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A REVIEW OF PRIVATE FUND RAISING AT UTAH STATE UNIVERSITY
WITH RECOMMENDATIONS FOR INCREASED
PRIVATE FINANCIAL SUPPORT

by

Allen Leron Johnsen

Report No. 1 submitted in partial fulfillment
of the requirements for the degree

of

MASTER OF BUSINESS ADMINISTRATION

Plan B

UTAH STATE UNIVERSITY
Logan, Utah

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INTRODUCTION

Higher education was hardly over a period of tremendous expansion strain following World War II when it was faced with even more critical pressure caused by an exploding population, a larger percentage of people requiring a college education, and increased demands for services and research on the part of governments and business.

It is small wonder then that funding of higher education has multiplied in scope far beyond the modest appropriations of state legislatures and equally modest philanthropic support of pre-war years. The efforts to advance the understanding and support of educational programs have created whole new administrative departments in many institutions and expanded greatly the roles of the relatively few people involved in the activity prior to World War II. Public relations in colleges established itself as a management concept and alumni fund raising efforts broadened into total institutional development programs. However, in-depth analysis of the operation of such programs and the establishment of evaluative criteria were generally of secondary importance to getting the job done.

A dollar pinch is developing for higher education. The 1970's will bring larger studentbodies, greater demand for services and research, and continued rapidly rising costs. Competition for the education dollar will become acute. Budgets will be squeezed and all aspects of higher education will have to become more effective and efficient. The challenge to programs and personnel devoted to the furtherance of understanding and financial support will be equally as

great. Interpretation of the educational program will be increasingly difficult as institutions grow more complex and the public more sophisticated. Added demands are being placed on the tax dollar and education will find other agencies competing strongly for funds in the state houses and on Capitol Hill. Private wealth is still abundant, but greater breakthroughs in philanthropic motivation will have to be made if education is to obtain the required financing. Combined with the pressures just mentioned is the ever-present reality of rising costs. Just to stay even in the future the management of educational fund raising and public relations programs will have to be improved greatly in both efficiency and effectiveness (13).

After World War II Utah State University found its position similar to many other universities needing funds. To establish a position in the field USU entered organized fund raising by establishing the development fund in 1958. Prior to that time only research funds from governmental and private sources had been sought. As needs have generated more interest in private fund raising at Utah State, steps have been taken to expand the fund raising activities.

Objectives

The objectives of this study are: (a) to analyze the progress of fund raising at Utah State University to include the past organization, budget and results; (b) to compare the current organization, budget and operation to other similar-sized institutions using criteria established in a national study, and (c) to outline a comprehensive plan for increased fund raising activity in the future.

Methodology

Because of the situational nature of each educational fund raising management team, specific instances relating to Utah State's problems cannot be found in studying other institutions. However, gleaning from several case studies and observing the situation has made certain elements stand out which can be analyzed. The following procedure was used to gather the background information for this report:

1. A review of the available literature concerning development activity at state institutions of higher education in the United States was undertaken. This information came from the American College Public Relations Association and the American Alumni Council.

2. Additionally, personal observations of the fund raising activity at Utah State since 1964 from the vantage point of a staff member is considered. These observations provide background to interpret the situational nature of Utah State's problem in the development field.

3. Comparison is made of Utah State's results with parts of a study conducted by the University of Colorado to determine regional fund raising budgets, personnel, and production of private gifts.

BACKGROUND OF USU DEVELOPMENT FUND

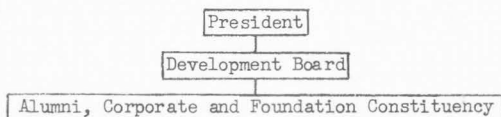
Organization

Until 1958 the fund raising effort at Utah State University was decentralized to each and any college or department of the school which wished to solicit funds. The athletic department, through the Quarterback Club, was the first organization to carry a program of \$5,000 or more of fund solicitation to a selected constituency. This started in 1951 when John Roning was named head football coach and director of athletics. From 1951 to 1959 between \$5,000 and \$10,000 was collected annually to support athletic scholarships. Since 1960 when John Ralston was hired as football coach, over \$20,000 per year has been donated by Quarterback Club members (6).

On October 11, 1958, the Board of Trustees of Utah State University established the development fund. This organization was established to:

. . . Obtain from alumni and former students of the university and from other interested persons, corporations or foundations voluntary contributions to the university, and to establish such by-laws and policies as are necessary to carry out the purpose of the fund. (8)

The development fund board is composed of sixteen members representing the board of trustees, the university administration, the alumni, the students, and the public at large. (See Appendix A, Articles of Incorporation.) The director of the development fund is appointed by the board of directors of the organization. He is the only professional staff member. Accordingly, he shall administer such a program as shall have been approved by the board of directors.

Organization chartFunctions and powers of the board of directors

The functions and powers of the board of directors of the development fund shall be: (a) to determine, at least annually, after consultation with the president of the university or with a university officer designated by him, and after consultation with the alumni council of the alumni association, the specific university projects for which gifts of money or property will be solicited; (b) to determine from time to time the methods of solicitation and publicity and to maintain the active interest of alumni and of the public in the development fund; (c) to elect and appoint such officers and committees and incur necessary expenses within its budget allowance as are needed for the proper accomplishment of its purpose; (d) to coordinate all university efforts relating to the development fund, and (e) the board of directors will meet at least once a year, or as often as necessary to decide policies and perform necessary administrative functions (Ibid., p. 5).

Director of the development fund

The director of the development fund shall prepare annually for consideration of the board of directors a proposed program for the fund and shall administer such a program as shall have been approved by the board of directors. He shall be allowed such stenographic, clerical and other assistance as approved by the board of directors and shall assist as secretary of the board of directors of the development fund (Ibid., p. 6).

Budget

When the development fund was organized a separate budget was not established. The working budget of the development fund was included as part of the operating budget of the director of information services. He served as alumni secretary as well. Approximately \$1000 was spent as operating money for the development fund the first year (9). This money was used for special publications and mailings to the alumni. The director's salary was paid by the university for his services performed as both alumni secretary and director of information services. The same arrangement existed for secretarial help. The development fund directorship was on a part-time basis during this time.

In 1960 a fulltime executive secretary of the alumni was hired. He was also assigned as director of the development fund which responsibility was transferred from the director of information services. His operating budget came from the alumni association with participation of the university to the extent of \$2500 for the years 1960-61-62-63. The director's salary at this time was paid by the alumni association for his duties performed as executive secretary. A part-time position as director of the development fund still resulted with the added incompatibility of having to greet people at social functions and chapter meetings as executive secretary of alumni and yet try at the same time to talk about fund requests (3).

When the first fulltime director of the development fund assumed responsibility for the fund's operation in March, 1964, the budget was derived from three sources. Fifty percent came from the university, 20 percent came from the alumni association, and 30 percent was

self-generating, that is from unrestricted funds received through the development fund from private donors.

The budget grew as more travel was used, as a greater number of publications were printed and additional fund raising programs were implemented. Table 1 shows the past budgets from 1964-65 to 1966-67.

Table 1. Development fund budget 1958-68*

	Operating	Salaries	Staff
1958-60	\$1,000	Salaries paid for performance of other duties	2
1961-63	2,500	Salaries paid for performance of other duties	2
1964-65	4,238	\$10,136	2
1965-66	6,145	11,555	2
1966-67	6,215	12,385	2
1967-68	6,200	13,900	2
1968-69	7,200	14,500	2

*Development fund records

From 1958 through 1960 as indicated above approximately \$1000 was used as operating expenses, and salaries were absorbed by other areas of the university for services performed by the two staff members. From 1961-63 the operating budget increased to \$2500 and salaries were also paid for the performance of other duties. In 1964 the first full-time development fund director was hired and the salaries were then indicated for both the secretary and the director. Some increase occurred in the operating budget through the years. The salaries have also increased slightly.

Table 2 shows the private gifts received by the university from all sources by years from 1958 to 1969. Of course, millions of dollars are not included in this figure for research grants which were received from private sources during the same period. Also, it will be noticed that deferred gifts have been excluded from the total. An increase of annual current use gifts to a maximum of \$32,348 during 1964 illustrates the emphasis that needs to be placed on each of the areas of annual giving, deferred giving, and corporate giving. During 1964 and 1965 the development fund spent a good share of time trying to start the annual giving program of the alumni and the results can be partially measured in the increase of the annual current use gifts for that year and later.

The athletic contributions have been the result, as mentioned, of the effective volunteer organization led primarily by the football and basketball coaches and the director of athletics. This volunteer organization known as the Quarterback Club has largely been responsible for the success and the growth of the athletic donations. It will be noted that before 1961 the results were not as dramatic as after 1961. In 1961, a very enthusiastic coach started a public relations and involvement program and initiated many of the ideas of private support for athletics at Utah State.

The funded gifts show the most increase and a pioneer effort was made in this area by one of the officers of the development fund who, incidently, established one of the first trusts with over \$125,000 in 1965. In 1966 and 1967 additional funded gifts were received, the income from which will be used to advance the ideas and interests of the donors. Finally, the deferred gift value, which, by the way, is not included in the total, represents those private sources of income which accrue sometime in the future. These gifts have been made in

Table 2. Utah State University private gifts from all sources 1958-1967 excluding research grants

Year Ending June 30	Annual Current Use Gifts	Athletics	Scholarships	Funded Gifts	Deferred Gifts Value*	Total
1958-59	\$10,804	\$ 5,748	\$36,559	\$ 4,370		\$ 57,481
1959-60	5,278	9,447	56,296			71,021
1960-61	10,897	12,981	55,047	4,051		82,976
1961-62	18,419	15,772	64,493	12,320		111,004
1962-63	9,160	21,710	62,731			93,601
1963-64	29,765	27,038	77,201	14,207	\$25,000 Neeley	134,004
1964-65	32,348	28,420	78,420	5,146	10,000 Mitchell	144,334
1965-66	19,691	35,132	50,786	137,386	12,500 Caine	242,995
1966-67	30,887	28,240	55,423	143,938	5,000 Skeen	258,488
1967-68	98,128	27,764	53,666	15,200	40,000 Peterson	194,758

*Not included in total.

(6)

the form of trusts, or as bequests in wills, and are not now consumed. It will be a matter of time before the university reaps benefits of these gifts.

Capital gifts are not represented on this table since it has not been the policy of the administration or the board of trustees, up to 1969, to encourage gifts for capital purposes. Most of the capital funds have come from the state legislature and the federal government or as overhead items in research projects.

Through the courtesy of the University of Colorado the comparative figures of some selected development programs of other state and private institutions were obtained and are given on Table 3.

By comparing the statistics presented in Table 3 it is seen that in most cases the institutions which invest most in budget support of their development operations reap the largest number of dollars. Of course each institution is different and has its own strong and weak points, but it does follow that investing money in an income-producing activity will increase the results up to a certain point.

As a point of observation on Table 3, it is interesting that one institution in the state of Utah allocates \$211,000 for development, while the other state university manages only \$21,700 when enrollment and alumni at one are only double the other.

Using the criteria established in a 1968 report sponsored by the American College Public Relations Association which divides expenditures by total fund income, the University of Utah would score \$.10 and Utah State \$.09 in 1967. In other words, for each dollar raised it cost \$.10 and \$.09, respectively. Table 4 shows Utah State's score for the years 1964 through 1968.

Table 3. Development fund-raising budgets and private income comparison of selected universities in the United States - 1967

School	Organi- zation ¹	Operating Budget	Source ²	Total Budget	Income An- nual Giving	Income All Other	Donors An- nual Giving	Donors All Other
Carnegie Univ.	2	\$179,000	A	\$255,000	\$ 500,000	\$8,000,000	8,500	100
Colorado Univ.	2	28,385	B	69,829	665,409	2,678,064	11,984	130
Dartmouth College	2	121,000	A	325,000	2,100,000	6,200,000	23,000	3,000
Denver Univ.	2	50,000	A	200,000	193,648 ³	1,152,012	4,491	NA
Iowa State	3	58,427	B	83,927	329,986	145,120	7,988	NA
Indiana Univ.	1	81,250	C	250,932	1,266,182	652,070	15,372	2,000
Kansas St. Univ.	1	35,150	B	69,650	161,000	430,000	NA	NA
Kansas Univ.	1	63,084	C	180,541	522,780	2,448,080	14,000	1,206
Michigan Univ.	2	100,000	B	280,000	1,250,000	NA	30,000	NA
Ohio St. Univ.	2	82,000	A	223,000	2,860,772	NA	33,169	NA
Oklahoma St. Univ.	1	45,155	B	87,310	192,382	318,657	2,669	1,348
Penn. St. Univ.	2	56,000	A	167,000	300,000	457,000	10,500	600
Utah St. Univ.	1	7,300	B	21,700	30,887	227,203	950	NA
Utah Univ.	2	100,000	A	211,418	100,000	1,900,000	NA	NA
Wisconsin Univ.	1	47,500	C	105,000	549,340	837,094	10,050	11,950

¹(Organization) 1 = separate from university, 2 = department of university, 3 = combination of 1 and 2

²(Source of funding) A = university, B = partially university, C = private

³Figure given is for 1966.

(11)

Table 4. Amount spent for fund raising through USU development fund with results and score 1964-68

Year	Budget	Amount Raised	Score
1963-64	\$12,000	\$134,004	.08
1964-65	14,300	144,334	.10
1965-66	14,600	242,995	.06
1966-67	18,600	258,480	.08
1967-68	21,900	194,758	.11

(6)

Other institutions reporting on the Colorado University study which are of similar size and classification as Utah State are:

	<u>Score on Table 3</u>
Kansas State	\$.12
Iowa State	.18
Oklahoma State	.16
Penn. State	.22

From the above comparisons it would seem logical to invest more money in fund raising at Utah State University to most wisely use the operating dollars to generate more private funds. This would be applicable until money invested approached 15 to 20 percent of that raised. A higher expenditure than this would probably irritate potential donors with excessive demands beyond their financial resources. This would occur if the limited number of constituents were asked to give for several different programs each year.

SITUATIONAL NATURE OF UTAH STATE FUND RAISING

Society in Which Fund Raising is Attempted

The society and locality in which Utah State University's development activities are for the most part carried out, present some unique problems in their own right. A profile of the society reveals a church oriented philanthropic interest and a predominance of conservative family-tied organizational units where one generation endeavors to pass everything of worldly wealth to the next. The net result of this is heavy estate taxes in many cases. Most philanthropic giving is geared to the predominant church or against it, toward competitive religious denominations.

To make matters even more critical, there is not an abundance of personal or industrial financial wealth in the immediate area or state. Industrial centers are located outside the intermountain region. Most of the potential capital is found in these metropolitan industrial centers on either coast or the Midwest. In fact, Utah State's largest alumni donors are located in these centers. An article in Changing Markets (October, 1967) indicated that the metropolitan centers contain more than 70 percent of the population and generate 90 percent of the wealth. This condition points to the importance of Utah State's implementing a complete and aggressive development program concept so that fund raising can be engaged in for meaningful results in these distant centers as well as at home.

The Alumni

The graduates of an institution have great impact on the fund-raising efforts as explained earlier. The ability of the alumni of an institution to give to private fund-raising appeals has a significant impact on the goals and objectives and methods of procedure in raising funds. The institutions which have professional schools such as medicine, law, huge graduate schools, etc., realize larger gifts from their alumni because the potential is greater.

In 1968, Utah State's graduates number 29,782 with 25,957 undergraduate degrees and 3,825 advanced, most of which are in non-professional fields (1). The age and financial maturity of the alumni body also enters as a prime factor in the potential of fund raising. Over half of Utah State's graduates, that is those receiving degrees since the institution started granting degrees in 1894, have received their degrees since 1956. This makes their average age 30 or less, assuming the average age at graduation is 23 (4). Also, graduates for the most part, unfortunately, leave the institution with no particular care for its future well-being save for an occasional cheer at a successful athletic endeavor or the enjoyment of a get-together to renew personal friendships. But Utah State shares this problem with almost every public institution and this must be overcome through an educational process while the students are on campus.

Utah State is also a public educational institution. Such institutions are what is termed "opportunistic" centers of education. Students come because it is inexpensive, is close by and a good place to get a higher education. The private institutions are termed "inevitable" centers by comparison. Many students who are accepted into the large

private schools have been indoctrinated early in life to seek financial achievement and fulfill a family tradition of giving financial help to one's college. To this class, educational philanthropy is one of the significant accomplishments one can attain. The contrast is obvious and the results are just as contrasting.

It is interesting to note, however, that large private schools have poorer results in their collection of private dollars from their alumni in the intermountain area, where the society profiled earlier predominates, than in any other place in the nation. This substantiates the observation that the society in the intermountain area as a total population is placing other charities and goals ahead of the private support of education. This must be taken into consideration in formulating fund-raising expectations and the public relations program which supports it.

ELEMENTS OF SUCCESSFUL FUND RAISING

In the following section of this report a basic explanation of educational fund raising is presented. This is taken from a review of the literature to establish the base from which recommendations can be made for the specific problems confronting Utah State University.

Educational Fund Raising

As it is known, modern organized fund raising developed in the second decade of this century. Two young and imaginative YMCA secretaries, Lyman Pierce and Charles Ward, found that organized teams of individual solicitors armed with instructions and calling personally on assigned individual prospects, carefully selected, studied and listed in advance of their calls, were much more successful than hit-or-miss unorganized "beggings" (12).

As a subdivision of organized fund raising educational fund raising has three classifications of support where private money has traditionally been raised in the past. These three areas comprise the tripod of support which the Utah State University development fund is seeking. First is a consistent annual gift program from all elements of the constituency. This is usually called annual giving; in other words, a gift which is made on a yearly basis for operational expenses, scholarships, etc. These funds are usually expended during the current year or the year following.

The second leg comprises capital gifts for the funding of buildings, special equipment, and endowments. Capital funds are used to

purchase securities, buildings, and equipment. Most of the bigger gifts are capital gifts.

The third leg is made up of the postponed gift in which a gift accrues to the university at sometime in the future, making provision for the income to go to the donor during his life. This program encourages individuals to give gifts by bequests through their wills or testamentary trusts. This area requires considerable coordination with the client's lawyers and tax advisers and gets quite involved. This field is commonly called deferred giving. It can be very productive (14, p. 133).

Annual giving, capital funds, and deferred giving provide the framework of a development organization in higher education. Each institution, of course, must adapt and emphasize the parts of this program which the institution considers most promising and can afford.

Conditions for Fund Raising

Authorities in the fund raising field tell us that to have a successful private fund raising program at an educational institution some essential conditions for fund raising must be met.

The prime condition is an effective public relations and alumni relations program. No fund raising program can assume the responsibility of converting the hostile and stimulating the indifferent as a basic obligation although it may help to do both these things incidentally. Essentially, generous financial support comes from an atmosphere of interested good will, confidence in the administration of the institution, and an honest sense of obligation. These are not qualities which can be turned on and off, they represent long time building. If they are lacking, no amount of fund raising ingenuity can produce results (7).

In fund raising circles there is an axiom which goes something like this: "You cannot turn the spigot until you have sunk the well." Another one is: "You don't make a pickle out of a cucumber by sprinkling it with vinegar." This summarizes the importance of cultivating prospects before asking for gifts, "out of the blue," so to speak. This need for a favorable climate obviously is as important to the institution which goes to a state legislature for its funds as to one which can select its potential donors. Tax supported schools are compelled to stage concentrated campaigns more often than private institutions, in this sense, but most of them have long since realized that campaigns represent only the harvesting process; the real work is done over a long period of years, when the legislature is in recess as much as when it meets.

Manpower

Successful fund raising requires manpower other than a development staff. The president of the institution must be directly associated as the chief fund raiser. He must be prepared to use his presence and his influence where he will be most effective and in the ways which put his talent to best use. Of course, this does not mean he has to run the program. It means that he must be engaged in the fund raising program and lend it top administrative priority if it is to be effective (Ibid., p. 12).

Some of the most effective ways a board of trustees can help raise funds is through the instructions they can provide the development office along with their own private gifts. In addition, their part in manpower allocation is timely cultivation and solicitation contacts made outside the university family with prospective donors.

Another group found in the university family which can be used effectively in fund raising is the faculty. It is common knowledge that private donors give to people, not necessarily to causes. Many gifts have resulted from the cultivation faculty members have done in behalf of a project. By identifying a faculty member's name and personality the prospective donor has a person-to-person contact.

As far as numbers go, alumni will probably produce the most manpower in the volunteer organizational units located in the field. Alumni can perform a significant service for their school by soliciting gifts, cultivating prospects, and obtaining information which can be used for research in determining potential donors. They can also lend an important hand in suggesting the amount which should be sought in the solicitation. Being able to call on alumni and have them respond, of course, ties back into one of our prerequisites for a good fund raising program which is: to have a well-informed alumni group. Active alumni engaged in worthwhile projects require adequate staff support and clearly defined objectives. It follows that these objectives should be complementary to the university's long range goals. This entails an aggressive public relations staff and contact office selling the plans and wares of the university, both verbally and in print.

Public Relations

The relations a university has with its public determines to a great extent the results achieved in securing legislative funds, new students, volunteer workers and private funds.

Edward L. Bernays, one of the founders of professional public relations counsel, suggests that the public relations thought developed because people wanted to be understood--understood as an intricate

system of group relationships. Further, successful public relations today directs trends, causes discussions, initiates movements and inspires reactions. He also says that public relations embraces three concepts: (a) information given to the public, (b) persuasion directed at the public to modify attitudes and actions, and (c) efforts to integrate attitudes and actions of an institution with its publics and of publics with that institution (5).

Cultivation

The term cultivation as used in fund raising means "nurturing" and is the necessary prerequisite to solicitation of funds. By cultivating an individual it is possible to get a much larger gift than could be gotten by going and "begging" for a smaller amount. What share of a university project the donor will bear is determined by cultivation. Cultivating means involvement of the individual in the on-going programs of the university.

Mr. Harold J. Seymour states about cultivation:

Involvement, most of the old pros like to say, is more important than information; for information, alas, can be ignored. Involvement is universal and starts early. It begins, as Professor Bruner of Harvard found in experiments with babies only fifteen months old, with movement toward the object--no movement, no interest. And what it means is that all people start committing themselves to personal identification at the moment they make a move that expresses open interest or desire. That, we may be sure, is why the tent evangelist always wants the convert to come forward.

And don't be overawed. Involvement can be big stuff, but it can and should be simple too. For just as I have always felt that the best public relations are the aggregate of many tremendous trifles, so it is that personal identification can be sought and won by the persistent application of procedures like this:

- Seek their advice or opinion.
- Promote meaningful visitation.
- Ask them to join something.
- Quote them, with adequate visibility.

Ask them to make a speech
Seek their testimony.
Use their names.
Take their pictures.
Send advance proofs.
Simplest of all, perhaps, ask them to do something for you. At any rate, be thinking about the process as the most dependable way to develop advocacy and support at the maximum level, preferably all the time but in the pre-campaign period. (14, p. 41)

Solicitation

One of the facts of life to deal with in fund raising is that 15 to 20 percent of the people give 80 to 85 percent of the money in most any sort of campaign. This being true the seeking of major gifts ought to command the most amount of time in solicitation. The thing which is most important in solicitation itself is to find the right person to do each job and see that the job is done. The idea is to do an effective job of selling, never forgetting to ask for the contribution. This seems to be a strange thing to say, but it is a common failure to discuss everything but topic number one in asking for funds. No matter how well you plan and execute the cultivation, public relations, involvement, and other functions of the fund raising business, if the solicitation is not carried out properly you are bound for failure.

In stating who should make the solicitation, it will fall, of course, on those who are responsible for administering the gifts of the university to do the majority of the major solicitation. Anyone who is going to invest a large sum of money in a school or college prefers and has a right to discuss his gift with the person who will administer its use. A major gift prospect should receive all the basic printed material which includes the case book or the case statement in written form. In addition, he should have handed him a special

presentation prepared for him, and of course the call should never be made without a previously arranged appointment. A luncheon or dinner interview is best in many cases.

The best gift is given with equal enthusiasm by both husband and wife. Men seldom repeat an outlay of money disapproved by their wives and a wife not contented is a wife in opposition. The proposal should be made orally and for the purpose of getting the prospect to read the written proposal; he should be given time to think before someone returns to collect the actual gift. If he makes a gift on the spot it may not be as large as it could have been if he were properly introduced to the problem, and to the anticipated share the university wanted him to finance. The written proposal which is left with him should be complete but very brief. It should spell out meticulously the facts of why the school deserves support, why it needs it, and how Mr. Prospect can solve the problem. It should ask for a very specific gift of a very specific size. Unless the soliciting team is sure of his burning desire to give to one special aspect of need, it is better to offer him two or three alternatives. An essential of the major gift solicitation is the follow-up. The gift must be acknowledged immediately in writing and some form suitable to the Internal Revenue Service. Any gift over \$200 which is given as a gift-in-kind must be documented by a certificate of gift-in-kind. The verification serves as a receipt. A regular receipt is sufficient for actual cash donated. He should be thanked for what it will do for the school and not for the amount of money involved, though this must appear somewhere. Let him know that it meets the immediate need but do not create the impression that he has done his duty once and for all.

To summarize the solicitation, it seems that the prospect should be thoroughly informed about the school before any solicitation is made. Proper cultivation should have occurred to bring the plans, needs and solutions into perspective for the prospect. The school should be informed about the prospect as well so that the right person or persons may be assigned to call on him under the best possible conditions. A personal gift proposal must be prepared with his name on it and left with him. An appointment must be made at a time when he is at ease at a place where he likes to be and he must be forewarned of the purpose of the interview.

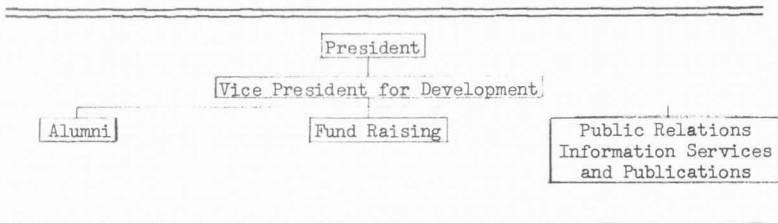
Major gifts are the result of giving someone something of value, taking them into confidence of the university and the administration, being considerate of them, and eventually sitting down next to them and asking for financial help for solving the problems (7, p. 18-21).

PROPOSED PLAN FOR ACCELERATED FUND RAISING
ACTIVITY AT UTAH STATE UNIVERSITY

Organization

In the study made in 1968 by the American College Public Relations Association (ACPRA), ten of the nineteen responding state institutions had a single manager responsible for fund raising, public relations, and alumni relations. Graphically it would be as follows:

Table 5. Organization chart with vice president for development coordinating all public contact programs

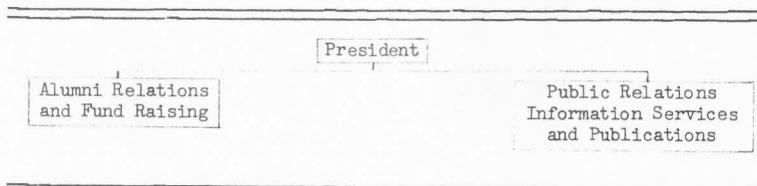


Five of the nineteen combined alumni and fund raising under one manager with public relations reporting directly to the president as shown in Table 6.

It was indicated in the study that a strong tendency exists toward centralizing the various advancement program activities under a single manager who reports directly to the president.

It is recommended that Utah State be organized with one manager coordinating the public contact activities as outlined in Table 5. By

Table 6. Organization chart with officers reporting directly to president of institution



so doing the manager or vice president, as the executive for private fund raising and public relations, could meet and work daily with the president. He could help interpret the public pulse and inject this interpretation into university planning more readily than is possible under a decentralized plan as outlined in Table 6.

Of course, the manager must have the directors who could carry the load and work directly with annual giving, corporations, foundations and deferred giving programs under his coordination. He must also tie the alumni relations program into the advanced effort. As an individual his thorough understanding of fund raising, alumni, public relations and publicity and direct involvement in them is a must. With this understanding the expenditure of funds in the diverse yet associated activities would be more efficiently used. Under the decentralized organization many activities are run parallel unbeknown to the participants in each field, inefficiently using up the limited funds.

One example of this occurs in traveling which is an expensive part of the operating budget. By advance scheduling, trips to various areas of the state and nation could serve more than one activity associated with university relations work. Also, the development of promotional materials could be enhanced by getting multi-use of art work,

color separations and the like. More important would be timing and priority of supportive work in each area which could be scheduled most effectively using the recommended organizational structure.

Budget

Table 7 in the Colorado University study shows the size of staff and expenditures of the same institutions used in comparing costs and results in Table 3. This information also corresponds favorably with the ACPRA study used in establishing the criteria for comparison earlier in this report with regard to salary schedules. Using these guidelines Utah State University can expect to expend for the fund raising operation suggested about \$125,000 annually when fully implemented in 1974-75.

Of the amount spent, \$55,000 would be for four professional staff members, \$20,000 for six clerical and secretarial positions. An operating budget of \$50,000 would be needed to support the travel, publications, and office functions. In addition, at least seven offices would have to be made available by the university to house the organization.

Projections

One staff person devoting full time to corporate solicitation in the intermountain region should be able to average \$50,000 a year from local, state, and national corporations for unrestricted use. A deferred gifts staff member should be able to secure about \$200,000 a year in wills and trusts. Since some of these are already on the books, income will accrue at about the same rate as deferred gifts are signed up. Foundation solicitation will fluctuate from year to year, but should average around \$250,000. As we gain more recognition in our stronger

Table 7. Development fund raising budgets and private income comparisons of selected universities in the United States 1967

School	Staff - Nos.		Staff Prof.	Budget Cler.	Dir.	Function Staff ¹						Function Clerical ¹						
	Type	Prof. - Cler.				A	D	C	F	ST	O	A	D	C	F	ST	O	
Carnegie Univ.	Pri.	4	6	\$ 52,000	\$24,000	1	1	1	1				2	1	2	1		
Colorado Univ.	Pub.	2	4	20,500	20,944	1	1											
Dartmouth College	Pri.	10	19	125,000	79,000	1	4	1	2			2	10	1	1			7
Denver Univ.	Pri.	8	16	90,000	60,000	1	1	2	1	1		3	1	1	1	1	1	11
Iowa St. Univ.	Pub.	1	3	13,600	11,900	1	1						3					
Indiana Univ.	Pub.	8	25	99,700	69,982	1	5	2			2		25					
Kansas St. Univ.	Pub.	2	3	23,000	11,500	1	1						3					
Kansas Univ.	Pub.	7	11	68,813	48,634	1	1½	½			4		2	1				8
Michigan Univ.	Pub.	11	14	120,000	60,000	1	11	1	1	1	5		5	1	1	1		6
Ohio State Univ.	Pub.	5	13	61,900	79,000	1	2	1	1				2					11
Oklahoma St. Univ.	Pub.	2	5½	28,300	13,855	1	1						5½					
Penn. St. Univ.	Pub.	6	12	66,000	45,000	1	2	1	1		1		2					10
Utah State Univ.	Pub.	1	1	11,000	3,700	1							½	½				
Utah Univ.	Pub.	7	9	76,300	35,318	1	4	½	1	½		1	5	1	1			1
Wisconsin Univ.	Pub.	3	5	40,000	17,500	1	1					1	4					1

¹Symbols: Prof. = Professional; O = Other; Cler. = Clerical; A = Annual Giving; D = Deferred Giving; ST = Student Giving; C = Corporate Giving; F = Foundation Giving

(11)

disciplines additional foundation support will be forthcoming. The University of Utah gets about half its support from foundations.

Table 8. Development fund projected budget, staff and facilities 1969-75

Year	Operating	Salaries	Total	No. of Staff		Facilities
				Prof.	Clerical	
1968-69	\$20,000	\$24,000	\$ 44,000	2	1	2 offices
1970-71	20,000	30,000	50,000	2	3	4 offices
1971-72	40,000	62,000	102,000	4	6	7 offices
1972-73	45,000	66,000	111,000	4	6	7 offices
1974-75	50,000	75,000	125,000	4	6	7 offices

The annual giving program should attain about \$40,000 per year. Growth here will be dependent upon alumni cultivation and support. This shows the need for coordination. This total with those funds which are now more or less established on a yearly basis amounting to \$200,000 for scholarship funds from interested individuals and groups would put Utah State University private gift sector at close to \$750,000 per year. These estimates are conservative but are realistic, taking into consideration the society in which we are working and the lack of private dollars for educational philanthropy. In addition, periodic capital fund drives like the one for the new business building for \$300,000 could be implemented. On this basis our score would be \$.16 to \$.17, using the criteria established earlier.

Public Relations Analysis and Recommendations

Public relations activities at Utah State University need a re-orientation: (a) to accomplish attitude changes, (b) for a closer working relationship with the university's various constituencies, and (c) to help prepare the way for fund raising. Now, it seems we bestow upon the constituency just enough information to keep the communication channel open, but not enough to really influence a change in attitude or opinion. We bristle up at any backward flow of criticism or suggestion because we lack a progressive outlined course to follow in our public relations program. Consequently, we find a situation locally where many townspeople reject the university because they do not understand academic life, teaching loads and higher educational problems in general. With this, sharp-shooting university personnel respond negatively to the downtown criticism without trying to reach an understanding or compromise. Consequently, our private financial support locally is far below what it should be.

Unfortunately, beyond the circulation of The Herald Journal, Utah State alumni and friends are uninformed. The only consistent news received from alma mater by this group is the sports events on television and occasional sports news articles in regional newspapers. In personal conversations with folks living outside the state an indication is continually made to let them know what is going on. Only recently has the alumni newsletter gone to all graduates and university friends to provide any official publication of sorts. Until this contact, the only direct contact our constituency had with the university was the requests for funds made from the development fund each year along with

the university magazine circulated only to active members of the Alumni Association who number about 6000.

Over 100,000 individuals have enrolled at Utah State over the years (1). If this entire group could be contacted, think of the giving potential. It is therefore recommended that a continuing effort be made to find and include as many former students as possible. This group affords a golden opportunity for beginning a positive public relations operation. Moreover, these former students, exposed to a dynamic program of personal contact through off-campus programs, alumni functions, and development meetings, coordinated by one manager, would begin to contribute. Other institutions, like Ohio State, Texas A & M, and Oregon, have substantiated this fact. They average 50 percent participation in annual giving. This makes an excellent unrestricted fund to work with in the development of their campuses (2).

A progressive attitude changing the public relations program at Utah State must be preceded, however, by the development, refinement, and publication of a long range plan for the university. Without this statement as a foundation a public relations program cannot be built and turned into a dynamic force.

The agriculture image Utah State has is the result of people-to-people contact by the extension personnel within the state and region. This is the best kind of public exposure. A good public relations program will capitalize on this favorable climate and bring a like awareness to the public of our other areas of distinction in engineering, science, ecology, and graduate work, to mention a few.

Added coverage in the news media can be secured if feature articles involving the interesting people on campus are expertly written and submitted well in advance of publication deadlines. In

addition, local and regional newspapers almost always print coverage of hometown students away at college. By coordinating with the press the public appearances of the university president, the alumni chapter meetings, the high school relations program or other university speakers in the outlying areas, effective coverage of the general purposes of Utah State could be achieved.

Along with this the president must actively seek opinions in the public relations program to make the communication complete. He must be prepared to defend the course he has chosen for development of the university. No-host breakfasts provide the kind of grass roots contact where opinions can be shared. If we call people together only to make a pitch about fund requests, as we have in the past, exchange and sharing is lost. There should be sessions when opinion only is sought and where forthcoming decisions are discussed openly. This all points again to involvement, cultivation and support through "friend-raising."

Even students can beneficially expend their energies in public relations activities. Every visitor who comes on campus should see and hear the Utah State story in some form. All guests should enjoy our beautiful campus--realize our goals and be given a little inexpensive memento of their visit. A handsome small package of university cheese is suggested.

Students could staff a complete hospitality center and benefit greatly from the experience if the university administration would take the lead in documenting the need and feasibility of such a plan. A narrated slide presentation made for only a few dollars could be shown to thousands of people on and off campus during a school year. It could be updated periodically and hold the interest of all ages. This would be one tool the students could use effectively and immediately.

It is suggested that a mobile home be converted to an information van to be taken to county and state fairs in the state displaying dioramas telling about Utah State with supportive literature to be handed to all interested persons. The van could be equipped to show films and tell the story of USU to the citizens of the state attending such functions. Knowledgeable students trained in public relations could man such a van at public gatherings where such displays are in order.

In the off season the van could become a visitor center near the entrance to the campus. It could be manned by the hospitality committee referred to earlier.

Expanding the university relations concept, personal invitations to university functions by the president must also be more effectively used. Many times in the past the university president's complimentary seats at special activities have been filled with his personal staff or no one at all and people notice this, not understanding or liking what they see. The complimentary tickets reserved for public relations use must receive constant attention and use by the chief executive.

One set of tickets can get a lot of public relations mileage. Sometimes five or six distantly located constituents can be personally invited by telephone before the tickets are obligated. The importance of the president offering this courtesy is very great and has tremendous cultivation impact. During a year's time literally all important constituents could be invited to some special event using this approach and a few choice seats.

All of these activities are done to show the fellowship the university wants to extend to its friends. The officers and leaders of the institution must set the example in this very delicate

courtship of the university and its publics. By so doing a positive attitude will filter to all levels of the university and provide a positive relations with our public.

Some chronological scheme needs to be worked out to enable individual focusing on the many and diverse programs of the university. The timing should coincide with the natural seasons as much as possible. On campus programs and activities must be scheduled to accomplish this kind of target merchandising. For example, a good time to feature agriculture would be the week preceding the annual rodeo in the spring. This week could include the state Future Farmers of America, produce, crops and livestock judging contests. In addition, features about research being conducted in agriculture and special service that has been rendered to the industry by the professional staff could be highlighted. Stories about students majoring in agriculture could be spotlighted in their hometown newspapers during this week of emphasis. This could be done for each college and the larger departments as a preplanned annual exposure of the way things really are at Utah State.

To complete the circle of communication, the advisory council members for the respective colleges could be asked to speak and take part in seminars during the highlight periods. Their input to the various classes could be very interesting, enlightening and challenging.

To educate the student while on campus, some well thought out plans for student involvement after graduation need to be implemented. Alumni plans and purposes need to be reviewed in this light. The Student Life's complete saturation of the studentbody and staff affords a good opportunity to educate the students, yet this media is used only to inform. Never it seems does an attitude get treatment from responsible administrators. A column about successful alumni, their feelings about

Utah State, and their endorsement of higher education should become a part of the student newspaper.

If effective public relations can change attitudes we should begin to encourage better alumni activity and instill a resolve to help perpetuate the alma mater while potential alumni are still students.

Our professional staff connections with the press, the television studios and other interested communications channels must continue to be professional. Spelled-out lines of authority in news releases and the actions to be taken in emergency situations must be understood by all. Some unfortunate relations have resulted from trying to modify and control non-routine situations which have occurred on campus.

Finally, a hospitality fund for the proper entertainment of official university guests needs to be established. Many staff members are personally getting stuck with dinner checks which should be covered by such a hospitality fund when they host visiting university guests. If the university could absorb the development budget in its entirety--paying for it out of state funds--several dollars would be available to support such a fund from unrestricted funds currently used to augment the development fund budget. State money would not then be used for such expenditures as travel and food for guests. The University of Utah is currently doing this.

By incorporating the ideas just outlined and getting campus-wide cooperation, it is possible for Utah State University to be more readily accepted by the faculty, students, prospective donors and the public in general. Implementation of these concepts will require leadership, adequate staff, and a great deal of energy. Without such a program a lack of understanding of purpose will continue to exist externally and internally at USU. Our weakness in communications is real.

Its solution is complex. Yet it is the beginning point of acceptance and eventual support for an array of programs sponsored by the university. It is the duty of the university relations division to plan and implement effective communications under the leadership of the vice president for development and the president.

Cultivation

Public relations evolves into cultivation activities. Here we isolate individuals and involve them in activities to gain their interest.

In suggesting ways in which cultivation could occur on the Utah State University campus, it is recommended that each college have an advisory council composed of individuals who have financial means and also have talent to evaluate programs of the college. They become a board of directors, as it were, to the college they are advising. Periodically they could be called together by the dean where problems could be presented to them. Brainstorming sessions could glean from them individual approaches to the problems. This information then could be taken into consideration in future planning by the leadership of the respective colleges. If the advanced planning happens to incorporate some of the ideas of the advisory council, it follows that the council would also help solve the financial problems which were isolated in the problem solving sessions. With this activity the cultivation process would be under way with an important group of friends in each college interest. Faculty members could be assigned to keep alive interests of these people and others interested in specific projects they may be working on. This type of attention is cultivation in its best form.

A president's letter, designed to illuminate controversial and delicate issues, is an important cultivation tool. If prospective and active donors are brought into the confidence of the chief administrator in this manner results will be forthcoming in more and larger gifts. People like to be shown attention from the number one man. Occasional courtesy tickets to functions, special invitations to areas of their interest by the president, as mentioned earlier, also creates the desired rapport. When approached after such courtesies, solicitation will be much more productive.

Utah State University has been extremely lax in any kind of organized cultivation program. Up until the very recent past no priority list of important people or individual private donors was kept except for the legislators and the elected representatives in the counties and cities of the state. Now a file exists of well over a thousand individuals and corporations who should be receiving special attention from the university in their particular areas of interest. From this pool of individuals and corporations the advisory councils for each college could be selected. They, in turn, could help outline the other private sources and corporations which may be interested in privately supporting the programs which are carried on at the university. This is the intent of the college advisory council. Centralized administrative direction will be needed to implement this concept. This is another excellent reason for having one manager in charge of all public contact activities.

On-Campus Fund Raising Seminar

To get the effective participation of several on-campus personnel it would be beneficial to have a seminar on fund raising for the university officers and faculty. This should be conducted as evening

dinner meetings so there would be no conflict with other campus duties, and assure maximum attendance. This program would be designated to educate the administrative and college fund raising team members and to promote enthusiasm through knowledge. Members of this public contact team must feel secure in their ability to effectively represent the institution and pave the way to private financial support. The participants in this seminar should include the chairman of the institutional council and other members of the council who could help in the fund raising effort, the president of the university, the entire development staff, the chief financial officer, deans and certain key department heads, the public relations staff which would be working with publicity and publications and others holding positions pertinent to the development program.

The purpose of the training program as stated before is to strengthen the "institutional family" through better understanding of the tools and elements of educational fund raising. It is also conducted to involve institutional leadership, both the paid and volunteer, in all activities of the complete development program. Most important for Utah State would be the establishment of communications channels, both internally and externally, so that as prospects are found, research can be conducted, cultivation developed, and eventual presentations made by those most influential in behalf of the university.

Outline for the seminar

The first seminar session would deal with building the case. The chairman of this session ought to be the president of the university. He ought to have a sales case which is convincing, and is composed of material which states exactly what we are doing, where we are going, and how private funds can help us get there.

The second session should be chaired by the public relations officer. He could give an analysis of the image of the university in the community, state, and region. He could also analyze the internal organizational climate and the interrelation and importance of maintaining and improving public relations techniques. In other words, develop an atmosphere which is conducive to winning friends.

The third session could be handled by the development officer. The plan of organization, the timing of general solicitations, how the development office is set up to process prospective donors, what is being done to cultivate these people en masse, and also what can be done by individual areas and individuals of the university to prepare the way for meaningful fund raising operations.

Session four would be a continuation of session three, and highlight the annual giving program. The opportunity for faculty members and the Utah State family to contribute would begin here. This would get them actively involved in what they are doing.

Session five would be a wills, bequests, and deferred gifts session. The chairman, preferably, would be a professional estate planning consultant, perhaps one of those currently on the development fund board. He could be designated as the chairman of the wills and bequests committee and continue to give guidance and suggestions in this highly technical field.

The sixth session would be a discussion of foundations, preferably chaired by the foundations officer. He could give an orientation of foundation giving. He would review some of the funds available to educational institutions from many foundation sources and would talk about the proposal requirements pertaining to foundation solicitation.

The seventh session could be on corporate support programs and chaired by the development officer or his corporate representative. This session would be devoted to any analysis of local corporate philanthropy, the availability of national corporate support, the consideration of the corporate matching programs, and avenues of annual giving from this source.

Session eight would preferably be chaired by the chief financial officer of the university wherein he could outline the operation of accounting and recording of gifts, pledges, wills, bequests, grants, and all other gifts, as well as an effective acknowledgement procedure. Preferably he would suggest the use of a multicopy form which could be readily distributed to the various departments concerned with the receipt of gifts. One copy of the form could serve as an immediate acknowledgement to the individual making the donation. This receipt, to be an effective cultivation tool for later gifts, should be in the hands of the donor the same week the gift is given.

The ninth session could involve the alumni association. A statement of their operations and plans would enlighten all those working in the development area. In this session an outline of the distribution and concentrations of the alumni could be presented as well as a current analysis of the larger potential alumni donors.

It seems that this basic plan of a seminar held on campus for the purpose of orienting and educating those responsible for fund raising could also be used to augment the university's approach to the state legislature. It would be just as easy to ask a corporate representative or private individual and a legislator to a cultivation session as it would to identify each of these people and set up a separate program of exposure. If this were done we would have not only the three

legs of individual private support--annual giving, capital giving, and deferred giving--but also the federal and the state solicitation coordinated. The three general areas of total university support--state, federal and private--would then be tied directly to the people administering the revenues and operating budgets of the university.

A development organization in institutions of higher education has to be tied to as many of the top administrative offices of the institution as possible. It cannot be separated and left as an autonomous organization without the direct support and participation of those who are directly involved in the operation of the institution.

CONCLUSIONS

Public and private universities need a constant supply of financial resources to remain vital in the rapidly expanding field of higher education. The development concept as reviewed in this report facilitates the acquisition of this financial support. When properly established and staffed a development organization can tie many of the loose ends a university accumulates trying to gain acceptance with its sources of revenue and its publics.

At Utah State University an accelerated development program could help the university gain acceptance, attract quality students, foster financial support and provide the coordination of the cultivation and solicitation of funds.

Steps which need to be implemented to establish a viable development program at USU are:

1. The development of a long range plan and documentation of the university's needs in the form of a case statement.
2. Placing all public contact activity under a vice president for development.
3. Involving more campus administrators in the cultivation and solicitation process.
4. Increase the professional staff and budget to a level where the development operation is more in line with institutions of comparable size and stature.

5. Use the development fund board to serve as an advisory body and not as an administrative body as presently constituted in the articles of incorporation.

6. Implement a fund raising seminar involving the on-campus administrators; this is to be endorsed and sponsored by the president to give it the proper priority.

Finally, a university, if it is to fulfill its pace-setting role, should be the epitome of organization and management. The high level of available talent would also dictate such performance. It should also have exemplary relations with the public it serves and be aggressive in seeking financial support. Where these conditions exist fund raising is economical and of sufficient volume to make an impact on expansion and needs. Where they are unimportant and strained fund raising is mediocre. Utah State University must expand the fund raising organization, budget and implementation program if results are to be significant in university growth.

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APPENDIX

ARTICLES OF INCORPORATION

OF THE

UTAH STATE UNIVERSITY DEVELOPMENT FUND

STATE OF UTAH)
: SS
COUNTY OF CACHE)

I, Alma Sonne, Chairman of the Board of Trustees of the Utah State University of Agriculture and Applied Science, solemnly swear that at a meeting of the Board of Trustees, who constitute all of the incorporators of the Utah State University Development Fund, residing in Utah, held at Logan City, in the County of Cache, State of Utah, on the 11th day of August, 1958, pursuant to waiver of notice by the incorporators (being all the members of said Board of Trustees) as follows:

Waiver of Notice
Of Meeting of Members and Incorporators
of the Utah State University Development Fund

We, the undersigned incorporators and members of the Utah State University Development Fund, hereby waive notice and all requirements of notice of a meeting of said members and incorporators to be held on the 11th day of August, 1958, at 2:00 o'clock p. m. in the President's office of said University, Logan, Utah for the purpose of incorporating the said organization as a non-profit corporation under the laws of the State of Utah, and consent to the adoption of ~~Articles~~ of Incorporation of the said ~~Utah~~ State University Development Fund.

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It was decided by a unanimous vote of the members present at said meeting to incorporate The Utah State University Development Fund within said limits, to wit: the State of Utah, with such rights and obligations as may be prescribed by law as follows:

ARTICLE I. NAME, DURATION AND PURPOSE

Section 1. NAME: The name of this corporation shall be the Utah State University Development Fund.

Section 2. DURATION: This corporation shall be perpetual, unless sooner dissolved or discontinued in the manner provided by law.

Section 3. LOCATION: The location of this corporation's place of business shall be at Logan City, Cache County, Utah, but the corporation may effect its purposes and objects at any place within the State of Utah.

Section 4. NATURE: The Development Fund shall be a wholly non-profit corporation, organized exclusively for educational purposes and created by act of the Board of Trustees, the governing board of Utah State University, hereinafter referred to as "the University," with and upon the approval of the Utah State University Alumni Association, hereinafter referred to as "the Alumni Association."

Section 5. PURPOSE: The purpose of the Development Fund is to assist the Board of Trustees of Utah State University in strengthening the effort of the University to provide more effective educational opportunities by encouraging grants, bequests and gifts of money, property, works of art, historical papers and documents, the museum specimens having educational, artistic or historical value, to the University, all as more particularly set forth in the Articles of Incorporation of this corporation.

ARTICLE II. ORGANIZATION

A. THE BOARD OF DIRECTORS

Section 1. NUMBER: The Board of Directors shall be fifteen (15) or more in number.

Section 2. REPRESENTATION ON THE BOARD OF DIRECTORS: The members of the Board of Directors shall represent five groups: The Board of Trustees of Utah State University, the Alumni Association, the University Administration and Faculty, the student body of the University, and the general public.

Section 3. MANNER OF SELECTION: Two (2) of the directors shall be selected by the Board of Trustees of Utah State University from the membership of that Board; four (4) of the directors shall come from the membership of and be designated by the Executive Committee of the Alumni Association, one (1) of which four (4) members shall be the president of the Alumni Association; three (3) shall represent the University Administration, these three (3) representatives being the President of the University and two (2) members of the University faculty or administrative staff appointed by the President of the University; and one (1) shall be a student appointed by the President of the University by and with the consent of the Associated Students of Utah State University. These ten (10) shall select five (5) or more members from the general public.

Section 4. TENURE: The directors representing the Board of Trustees of Utah State University shall serve for a period of two (2) years. Those Fund directors designated by the Executive Committee of the Alumni Association shall serve for a period of three (3) years, except that the first group representing the Alumni Association shall serve as follows: one (1) for one (1) year, one (1) for two (2) years, and two (2) for three (3) years. The directors representing the University shall serve during their terms of office as members of the University faculty or staff, subject to approval annually by the President of the University. The director representing the students shall serve for a period of one year, and the representatives of the public shall serve for three (3) years except that the first group representing the public shall serve as follows: three (3) for one (1) year, and two (2) for three (3) years, determination of the appointees so to serve to be made by the remaining members of the Board of Directors. A director may be re-appointed to the Board.

Section 3. FUNCTIONS AND POWERS: The functions and powers of the Board of Directors of the Development Fund shall be:

(1) To determine, after consultation with the President of the University or with a University officer designated by him, and after consultation with the Alumni Council of the Alumni Association, the specific University projects for which gifts of money or property will be solicited.

(2) To obtain from alumni and former students of the University and from other interested persons, corporations or foundations voluntary contributions to the University, and to establish such by-laws and policies as are necessary to carry out the purpose of the Fund.

(3) To determine from time to time the methods of solicitation and publicity and to maintain the active interest of alumni and of the public in the Development Fund.

(4) To elect and appoint such officers and committees and incur necessary expenses within its budget allowance as are needed for the proper accomplishment of its purpose.

(5) To coordinate all University efforts relating to the Development Fund.

Section 6. VACANCIES: In the event of the death, disability or removal of any director, a successor shall be named to serve out the unexpired term in the manner provided in Section 3 of this article.

Section 7. MEETINGS: There shall be one regular annual meeting of the Board of Directors. Special meetings may be called by the Chairman at his discretion, or must be called by him on the written request of five (5) members of the Board of Directors. Notice of the regular annual meeting shall be given by mail at least fifteen (15) and not more than thirty (30) days prior to such meeting.

Section 8. QUORUM: A quorum shall be eight (8) members of the Board of Directors. Except as provided in Article V, Section 1, of the Articles of Incorporation, all actions of the Board of Directors shall be determined by majority vote of those present.

Section 9. MAIL VOTE: Should a meeting fail of a quorum, the members present may record their votes and request a mail vote be taken of those not in attendance, limiting the time for a reply. Upon receipt of their votes the combined votes shall determine all actions taken except as provided in Article V, Section 1.

The names and addresses of those who shall constitute the original Board of Directors of the corporation, and who shall serve in that capacity until their successors are duly elected and qualified are as follows:

NAMES

ADDRESSES

D. OFFICERS

Section 1. NUMBER: The officers on the Development Fund shall be a Chairman; a Vice-Chairman; a Director; and a Treasurer, who shall be the Treasurer of the University. Their duties shall be such as usually devolve upon such officers together with such further duties as are prescribed below.

Section 2. CHAIRMAN: The Chairman shall be elected by the Board of Directors from their own membership.

Section 3. THE VICE-CHAIRMAN: The Vice-Chairman shall be elected by the Board of Directors from their own membership.

Section 4. COMPENSATION: All officers shall serve without compensation with the exception of the Director of the Development Fund. Actual necessary expenses of persons engaged in fund activities may be approved by the Board of Directors.

Section 5. TENURE: The Chairman and Vice-Chairman shall hold office for one year, or until their successors are duly elected, and shall be elected at the annual meeting of the Board of Directors.

C. DEVELOPMENT FUND DIRECTOR

Section 1. MANNER OF SELECTION AND COMPENSATION: The Development Fund Director shall be appointed by the Board of Directors of the Development Fund. He shall receive such compensation as shall be approved by the Board of Directors of the Fund.

Section 2. DUTIES: The Development Fund Director shall prepare annually for consideration of the Board of Directors a proposed program for the Fund and shall administer such a program as shall have been approved by the Board of Directors. He shall be allowed such stenographic, clerical and other assistants as approved by the Board of Directors and shall act as secretary of the Board of Directors of the Development Fund.

The following named persons shall serve as officers of said corporation until the next annual meeting of the members or until their successors are duly appointed and qualified:

<u>NAME</u>	<u>OFFICE</u>	<u>ADDRESS</u>
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ARTICLE III. BONDS

The Board of Directors may require a bond from any and all of the officers of the corporation conditioned upon the faithful performance of their duties.

ARTICLE IV. FINANCES

Section 1. SOLICITATIONS: Contributions and gifts may be received for any use consistent with the purposes of the Development Fund; active solicitation of contributions, grants, and gifts shall, however, be limited to those in support of specific projects previously approved by the Board of Directors of the Fund. The Alumni Association shall be an official soliciting agency.

Section 2. DEPOSIT AND DISBURSEMENT OF CONTRIBUTIONS: All contributions shall be made to the Development Fund who shall hold title to and control all such funds or property and which, before disbursing or disposing of such funds or property, shall consider the recommendations therefor of the Board of Trustees of the University.

Section 3. USES OF CONTRIBUTIONS: The limitations and restrictions upon any grant, gift, donation, bequest or devise as applicable to such special gift, donation, bequest or devise shall be observed in perpetuity, except and unless it shall be determined by the Board of Directors or by other authority deemed competent and appropriate by such Board:

(1) That changed conditions or other reasons shall have rendered the application of the grant, gift, donation, bequest or devise for the purpose provided illegal, unnecessary or impracticable.

(2) That the purposes of the grant, gift, donation, bequest or devise have been fulfilled or become impossible of fulfillment, in which event said funds shall be administered for such other Development Fund purposes as will best carry out the intentions of the donor or testator and as may be sanctioned by law. If the donor is living, he shall be consulted and the funds used for such Development Fund purposes as he may direct.

Section 4. FUNDS FOR OPERATING EXPENSES: Operating expenses of the Development Fund shall be defrayed by funds from the following sources: (a) Appropriations made by the Board of Trustees; (b) Appropriations made by the Alumni Council of the Alumni Association; (c) Specific appropriated grant funds for administration; (d) Unrestricted contributions made to the Development Fund.

ARTICLE V. AMENDMENTS AND BY-LAWS

Section 1. AMENDMENTS: The Articles of Incorporation may be amended at any meeting of the Board of Directors, provided the substance of the proposed amendment is stated in the notice of the meeting and mailed to the Directors at least 15 days before the meeting. A two-thirds vote of the Directors in attendance shall be necessary to pass an amendment. Any amendments so passed shall become effective upon approval.

Section 2. BY-LAWS: By-laws not in conflict with the Articles of Incorporation may be adopted by a majority vote of the Board of Directors.

ARTICLE VI. LIABILITY

The members, directors, officers and employees of this corporation shall not be individually or personally liable for the debts or obligations of the corporation.

Affiant further states that he has read the foregoing affidavit and the Articles of Incorporation contained therein and that they are true and correct and are as they were adopted by the members-incorporators present at the meeting aforesaid.

Alma Sonne

Subscribed and sworn to before me this 7th day of October, 1958.

Notary Public

Residing at Logan, Utah

A F F I D A V I T

STATE OF Utah)
 COUNTY OF Cache) ss.

We, _____, President, and
 _____, Secretary, of the
 Utah State University Development Fund Association, do solemnly swear

that the UTAH STATE UNIVERSITY DEVELOPMENT FUND
 Association is a social, recreational, athletic, religious, or
 charitable Association; that the Association does not now maintain
 nor is it now the intention of the Association to maintain premises
 upon which liquor is or will be stored or consumed; that if at a
 subsequent date the Association intends to or does maintain premises
 upon which liquor is or will be stored or consumed, the Association
 will comply with Chapter 25, Laws of Utah, 1955, and other relevant
 provisions of the Utah law.

 President

 Address

 Secretary

 Address

Subscribed and sworn to before me this 7th day of

October 1958

 NOTARY PUBLIC

RESIDING AT: Logan, Utah

My Commission Expires:

Nov 20, 1958