

Fundraising Campaigns in Higher Education

**A Practical Guide
for Governing and Foundation Boards**

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AGB

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About AGB

The Association of Governing Boards of Universities and Colleges (AGB) is the premier membership organization that strengthens higher education governing boards and the strategic roles they serve within their organizations. Through our vast library of resources, educational events, and consulting services, and with nearly 100 years of experience, we empower 40,000 AGB members from more than 2,000 institutions and foundations to navigate complex issues, implement leading practices, streamline operations, and govern with confidence. AGB is the trusted resource for board members, chief executives, and key administrators on higher education governance and leadership. For more information, visit www.AGB.org.

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Preface

PHILANTHROPY HAS ALWAYS PLAYED A SIGNIFICANT ROLE in American higher education, but never more so than today. For many private colleges and universities, philanthropy was instrumental in their founding; now it is essential for their long-term sustainability. At many public institutions, philanthropy has surpassed state and local funding as a percentage of annual revenues.

Because fundraising is a strategic source of support for virtually all institutions of higher education and because fundraising campaigns amplify that support, campaigns have become ubiquitous and mission critical. Moreover, as many of this book's chapter authors point out, campaigns do more than raise money. They offer an impetus for focused review of the institutional mission and vision. They serve as a platform for interdisciplinary innovation and a rallying point for cross-campus collaboration. They also create opportunities to reinforce the institution's reputation, articulate its aspirations, and expand its circle of friends.

For all of these reasons, fundraising campaigns warrant the careful and informed attention of those serving on both governing boards and institutionally related foundation boards. This book is designed to provide board members, like you, with a thorough and thoughtful grounding in the basic principles of comprehensive fundraising campaigns—principles that apply to the full spectrum of higher education institutions, from community colleges to doctoral universities. We hope that the information contained herein helps guide your discussions at board meetings as your college or university considers and plans for a campaign. We also hope that it inspires your active engagement in the execution of that campaign.

In addition to campaign basics, many of the chapter authors have shared their insights into the inner workings of a campaign. However, the purpose is not to make you an expert in campaign management; that's the role of the professional staff. Rather, the intent is to give you a clear understanding of the mechanics so that you are better prepared to provide the strategic oversight and support essential to a successful campaign. Many of the chapters also describe the specific roles that you and your board colleagues can play in a campaign: leading by example, encouraging others to give, opening doors to prospective donors, sharing the campaign story within your spheres of influence, and so on.

The book is roughly organized to reflect the stages of developing and implementing a campaign, although the chapters have many overlaps and linkages. Therefore, we encourage you to read all of the chapters to get the full picture. Each chapter concludes with a list of campaign-related questions that you might want to ask at board meetings. We suggest you use these questions selectively and appropriately

based on the information that your institution has already provided to the board and on the specifics of its campaign.

Indeed, we urge you to adapt all of the book's content to the particular circumstances of your college's or university's campaign. Institutions vary widely in the maturity and sophistication of their fundraising operations, the size and capacity of their donor bases, as well as the scale and priorities of their campaigns. Nonetheless, the core ideas in each chapter are broadly applicable when adjusted for these variables and for institutional mission and type. Throughout the book, the terms "college," "university," and "institution" are used interchangeably and intended to be inclusive of all segments of higher education: public and private, large and small, two-year and four-year, undergraduate and graduate, liberal arts-focused, religiously affiliated, and research-intensive.

The book concludes with a glossary of terms and a resource section. The glossary is offered as an easy reference guide not only to fundraising terms used within the chapters but also to those you may encounter during board discussions. The resource section includes material cited by the chapter authors, as well as other materials you may find useful in your deliberations regarding a campaign.

As several authors have noted in their chapters, this book was written in the midst of the COVID-19 pandemic. We began working on it in January 2020 just as the first cases of the disease were being reported, and we completed the manuscript in September 2020 as its ravages continued.

Higher education is enduring major disruptions as a result of the pandemic, and the long-term impact is difficult to assess. The full implications for fundraising campaigns are also unclear. However, we strongly believe that the basic principles articulated in this book remain valid, including the importance of planning for contingencies and adapting to changing circumstances during a campaign. In the aftermath of both the 9/11 terrorist attacks and the Great Recession of 2008–2009, philanthropy again proved to be a remarkably resilient aspect of our culture. Therefore, challenging times like these call for flexibility, persistence, and ongoing communication when it comes to campaigns, whether they are underway or under consideration.

We are enormously grateful to the chapter authors, who have given of their time and expertise despite the significant demands of their professional responsibilities, especially during this challenging period. The authors have extensive backgrounds in fundraising management at a wide variety of institutions, both public and private. All are highly respected leaders in the field and, combined, they have conducted scores of successful higher education campaigns totaling tens of billions of dollars. They are also notable for their many contributions to the body of knowledge and to the development of the next generation of leaders in the profession. Their willingness to share their wisdom, born of experience, with interested board members, regardless of institutional affiliation, stands as resounding testimony to their marvelous generosity of spirit.

Special thanks go to Katherine Peterson, chief of staff in the Office of Advancement at the University of Florida, for her diligence in helping keep the project on track and the editors on task. We also greatly appreciate the encouragement, support, and guidance of Doug Goldenberg-Hart, the director of AGB Publications. He and his colleagues, Anne Powell, Rachel Rosenfeld, and Amy Davis made sure that the end product is something in which the authors and editors can take great pride and from which you can take great value.

Lastly, we would like to thank each other for sharing the editorial duties in a manner that only strengthened our mutual respect and friendship.

Executive Summary

PHILANTHROPY IS VITAL to the long-term sustainability of U.S. colleges and universities, especially as other sources of annual revenue are challenged. Virtually all higher education institutions, public and private, large or small, view fundraising as a strategic source of financial support.

Beyond simply raising money, however, campaigns are:

- an impetus for focused review of the institutional mission and vision;
- a platform for interdisciplinary innovation;
- a rallying point for cross-campus collaboration; and
- a source of opportunities to advance the institution's reputation, articulate its aspirations, and expand its circle of friends.

Given their growing frequency and importance, fundraising campaigns require the attention of governing board and institutionally related foundation board members. This book offers board members a careful grounding in the basic principles of comprehensive campaigns. The chapters help guide board discussions as institutions plan for a campaign. They also highlight how the board's active engagement can assist in campaign execution.

Each chapter concludes with a list of questions board members might want to ask regarding a campaign during its various phases. As a quick reference guide to the fundraising language used within the chapters, the book includes a glossary of campaign terms that board members may encounter during board discussions.

Chapter 1: “Institutional Mission, Vision, Values, and Strategic Plan”

Before embarking on a comprehensive campaign, board members and institutional leadership must solidify these key elements: institutional mission, vision, values, and a strategic plan. This chapter explores the importance of these foundational, pre-campaign elements, and the key factors in the strategic planning effort: focus, commitment, and adaptability and measurement.

Chapter 2: “Preparing for the Campaign: Setting Priorities and Assessing Readiness”

This chapter delves into the precursor steps governing and foundation boards must take to execute a successful campaign. These steps include, but are not limited to, securing adequate resources to sustain intensive fundraising and communication efforts (staffing, volunteer leaders, communications plans, etc.), understanding the existing fundraising landscape and any future plans (feasibility studies, prospect research, etc.), and engaging the institution's constituents. The Test for

Campaign Readiness at chapter's end is also useful for boards as they prepare for a new campaign.

Chapter 3: “Framing the Campaign: Strategy, Structure, and Discipline”

Institutions and foundations must strike a delicate balance between aspirational fundraising goals and pragmatic ones as they solidify the strategy, structure, and goals of the campaign. This chapter provides insights on how to focus the campaign on a core set of themes that will inspire donors, and the significance of analyzing qualitative and quantitative metrics related to campaign success. Moreover, it defines the phases and timing of campaigns and explains the importance of maintaining campaign momentum and periodically refreshing campaign priorities.

Chapter 4: “Tracking Progress and Measuring Impact: Metrics That Matter”

A board is not fully exercising its oversight responsibility for a campaign if it is looking only at current fundraising results; the board needs to know whether the campaign is on track to hit (or even surpass) the fundraising goal. Accordingly, boards must carefully review a campaign's progress and fundraising forecasts, as well as the methodologies used to arrive at them. The board must also assess the campaign's impact on the institution's mission based on three key metrics:

- realization of priorities on the critical path of the strategic plan;
- contributed funds that augment an institution's overall capacity; and
- campaign proceeds that enhance an institution's resiliency and vitality.

Chapter 5: “Reporting Campaign Gifts: Transparency Counts”

Clear campaign counting guidelines are an essential part of maintaining transparency and institutional integrity during a fundraising campaign. This chapter utilizes the *CASE Global Reporting Standards* to educate governing and foundation board members about what should be considered an act of philanthropy and counted as a campaign gift. In advance of a campaign, institutional leaders and board members are encouraged to use these guidelines to establish institutional policies that clarify the ways in which campaign progress will be assessed and reported.

Chapter 6: “Campaign Responsibilities: Sharing the Workload”

The success of fundraising campaigns hinges on the strategic deployment of human resources. Ultimately, the quality of the collaborations between three constituent groups—institutional and academic leadership, key volunteers, and professional development staff—will make or break a campaign. This chapter explores the intricacies of each constituency's roles and responsibilities. It also details potential challenges and growth opportunities that members of these functional partnerships may encounter. Board members, for their part, must engage in assessments of their own strengths and weaknesses related to their role in the campaign, and should convene periodically to revisit how they are helping advance its success.

Chapter 7: “Talent Management: Retaining, Developing, and Recruiting the Team”

Campaign workforce development requires sophisticated recruiting strategies. Board members play a key role in staff retention and new talent recruitment. The effort begins by prioritizing retention strategies for high-performing fundraising staff to avoid the need to rebuild relationships that are lost when a major gift or senior-level development officer departs. The institution should also facilitate professional development opportunities for key academic leaders to develop their fundraising skills. Finally, to participate effectively in these efforts, board members must understand the recruiting process for new fundraising staff and leaders.

Chapter 8: “Financing the Campaign: It Takes Money to Raise Money”

Fundraising campaigns are a significant and high-profile commitment. Board members must be comfortable that the institution is funding the campaign at the right level to ensure its success. There is no simple formula to determine the right funding level, however, so it’s important to consider these potential sources of expense: additional staffing requirements, travel and donor hosting, consultants, data and technology needs, events, and campaign communications and marketing. Moreover, determining the right level of investment should be informed by the organization’s historic return on investment and benchmarking from peers. Board members should understand the source(s) of additional funding for campaign expenditures and periodically monitor spending, as well as the return on that spending, for the duration of the campaign.

Chapter 9: “Campaign Stakeholders: Profound Engagement”

Successful college and university campaigns involve a diverse array of stakeholders, including—and extending far beyond—alumni. The transformative impact campaigns are designed to catalyze requires the advocacy, engagement, and philanthropy of a broad community of supporters. The sense of urgency campaigns create provides both impetus and opportunity to invite stakeholders to begin or deepen a relationship with the institution, partnering with it to create the change they want to see in the world. Authentic, two-way communication, both individually and at scale, helps identify the intersection of individual or organizational priorities with those of the university—and it is in this space of shared values and goals that impactful partnerships blossom. Enthusiastic stakeholder engagement requires thoughtful planning, robust data and infrastructure, and both staff and volunteer effort.

Chapter 10: “Leadership Giving: The Virtuous Cycle”

Leadership gift support is the essential component of any successful capital campaign. Leadership gift donors are developed over long periods of strategic, focused engagement and proactive stewardship. Leadership donors and their philanthropy are inspired by big ideas. When this engagement is done exceptionally well, it can result in transformative gift support. Leadership gifts propel the fundraising effort,

create positive momentum for the institution, and can activate the community well beyond the lifecycle of the campaign. Trustee support of leadership gifts—by personal example and by active involvement with other prospective donors—is essential to the long-term philanthropic advancement of the institution.

Chapter 11: “Campaign Communications: Telling Your Story”

Done well, a program of strategic campaign communications will ensure that the fundraising effort is successful. A robust communications program also delivers broader understanding of the university’s aspirations, increased pride in the university’s achievements, and enhanced appreciation for the role of philanthropy in the university’s contributions to a better world.

A successful communications program must be intentional, integrated, and inspiring. To capture those elements, it must be carefully planned, professionally managed, closely coordinated, adequately resourced, and systematically implemented. The primary responsibility for the campaign communications plan rests with the institutional leadership, especially the chief communications officer. Board members serve as advisors, champions, messengers, and exemplars in support of the plan.

Chapter 12: “Donor Stewardship: Thanking Outside the Box”

Board members play an important role in donor stewardship efforts—by helping to thank donors for their gifts and communicate to donors the impact of their giving, and by giving staff an independent read on the efficacy of their stewardship initiatives. The board member’s perspective can also help “thank outside the box” for those large donors who do not seek the limelight of galas and stewardship events but instead respond to a more personalized form of recognition. And a board member’s personal thank you goes a long way toward crafting an authentic experience that helps donors see themselves as committed to the institution’s mission and priorities over the long haul.

Chapter 13: “Board Member Roles: Lessons from Experience”

A comprehensive fundraising campaign presents a college or university with a special opportunity to refine its mission, sharpen its vision, and raise its aspirations. Governing and foundation board members should view support for the campaign as central to their strategic roles and fiduciary responsibilities. How each board member fulfills those roles and responsibilities will vary depending on the nature of the campaign, the needs of the institution, the purview of the board, and the individual skills board members bring to the table. What should not vary, however, is the trustee’s commitment to serving as an active partner in ensuring the success of the campaign. And to be active partners, the board must work in close concert with university leaders and in deliberate coordination with the members of other affiliated boards and councils.