



## Two Bits

A quarter's worth of news from the ECU Foundation

Spring Edition

May 2011

**“The only way to manage change is to create it.” --Peter Drucker**

That's what strategic planning in the ECU Foundation is all about—not adapting to the future but creating the future. The strategic plan we created in 2007 brought us where we are today. The strategic plan we are developing now will be our path to even greater success. Let's not spend too much time thinking about how we will adapt to the changes that are going on around us, and focus instead on creating the changes we want to see.

### Spring Board of Directors Retreat, New Bern

What a great weekend together. A very good board retreat focused on developing our next strategic plan. Lively discussions in the breakout groups. Great facilities with views of the waterfront. Good meals and opportunities for socializing at the new NC History Center and the loft home of Steve and Sabrina Bengel. Time for sightseeing and shopping. Drum and fife corps procession on Friday night. Trent River cruise on the Barbara B. And, a Pepsi float break for energy. Let's do it again.

The Strategic Planning Committee and Executive Committee will be working through the summer to take the ideas from this retreat and formulate the new strategic plan.



### Stay abreast of what's happening at ECU

Visit [www.ecu.edu/ecuf](http://www.ecu.edu/ecuf) for the latest ECU news. You can connect to the primary sources of news at ECU, the ECU News Bureau and the student newspaper, *The East Carolinian*.

## Save the date: fall board of directors meeting, September 2011

Please mark your calendar and let Amy know if you need help with accommodations.

### Fri., Sept. 30

10 a.m. Start  
12 p.m. Luncheon with Access Scholarship Students  
5 p.m. Social

### Sat., Oct. 1

Privateers Deck before football game with UNC

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, and learn more about things that make ECU such a special place.

## 2011 CASE Conference

This is an annual national conference for staff leaders of university foundations. The ECU Foundation was represented this year by Bill Clark, Jon Lancaster and Betty Whichard. A number of national issues and emerging trends were presented and discussed. These will be shared with directors and staff and taken into consideration as we plan for the future.

1. The greatest impact from the Great Recession has been to create a feeling of uncertainty among donors. Planned gifts are now more inviting to donors.
2. There is a national decline in alumni giving to higher education. Younger alumni are more receptive to giving to social causes.
3. High wealth donors are less receptive to funding endowments, but matching funds are proving to be a good incentive for them to create and enlarge endowments.
4. Many financial experts fear that investment returns over the next decade will not be sufficient to meet both the spending and growth objective of endowments.
5. University foundations will continue to receive less university support and will have to develop funding models that make them more self-sufficient.

## 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.

## Fall Thank-A-Thon

Based on suggestions from the Development and Donor Relations Committee, this year's thank-a-thon will be a mailing of thank you note cards from directors instead of phone calls. We hope to be able to involve more directors and say "thank you" to our donors in a different and personal way. This is another step in our journey to establish an ongoing culture of gratitude and appreciation within the ECU Foundation.

## Updates from the ECU Real Estate Foundation

- **Stratford Arms Apartments on Charles Boulevard:** The ECU Real Estate Foundation now owns and operates these apartments, and we will sell the property to the university when it can get state approvals. All residents will leave the property by August 31 and we are currently working on plans for the parking lot to be used by ECU Athletics this fall during home football games.
- Our **Park West property** in Chapel Hill is now under contract with Berkley Development. The town of Chapel Hill is known to be a difficult place to get zoning and development approval, and even though they are very receptive to this project we expect it could take up to 2 years to close on the sale.

## Good news from our Advancement officers

*Greg Abeyounis, asst. vice chancellor for development:* **Catherine Nan Bolton** left her residual estate to support the Exercise and Sport Science priority fund. This gift will support a variety of projects within the exercise and sport science program. **Dot Love** made a cash commitment of \$200,000 and a planned gift of an annuity beneficiary designation of \$350,000 for the Dot Love Fund for Organic Chemistry. This contribution will fund the purchase and maintenance of new organic chemistry research. **Dr. Cecilia Austin** left a bequest provision to support the College of Education. **Mr. and Mrs. Lee Mulkey** made a bequest provision of \$25,000 for scholarships in the College of Business and established a \$30,000 endowment for football scholarships for student athletes. Multiple planned gift discussions are going on that include some large gifts that could be finished before the end of this fiscal year.

*Nancy Ball, MGO, College of Fine Arts and Communication:* The college is working on a fundraising campaign for the **Marching Pirates** to enhance their program and address their needs for uniforms, instruments and travel. The School of Communication will have more than 75 interns throughout the U.S. this summer. The college's **Italy Intensive** program in Ceraldo, Italy, will focus on the arts this summer. The **School of Theatre and Dance** has established a scholarship fund in memory of Edgar Loessin, the founder of the school, who passed away in May.

*Kathy Brown, MGO, Honors College and EC Scholars:* The Honors College recently held a ribbon cutting for the newly renovated Mamie Jenkins Building, home of the Honors College. Fifteen outstanding incoming students have been notified that they will receive this year's EC Scholars awards. These students will be recognized in the next issue of *Our State* magazine.

*Kathy Brown, MGO, College of Human Ecology:* The College of Human Ecology held a **Scholarship/Donor Reception** and awarded 65 scholarships and recognized five additional students who received the EC Alumni Association Scholarship. Congratulations to these excellent students and our valued scholarship donors. The **Marriage and Family Therapy Program (MFT)** held an anniversary celebration to commemorate 25 years of the program. Many thanks to the volunteer board members who serve the CHE. Since the last *Two Bits*, the CHE Advancement Council and advisory boards for Nutrition Science, Child Development and Family Relations, Merchandising, Hospitality Management, and Criminal Justice met with their respective units.

*Maureen Devine, Director of Donor Relations and Scholarships:* For the first time in the history of **Access Scholarship program**, we conducted an extensive application and selection process that resulted in more than 200 applications for approximately 25 new awards. The committee had a tough job selecting just 25 qualified students, but to date all the Access Scholarships for 2011-2012 have been awarded and accepted. Also, we have been working hard on the **EC Scholars Program** to make long term projections as to the number of awards available each year and the appropriate value of those awards in order to remain competitive as tuition and fees continue to rise at institutions across NC. We've also been busy planning events for our donors, including the Inside ECU event for the **Women's Roundtable**, social events for the **Society of Law Alumni**, and our largest event celebrating members of the **Chancellor's Society** April 28.

*Duane Grooms, major gifts director, College of Health and Human Performance:* **Dr. Jerry Tolley '65, '66** was one of seven legendary sports figures recently inducted into the North Carolina Sports Hall of Fame. He was the head football coach at Elon University. During his five seasons there, he won two national championships, four conference championships and was national runner-up once. He and wife, Joanie, sponsor an endowed academic scholarship that is used in the College of Health and Human Performance and College of Education.

*Sharon Hamilton, director, and Tricia Reidinger, assoc. director, Corporate and Foundation Relations:* Project STEPP—a groundbreaking effort at ECU to provide access to higher education and academic support services for young people who learn differently—received confirmation of a \$3 million grant from the **Oak Foundation**, Geneva, Switzerland. Project STEPP Director Dr. Sarah Williams recently traveled to Geneva with UNC President Tom Ross to present a proposal for STAR—a project designed by Williams to support students along a wide spectrum of learning differences on three UNC campuses. ECU's portion of this grant is \$1.7 million. The **Harold H. Bate Foundation** will bolster those efforts with its selection of Project STEPP for its commitment

of \$333,000 to fund an endowed professorship. ECU received a two-year grant of \$299,999 from the **Bristol-Myers Squibb Foundation** for a project called "Empowering Rural African-American Women and Communities to Improve Diabetes Outcomes." Also this spring, the Dept. of Information Technology received a gift-in-kind from **Hewlett Packard Co.** The equipment, valued at \$141,539, is being used for a hands-on virtual lab powered by cloud computing. In addition, the CFR team was responsible for securing a variety of gifts and grants this quarter from the **Eddie and Jo Allison Smith Family Foundation**, **The Burroughs Wellcome Fund**, **Southern Bank & Trust Co.**, and **Blue Cross and Blue Shield of North Carolina**.

*Jon Lancaster, controller:* As June 30 approaches, the foundation's financial services team is busily preparing for the end of the fiscal year and the annual financial statement audit. This spring a new scholarship reporting process was implemented to streamline award processing and allow for earlier submissions to the Financial Aid office; next spring Phase 2 of this project will be implemented which is expected to result in further decreases in processing time. At the same time, the foundation is considering options for a new endowment management software solution to be implemented in FY2012. These initiatives are part of a broader effort to modernize the operations of the foundation to realize efficiency gains and cost savings.

*Kay Murphy, director Advancement Services:* We would like to recognize and congratulate our student worker, Amy O'Neal, who is graduating from ECU with a bachelor's degree in social work. She has worked in Advancement Services the past year, assisting with data entry and updating biographical information in the database. She will pursue her masters in social work beginning this fall and will continue to work with our department. This spring, in addition to her studies and work in our office, she interned at the Lucille Gorham Intergenerational Community Center. She hopes to work with teenage girls in crisis intervention upon completion of her masters.

*Marcy Romary, MGO, College of Education:* **James and Connie Maynard** continue to support the Maynard Scholars program in the College of Education with a recent gift of \$200,000. The college's annual scholarship ceremony was held April 5, and 56 students received scholarships totaling \$113,000. Thank you to our scholarship donors!

*Marcy Romary, MGO, Women's Roundtable:* The Women's Roundtable board of directors met in April and unanimously voted to give \$10,000 to the Honors College to support enrichment programs for EC Scholars for the 2011-2012 academic year. The Roundtable will also support three Access Scholarships in the fall: **Kay Chalk Women's Roundtable Access Scholarship**, **Kathy A. Taft Memorial Women's Roundtable Access Scholarship** and the **Women's Roundtable Access Scholarship**.

*Inside ECU* was held April 8-9. More than 40 people participated in this two-day event which featured in-depth tours of Joyner Library, the College of Nursing and the College of Allied Health Sciences. The group was treated to hors d'oeuvres and a wine pairing demonstration/tasting by Hospitality Management students and student performances by the Phi Mu Alpha Music Fraternity and a string quartet. They joined Chancellor and Mrs. Ballard for breakfast at the Chancellor's residence and attended a presentation from world-renowned cardiac psychologist, Dr. Samuel Sears. Athletic Director Terry Holland gave them a behind-the-scenes tour of athletics complete with a tour of the strength and conditioning center, equipment room, football locker room and baseball stadium. The feedback has been overwhelmingly positive and we plan to host this event annually.

*Jennifer Tripp, interim MGO, Thomas Harriot College of Arts and Sciences:* The first **Harriot College Advancement Council Scholarships** were announced this spring. Ten rising juniors or seniors in the college were selected to receive \$1,000 per semester in the next academic year. Also, on March 18, a large crowd of friends and colleagues gathered to dedicate the Ecology Lab in memory and honor of two beloved biology professors, **Mark Brinson** and **Robert Christian**, who both retired in August 2010.

*Michael Ward, MGO, College of Technology and Computer Science:* **Keihin Carolina Technology Systems** has committed to \$120,000 to endow the controls and instrumentation lab and \$20,000 in unrestricted scholarship support for the college. Keihin has been an instrumental partner in our engineering efforts and this gift is a result of the ECU engineers Keihin has recruited. An advancement council has been formalized and the initial meeting was held on April 8. The primary objectives of this council are to increase resources and alumni/industry networks and to help in the college's strategic direction. The council is made up of advisory board members from all departments within the college and other industry leaders.

## Directors in the spotlight



**Kel Normann**, managing director-investments of The Normann Financial Group of Wells Fargo Advisors in Sanford, was ranked among **Barron's annual Top 1,000 Financial Advisors**. Normann was ranked sixth in North Carolina. Also, Normann has been awarded an **2011 ECU Alumni Distinguished Service Award**, to be presented during ECU Homecoming festivities in October. Congratulations, Kel!

**Suzanne Brooks**, executive vice president of Pepsi Cola Bottling Co. of Central Virginia, received the **Samuel Miller Memorial Award** from the Miller School of Albemarle, where she has served on their board of trustees. The award recognizes leaders who have been influential role models, strong supporters of their community, philanthropists and volunteers. Suzanne and her husband, Robert, are continually recognized for outreach and support of educational institutions, non-profits and commitments to programs for youth.



## Staff in the spotlight

**Greg Abeyounis**, assistant vice chancellor for development, has satisfied the requirements through education, experience, performance, service and examination to earn his Certified Fund Raising Executive Certificate upon completion of his comprehensive test on March 1, 2011. This certification is granted by CFRE International, the stewards of the public trust that sets top tier standards in philanthropy.

**Dr. Rick Niswander**, former dean of the College of Business, has been appointed vice chancellor of administration and finance by the ECU Board of Trustees. Chancellor Steve Ballard said, "While this appointment reflects his financial skills and competencies as well as his business experience, it is even more reflective of the great leadership skills that he exhibits every day."

Congratulations to **Duane Grooms** on his appointment as assistant director of athletics for facilities services at the University of South Carolina. Duane has served ECU and the College of Health and Human Performance well over the past 4+ years and we will miss him. Duane's last day is Friday, May 27.

Congratulations to Director of Scholarships and Donor Relations **Maureen Devine-Ahl** and her husband, Mike, on the birth of their daughter, Elizabeth Grace Ahl, on May 12. Elizabeth Grace was 7 lbs., 14oz. and was 20 inches long. Mom, dad and baby are doing great!

## Committee meetings and activities

**Audit Committee (Sam Wornom, chair)**: The audit committee did not meet in December-February. They will meet in mid-May for pre-audit planning with our outside auditor, Clifton Gunderson LLC.

**Budget and Finance Committee (Wil Wilkinson, chair)**: Wil Wilkinson, Chair: The budget committee continues to monitor the foundation's operating budget and sees no areas of concern. The committee will meet in late May and June to review and approve and recommend the foundation's operating budget for next fiscal year.

**Development and Donor Relations Committee (Suzanne Brooks, chair)**: The development and donor relations committee met in May. There were a number of positive discussions about ways directors can work with staff to use their knowledge, contacts and spheres of influence to improve our development and donor relations.

**Engagement Committee (Lisa Benton, chair)**: The engagement committee met in May to discuss the Culture of Engagement Survey done in the fall and the committee's recommendations for the expectations of engagement by each director. The committee also discussed the process of board awards for the fall and nominations of directors to serve another term.

**Governance Committee (Henry Hinton, chair)**: The governance committee will be scheduling its annual document review meeting this summer and will bring any proposed additions or revisions to the fall board meeting.

**Investment Committee (Kel Normann, chair)**: The investment committee will meet May 19 in Raleigh. They will

review a positive annual evaluation of FEG, discuss wording changes to the investment policy and review the affects of a stress test and Monte Carlo simulation on the investment portfolio.

**Recruitment Committee (Mark Tipton, chair):** The recruitment committee has been actively involved in talking with the top candidates on its watch list about their interest in becoming new directors of the ECU Foundation. These candidates will be approved by the executive committee and presented to the full board for its approval. We hope these new directors will be present at the fall board meeting on September 30.

**Strategic Planning Committee (Jim Galloway, chair):** The strategic planning committee meets May 26 to review the results of the break out discussions at the spring retreat and look at a first cut of the key objectives in the new strategic plan.

**ECU Real Estate Foundation (Burney Warren, chair):** The Real Estate Foundation board of directors met in April and decided to shut down Stratford Arms Apartments as of August 31. The property manager, Laramar, will negotiate lease terminations with the 13 tenants whose leases expire after that date.

## Fundraising Report - Executive Summary

Fundraising results for the first nine months of this year are a little ahead of the fund raising results for the same period in the previous year. There is no doubt that the Great Recession has affected philanthropy over the past two years. It has created fear and uncertainty among donors. That will get better, as the economy continues to recover. Our alumni and friends continue to be very supportive of ECU and several have made verbal commitments for large major gifts when their portfolios and businesses are more fully recovered.

Millions of \$s

	2010-11 (9 mos.)	2009-10	2008-09	2007-08	2006-07
Gifts	\$1.8	\$2.7	\$2.9	\$4.0	\$3.1
Gifts-in-kind	.4	.1	3.8	1.5	.9
Pledges	.8	1.1	2.9	1.1	1.9
Planned gifts	<u>.3</u>	<u>3.3</u>	<u>7.6</u>	<u>7.3</u>	<u>1.2</u>
Total fund raising	\$3.7	\$ 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 March, shows another quarter of improvement in our portfolio. 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.

Both the investment committee and executive committee recently decided to post the quarterly investment performance report from Fund Evaluation Group on our Web site. They feel that current and future donors should be able to see how their gifts are invested and how they are performing. This is a commitment to transparency and accountability that very few university foundations have made.

Net return on investment as of March 31, 2011:

	Qtr.	1 yr.	3 yr.	5 yr.
Total Composite Return	4.0%	14.4%	3.7%	5.0%
Balanced Index	4.1%	13.2%	3.7%	4.0%

Total market value of the investment portfolio on 12/31/10: \$73.4 million

Total market value of the investment portfolio on 3/31/11: \$76.4 million

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

After nine months, the net of operating revenues over operating expenses is a gain of \$376,000. Fund raising expenditures are running below the budgeted amounts for the year and we anticipate completing the year with a net gain in revenue over expenses.

	2010-11 Approved Budget (000s of \$)	9 Months Actual as of Mar 31 (000s of \$)
Operating Revenue (000s of \$)		
Unrestricted contributions	75	38
Gift and admin. fees	689	646
Misc. income	31	39
Unrestr. investment earnings	265	265
Contributed services from ECU	2,444	1,856
Total Revenue	3,504	2,845
Operating Expenses: (000s of \$)		
Management and admin.	825	629
Fund raising	2,448	1,609
University support	<u>230</u>	<u>230</u>
Total Expenses	<u>3,504</u>	<u>2,468</u>
Net of Revenue over Expense	0	376

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

## Second Century Campaign Scorecard Executive Summary

As of March 31, ECU has achieved 99 percent of its goal in the \$200 million Second Century Campaign. Our theme for 2011 is Let's Go Over The Top, and we are nearly there.

### Campaign fund raising (Mar. 31, 2011)

Pirate Club	\$66.1 million
ECU Foundation	61.0 million
Grants	38.9 million
Med & Hlth Sci Fdn	26.7 million
University Funds	<u>6.2 million</u>
Total	\$198.9 million

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

## A personal note to all directors

“Change is inevitable...except from a vending machine.” It’s funny, but true.

My personal thanks to a group of people who are becoming a supremely successful board of directors. Not only do you have a passion for ECU, you also have the desire and drive to build a strong ECU Foundation to fund the margin of excellence at our university. You are not a group that thinks of change as something that just happens or that change is just a response to events or situations. You are willing to commit time and energy to plan for the future because you understand that creating change is the best path to our future, and through strategic planning we have become a unified body of change agents. Thanks. Go Pirates!

*Bill*

Bill Clark, President & CEO  
ECU Foundation Inc.