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University of South Carolina
BOARD OF TRUSTEES

Ad Hoc Committee on Development

April 23, 2010

The University of South Carolina Board of Trustees Ad Hoc Committee on Development met on Friday, April 23, 2010, at 10:00 a.m. in the 1600 Hampton Street Board Room.

Members present were: Dr. C. Edward Floyd, Chairman; Mr. Herbert C. Adams; Mr. Chuck Allen; Mr. J. Edgerton Burroughs; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mrs. Amy E. Stone; and Mr. Miles Loadholt, Board Chairman. Mr. Mack I. Whittle, Jr. was absent.

Other Trustees present were: Mr. Greg Gregory; Mr. Toney J. Lister; Mr. Eugene P. Warr, Jr.; and Mr. Othniel H. Wienges, Jr.

Others present were: President Harris Pastides; Secretary Thomas L. Stepp; Vice President for Finance and Planning William T. Moore; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Vice President of Development and Alumni Relations Michelle D. Dodenhoff; Interim Vice President for Communications and Public Affairs and Dean of the College of Mass Communications and Information Studies Charles Bierbauer; Associate Vice President for Facilities and Campus Management, Division of Finance and Planning, Tom Quasney; Director of Athletics Eric C. Hyman; Vice Chancellor for University Advancement, USC Upstate, Mike Irvin; Executive Director of the Alumni Association Marsha D. Cole; Chief Financial Officer, Department of Athletics, Jeff Tallant; Deputy Athletics Director Marcy Girton; Special Assistant to the President J. Cantey Heath; Special Assistant to the President and Athletics Director John D. Gregory; Associate Director of Governmental Affairs and Legislative Liaison Casey Martin; Past Chair of the Faculty Senate Robert Best; Director of Gift Planning and Legal Liaison to University Foundations Eleanor Foster Swarat; Director of Gift Planning, University Development, Mark R. Seeley; Director of Media Relations, Division of University Advancement, Margaret Lamb; University Technology Services Production Manager Justin Johnson; and Board staff members Terri Saxon, Vera Stone, and Karen Tweedy.

Chairman Floyd called the meeting to order and invited those present to introduce themselves. Ms. Lamb stated that no members of the press were present.

Chairman Floyd stated that notice of the meeting had been posted and the press notified as required by the Freedom of Information Act; the agenda and supporting materials had been circulated; and a quorum was present to conduct business.

I. Fiscal Year Giving Update: Chairman Floyd called on Ms. Dodenhoff who presented a brief update on planned giving for the present year and reported that the

last several years had been rather "rocky" in the fundraising world. However, the University was beginning to see a slight uptick in the confidence of donors. National trends for gift giving of \$1 million or more in 2009 had totaled \$3.7 billion as compared to \$12 billion the previous year.

According to the Council for Aid to Education, giving decreased in 2009 by approximately 12 percent; and nearly 60 percent of 3,500 colleges/universities had reported declines in giving.

As of March 2010, the University had reached a giving level of \$55.8 million as compared to \$47 million this same time last year. This was an 18.7 percent increase. The number of donors had increased by five percent.

May and June were very successful months last year; however, President Pastides and the Planned Giving staff were trying to secure one particular gift.

Chairman Floyd asked what the national breakdown of corporate giving was in contrast to individual giving. Ms. Dodenhoff responded that of all sources of giving, individual giving, both in terms of outright gifts such as cash or a check, and planned gifts, made up about 90 percent of the total dollars, whereas foundations and corporations were less than 10 percent. Foundation giving was money that came mostly from endowments and was on a decline because portfolios had declined. Corporate giving had taken a different turn in the last 10 to 15 years; it was considered more of an investment.

II. Planned Giving Program: Ms. Dodenhoff gave a synopsis of the Planned Giving Program, noting that gift planning was the ultimate gift and was a transfer of assets and usually large gifts. In response to the economy over the last two years, planned giving took on more importance in the University's fundraising strategy.

Ms. Dodenhoff introduced two Office of Gift Planning staff members: Ms. Eleanor Swarat, Past President of the South Carolina Planned Giving Council, a former USC Law School graduate, Director of Gift Planning and Legal Liaison to University Foundations, who had been with the University for 10 years; and Mr. Mark R. Seeley, Director of Gift Planning, University Development, formerly from the Reform Theological Seminary in Charlotte, North Carolina, who had worked at the University for one and one half years. She thanked these individuals for doing such a tremendous job.

Ms. Dodenhoff gave a breakdown of the planned gifts that were received over the last five years. She explained that planned giving was an integration of personal, financial, and estate planning, that helped donors achieve their personal financial goals (children's tuition, retirement, estate planning) as well as their philanthropy goals.

Ms. Dodenhoff discussed the necessity for the University to change its planning strategies for gift giving based on recent research data. There had been a shift in trends for planned gift giving. Traditionally, the University focused on persons aged 65

years and older, but recent research had reflected that individuals between ages 40 and 60 were more likely to leave a bequest to the University.

Another strategy was to focus on individuals who had donated small gifts of \$25 to \$30 over 30 years or more. She said even though the gifts were small they were good prospects because of their loyalty in giving to the University.

Research revealed that individuals aged 40 to 50 were the largest group which named charities in their wills. A third of individuals surveyed between the ages of 30 to 60 said they would consider a charitable gift annuity in their will. Only six percent of individuals over 80 years old indicated that they might add a provision for gift giving in their will. She said this made sense because traditionally, people that age already had their estate plans finalized.

Ms. Dodenhoff stated that individuals who included the University in their estate plans would become members of the Carolina Guardian Society. Currently, there were 644 members, and that group constituted almost \$200 million in committed gifts to the University. This year, 66 new members had joined. The University honored all members each year at a luncheon, and provided them a special memento to symbolize their membership and acknowledge their generosity.

Ms. Dodenhoff discussed various marketing strategies for planned gifts and the impact of the marketing. For example, an ad in the *Carolinian* which highlighted the Adamson's planned gift to the Darla Moore School of Business inspired a call from an alumnus in North Carolina who inquired about making a planned gift. He had graduated from the School of Business in 1969 and his total cumulative giving was \$120.00. Presently, he had documented a \$5 million bequest for unrestricted scholarships to the University. This person wished to remain anonymous which was another interesting trend, particularly in these economic times.

Another marketing strategy was using *Techniques*, a newsletter for financial professionals which discussed different ways for them to help their clients make planned gifts to the University.

Ms. Dodenhoff discussed a pilot program as it related to the Darla Moore challenge and planned giving emphasis whereby the University used a planned giving company to call people who had been identified as high level planned giving prospects. First, a letter was sent to the prospects from Mr. Adamson, then calls were made by this company, and then lastly follow-up calls were made by the University's planned giving staff. It took approximately two and a half months to complete the process. The return on investment for this project was six cents to raise a dollar; a good investment which helped the University to reach its challenge and donors to get the recognition they deserved for their gifts.

III. New Technology in Fundraising: Ms. Dodenhoff discussed ways the Office of Gift Planning used technology to assist them. She noted that today's supporters did more research and investigation on institutions, and more donors gave online.

She announced the new gift planning website and gave a demonstration of how donors could use one of the features on the website called the "gift calculator." Using the calculator, donors could plug in various numbers, ages, beneficiaries and get a better idea of what might be the best giving plan for them. Other features on the website included Tip of the Day, Gift Illustrations, and Donor Recognition and Interactive tools.

President Pastides asked if the University was required to pay a licensing fee for some of the features used on the website. Ms. Dodenhoff responded, yes.

Ms. Dodenhoff distributed information regarding planned giving, planning strategies, and marketing. She stated that planned giving would be a critical component of the fundraising campaign as they move forward.

Chairman Floyd thanked Ms. Dodenhoff for her excellent presentation.

Since there were no other matters to come before the Committee, Chairman Floyd declared the meeting adjourned at 10:30 a.m.

Respectfully submitted,

Thomas L. Stepp
Secretary