



## Two Bits

A quarter's worth of news from the ECU Foundation

Summer Edition

August 2011

### “Success comes in a can, not a ‘can’t.’”

That’s what strategic planning in the ECU Foundation is all about—setting aggressive plans for the future and knowing that we “can” be successful in achieving them. The strategic plan we created in 2007 brought us to where we are today. The strategic plan we are currently developing for 2012-2015 will be our path to even greater success. What’s in our “can”? It’s filled to the brim with purple passion. Drink deeply from the “can” me hearties, thars work to be done.

### Headlines and highlights in this issue

The Second Century Campaign goes *Over the Top*

Our new strategic plan is being rolled to the “launch pad”

We will welcome four great new directors to the board in the fall

Lynn and Pat Lane make a significant planned gift from their estate

Our fall Thank-A-Thon will be focused on thanking the top 500 donors

Stratford Arms Apartments will be sold to the university in October

We are a national leader in sharing our investment performance

We are redefining our standards of engagement for directors

### Fall board meeting September 30

The fall board of directors meeting will be held Sept. 30 at the Greenville Hilton. Please mark your calendar and let Amy know if you need help with accommodations. At this meeting we will finalize our new strategic plan, welcome new directors, elect officers for the next two years, present board awards for 2011, have lunch with the Access Scholarship students and donors, discuss ways for our foundation to be more successful, and learn even more about the things that make ECU special. You will want to be there.

#### Friday agenda

9:30 a.m.	Check-in
10 a.m.	Start
12 p.m.	Luncheon with Access Scholarship Students
5 p.m.	Conclusion
5 p.m.-7 p.m.	Reception and social including spouses

#### Saturday agenda

6 p.m.-7:30 p.m.	Privateers Deck before football game with UNC
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### Stay abreast of what’s happening at ECU

[www.ecu.edu/ecuf](http://www.ecu.edu/ecuf) is your doorway to what’s happening at the ECU Foundation and at ECU. There you can be instantly connected to all of the news sources at ECU by simply clicking ECU News and Information.

## Welcome to our newest directors

**Angela Allen:** Angela is a 1981 graduate of ECU, with a degree in computer science. She earned an MBA from Harvard in 1995. She lives in Vienna, Virginia, where she serves as vice president for global business services at IBM. Angela has served on the Computer Science Advisory Council at ECU, and is a member of the board of directors of the Women's Roundtable at ECU. She is also a donor to the Access Scholarship program.

**Mark Copeland:** Mark is a 1996 graduate of the College of Business. He lives in Charlotte and is a CPA, and is the managing partner of the Ernst & Young office in Charlotte. He was recently recognized as one of the "Top 40 under 40" in the Charlotte business community. Mark has served on the College of Business Advisory Council and the ECU Board of Visitors. He has been a generous supporter of accounting scholarships at ECU.

**Kevin Monroe:** Kevin received his business degree in 1999 and his MBA from ECU in 2005. He played baseball and football at ECU, and is a sideline reporter for radio broadcast for ECU football games. His wife is a graduate of the Brody School of Medicine. Kevin lives in Durham and is an assistant vice president at CapTrust Advisors. Kevin serves on the College of Business Advisory Council.

**Clay Walker:** Clay graduated from ECU in 1989 with a major in English. He lives in Potomac, Maryland, and is executive vice president of Fantasy Sports Ventures, an online fantasy sports company. Previously he worked as an executive with the NFL Players Association and headed their licensing division. Clay received the ECU Outstanding Alumni Award in 2005, and he has been a mainstay on the Health and Human Performance Advisory Council for many years.

## Director/Liaison Program

Earlier this year Mickey Dowdy established the Director/Liaison Program. Each director is paired with a major gifts officer and is asked to work with that staff person to identify and cultivate relationships with prospective donors. This allows the major gifts officers to use the knowledge, contacts and spheres of influence of our directors. Over the past few months several directors have begun to work with staff on this new engagement initiative.

**Alvin Hutzler** and **Irwin Roberts** are working with Kathy Brown to cultivate an alumnus in the Richmond area. **Rick Webb** is helping Dean Siguaw schedule appointments and make proposals to key prospects. **Vince Smith** is helping schedule contact meetings with people in the Washington, D.C., area. **Carol Mabe** has scheduled a visit with key prospect.

**David Womack**, a former foundation board member and chair, worked with our advancement staff and Ara Gregorian to secure funding from multiple donors for the Four Seasons Distinguished Professorship in Music. With UNC and Spangler matching funds this will eventually become a \$1 million endowment.

## Fall Thank-A-Thon

This year's thank-a-thon will be a mailing of personal thank you cards from our board of directors to the top 500 donors to the ECU Foundation during the Second Century Campaign. We want to say "thank you" to our donors in a different and personal way. Note cards will be distributed to directors at the fall board meeting and mailed to donors before Thanksgiving. This is another step in our journey to grow our culture of gratitude and appreciation within the ECU Foundation.

## Updates from the ECU Real Estate Foundation

- **Stratford Arms Apartments on Charles Boulevard:** ECU has NC Council of State's approval to purchase this property from the ECU Real Estate Foundation. Closing is targeted for October. The residents will all move out by the first of September. The parking lot will be used by the athletic department for tailgating at home football games. Demolition of the buildings will probably begin in late 2011.
- Our **Park West property** is now under contract with Berkley Development and they are still in their due diligence period. The Town of Chapel Hill is very interested in this project and the development of a number of surrounding properties. The town's interest in overseeing the development of several parcels under one big umbrella could cause some delays in approvals and permits for the Park West property.

## Redefining the standards of engagement for directors

At last fall's board meeting, directors participated in a survey and interactive discussion on what the expectations should be for someone who serves as a director of the ECU Foundation. Topics of discussion included participation in meetings, philanthropy, cultivating and thanking donors, and advocacy for ECU. The engagement and executive committees have continued to review this information and will present a recommendation for standards of engagement for directors at the fall board meeting.

## Investment portfolio and quarterly results now on our Web site

We recently decided to begin posting the quarterly investment performance report from our investment advisor, Fund Evaluation Group, on our Web site. We feel that current and future donors, and all who support ECU, should be able to see how we manage our investments. This report shows details of what's in our investment portfolio and how each of the investments are performing against their benchmarks. This is another example of the commitment to accountability and transparency that distinguishes us as a national leader among university foundations.

## Our new strategic plan is being rolled to the launch pad

We worked together in groups at our spring board meeting in New Bern to lay the ground work for our 2012-2015 Strategic Plan. Through the spring and the summer, the strategic planning committee has met to sort through this information and to establish the key objectives and strategies that will define this new plan. The committee and foundation staff and advancement staff have worked to identify action plans to accomplish the objectives and strategies. The strategic planning committee will present the new strategic plan for board approval at the fall meeting on September 30.

## Good news from our Advancement officers

**Greg Abeyounis, asst. vice chancellor for development:** **Pat and Lynn Lane** have made a substantial commitment through their wills to continue in perpetuity their passion to support students in multiple areas of the university. They will establish an endowment named the Pat and Lynn Lane Education Program Endowment to continue their current annual work in support of the College of Education, add substantially toward the Lynn and Pat Lane Performing Arts Scholarship Endowment to benefit multiple students in the College of Fine Arts and Communications, and significantly bolster the Pat and Lynn Lane EC Scholars Endowment that already supports a current full scholars experience. Each fund will educate a significant number of students annually.

**Dorothy Love** established the Dot Love Fund for Organic Chemistry and made an IRA beneficiary designation and a cash gift that is to be used to purchase or enhance equipment in the Organic Chemistry Department.

Through a bequest provision, **Raymond "Lee" Mulkey III** created an endowment for the College of Business and an endowment for a partial football scholarship in the ECU Educational Foundation (Pirate Club).

**Bob Diefendorf** has established a charitable remainder unitrust that runs for the lifetime of his children to benefit the Brody School of Medicine with the goal of keeping primary care doctors in eastern North Carolina.

**Nancy Ball, MGO, College of Fine Arts and Communication:** The School of Music has secured \$417,000 from private donors to apply for a Spangler match and a UNC System match for a distinguished professorship for the **Four Seasons Chamber Music Festival**. Four Seasons is beginning its 12th season this year, featuring a series of concerts by world renowned musicians, including faculty from the ECU School of Music.

Nancy Ball and Jennifer Tripp will be travelling to San Diego and Los Angeles in mid- August for two alumni events and visits with donors and alumni from ECU who live in the area.

The Marching Pirates are conducting a mail campaign to raise funds for the marching band. Needs include new uniforms, instruments, scholarships, and help with travel expenses.

**Kathy Brown, MGO, College of Human Ecology:** The Dept. of Child Development and Family Relations received a gift of \$367,000 from the **estate of alumna Nancy Darden** from Creedmoor. Nancy's gift is believed to be the largest gift ever to the Dept. of Child Development.

The new **Carolina Ale House** in Greenville (opening by Labor Day) is partnering with the Department of

Hospitality Management and will donate 10 percent of profits from their first week of business to the program.

This spring and summer, Kathy traveled to several areas outside the state to meet with alumni and potential supporters in Florida, D.C. and Atlanta. She also worked with Dr. William Bloss, chair of the Dept. of Criminal Justice, to visit several high-ranking criminal justice alumni in state government such as Col. Michael Gilchrist, commander, State Highway Patrol; Deputy Chief Major Cassandra Deck-Brown, Raleigh Police Department; and Kimberly Strach, chief investigator, State Board of Elections. Many of these graduates expressed appreciation for the preparation provided by ECU.

**Kathy Brown, MGO, Honors College and EC Scholars:** ECU's Honors College will welcome 106 new students this fall. They will reside in the Honors living-learning community in Garrett Hall, a few steps from the renovated Mamie Jenkins Building, home to the Honors College. All ECU Foundation board members and supporters are invited to join us for the Honors College Convocation on Tues., Aug. 30, at 4 p.m. in Hendrix Auditorium. A reception will follow in Joyner Library.

We are proud to welcome 15 new EC Scholars this fall, an addition to the 11 EC Scholars who joined us last fall, making a total of 48 EC Scholars on campus. Please visit [www.ecu.edu/news/ecscholars.cfm](http://www.ecu.edu/news/ecscholars.cfm) to learn more about the entering Class of 2015 EC Scholars and to view their pictures.

**Christy Deardorff, Director of Annual Giving:** Don't wait for a phone call or a letter in the mail to make a gift to the ECU Annual Fund at [www.giving.ecu.edu](http://www.giving.ecu.edu). By giving online your gift will go to immediate use and save the cost of paper, postage and resources—maximizing the impact of your gift. As with all annual giving opportunities you can support the area you treasure the most.

**Sharon Hamilton, director, and Tricia Reidinger, assoc. director, Corporate and Foundation Relations:** We are pleased to announce that CFR exceeded its fundraising goal for 2010-2011 and secured more than \$3.2 million in gifts and grants from corporations and foundations. A \$300,000 grant from the **Bristol-Myers Squibb Foundation** garnered national publicity for ECU and its efforts to help African-American women fight type 2 diabetes. ECU was one of only two universities nationwide to receive this grant award. The **West Memorial Fund** will support three additional Access Scholarships for entering freshmen from Greenville in the 2011-2012 academic year. The scholarships will support these students through four years at ECU. This latest grant to the Access Scholarship program brings the West Memorial Fund's contributions to \$360,000.

**Marcy Romary, MGO, College of Education:** Special thanks to **Wachovia, a Wells-Fargo Company** for making a \$75,000 gift to Wachovia Partnership East. This gift will support tuition for 47 Wachovia Partnership East Students and five competitive \$750 stipends for students during their internship semester. Wachovia's continued support of this program is greatly appreciated.

Recently, **Tom and Lisa Williams** of Raleigh finalized a planned gift to support outreach programs in the Department of Educational Leadership with North Carolina public schools. Tom is a retired public school superintendent and is the immediate past chair of the College of Education's Advancement Council.

**Michael Ward, MGO, College of Technology and Computer Science:** The College of Technology and Computer Science received a data storage unit valued at \$124,000 from **EMC**, a global leader in helping IT departments to store, manage, protect and analyze their information, most valuable asset, in a more agile, trusted and cost-efficient way.

Associate Vice Chancellor of Campus Living and Dining Bill McCarthy secured additional funding from **Aramark** to establish the Residential Scholars Program Endowment. The endowment will provide student scholarships, stipends, travel opportunities, payment for speakers, conference attendance, awards and special student initiated activities. Bill has established such programs at other institutions with the goal of keeping leaders on campus to remain residents throughout college. This is a benchmarking program for campus living and student retention.

## Committee meetings and activities

**Audit Committee (Sam Wornom, chair):** The audit committee met in mid-May for pre-audit planning with our outside auditor, Clifton Gunderson LLC. The year-end audit and report should be completed in time to share the results with all directors at the fall board meeting.

**Budget and Finance Committee (Wil Wilkinson, chair):** The budget committee met several times during the summer to review the progress of the preparation of the operating budget for 2011-12. A final budget will be presented for approval at the fall board meeting.

**Development and Donor Relations Committee (Suzanne Brooks, chair):** The development and donor relations committee met in July. The committee recommitted itself to its new purpose of facilitating all directors being actively engaged in helping staff to cultivate and thank donors, and discussed several strategies and action plans to accomplish this objective.

**Engagement Committee (Lisa Benton, chair):** The engagement committee met in July and discussed establishing a standard of engagement for directors of the ECU Foundation and incorporating that concept into the annual self-evaluation for each director. These ideas will be presented to the board for approval at the fall meeting. In addition the committee finalized its recommendations for 2011 board awards.

**Governance Committee (Henry Hinton, chair):** The governance committee met in August to complete its annual review of all governance documents. The committee recommends a few minor changes to some of the documents, including a new policy on inappropriate influence.

**Investment Committee (Kel Normann, chair):** The investment committee met by conference call in August. They reviewed current performance and considered new opportunities recommended by FEG. Even though there is a lot of volatility in the market, our investment committee and investment advisor remain confident that our asset allocation and investment strategy will enable us to meet our long-term investment objectives.

**Recruitment Committee (Mark Tipton, chair):** The recruitment committee met in June to finalize its recommendations for new directors. They recommended an email vote to approve the directors and are planning an orientation for new directors on September 29, the day before the fall board meeting.

**Strategic Planning Committee (Jim Galloway, chair):** The strategic planning committee met several times through the spring and summer to develop the key objectives, strategies, and action plans for the 2012-2015 Strategic Plan. It will be presented to the full board for approval on September 30.

**ECU Real Estate Foundation (Burney Warren, chair):** In August, representatives from the Real Estate Foundation met with university representatives to begin discussing how the foundation can help the university address its facility and space needs over the next few years.

## Second Century Campaign Scorecard Executive Summary

As of June 30, ECU has raised more than \$207 million, or 104 percent of its \$200 million goal for the Second Century Campaign. Our theme for 2011 is "Over The Top." We exceeded our campaign fund raising goals 1 year earlier than expected. The campaign continues through December 2011.

	Campaign Fundraising as of June 30, 2011
Pirate Club	\$69.7 million
ECU Foundation	\$62.9
Grants	\$39.7
Med & Hlth Sci Fdn	\$28.9
University Funds	\$ 6.3
Total	<u>\$207.4 million</u>

For more detailed information by year and foundation visit our Web site at [www.ecu.edu/ecuf](http://www.ecu.edu/ecuf).

## Fundraising Report - Executive Summary

The ECU Foundation's fundraising results for this year were behind the fund raising results for the previous year. There is no doubt that the Great Recession impacted philanthropy over the past two years. It has created a lasting fear of uncertainty among major donors. This drop in fundraising over the past two years is consistent with what other university foundations have experienced. Our alumni and friends continue to be very supportive, and several people have made verbal commitments for large major gifts when their portfolios and businesses are more fully recovered.

Millions of \$s

	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
Gifts	\$3.2	\$2.7	\$2.9	\$4.0	\$3.1
Gifts-In-Kind	.4	.1	3.8	1.5	.9
Pledges	1.1	1.1	2.9	1.1	1.9
Planned Gifts	<u>1.1</u>	<u>3.3</u>	<u>7.6</u>	<u>7.3</u>	<u>1.2</u>
Total Fund Raising	\$5.7	\$7.2	\$17.3	\$14.0	\$7.0

For more detailed information by month and type of gift, visit our Web site at [www.ecu.edu/ecuf](http://www.ecu.edu/ecuf).

## Investment Report - Executive Summary

Our Quarterly Investment report, as of the end of June, shows a quarter of "flat" returns, but a year with a very strong 23.6% net gain on investment. Our investment committee and investment advisor remain confident that our asset allocation and investment strategy will enable us to meet our long-term investment objectives.

Net Return on Investment as of June 30, 2011

	<u>Qtr.</u>	<u>1 yr.</u>	<u>3 yr.</u>	<u>5 yr.</u>	<u>7 yr.</u>
Total Composite Return	.1%	23.6%	3.9%	5.3%	6.6%
Balanced Index	.8%	23.1%	4.6%	4.4%	5.7%

Total Market Value of the Investment Portfolio June 30, 2011: \$78.1 million

Asset Allocation as of 6/30/2011

	<u>Current</u>	<u>Target Range</u>
Broad Equity	59.7%	48%-62%
Fixed Income	16.6%	8%-22%
Low Volatility Hedge	9.6%	8%-22%
Other	<u>14.1%</u>	8%-22%
	100.0%	

For more detailed information, visit the investment section of our Web site at [www.ecu.edu/ecuf](http://www.ecu.edu/ecuf).

## Operating Budget Report-Executive Summary

For fiscal year 2010-11, the net of operating revenues over operating expenses was a gain of \$312,000. The primary reason for the positive balance was that fund raising expenditures were below the budgeted amounts for the year.

	2010-11 Approved Budget (000s of \$)	12 Months Actual as of June 30 (000s of \$)
<u>Operating Revenue (000s of \$)</u>		
Unrestricted Contributions	75	48
Gift & Admin Fees	689	707
Misc. Income	31	71
Unrestr. Investment.Earnings	265	265
Contributed Services from ECU	2,444	2,495
Total Revenue	3,504	3,586
<u>Operating Expenses: (000s of \$)</u>		
Management and Admin	825	874
Fundraising	2,448	2,170
University support	<u>230</u>	<u>230</u>
Total Expenses	3,504	3,274
Net of Revenue over Expense	<u>0</u>	<u>312</u>

For more detailed information, visit our Web site at [www.ecu.edu/ecuf](http://www.ecu.edu/ecuf) for the operating budget report.

### A personal note from Bill

We criticize politicians for “kicking the can down the road” because they fail to act on things we think are important for the future of our communities and our nation.

I am very proud of the board of directors of the ECU Foundation. We are continually acting and moving down the road together, knowing that we can achieve greater levels of success in our mission to fund the margin of excellence at East Carolina University. Go Pirates!

*Bill*

Bill Clark, President & CEO  
ECU Foundation Inc.