University Advancement Committee
ECU Board of Trustees
July 13, 2004

Agenda

Report: 2003-04 University Advancement/Foundations Activities

Report: Alumni Relations Strategic Planning Process
The University Development Office was instrumental in securing the two largest gifts East Carolina received this year – the $1.25 million gift from Wachovia and the $1.0 million gift from Irene Howell. The total dollar activity in new gifts, pledges and deferred gifts of $25,000 or more for FY04 is $4.465 million. Annual giving has generated more than $1 million in gifts. The dollar total for major gift solicitations pending a response is $9 million.

We continue to improve the coordination for major gift solicitations between the three foundations. The three foundation presidents and the associate vice chancellor for development have met monthly to review prospect information, determine solicitation strategies and set target ask amounts and ask dates. To date, this group has identified and agreed to $53 million in solicitations to occur in FY05.

With the addition of an experienced prospect researcher to the development staff last July, our prospect management procedures have improved significantly. Also, we have been able to better utilize electronic screening data resulting in the initial identification of more than 2,200 unknown prospects (meaning no current relationship with the university) with an indicated gift capacity of $25,000 or more. In addition to personal calls, we are working on other strategies to engage this group including events and direct mail. We anticipate approximately 20% of the 2,200 can be developed into major gift prospects over a five-year period using our current staffing structure.

Effective information management is critical to any good development program. The alumni/donor database is the cornerstone of our information management efforts and the primary means for internal communication about donors and prospects. This year we established a data management committee to develop and maintain information systems, establish guidelines and policies, and provide professional services to internal and external constituents. The data management committee membership includes selected University Development staff, Medical Foundation staff, Educational Foundation (Pirate Club) staff, and representative development officers.

A major achievement in data management was the conversion of the Medical Foundation database to the University Development database. All records of donors and alumni for the Health Sciences Division and Academic Affairs Division are now on one database. This allows for improved internal communication of information on donors and alumni and more consistent stewardship of East Carolina’s donors. The Educational Foundation (Pirate Club) maintains a separate database due to the need for specialized software to handle priority points. Information concerning gift records is readily shared between the two offices, and we are working on providing direct access to the databases.

Effective donor stewardship is essential to the institution’s ability to raise future gifts. This year we published the first honor roll of donors, which included donors to the ECU Foundation. Next year’s honor roll will include donors to the Medical Foundation and the ECU Foundation donors. The honor roll included an opportunity to give and was mailed to 17,800 individuals. More than 10,300 of these individuals were lapsed donors, and the publication resulted in gifts of more than
$17,000. The Order of the Cupola recognition giving level, donors with a life contribution of $100,000 or more, was a special focus of our improved stewardship efforts. A tailored stewardship plan has been developed for each Order of the Cupola donor. The Order of the Cupola recognition event was moved to late spring and significantly improved. Some hailed it as the best event ever at East Carolina.

We continue to build a culture of giving through our annual giving program resulting in more than $1 million raised to date. This year, direct mail was implemented in addition to the telefund. On-line giving is ready and will be available with the new website. An identity was created for annual giving, and the case for annual support was refined. We hit a new high in the number of alumni solicited through annual giving. We continue to migrate renewal solicitations to the fall, which will allow us to use the spring for special solicitations and “clean-up” activity. Another benefit of this migration will be improved donor retention rates.

Below is 2002-2003 endowment information from public and private institutions in North Carolina that I believe you will find interesting.

- ECU’s endowment ranks 5th in size in the UNC system.
- ECU’s endowment ranks 8th in size in North Carolina.
- ECU’s endowment ranks 386 in the nation.
- ECU’s endowment per student is $2681.70 (using 2002 VSE numbers).

Overall it was a productive year. We will continue to improve and reach new levels of fund raising success.

**University Marketing**
Submitted by Clint Bailey, Director of University Marketing

University Marketing successfully completed the first phase of the brand campaign that included production and placement of print, television and radio advertising. Media ran in select markets around North Carolina including Charlotte, Winston-Salem/Greensboro, Raleigh Durham, and Greenville. Televisions spots appeared on cable and broadcast with print ads running in major news and business magazines, as well as newspapers in the previously mentioned markets.

Considered as a whole, the broadcast component of the campaign delivered an average reach for both primary and secondary audiences of 95.2 % with a 7.6 frequency. The cable component delivered a 62.4% reach with a 3.4 frequency. The first print placement appeared in January issues of *Time, Newsweek, US News & World Report, Sports Illustrated, Business Week, Fortune, FSB, FASTCOMPANY, Forbes, Inc.* and *money*. A second print placement appeared in the February and June issues of *Time, Newsweek, US News & World Report*, and *Sports Illustrated*. The January placement reached a North Carolina audience of over 1.7 million readers while the February and June placements reached over 1.2 million each.

The media schedule will continue in the fall of 2004.
A unified visual identity system was developed and began being deployed across the university. The visual identity complements the *Tomorrow starts here* message that is at the center of the marketing campaign.

Working with ITCS, a new university web site has been developed that reflects the new look and message for the university. In addition, the new site employs technology that will enable the university to better utilize the site as a marketing and communications tool.

A new opening presentation was produced for freshman orientation to welcome new students to the university.

**Awards**
The Council for Advancement and Support of Education recognized nationally the student recruitment materials produced by our publications staff. The entire set of materials won first place out of 17 entries in the Publications Program Improvement category. The admit package, a new publication sent to students admitted to the university, received a silver medal in the individual student recruitment publication category which included over 80 entries. The ECU TV spot "Miracle" earned a bronze Telly award. East Magazine won the CASE district 3 Award of Excellence for a magazine. (NOTE: We set out with East to produce a magazine that out of the gate could stand with other "top" university magazines. With that in mind, the other winners of this same Award of Excellence this year were Duke, Miami, Vanderbilt, UVA, Auburn, GaTech, & UNC-CH).

**ECU Educational Foundation, Inc. (Pirate Club)**
Submitted by Dennis A. Young, Executive Director, ECU Educational Foundation, Inc.

Fiscal Year 2003-2004 has been a year of re-tooling and change for the East Carolina University Educational Foundation, better known as the Pirate Club. In realizing that the Educational Foundation needed to step-up its efforts in the area of major gifts solicitation for the University’s upcoming comprehensive campaign, the Foundation’s Executive Committee approved the creation of a Major Gifts Officer position to assist the Executive Director in this area. On December 1, 2003, Tom Scott was hired as Major Gifts Officer. Tom has brought a wealth of experience with him in the area of athletics development, having served as a major gifts development officer for athletics at the University of Florida and Central Florida University. Tom was also a former Director of Athletics at Florida Atlantic University.

In addition to a new development staff position being created and filled during the current fiscal year, the Educational Foundation had to replace two staff members, who left to pursue other career opportunities. In December, 2003, Mick Crawford resigned as Assistant Director to pursue a career in banking. In February, 2004, Michael Ward was hired to take his place. Previously, Michael had spent the past three years heading up athletic fund-raising at Northern Illinois University. In January, Pete Triebenbacher, who had been on the Foundation’s staff as System Coordinator for ten years, left his position to join a local engineering firm. Pete was replaced by Pirate Club member Terry Windham, who came to the Foundation with twenty-one years of computer systems experience.
With the hiring of a newly created position and replacement of two valued staff members, the Educational Foundation took an expected step back in productivity since January 1 of this year, as new staff members have become acclimated to their new positions. In spite of these personnel changes and the losing record of Pirate Football in 2003, the Educational Foundation had another record Annual

Fund Campaign in 2003, in terms of membership and annual fund contributions. For the past calendar year, the Foundation reported a record Pirate Club membership of 8,511, who in turn contributed a record $3,268,803 in annual fund cash support. Taking into consideration the last half of the Foundation’s 2003 Annual Fund Campaign and the first half of the 2004 Campaign, the Educational Foundation raised $3,350,000 in annual fund cash contributions, approximately $290,000 in Gift-In-Kind annual fund contributions, and an additional $300,000 from fund-raising events and affinity programs during Fiscal Year 2003-2004. In doing so, the Educational Foundation was able to turn over a record $2,854,700 in unrestricted student-athlete scholarship support to ECU Athletics in Fiscal Year 2003-2004; make a payment of $173,406 on financing related to the Dowdy-Ficklen Stadium video/scoreboard; provide restricted scholarship funding of $11,412; provide other cash operational expenditures of approximately $60,000 on behalf of ECU Athletics; and provide approximately $168,000 in Gift-In-Kind expenditures on behalf of ECU Athletics. In total, the Educational Foundation turned over or expended on behalf of ECU Athletics, almost $3.27 million in Fiscal Year 2003-2004.

In addition to these fund-raising efforts, the Educational Foundation raised $718,335 in capital pledge commitments to benefit the baseball stadium project and $330,000 in new commitments to the Endowment Fund during Fiscal Year 2003-2004, a year in which the Educational Foundation was not carrying on a capital campaign effort. Prior to the beginning of the Fiscal Year, the Educational Foundation successfully reached its $6 million capital campaign goal for a new 3,000-seat stadium for ECU Athletics most successful sport over the years, Pirate Baseball. As it became apparent in the Spring of 2004, that the project was going to cost more than initially anticipated, the Educational Foundation took on the assignment to raise an additional $1 million in private support for the baseball stadium project. As of June 30, 2004, the Foundation had raised more than $460,000 of the $1 million additional amount it is committed to raise for the project. (Note, to date, the Educational Foundation has raised more than $6.9 million in total commitments from Pirate Club members in support of the ECU baseball stadium project.)

Looking back on Fiscal Year 2003-2004, the Educational Foundation increased its support to ECU Athletics as a result of growth in Pirate Club membership and annual fund contributions, and received more than $1 million in capital gift commitments in a year when there was not an organized capital campaign effort underway by either the Foundation or the University. The year also was a year of personnel changes, which will bring productive results to the Foundation’s fund-raising efforts beginning in Fiscal Year 2004-2005. Taking everything into consideration, Fiscal Year 2003-2004 was another good year for the Educational Foundation in its friend-raising and fund-raising efforts on behalf of ECU Athletics.
ECU Foundation, Inc.  
Submitted by James L. Lanier, President, ECU Foundation, Inc.

The 2003-2004 fiscal year will be remembered as one of transition and preparation. It saw the resignation of Chancellor Bill Muse, the appointment of Interim Chancellor Bill Shelton, who provided outstanding leadership for the university through difficult and uneasy times, and the appointment of Dr. Steve Ballard as ECU’s new Chancellor. The period also was marked by interim officers in several other key university positions. As a result, a number of major donors who were being prepared for leadership campaign investments chose to postpone their gifts until a new chancellor was in place, and the stability and direction of the new leadership team was evident. Dr. Shelton deserves high marks for the skillful and insightful way he pulled the various constituencies of the university together, solved a number of perplexing problems and generally re-established the focus of the university toward its major academic priorities.

The foundation board completed its first strategic plan. It fits the strategic initiatives of the university and aligns the priorities of the foundation more succinctly in its support roles for East Carolina’s academic programs. The plan was divided into four segments: 1) Board Development and Governance, 2) External Relations, Advocacy and Fundraising, 3) Investments, and 4) Funding Operations.

1) Governance: One of the key issues was to expand the board from its current membership of 36 to a maximum of 50 members. The board also challenged itself to continue its assessment process for members and to make sure the expectations for members, committee and staff are clearly understood and executed.

2) External Relations: With the Centennial Campaign rapidly approaching, a great deal of emphasis was placed on the board’s leadership role in this project. The plan defines many specific activities in areas in which the board and individual members will play key leadership functions.

3) Investment: The management and growth of the investment portfolio is a key area of responsibility for the foundation board. The plan set a number of criteria to continue to assess management, to diversify and to move toward long-term positions that are both offensive and defensive in nature.

4) Funding operations: One of the most difficult issues in running successful foundations and fundraising programs at a public university is the ability to fund the ongoing cost of the fundraising process. North Carolina provides a partnership in which the university can provide certain resources for staff and facilities, and the foundation provides most of the ongoing resources for fundraising. The plan outlines a number of strategic steps to be undertaken over the coming years to provide a more stable and predictable annual budget to fund operations, not linked so directly to the performance of investments or annual gift income.
The staffs of the three campus foundations have worked closely with the University Advancement office to prepare and work through issues related to campaign preparations and the continuing efforts to better coordinate record keeping and reporting from the three foundations. For instance, the accounting and gift processing responsibilities for both ECU and the Medical Foundation will be coordinated through one central processing area beginning in July 2004. The foundations will continue to work as independent groups, but the consolidation of some of the “back room” operations will provide greater consistency and improve the efficiency of staff assigned to those operations.

As of June 15, total giving to the foundation is at $3.9 million compared to $4.6 million for last year. The total number of gifts is also slightly behind with 11,500 gifts compared to 12,500 the previous year. The complete year-end totals will be closer. Considering the upheaval surrounding the campus and its leadership changes, and a delay in a number of major asks for campaign nucleus fund gifts, this level of support is within reason. In addition to these gifts being received, the foundation transferred slightly over $1.8 million to support scholarships, academic programs and other worthwhile activities within the university during the year.

The foundation continued its record of clean audit reports reflecting activities during 2002-2003. For the first time in 2004, under the new GASB 39 requirements, the foundation’s financial statements will be included as a part of the university’s financial reports. This will require a more rapid audit and our staff has been hard at work since January in preparation for the fast turn around of the audit process. Also for the first time, all three foundations joined together in one RFP to select an auditor to provide individual audits for the three foundations. McGladrey & Pullen from New Bern was selected. It is an outstanding firm who has done the ECU Foundation audits for the last three years. Having one firm doing all foundation audits will again add to consistency and uniformity of the financial statements as well as saving time and money by bundling these processes together.

**The Medical Foundation of East Carolina University, Inc.**
Submitted by Lyne S. Gamble, Jr., Interim President of The Medical Foundation of ECU, Inc. and Interim Director of Alumni Affairs

This has been an active and dynamic year in the life of the Medical Foundation. Many positive changes have taken place as the Foundation has revamped many of its systems in order to guarantee greater fiscal management and service to our donor constituencies. Garnering a new degree of trust and providing greater insight into how the Foundation functions has been of paramount importance. Below listed are some of our accomplishments to date:

- The Medical Foundation has entered into a contractual relationship with the East Carolina University Financial Services. The services provided include: Financial Statements; Receipting of Funds; Disbursement of Funds; Accounting and Reconciliations; Asset and Cash Management; Audit and Taxes; University Compliance, etc. This change has made for much greater continuity and the books are far more transparent.
In order to get the word out about the "new" Medical Foundation, we have spoken with at least fifty faculty members face to face. Additionally, we have tried to make right any number of accounts with various departments and administrators. Many discussions have been about integrity and our willingness to help. These goodwill efforts have come along well and we sense better communications across the board.

Our donor database has been fully converted to the University Development database. This action along with the relationship with Financial Services makes for far less duplication of services in terms of gift recordation and receipting and more efficient communication regarding prospects and the stewardship process.

In FY '01-'02, the Medical Foundation was credited with raising a total of $1.776 million. The FY '02-'03 total amount raised was $3.207 million. To date, in FY '03-'04, $3.555 million has been raised. We have known good fortune even though the staff size has been diminished and several new employees were learning wholly new jobs. Great efforts have been made.

Currently there is a total of slightly in excess of $5 million in pending proposals. These are proposals fairly far along and the potential for obtaining significant gifts is good.

Through efforts with the University's prospect researcher and the other foundation presidents, we have identified donors with at least $20 million in gifting potential for the Health Sciences. Of course this will take cultivation, but the prospects are solid. Our efforts require working smart and being targeted.

The Director of Foundation and Corporate Relations has been particularly helpful to us. There has been any number of foundations brought into focus with approximately $1.5 million in proposals now in process. Additionally, we have been able to help maintain two significant pledges of $250k and $105k through major efforts in donor stewardship.

There were many functions that the Medical Foundation was either responsible for or helped with this year. We aided with Founder's Week with its emphasis on medical education. This included the Chancellor's Forum On Health Care; a luncheon in honor of the Country Doctor Museum; the Brody Lecture On Health Care; and the groundbreaking ceremony for the Learning Village. We also helped with the Brody Scholarship competition, the Brody Banquet, and hosted the Match Day luncheon along with the luncheon after the graduation convocation.

These are some of the highlights of this past year. Much activity has taken place. With hope, we will continue with our emphasis on major gifts while at the same time developing greater bonds for our alumni and other constituents in order to make them a part of the success we will know. Building a greater donor base and creating a culture of giving are important to our success. We have put this Foundation back on solid ground and have developed a place from which we can launch new and worthwhile goals.
Alumni Relations
Submitted by Paul C. Clifford, Associate Vice Chancellor for Alumni Relations

This is an exciting, if not transitional, time in ECU’s history. In June we welcomed a new Chancellor to campus. A new dean looks to advance the College of Business, a search for a Director of Athletics is ongoing, and the office of alumni relations is under new leadership. During this period of transition, the ECU Alumni Association has decided to take an introspective and strategic look at our programs and services. In April, we began a strategic planning process that upon its completion will set the strategic direction for ECU Alumni programs over the next five years.

Although we are in the initial stages of our process, I anticipate that the objectives and tasks the committee decides upon will support the following long-range goals. We will:

- strengthen our volunteer base and increase participation;
- establish a strong focus on lifelong relationships;
- fortify and secure the financial position of the Alumni Association;
- position the Alumni association as the primary link between alumni and the university;
- embrace all dimensions of diversity;
- position the Alumni Association to be recognized as a critical component to ECU’s success;
- commit to providing excellent customer service, and;
- develop evaluation and assessment tools to measure the value of our alumni program.

We will seek to accomplish the above goals by focusing on the following program areas:

- Communications and Marketing
- Volunteer Group Development (chapters, affinity groups, school and college groups)
- Traditional Alumni Programs (homecoming, reunions, golf outings, tailgating)
- Scholarships and Awards
- Career Services
- Student Programs/Ambassadors
- Revenue Generation
- Strategic Partnerships
- Alumni Admission Programs
- Alumni Association Management.