

# **Report to the 2004 Legislature on University of Hawaii Tuition and Fees Special Fund Expenditures for the Purpose of Generating Private Donations FY2003**

## **Summary**

Section 304-16.5(c), Hawaii Revised Statutes, authorizes the Board of Regents to expend receipts from the University of Hawaii Tuition and Fees Special Fund “for the purpose of generating private donations for deposit into the University of Hawaii Foundation for the purposes of the University.”

To enhance the activities associated with the generation of private donations, the University of Hawaii Foundation and the University of Hawaii entered into a new Agreement for Services in fiscal year 2002 – 2003 to provide private fundraising, stewardship and alumni relations services for the University. The effective date was October 1, 2002. From July 1, 2002 through September 30, 2002 the old agreement was in effect. The old agreement called for a payment of \$1,000,000 per year.

The new agreement has three parts. First, the general fundraising support is provided at the rate of \$2,000,000 per year. Second, the agreement calls for the payment of 50% of the salaries and benefits of the Foundation’s Unit Development Officers. Third, a payment of \$350,000 per year is made for Alumni Relations services.

## **Attachments**

There are six attachments explaining the use of these funds.

Attachment 1 provides a summary of the funds raised for fiscal year 2002 -2003.

Attachment 2 describes the fundraising departments which were supported by the general fundraising support from the University.

Attachment 3 shows the amounts for each fundraising department supported by the general fundraising support from the University.

Attachment 4 shows 50% of the Unit Development Officers salaries and benefits for the period from October 1, 2002 through June 30, 2003.

Attachment 5 describes the objectives and activities of the Alumni Relations department.

Attachment 6 shows the expenditures for Alumni Relation’s activities.

**University of Hawaii Foundation**  
**Fiscal Year 2002 - 2003**  
**Fundraising Activity**  
(\$000)  
Attachment 1

	<b>FY 2003</b>
<b><u>By Type</u></b>	
Gifts and Pledges	\$10,539
Deferred Gifts	6,077
Gifts in Kind	1,457
Grants to UH	3,939
<b>Total</b>	<b>\$22,012</b>

<b><u>By Category</u></b>	
Endowment	\$7,686
Expendable	8,930
Gifts in Kind	1,457
Grants to UH	3,939
<b>Total</b>	<b>\$22,012</b>

<b><u>By Purpose</u></b>	
Faculty and Academic Support	\$9,053
Student Opportunity and Access	4,376
Research	4,874
Other - Bldg, Public Svc, Special Projects	3,709
<b>Total</b>	<b>\$22,012</b>

<b>Total Cash Received</b>	<b>\$15,893</b>
Note: Does not include Grants to UH	

**University of Hawaii Foundation**  
**Department Descriptions**  
**Fiscal Year 2002 - 2003**  
Attachment 2

Below is a description of the departments that were supported by the funds from the University.

**Development Operations** Development Operations provides the oversight of the fundraising activities of the organization including campaign planning, organization structure and responsibility for the groups listed below.

**Unit Development Officers** A unit development officer is assigned to a college, community college campus or other major unit of the UH system. The development officer works closely with the Dean, Director or senior administrator of the assigned unit, to plan and implement fundraising activities. The development officer helps highlight major activities which have fund raising appeal and coordinates communication and interactions between faculty and potential donors.

Typically a development officer actively manages a portfolio of 75-120 major gift prospects; identifies, cultivates and solicits prospective donors for major gifts of \$10,000 and above; meets annual and long-term campaign goals for the unit; participates actively and consistently in the Foundation's prospect management process; develops cooperative working relationships with faculty, staff, students, administrators and alumni in the unit; recruits, trains and manages faculty, staff and volunteers in major gift fundraising activities, and provides acknowledgement and recognition for their participation; and stewards current and past donors to the unit's programs, to insure ongoing involvement and increased giving.

**Annual Giving – Calling Center/Direct Mail** These activities include direct mail and telemarketing. There is a broad donor participation in these activities. The telemarketing function is supported by up to 30 UH students in the afternoons and evenings. The funds raised through these activities allow deans and chancellors to take advantage of a wide range of opportunities – bringing in visiting lecturers, sending a faculty member to conference, supporting student affinity groups or providing seed money to a promising program – where the opportunity would otherwise be lost.

**Scholarship Development** The Director identifies, cultivates, and solicits donors for annual and endowed scholarships and, working with the college, campus or

unit leadership, unit-based Development Officers and campus Financial Aid offices, administers the scholarship program and stewards scholarship donors.

**Foundation Relations, Corporate Relations** These employees focus on the solicitation of gifts from corporations and foundations. Opportunities are identified and proposals for specific programs or projects are developed and submitted.

**Planned Giving** This group is focused on gifts that will provide funds to the Foundation either currently for a term of years, or in the future as part of the distribution of an estate. There are many categories in this area – bequests, life income gifts (such as pooled income fund, charitable remainder trusts, charitable gift annuities), charitable lead trusts, gifts of residence or vacation home with retained life estate, and gifts from qualified retirement plans and life insurance.

**Development Research** This group supports the other fundraising departments by identifying new and potential prospects from a wide variety of available information. This includes using manual and electronic methods to research and prepare biographical profiles on prospective and current major gift donors; researching and preparing specific background research reports on various entities, companies, other organizations, alumni, etc.; and identifying potential major gift donor prospects for the president or senior executives to meet with when traveling to the mainland and other parts of the world.

Their activities also support special events - identifying guests based on specific themes or interests (e.g., conservation biology, film, music); researching and preparing one-paragraph bios on guests attending special events; and tracking follow-up activity on prospective and current major donor invitees and attendees of events.

Additional activities include alerting development officers of changes or corrections to major donor and prospect information including obituary, employment, and family information; and managing and maintaining the prospect management system including tracking the development officer contacts and current status with prospects.

**University of Hawaii Foundation**  
**Fiscal Year 2002-2003**  
**Utilization of Funds from University**  
(\$000)  
Attachment 3

<b>Agreement for Services</b>			
<b>Funds Received</b>			<b>\$1,750</b>
<b>Funds Expended</b>	<b>Payroll Costs</b>	<b>Student Costs</b>	<b>Total</b>
Development Operations	\$389		\$389
Unit Development Officers*	550		550
Annual Giving - Calling Ctr/Direct Mail	150	\$150	300
Scholarship Development	85		85
Foundation Relations	104		104
Corporate Relations	31		31
Planned Giving	133		133
Development Research	159		159
<b>Total Funds Expended</b>	<b>\$1,600</b>	<b>\$150</b>	<b>\$1,750</b>

The \$1,750,000 is based on the first quarter of the year at the old annual rate of \$1,000,000 and the next three quarters at the new annual rate of \$2,000,000.

The funds from the University were primarily used to pay for the salaries and benefits of fundraising employees. Additionally, the funds were used to pay for the payroll costs of students in the Foundation's fundraising call center.

- Excludes the 50% salaries and benefits for the Unit Development Officers which were separately reimbursed and reported on Attachment 4.

**University of Hawaii Foundation**  
**Fiscal Year 2002-2003**  
**Utilization of Funds from University**  
(\$000)  
Attachment 4

50% of Unit Development Officers Payroll Costs	
Funds Received	\$291
Funds Expended	\$291

These funds reflect 50% of the Unit Development Officers payroll costs for the period October 1, 2002 through June 30, 2003. At fiscal year end there were 14 Unit Development Officers positions filled and 3 vacancies. This amount is not included in the amounts shown on Attachment 3.

# University of Hawaii Foundation

## Alumni Relations

### Attachment 5

The Alumni Relations department (UHF AR) in partnership with the University of Hawaii Alumni Association (UHAA), is creating an alumni program that enhances and develops the relationship between UH alumni (system-wide) and their alma mater through:

- Educational programming
- Networking and reunion opportunities
- Electronic services
- Membership and affinity
- Promoting and enhancing the reputation of the University

Objectives	Actions
<p><b>Organizational Structure</b> Continue the implementation of the organizational structure within UHF AR in partnership with UHAA to execute Alumni programs, enhance board &amp; chapter services/relations, membership marketing and communications, and event planning.</p>	<ul style="list-style-type: none"> <li>• Recruitment and hiring of key UHF AR staff: Associate Vice President for Alumni Relations, Assistant Director for Membership and Marketing, Associate Director for Events, and Administrative Assistant.</li> <li>• UHF AR staff members are working with newly established UHAA committees to develop Alumni programming, events, membership, and marketing.</li> <li>• Joint budgets are being established.</li> <li>• UHF AR will develop global chapter relations, standards, and responsibilities.</li> </ul>
<p><b>Membership Marketing</b> Continue to build pride and connection with UH Alumni and friends through UHAA membership and active participation while increasing revenue and royalty programs</p>	<ul style="list-style-type: none"> <li>• Key prospective membership alumni audiences are being identified and targeted to receive membership campaign materials.</li> <li>• UHF AR will increase membership through ongoing work with UHAA chapters.</li> <li>• UHF AR and UHAA will jointly develop a visual identity (coordinated letterhead and marketing materials).</li> <li>• A streamlined dues structure and subsequent chapter distribution will be developed.</li> <li>• UHF AR and UHAA will develop marketing for the newly established benefits program.</li> <li>• UHF AR will investigate corporate benefits/membership.</li> <li>• UHF AR and UHAA are developing a membership calling campaign strategy to acquire and renew UHAA members.</li> </ul>
<p><b>Key infrastructure</b> Continue to develop and enhance a system-wide Alumni database, and reporting methods to further UHF AR and UHAA growth. Provide timely communication and services to all Alumni and friends.</p>	<ul style="list-style-type: none"> <li>• A steering committee comprised of UHF AR and UHAA Board Members is being established to restructure policies, set strategic directions, and implement tactics to attract alumni participation.</li> </ul>

<p><b>Key infrastructure</b> <i>continued.</i></p>	<ul style="list-style-type: none"> <li>• The Alumni Database is BSR Advance which contains over 160,000 records, 30,000 of which were converted in July 2003 (current and lapsed memberships).</li> <li>• Database reports are being created and refined to improve and track membership.</li> <li>• UHF AR Alumni locator and Alum-news email communications are responded to daily.</li> </ul>
<p><b>Alumni Programming</b>  Create new and enhance existing event/programming to expand outreach to alumni audiences on Oahu, Neighbor Islands, the U.S. mainland, and internationally. Develop targeted outreach to key Alumni constituencies.</p>	<p>Completed FY 2003: Two major mainland tailgaters, UHAA Lifemember Luncheon, Distinguished Alumni Awards, Golden Scholar Luncheon, Maui-Tim Chapter event.</p> <p>Planned FY 2004:</p> <ul style="list-style-type: none"> <li>• Educational Programs <ul style="list-style-type: none"> <li>- Promote existing UH educational programs</li> <li>- Use events to showcase UH research and teaching excellence.</li> <li>- Begin development of Alumni college and travel study program.</li> </ul> </li> <li>• Networking and reunion programs <ul style="list-style-type: none"> <li>- Develop and enhance the Golden Scholar event.</li> <li>- Develop system-wide communication between Alumni constituencies.</li> <li>- Support and develop student mentoring, professional development, and recruitment through Alumni chapters.</li> </ul> </li> <li>• Electronic Services <ul style="list-style-type: none"> <li>- Enhance UHF AR website.</li> <li>- Develop Online Alumni community and directory.</li> <li>- Offer lifetime UH email addresses.</li> <li>- Develop online event and membership registration and payment method.</li> </ul> </li> <li>• UH reputation enhancement <ul style="list-style-type: none"> <li>- Maintain and develop the Distinguished Alumni Awards and Dinner.</li> <li>• Develop method for distributing positive UH publicity to the Alumni community in a timely manner.</li> </ul> </li> <li>• Membership <ul style="list-style-type: none"> <li>• Enhance Lifemember lunch.</li> <li>• Develop positive corporate relationships.</li> <li>• Assist chapters to plan events and programs.</li> </ul> </li> </ul>



**University of Hawaii Foundation**  
**Fiscal Year 2002-2003**  
**Utilization of Funds from University**  
**Alumni Relations**  
(\$000)  
Attachment 6

<b>Funds Received</b>	<b>\$263</b>
<b>Funds Expended</b>	
Payroll	\$112
Program	20
Information Technology - outside vendors	21
Information Technology - internal resources	26
Furniture - expensed	11
Furniture - capitalized	12
<b>Total Funds Expended</b>	<b>\$202</b>
<b>Carryover</b>	<b>\$61</b>

On an annual basis the University will provide \$350,000 to support the Alumni Relations operations. The effective date of this support was October 1, 2002; consequently the funds received in fiscal year 2003 were three fourths of the annual amount.

The carryover will be maintained for the continued support of the Alumni Relations activities.