Alumni Foundation Report to the Board
5-14-09

Strategic Direction:

The blueprint for MSUM Fundraising was developed in the fall of 2008 and approved by the board in December of 2008.

This blueprint included two key areas for action.

1. To identify fundraising priorities for the University. MSUM went through a process with Deans and Department Chairs to identify priorities for fundraising tied to strategic initiatives of the University. These priorities continue to be refined as the vision and mission statements for MSUM are updated and the strategic direction of MSUM is defined. The immediate fundraising priorities for MSUM are: Wellness Center, Athletics, Scholarships, and Living and Learning Communities.

2. Undertake a program of rigorous capacity building, including engaging leadership volunteers, effectively deploying staff and creating an infrastructure to support these activities.

The relationship strategy plan which you will be asked to approve today is one part of capacity building. Other actions taken this past six months include the development of a prospect research and management procedure with biweekly meetings of development and prospect research staff; recruitment of a development officer for athletics and the colleges; assignment of development officers to each college, working directly with the Dean, the development of performance standards to measure staff performance, and the beginning of a new direction for communications and marketing for the university.

To keep focused on priorities for fundraising and to assist in working with the university to set the priorities, I am proposing a development committee of the board. I’ve drafted a purpose statement which I will further refine (see by-laws), and we can vote on this new committee at our fall board meeting.

Operational:

The planned and major gift officer retired last September. This position was funded by the university, and the decision was made to not replace the position. The other two development officers Laurie Wigtil and Michael Overby, will undertake planned gifts along with annual and major gifts. They are currently taking a course in planned giving which leads to certification.

I am managing two planned gifts. We have a charitable remainder unitrust for 182 acres of farm land in northern North Dakota. We were unable to sell the land over the winter so we are renting it for this season, and will list it with the farm management realtor by late summer.

As of November, 2008, we own a condominium in Pinetop, Arizona. With the tremendous amount of snow over the winter, there was structural damage to the carport. This has recently been repaired. The condo has been cleaned, and there was an appraisal done last week. The property will be listed as soon as possible with a real estate agent.

Fundraising continues for the priorities listed previously. Our annual fund drives, led by Kim Bair, were very successful. The Campus Campaign yielded $132,292 compared to $94,000 last year. The Phonathon has $251,595 pledged with $199,210 receipted thus far. Efforts are ongoing to get the pledged amount paid. In 2008, the Phonathon brought in $263,060, so we are behind this year.

In 2003 the Foundation office announced a major campaign. This campaign had starts and stops and in
2006 was reenergized as a 10 million dollar campaign for the wellness center, scholarships, and college programming. In the past eight months, we brought in cash and pledges of $1,017,189 toward these priorities. Much of the credit goes to Laurie Wigtil and Michael Overby.

The total campaign gifts in cash and pledges from July 1, 2003 to March 30, 2009 are:

- Scholarships and College Program Funds: $7,464,429
- Wellness Center (New in 2006): $1,277,484
- Matching Pledge for Wellness Center (New in 2006): $2,000,000
- Athletic Transformation (New in 2008): $102,500
- Campaign Total: $10,844,413

**Inauguration:**

The inaugural week was very successful. Heartfelt thanks to all who contributed to the gala event. After all expenses for the week were paid with donated funds, we netted $13,320.00 for need based scholarships. A committee has been formed including Ev Quigley, board member, to determine the recipients of five $2,500 need based scholarships. The inauguration took place during Founders Week and the scholarships are named “Founders Week Scholarship”. We plan an annual event to raise money during Founders Week for need based scholarships. Part of the fund raising for the event will be a silent auction and we are inviting each of you to donate a gift basket for the auction (February of 2001).

**Form 990:**

The quest for good governance in the non profit sector has received more thoughtful attention in the past few years than ever before. In December of 2007 the IRS redesigned Form 990. The use of the form dates back to the 1940’s; however, in the view of the IRS, the existing 990 failed to reflect important changes in the law affecting non profits and the increasing size, diversity, and complexity of the tax exempt sector. Accordingly, the IRS launched an extensive effort to redesign Form 990 to capture relevant information about the modern tax-exempt organization. The redesign is revolutionary. According to the IRS, it is intended to provide greater transparency, promote compliance and lessen the burden on the filing organization. It may accomplish the first two!

Conceptually, the new form is designed to enhance the transparency of an organization’s mission, financial information, operations and use of resources, providing users with a more concise picture of the organizations activity and governance.

As a result, the board of trustees will be more involved in review of the form. The composition of the board, selection process, policies of the board, and any compensation of board members will be reported on in more depth.

Endowment funds, executive compensation, use of funds, and other practices will be scrutinized more intently and we will have many more items to report.

This is the first time our auditors will use the new Form 990. In preparation, this board approved the 990 for the previous year last fall. We also adopted policies for conflict of interest and gift acceptance, and at this meeting we are asking you to approve policies on whistle blowing and record retention and destruction, all of which will be a part of our reporting.
Market Changes:

Financially, our financials are looking very negative due to market changes. A major area of concern is we have less unrestricted money from the receipting and management fees because of the investment losses (the unrestricted fund is what we have to pay our expenses). Secondly, with the size of the endowment decreasing, the executive committee elected to distribute 4% instead of 5% for scholarships this next fall.

Alumni Relations:

A list of alumni Activities undertaken in the past 10 months is attached.

Location Change:

The Alumni Foundation Office will move in June from the former Edison School building to the Centennial House on campus. The Centennial House is right across from the MSUM gates on 11th street. Most of the offices will be on second floor and the basement has been redone for the phonathon activities and staff. The Foundation owns this house so the University will save all of the lease and upkeep expenses they were paying for the Edison school space. We will move our current furniture and office equipment. We do need furnishings for the public space on first floor, and will rely on donations for the following:

- 2 Loveseats $1,200.
- 2 Chairs $800.
- 2 Table Lamps $300.
- 1 Coffee Table $150.
- 1 Lamp Table $100.
- 1 Conference Table & 6 Chairs $1,500.
- Red Exterior Shutters $

If you have any good used furniture or would like to buy us a piece, we’ll recognize you with a plaque in the home!

Thank You:

We so appreciate your service on this board. Please continue to support MSUM and the Foundation by assisting us in opening doors, attracting donors, thanking donors, and with your personal contributions.

Respectfully submitted by:
Joan Justesen