty-four (24) hours before the time set for such meeting, or by mailing such notice at any post office or United States mail box in the city of Madison, Wisconsin, addressed to a director as his address may appear on the books of the corporation, at least two (2) days before the time appointed for such meeting; provided, however, that any director may waive notice to him of any such meeting; and provided further, that no notice shall be required for the meeting of the board of directors hereinbefore to be held immediately after the annual meeting of the members in each year.

Section 5. Nine (9) directors shall constitute a quorum in any meeting of the Board of Directors.

ARTICLE IV

Section 1. An executive committee, consisting of the president and not less than six (6) nor more than fifteen (15) other directors may be appointed by the board of directors to serve until their successors shall be appointed and such executive committee shall direct the management of the affairs of the corporation in the interim between meetings of the board of directors, subject to the control of the board. The president shall preside at meetings of the executive committee. The executive committee shall from time to time appoint its own secretary, and also from time to time prescribe the duties of such secretary.

Section 2. Meetings of the executive committee may be held at any time when the board of directors is not in session, and may be prescribed by the board of directors, or may be called by the president, or by any three members of the executive committee, by mailing notice of such meeting designating the time and place thereof, addressed to each member of the executive committee at his last known address two (2) days prior to the holding of such meeting; or by personal notice thereof given a sufficient length of time before such meeting to enable the member to attend. The executive committee shall keep full and true minutes of all business transacted at each meeting, and shall submit its report together with a copy of the minutes of its proceedings to the board of directors at its next meeting thereafter.

ARTICLE V

Section 1. The board of directors may provide that all of the funds and property of any and every kind and nature shall be lodged in a trustee selected and employed by the executive committee upon such terms, duties and conditions as such committee shall from time to time prescribe. Such trustee shall at all times be a bank with fiduciary powers, or a trust company organized under the laws of the United States, or of any state thereof, having a capital and surplus of not less than one million dollars.

Section 2. Funds of the corporation shall be invested in such stocks, bonds, other securities, real estate and personal property without limitation, as the board of directors or executive committee may from time to time direct and prescribe, or if and as directed by the donor.

Section 3. The President or Vice-President, or the Executive Director or the Associate Director, together with the Secretary or Treasurer, may, and without further order of the Board of Directors, sell, assign, transfer and set over, satisfy and release mortgages or deeds of trust, bonds, notes, certificate of stock, real and personal property, and other assets and securities held or owned by this corporation.

ARTICLE VI

Section 1. The officers, other than the President, shall be elected by the Board of Directors at their first meeting, and shall hold office for one (1) year and until their successors are chosen. The President shall be elected to a two-year term and he shall be eligible for re-election to an additional two-year term. A President who has served two successive two-year terms may be eligible for re-election after an interval of one term (two years) from the expiration date of his last two-year term.

Section 2. In the event of a vacancy in any office by resignation, removal, disqualification, or other cause, said vacancy may be filled by an election at any meeting of the board of directors.

ARTICLE VII

Section 1. The corporate seal of the corporation shall have inscribed thereon the words "UNIVERSITY OF WISCONSIN FOUNDATION, MADISON, WIS., CORPORATE SEAL."

Section 2. These by-laws may be amended at any regular or special meeting of the board of directors by vote of a majority of the members of said board present at such meeting.

APPENDIX H

QUESTIONNAIRE SENT TO DEVELOPMENT OFFICERS

OF UNIVERSITIES PARTICIPATING IN STUDY

APPENDIX H

Section I

THE GOVERNING BOARD AND DEVELOPMENT OFFICE

Instructions:

Please complete the following questionnaire as completely as possible and return in envelope provided.

If printed documents relating to the governing board and the development office are available, the researcher would appreciate receiving copies of them.

If any articles about the development board or the development office have appeared in newspapers, magazines, or in any other printed media and copies are available, the researcher would also appreciate receiving copies of them.

A copy of the Articles of Incorporation or Constitution and By-laws under which the development program operates would also be appreciated.

PLEASE DESIGNATE MATERIALS YOU WANT RETURNED.

Questionnaire completed by:

Name: ______________________________

Title: ______________________________

Date: ______________________________

THE GOVERNING BOARD AND DEVELOPMENT OFFICE

1. In what year was the development office at your university organized?

   ____

2. If your institution's development program is organized as a separate corporation, what is the corporation's name?

   ____

3. What is the title of the governing board under which the development office operates?

   ____

4. Describe membership of the governing board.

   ____

   ____

   ____

5. If the governing board has subcommittees, please indicate their areas of responsibility.

   ____

   ____

   ____

6. How are members of your governing board selected?

   ____

   ____

   ____

7. Briefly describe the background of the Development Director in terms of education and previous work experience.

   ____

   ____

   ____

8. How is the development office financed?

   a. _____ university

   b. _____ alumni association

   c. _____ development corporation

   d. _____ other (please indicate)

9. What was the grand total of gifts received by your institution's development office in each of the last five years?

   a. 1967: $__________ d. 1970: $__________

   b. 1968: $__________ e. 1971: $__________

   c. 1969: $__________

10. What was the expense of operations in relation to funds received in the most recent year for which figures are available? Please indicate by percent.

    Year: __________ Percent: __________

11. Does your development office have responsibilities for seeking grants from the federal government?

    Yes _____ No _____

12. Has your development office engaged professional counsel for <u>advising</u> the institution's fund-raising program?

    Yes _____ No _____

13. Has your development office engaged professional counsel for <u>managing</u> any aspect of the institution's fund-raising program?

    Yes _____ No _____

14. If your answer to question 13 was "Yes," please indicate effectiveness of professional counsel.

    a. _____ very effective

    b. _____ relatively effective

    c. _____ relatively ineffective

    d. _____ ineffective

15. Are monies contributed to the university received in the development office?

    Yes _____ No _____

16. Please indicate number of clerical and other supportive personnel.

    ____

17. Please indicate number of professional personnel employed in the development program.

    ____

18. Number in order of importance the qualities you feel are important for the professional staff to possess:

    a. _____ ability to "sell"
    b. _____ writing skills
    c. _____ warm personality
    d. _____ sense of public relations
    e. _____ leadership skills

19. Where is your development office located?

    ____

20. Evaluate the effectiveness of your governing board in terms of soliciting funds.

    a. _____ very effective
    b. _____ relatively effective
    c. _____ relatively ineffective
    d. _____ ineffective

21. Evaluate the effectiveness of your governing board in terms of development planning and programming.

    a. _____ very effective
    b. _____ relatively effective
    c. _____ relatively ineffective
    d. _____ ineffective

Please place a circle around one of the four numbers at the right of the page in accordance with your evaluation.

4 - very significant 2 - relatively insignificant

3 - relatively significant 1 - insignificant

22. Please indicate the significance of each of the following groups in terms of their monetary contributions to the university.

a.	alumni	4	3	2	1
b.	parents	4	3	2	1
c.	students (do not consider tuition and fees)	4	3	2	1
d.	faculty	4	3	2	1
e.	local community	4	3	2	1
f.	foundations	4	3	2	1
g.	business firms	4	3	2	1

23. Please indicate the significance of each of the following groups in terms of their volunteer work in behalf of the university's fund-raising efforts.

a.	alumni	4	3	2	1
b.	parents	4	3	2	1
c.	students	4	3	2	1
d.	faculty	4	3	2	1

24. In what way or ways, if any, do you believe your development office organization to be unique or unusually effective?

____

____

____

____

____

____

____

25. Please provide sketch of development program organization (see attached sample).

Section II

THE IDENTIFICATION AND CULTIVATION OF CONSTITUENCIES

Instructions:

Please complete the following questionnaire as completely as possible and return in envelope provided.

If printed materials relating to the identification and cultivation of constituencies are available the researcher would appreciate receiving copies of them.

If samples of record cards, computer run-offs, or other materials relating to the record-keeping function of your development office are available, the researcher would appreciate receiving copies of them.

If any articles related to programs of identification and cultivation of your constituencies are available, the researcher would also appreciate receiving copies of them.

PLEASE DESIGNATE MATERIALS YOU WANT RETURNED.

Questionnaire completed by:

Name: ______________________________

Title: ______________________________

Date: ______________________________

THE IDENTIFICATION AND CULTIVATION OF CONSTITUENCIES

1. Has a survey of your institution's constituencies been made to assist in the planning of your fund-raising program?

   Yes _____ No _____

2. Have you found that giving to the university is influenced by campus events such as student disorders, winning or losing athletic teams, and the like?

   Yes _____ No _____

3. Does a relationship exist between the development office and the university's public relations department?

   Yes _____ No _____

4. Has your institution organized groups of friends to support specific areas of the university (intercollegiate athletics, library, fine arts, etc.)?

   Yes _____ No _____

5. Has your institution established auxiliary organizations in which membership is based upon giving levels (Century Clubs, President's Clubs, Alma Mater Clubs, etc.)?

   Yes _____ No _____

6. If you have such auxiliary organizations, do you extend special benefits or services to their members?

   Yes _____ No _____

7. If you have such auxiliary organizations, do you conduct special membership drives in their behalf?

   Yes _____ No _____

8. Do you attempt to get potential donors to visit the campus?

   Yes _____ No _____

9. Does your university sponsor formal conference (i.e., Princeton Today) to acquaint potential donors with the campus?

   Yes _____ No _____

10. Are any efforts made to involve students with the university's development program?

Yes _____ No _____

11. Does your institution sponsor any special programs designed for cultivation of parents of students currently enrolled at the university?

Yes _____ No _____

12. In preparing printed materials for solicitations, is any attempt made to give all materials a uniform identity or theme?

Yes _____ No _____

13. Are non-development staff members involved in the preparation of your printed materials?

Yes _____ No _____

14. Has your institution attempted to use humor in your solicitation materials?

Yes _____ No _____

15. Does your campus have a central mailing unit that handles your development mailings (stuffing, addressing, sorting by zip code, etc.)?

Yes _____ No _____

16. Are alumni records maintained by the development office?

Yes _____ No _____

17. When development office mailings are returned by the receiver with comments reflecting displeasure with aspects of the university, is any attempt made to mollify the person who complained?

Yes _____ No _____

18. What special characteristics of your university do you feel enhance the giving climate among your constituencies?

____

____

____

____

____

19. What special characteristics of your university do you feel impede the giving climate among your constituencies?

____

____

____

20. How do you answer the argument that public universities do not need private giving since they receive state appropriations?

____

____

____

21. What methods, if any, are used to provide a giving climate in your university's home community?

____

____

____

22. What methods, if any, are used to provide a giving climate among the faculty?

____

____

____

23. In designing printed appeals to your alumni, what approach has proved to be especially effective?

____

____

____

____

24. How are your records mechanically maintained (data processing, Addressograph, etc.)?

____

____

____

25. How do you compile information about a large-gift prospect?

____

____

____

Please place a circle around one of the four numbers at the right of the page in accordance with your evaluation.

4 - very effective	2 - relatively ineffective
3 - relatively effective	1 - ineffective

26. In cultivating individual development prospects, please evaluate the effectiveness of the assistance you receive from each of the following:

a. the university president	4	3	2	1
b. faculty members	4	3	2	1
c. students	4	3	2	1
d. members of the governing boards . .	4	3	2	1
e. alumni	4	3	2	1

27. In what way or ways, if any, do you believe your development program to be unique or unusually effective in the identification and cultivation of constituencies?

Section III

THE ANNUAL CAMPAIGN GIVING

Instructions:

Please complete the following questionnaire as completely as possible and return in envelope provided.

If printed materials were used in the Annual Giving campaign (mailing pieces, instructions to volunteers, final reports, etc.) and are available, the researcher would appreciate receiving samples of them.

If any articles about the campaign appeared in newspapers, magazines, or in any other printed media and copies are available, the researcher would also appreciate receiving copies of them.

PLEASE DESIGNATE MATERIALS YOU WANT RETURNED.

Questionnaire completed by:

Name: ______________________________

Title: ______________________________

Date: ______________________________

THE ANNUAL GIVING CAMPAIGN

General Data

1. What was the total amount received in the 1971 Annual Giving campaign at your university?

   $_______________

2. What was the total number of people solicited in the 1971 Annual Giving campaign at your university?

   ____

3. What was the total number of people contributing?

   ____

4. What was the average amount of gift?

   $_______________

5. Which of the following constituencies do you solicit in your Annual Giving campaigns:

   _____ a. alumni
   _____ b. parents of students currently in college
   _____ c. parents of former students
   _____ d. friends of the university
   _____ e. recent graduates
   _____ f. business corporations
   _____ g. foundations
   _____ h. others (please explain) ________________________

   ____

6. At what times of the year do you conduct your Annual Giving campaign?

   ____

   ____

7. Do you establish monetary goals for your Annual Giving campaign?

   Yes _____ No _____

Campaign Dynamics

8. In soliciting contributions to your Annual Giving campaign, which of the following do you utilize?

   _____ a. mailing of printed brochures

   _____ b. computerized letters

   _____ c. phonathons

   _____ d. personal contacts

   _____ e. others (please explain) ______________________

   ____

9. If you utilize mailings for soliciting contributions, please indicate number of mailings.

   ____

10. Please indicate number of volunteers used in most recent Annual Giving campaign.

   ____

11. Does your Annual Giving campaign use a class agent organization?

   Yes _____ No _____

12. In requesting gifts through the Alumni Giving campaign, do you suggest areas in which the donors might contribute their money?

   Yes _____ No _____

13. Do you attempt to guide your constituencies in determining the amount of their gifts?

   Yes _____ No _____

14. Do you attempt special solicitation drives in connection with class reunions?

   Yes _____ No _____

15. Do you have an organized bequest program associated with the Annual Giving campaign?

   Yes _____ No _____

16. Is the alumni association involved in your Annual Giving program?

Yes _____ No _____

17. To your knowledge, what is the largest individual gift ever given to the university through the Annual Giving campaign?

$_______________

18. Do you maintain any campaign offices off the campus?

Yes _____ No _____

19. Are parents solicited as an independent part of the Annual Giving campaign?

Yes _____ No _____

20. Do parents receive a different appeal from those directed to alumni?

Yes _____ No _____

21. Does your university have separate annual drives by the graduate and/or professional schools?

Yes _____ No _____

22. Does your institution attempt a special fund-raising drive in its home community?

Yes _____ No _____

23. Does your institution attempt a special fund-raising drive among the faculty?

Yes _____ No _____

24. If your university conducted a capital-gifts campaign, was the Annual Giving program suspended during the capital campaign?

Yes _____ No _____

25. Of the various approaches or appeals you have made in past Annual Giving campaigns, which do you feel were <u>most</u> effective?

____

____

____

26. Of the various approaches or appeals you have made in past Annual Giving campaigns, which do you feel were <u>least</u> effective?

____

____

____

27. How are gifts to the Annual Giving campaign acknowledged?

____

____

____

28. What advice would you give to a university just beginning to launch an Annual Giving campaign?

____

____

____

<u>Volunteers</u>

29. Do you attempt to train your volunteer workers?

Yes _____ No _____

30. Do you feel establishing quotas for your volunteer workers is a useful mechanism?

Yes _____ No _____

31. Do you prepare manuals for the use of your volunteer workers?

Yes _____ No _____

32. Do you sponsor a kick-off meeting for volunteer workers participating in the Annual Giving campaign?

Yes _____ No _____

33. Do you ask your volunteer workers to periodically report their fund-raising progress?

Yes _____ No _____

34. Are your Annual Giving volunteer workers given any emoluments of any kind?

Yes _____ No _____

35. Is competition promoted among volunteer workers?

Yes _____ No _____

36. Do you mail out campaign bulletins to volunteer workers?

Yes _____ No _____

37. Do you schedule report meetings for your volunteer workers?

Yes _____ No _____

38. Do you sponsor a final report meeting of the volunteer workers?

Yes _____ No _____

39. How are volunteer workers recruited at your university?

40. What ways do you use to identify potential fund-raising volunteers?

41. How much actual soliciting is each volunteer asked to do?

42. Do you attempt to recognize the efforts of volunteer workers (letters of appreciation, luncheons, publicity, certificates, etc.)? If so, how?

43. Do you designate volunteers to serve as officers of the Annual Giving campaign? If so, how are they selected, how often do they meet, are their expenses paid, and how much are they involved in the solicitation process?

44. In what way or ways, if any, do you believe your Annual Giving campaign to be unique or especially successful?

Section IV

THE DEVELOPMENT PROGRAM

Instructions:

Please complete the following questionnaire as completely as possible and return in the envelope provided.

If printed documents relating to your deferred giving or corporate and foundation programs are available, the researcher would appreciate receiving copies of them.

If any articles about your deferred giving or corporation and foundation relations programs appeared in newspapers, magazines, or any other printed media and copies are available, the researcher would also appreciate receiving copies of them.

PLEASE DESIGNATE MATERIALS YOU WANT RETURNED.

Questionnaire completed by:

Name: ________________________________

Title: ________________________________

Date: ________________________________

THE DEVELOPMENT PROGRAM

Corporate and Foundation Relations

1. Does your development office maintain an organized program for the solicitation of grants and gifts from corporations and foundations?

   Yes _____ No _____

2. Does your development office maintain a "library" of materials relating to corporations (annual reports, brochures, etc.)?

   Yes _____ No _____

3. Does your development office maintain a "library" of materials relating to foundations (annual reports, brochures, listings of officers, etc.)?

   Yes _____ No _____

4. Must all proposals being submitted by the university to corporations or foundations be "cleared" through the development office?

   Yes _____ No _____

5. Does your development office subscribe to foundation reporting services?

   Yes _____ No _____

6. Does your development office attempt to bring corporation or foundation officials to the campus to acquaint them with the university and its programs?

   Yes _____ No _____

7. Does your university attempt off-campus meetings with corporation or foundation officials to acquaint them with the university and its programs?

   Yes _____ No _____

8. Do you attempt to provide the corporation or foundations who have made grants to your university with an accounting of how the grant money was spent?

   Yes _____ No _____

9. Do members of the development staff prepare written reports for the office files following meetings with individuals, corporation or foundation officials?

   Yes _____ No _____

10. Has your institution prepared a priority list of needs to guide individuals and corporations in designating gifts to the university?

Yes _____ No _____

11. Please describe the involvement of the development office staff in the preparation of funding proposals to corporations or foundations.

12. What principles guide your development office in approaching foundations for institutional grants?

13. What principles guide your development officers in approaching corporations for institutional grants?

14. In what way or ways, if any, do you believe your programs of corporate and foundation relations to be unique or unusually effective?

Deferred Giving

15. Does your development office maintain a program for the solicitation of gifts through wills, estates, and trusts?

Yes _____ No _____

16. Have you an identified constituency to whom you send mailings concerning deferred giving?

Yes _____ No _____

17. Does your development office have a committee on bequests and annuities?

Yes _____ No _____

18. Does your development office maintain a pooled income fund?

Yes _____ No _____

19. Does your development office have a program to encourage life insurance trusts?

Yes _____ No _____

20. Does your development office have a program to encourage giving to the university through wills?

Yes _____ No _____

21. Does your development office have a program to encourage living trusts?

Yes _____ No _____

22. Has your university attempted to supply your constituencies with information on tax incentives of charitable gifts?

Yes _____ No _____

23. Do you make any attempt to train members of your development office staff in aspects of deferred giving?

Yes _____ No _____

24. Will your development office pay for the preparation of a will or trust in which the university is designated as a beneficiary?

Yes _____ No _____

25. Has your development office used volunteer workers to solicit deferred gifts?

Yes _____ No _____

26. Does your development office attempt special deferred giving programs in connection with class reunions and class anniversaries?

Yes _____ No _____

27. What methods did you use to identify the people to be approached for deferred gifts?

28. Please provide a few examples of deferred gifts made to your university and describe how the gifts were used.

29. In what way or ways, if any, do you believe your deferred giving program to be unique or unusually effective?

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