

Commission to Plan the Future of University Development: A brief history and overview of Advancement at Fresno State

The component elements of an Advancement program have been around Fresno State for some time: the Alumni Association was chartered in 1940, the Bulldog Foundation was formed in the 1950s, and the Ag One Foundation was created in 1979. The university had efforts at academic fundraising prior to Dr. Harold Haak's presidency in the 1980s. It wasn't until the arrival of President John Welty in August of 1991 that serious organizational changes were made to enhance the university's ability to become a regional university engaged in seeking private support. The CSU Chancellor's Office, in 1993, issued what is known as The Ketchem Report, which basically mandated campuses to escalate efforts at securing private support, and implemented an expectation that campus presidents would be evaluated in part on their ability to raise money.

At Fresno State, the institutional thrust into full-fledged development began when Vice President Peter Smits arrived and immediately began a search for an Assistant Vice President for Development. The intent was to hire a development director in each of the schools and colleges, and these college-based teams would work together to set goals for the year and accomplish them.

By the mid-1990s, the campus had adopted a decentralized development model, whereby each dean or academic unit had a director of development, whose salary was paid half by the dean and half by Advancement. A white paper written on this topic is presented in the next section. Decentralized models are hard to manage in that the various academic units can go in differing directions, and campus wide strategic planning is difficult.

Late in 1994, the Advancement staff held a retreat and adopted the following philosophy of Advancement; it is still in use today.

Philosophy of Advancement

It is our objective to create and sustain an environment suitable for the development of a well-organized, efficient and effective University Advancement team, including shared philosophical commitments to:

1. A belief that we serve best when we serve others, a type of "servant leadership" approach to supporting the overall mission of the University.
2. First-class performance in all that we undertake, whether it be major projects or our daily tasks. We will honor each other by setting high standards of performance in matters of the hands and heart.

3. Careful stewardship of the resources that others place in our trust, whether public or private. In our work with donors and volunteers, we are given resources of time, talent and money that do not belong to us, and we will treat these resources with utmost care.
4. A management and style of work characterized by honesty and integrity. In all that we say, think and do, we should always remember that a reputation for honesty and integrity, when lost, can almost never be recovered.
5. A willingness to disagree with one another, within the bounds of respect and caring. Well-focused dissent can be healthy and productive.
6. A willingness to be daring and take risks, realizing that failure is not bad, but rather an opportunity for a future success.
7. An understanding of the workload and frustrations of colleagues, and to cultivate an attitude of helpfulness to others. We should rejoice in others success and provide praise when appropriate.

In addition to adopting a philosophy of advancement for our workplace, we also formally adopted the Donor Bill of Rights, promulgated by the Association of Fundraising Professionals and CASE (Council for Advancement and Support of Education:



Donor Bill of Rights

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

1. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
2. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
3. To have access to the organization's most recent financial statements.
4. To be assured their gifts will be used for the purposes for which they were given.
5. To receive appropriate acknowledgment and recognition.
6. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
7. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
8. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
9. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
10. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

The text of this statement in its entirety was developed by the American Association of Fund-Raising Counsel (AAFRC), Association for Healthcare Philanthropy (AHP), Council for Advancement and Support of Education (CASE), and the Association of Fundraising Professionals (AFP), and adopted in November 1993.

▶ [See other ethical standards in advancement](#)

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The concept and structure of a centralized/decentralized development office

In the early 1990's, as campuses ramped up their development efforts as part of the Ketchum Report mandate, nearly all campuses modeled a "decentralized" structure. Generally, this structure has each Director of Development (DOD) reporting to his or her respective dean, even if central Advancement was paying the salary. The rapid rise in development efforts across the CSU created almost unmanageable tension between Advancement offices, charged with coordinating fundraising across the campus, and with the colleges, charged with raising private support in only their academic unit. Turf wars and prospect "hoarding" became common. Cooperation and coordination were difficult to achieve.

Fresno State took the lead in developing moving toward a centralized development program. Where only one or two CSU campuses were centralized in 1999, now a complete reverse has taken place, and only one or two campuses are still decentralized.

Centralizing the Development Function

In late summer 2000, Fresno State re-examined its organizational structure for the development function. Three Director of Development positions were vacant, and it was determined that this was an appropriate time to consider whether to move from a decentralized model to a centralized model.

Prior to August 2000, Directors of Development operated under a dual reporting relationship: their immediate supervisor was the dean of their respective school or college (who paid for one-half their salary) but their closest working relationship was with the Associate Vice President for University Advancement. It was clear that this model was inefficient and created unnecessary conflicts.

The three documents, which follow, highlight the discussion and action that resulted in a decision to centralize the development function. The first was a discussion paper prepared and distributed to the deans. Following a joint meeting with the President, the Vice President for University Advancement, and the deans, the recommendations were prepared and distributed. Finally, once agreement was reached in centralization, the deans were asked to complete a Memorandum of Understanding.

The centralized model was adopted in September of 2000 as a three-year experiment. To date, it has proven to be extremely effective and is universally embraced on campus.

1. Status of the Development Organizational Structure California State University, Fresno by John D. Welty

In less than ten years, Fresno State will celebrate its centennial anniversary, and securing private support to launch us into our second century should be a paramount objective. More than at any other time in the history of the University, we are faced with an unprecedented opportunity to enrich our academic programs and secure additional private support.

I believe that one of the fundamental keys to success in fundraising for academic affairs is devising an optimal organizational structure for development. Below is a summary of my observations regarding our current organizational structure in development. These comments are based on a report from the subcommittee of Deans to the Dean's Council; a report from the consulting firm of Barnes & Roche; advice from the new Associate Vice President for University Advancement; exit interviews with recently departed school development directors; informal discussions with Provost Ortiz, Vice-President Smits and a few deans; a survey of other CSU campuses regarding the organizational structures for their development operations; and my own observations.

Observations gathered are as follows:

The autonomy and flexibility required for the colleges/schools regarding the function of development, and the utilization of development directors (including their role, their salaries and their responsibilities) is such that one size or form does not fit all. Each unit is unique. The history and tradition of development is different among the colleges/schools at California State University, Fresno. Business, Agriculture, and Engineering have a longer history and tradition of fundraising, and enjoy better-developed constituencies compared to other units, which are struggling to establish their fundraising traditions, structures, and processes. One dean may have the development director do more event planning as a major part of the job, and another may have the development director focus on cultivating and soliciting foundations. The strategies employed for fundraising vary widely.

The current hybrid approach (development director-dean-advancement office) does not work as well as it could. There are questions about control and authority. To whom do development directors actually report? The deans do not have a good grasp on what development strategies are currently effective.

The deans believe that the past Associate Vice President for Advancement devoted much of his time to the Event Center and major gifts. The deans and the development directors need more time and attention from the next Associate Vice President for Advancement, for mentoring and training in development. It is important for deans to have immediate consultation and assistance available when a big donor is identified. Though the last Associate Vice President for Advancement had this essential role, he was often unavailable because of the other duties he was assigned.

The Prospect Management System (PMS) works well when all parties adhere to the rules. In the past, the school/college development directors have notified each other of contacts made with prospects claimed by another school. However, in the case of administration, many prospects are contacted for Event Center solicitation without notifying the unit to which the prospect is assigned. For the PMS system to work effectively, all parties must adhere to the rules.

A significant issue has to do with the reporting relationship of the school-based development directors. As I understand the current situation, each of these individuals reports to both their Dean and to the Associate Vice President for University Advancement. Balancing this set of relationships is complex, but essential to the success of each school's fundraising operation. The Vice President and Associate Vice President have principal staff responsibility for securing private support, yet they have minimal ability to manage these development directors or maximize productivity. The school development directors need mentoring, but they are getting little of it from their Deans. Many of the directors reported being asked to engage in a variety of activities that are minimally related to fundraising.

It is very unlikely that a high quality candidate for the Associate Vice President position would consider coming into a situation where the school development directors reported primarily to their deans.

Development directors believe they have goals imposed on them, are not provided adequate training or mentoring, receive conflicting direction from Deans and Advancement, are provided little to no clerical support, and are often asked to perform non-related duties.

There is a great deal of unevenness in our dean's preparation to do development work, and the priority for fundraising varies significantly from each school/college.

The current Level B allocation process does not label funding for development. As a result, deans are forced to deal with school/college priorities that compete with funding for other priorities.

Deans are faced with a large number of priorities. Given their existing support staff, they are unable to give development sufficient priority (this varies from each school/college).

The Provost is not effectively utilized to support development and fundraising activities.

UC Merced is going to present an increasing competition to Fresno State in addition to several other major community fundraising plans.

A survey of the CSU campuses (attached) reveals that, of the 18 campuses that have development directors, 14 have adopted a model whereby the development directors report to central advancement.

A research project at CSU San Marcos was recently conducted on this topic, including a literature review, data collection and interviews. They found three models for development: centralized, decentralized and a hybrid model. The hybrid model has the development directors paid centrally and reporting centrally to advancement, but housed with their dean, who provided office space and secretarial support.

Three methods of evaluation were used for the models: (1) university-wide costs; (2) university-wide fundraising effectiveness; and (3) legal and regulatory risks (i.e., pledges not properly documented or gifts-in-kind or gifts of securities being improperly valued).

The San Marcos research project concluded that the three models compared as follows:

Centralized model:

- ▶ Costs: lowest
- ▶ Effectiveness: medium
- ▶ Risks: lowest

Decentralized model:

- ▶ Costs: highest
- ▶ Effectiveness: lowest
- ▶ Risks: highest

Hybrid model:

- ▶ Costs: medium
- ▶ Effectiveness: highest
- ▶ Risks: medium

Their conclusions at San Marcos: With objectives of minimizing overall costs, maximizing overall fundraising effectiveness, and minimizing risks, one would choose either the centralized model (which minimizes costs and risks) or the hybrid model (which maximizes fundraising effectiveness). The decentralized model is unacceptable – it has the highest costs, the lowest effectiveness, and the highest risks.

Conclusions:

The current development structure is inadequate and unsatisfactory. Further, it is impossible to proceed with effective planning for a capital campaign for academic affairs without improving the organizational structure. The current preparation of deans and development directors is not sufficient to support a major capital campaign.

In order to successfully mount a massive campaign for academic affairs we must expand our horizons, set clear academic priorities, dramatically raise our expectations, increase our investment in and commitment to development, make all necessary preparations, and achieve our full fundraising potential.

While there will be many other steps to take and other preparations we will need to make before we are truly ready to mount a successful university-wide academic campaign, we must begin by optimizing the structure and process for fundraising.

2. Recommendations on the Development Organizational Structure
California State University, Fresno
by
John D. Welty

Recommendations for Action:

For a three-year pilot, the organizational model utilized for enrollment services outreach counselors should be adopted, supported by a written MOU which provides for major involvement of the dean in developing the school/college fundraising plan and assures close communication with the school/college development director. During this period, funding originally provided to the school/college for the development director will remain in the school/college, and the dean may utilize these funds as he/she deems necessary. Additional funding for development directors and their support system will come from the reserve during the three-year pilot period. Deans will provide office space for the development directors and professional clerical support equivalent to at least .5 FTE.

A major investment and commitment shall be made to provide professional development opportunities for deans in fundraising during the next two years.

Once each semester, all Deans, Development Directors, the Provost, and the Vice President for Advancement will meet to review progress, issues and concerns, division of responsibility, and share ideas and recommendations. The Provost shall convene this meeting.

The next Associate Vice President for Advancement will focus on mentoring and coordinating the development team (development directors and deans), providing guidance on developing goals and plans, training on working with prospects, ongoing development of deans in fundraising, and ongoing communication between the advancement office and deans.

The Vice President for Advancement will attend a Dean's Council meeting each month to discuss fundraising issues. The Vice President will meet individually with Deans on a regular basis.

The Vice President for Advancement shall resolve database issues consistent with the plan developed for the Strategic Planning Fund. A grant from the planning fund has been made to Advancement for this purpose. To date, 43,000 new alumni have been added to the database (22,000 with social security numbers). Approximately 100,000 additional graduate and attendee files have been found in the ARE office, and are being keypunched into the database. On or about October 1, this enlarged database of

238,000 names will be submitted to the Trans Union Company, which will search the expanded database for social security numbers, new addresses, new telephone numbers and changes to area codes. While we cannot predict the outcome of this search with certainty, we are hopeful that the number of alumni who can be reach by phone and mail will more than double by November 1, 2000.

The Senate Committee on Advancement shall be involved in reviewing the success of the organizational plan.

The above pilot shall be evaluated at the end of three years utilizing an outside consultant to assist in the evaluation. Evaluation shall begin at the end of the second year.

3. Memorandum of Understanding Development Organizational Structure

The purpose of this Memorandum of Understanding is to clarify expectations and understandings regarding the restructuring of the development operation for a three-year period ending June 30, 2003.

- The Division of University Advancement will pay salaries for school and college development directors. Development directors will report to the Associate Vice President for University Advancement. NOTE: It is acknowledged that the MOU for the College of Agricultural Sciences and Technology will reflect the additional service by the development director as Executive Director of the Ag One Foundation. A transfer of \$30,000 will be made to the library to partially compensate for their development director.
- The central benefits pool will pay for benefits for school and college development directors.
- Advancement will provide operating support for the development directors for travel, professional development and donor cultivation.
- Deans will retain University funds previously allocated for development director salaries.
- Deans will provide support for school-based alumni activities and general outreach and communication activities (i.e., newsletters and publications). When deans determine that larger and more formal events for major donors are necessary, the school or college will provide support for that event.
- Deans will have a major role in both the hiring process and the evaluation process for the development directors. Deans will review all applicants and concurrence from the dean will be necessary for candidates to interview and for the candidate to be hired. The Associate Vice President for Advancement will seek comments from the dean for the annual performance review. These comments will be a significant part of the performance review.

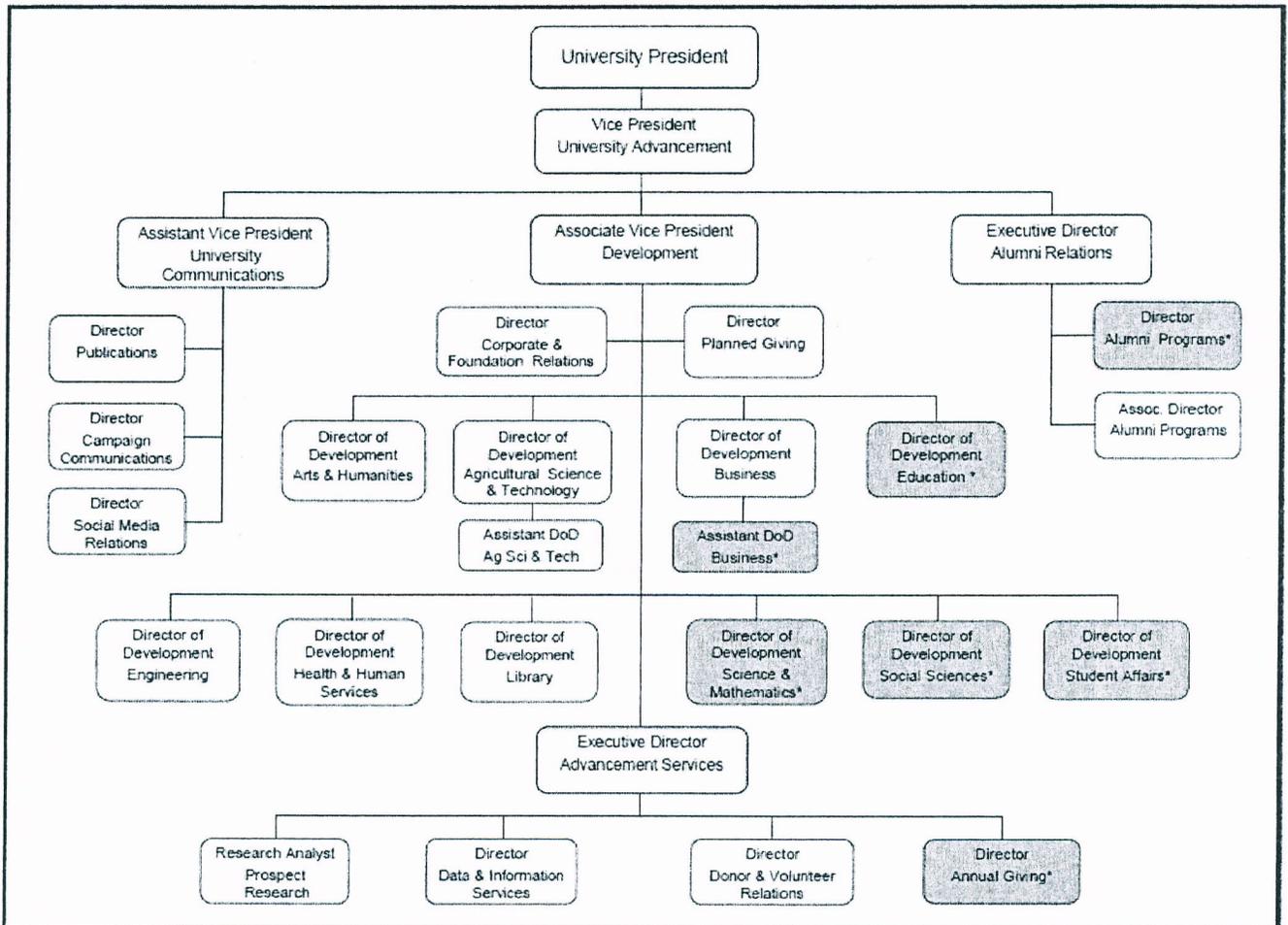
- Development directors will be housed in the academic unit to which they are assigned. Deans will provide appropriate office space and equipment, and at least .5FTE professional clerical support. All support personnel for development will be under the direct supervision of the development director.
- Deans will have the major role in setting the fundraising goals and priorities for their school or college through the preparation of an annual fundraising plan. Development directors and the Associate Vice President will assist the dean in the preparation of these plans, and will be expected to pursue these goals. All solicitation or acceptance of gifts should be in consultation with, and with the approval of, the dean.
- Funds raised for school and colleges will be expended under the authority of the Dean consistent with requirements for the gift. Deans are the responsible stewards for private gifts for their school or college.
- There will be open and regular communication between the Dean and the Vice President for University Advancement. The Vice President will provide monthly reports to each Dean on fundraising progress in their school or college. The Vice President will attend a Dean's Council meeting each month to discuss fundraising issues. The Associate Vice President for Advancement will meet with deans on a regular basis.
- Once each semester, all Deans, development directors, the Provost, and the Vice President for University Advancement will meet to review progress, issues and concerns, and the division of responsibility. This group will also discuss University-wide plans and seek to promote cooperative efforts. In addition, the group is expected to share ideas and recommendations.
- The Prospect Management System will be managed by Advancement. All campus entities are expected to abide by the PMS operating procedures.
- In consultation with the deans, Advancement will design and implement a program for professional fundraising training for the deans. Advancement will provide funding for this program.
- This restructuring agreement will be evaluated at the end of year three utilizing an outside consultant to assist in the evaluation. The evaluation will begin at the end of the second year.

University Advancement and the Development Program Today

Now nearing the end of our first comprehensive campaign, University Development is one department within University Advancement, which also includes University Communications, the Fresno State Alumni Association and governmental relations. The staff structure is centralized-decentralized, with constituency development directors in each of the eight schools and colleges, the library and student affairs. Two colleges have assistant directors of development as well, and each unit provides at least a half-time administrative support person. In Central Development are two campus wide specialists, the directors for planned giving and corporate-foundation relations, who also have admin

support. Also in the central office are advancement services staff under an executive director: prospect research (1 person), donor and volunteer relations (2), annual giving (2 half-time employees), and data-information services (7).

University Advancement Organizational Chart



* Half-time position

Volunteer structures assist the staff's work. The campaign committee (described below) now includes 22 volunteers. Also participating in the work of the committee are eleven deans and program heads, five other administrators (including president and provost) and eleven development directors. Most campus units have their own volunteer boards, with slightly varying labels and functions: leadership board, dean's circle, advisory committee, etc. Complicating the structures are multiple entities that support the university variously: the Ag One Foundation, the Bulldog Foundation, the Fresno State Foundation and more. All gift income is ultimately recorded on the alumni/donor database managed in Central Development.

The Campaign for Fresno State

Fresno State concluded a capital campaign for the Save Mart Center in 2003. Thereafter, the campus community felt it was academics' turn for a major fundraising effort. Planning and preparation began, the first step being to recruit an experienced campaign director, who began in early 2004. With a comprehensive campaign in mind, the campus began investing in both staff and infrastructure, with supplemental funding from gift-related revenue via the Fresno State Foundation.

By FY2007 both front-line and back-office staff had grown, and operations had been progressively professionalized. On the theory that a campaign is a full-fledged development operation in high gear, the first task was to prepare the fledgling program for full flight. Because of accustomed reliance on state funding, the university did not have a campus wide tradition of seeking private support. Thus, some essential development functions were missing and needed to be put in place. The initial staff addition had been a director of planned giving; another early step was to create a stewardship position. By the end of FY2007, each campus unit had at least a half-time development director, and the campus was nearly ready to establish on-campus annual fund calling. The young program was rolling. The campaign context made it possible.

Campaign counting had begun the year before, in FY2006. President Welty had recruited campaign co-chairs (a local couple well-known for philanthropy in the community, willing to serve for the quiet phase) and a steering committee of 15 volunteers representing various campus constituencies. Campus deans became increasingly engaged in fundraising—a new role for most of them. By FY2007, it became clear that the deans and their respective development directors should be included in the campaign committee, which was renamed the Campaign Leadership Committee. Student Affairs and Athletics were included, and each campus unit had at least one volunteer liaison. Active coaching and mobilizing by the co-chairs energized everyone. Volunteer engagement and teamwork began to pay off.

One of the early notable gifts realized in FY2007 was a major commitment from The Boeing Company. The corporation pledged \$2,000,000 to support the Husband-Boeing honors scholarships in the College of Engineering. Such a corporate gift, especially to an endowment fund, is rare. The secret here was a bold idea and volunteer involvement. Rick Husband, commander of the lost Space Shuttle *Columbia*, was a Fresno State engineering master's graduate. The university leadership created the plan to honor the tragically lost astronauts with named laboratories and endowments in the engineering college. By enlisting the help of a 1952 Fresno State alumnus who had been a key figure in the aerospace industry and still had personal ties to corporate leaders, the university gained access to propose this memorial gift in honor of Col. Husband. The volunteer's active, personal efforts—supported by staff in engineering, prospect research, campaign communications and more--led to the extraordinary commitment. Teamwork was the other crucial element.

FY2008 represented the peak of the budget and staffing build-up, still in the quiet phase of the comprehensive campaign. A number of major commitments were added to the campaign total. Both alumni and parent donor numbers grew in FY2008 as on-campus annual fund calling by students began (managed by an outside vendor).

FY2009 was a blockbuster year for Fresno State. Although staff and operating resources were suffering cuts because of the financial crisis, fundraising hit its stride. Results epitomized the basic principles of the profession: 1. Development is a relationship business; 2. Development is a long-term process. Two notable gifts, as well as still increasing numbers of alumni and parent donors, boosted the total. A \$10,000,000 commitment (with matching provisions) led to the naming of the engineering college. The boost to the campaign tally energized university leaders, staff and volunteers in the final months of the campaign's quiet phase.

Once again, both volunteerism and teamwork were keys. The donor was himself a long-time university volunteer and donor, having named another program, chaired that program's board, and served as foundation board member for many years. The principle that volunteers who invest their time and talent are most likely also to invest their treasure proved true. Involved in the planning and preparation for solicitation were successive deans, faculty members, provost, president and advancement staff. The president was the lead solicitor; the relationship with the dean was highly significant. This was a commitment by a philanthropist who strongly wanted to make a difference in the future of the region.

FY2009 also realized the largest cash gift to date in the history of the California State University system, the \$29,442,516 gift from a trust conveyed by bequest. The genesis for this gift was a faculty member's involvement in an RV club. His talks about Fresno State's agriculture programs stirred the interest of a fellow RVer, a rancher, who wrote a \$20,000 check for scholarships in 1995. Agriculture's development director followed up by visiting him and his wife. Over time, the staff member continued to visit the ranch a few times each year, bringing news of the scholarship recipients along with products from the Fresno State farm. She also learned how extensive the ranch was and met the co-owner brother. The checks continued. Part of the stewardship effort was inviting this donor couple to campus, but they had not come to Fresno by the time of the rancher's death. Nine years after the initial gift, after both brothers had died, Fresno State learned that the College of Agricultural Sciences and Technology was one of five nonprofit beneficiaries for the estate. The widow had discretion to allot the pay-outs, and Fresno State got the largest share. Once again, volunteer involvement and long-term relationships were the key. The development director and her dean continue to steward the widow, who is a great friend to the college and the university.

In May 2009 Fresno State formally launched the campaign, under the leadership of two newly recruited alumni co-chairs. Ironically, staff and budget cuts were undoing the

prior program build-ups, but most of the pieces were still in place. In spite of the recession and the cuts, this first universitywide fundraising initiative was moving forward, as it still is.

These three gift successes may make it obvious that identifying the single “most successful component” of our program is challenging. The campaign context has been important, as has the active involvement of the president, the vice president for advancement and in fact the other vice presidents as well. That this is a first comprehensive campaign adds to the excitement. Most notable in program success are the partnerships where dean, director of development, associate dean and volunteer liaison are collaborating on strategies. A genuine synergy has evolved in the campus units where such partnerships are working. Further, on the theory that every gift is the product of teamwork, the underpinning of back-office resources is also essential. The most dynamic teams make good use of prospect research, database analysis, gift processing, proposal services, stewardship and donor relations.

To balance the credit for success, let it be noted that colleagues in University Communications and the Fresno State Alumni Association reinforce and complement Development staff members’ efforts. Mid-campaign reductions in Advancement staff and operating resources have stretched, but not daunted, everyone. A number of formerly full-time positions are now half time, as noted in the organization chart. The fully-fledged program has lost a few feathers, but we’re still flying as fast as we can.

If the campaign context provided focus and momentum, a larger context also contributed to the reasons for success. The campaign has non-monetary as well as monetary goals, in particular, creation of a Culture of Philanthropy, on campus and in the region. Now ending its Centennial year, Fresno State is known for programs that enhance the lives of citizens, solve relevant regional problems and offer opportunities for service-learning and community engagement. The number of leading donors who are not alumni but rather “friends” flows from this orientation. In fact, the campaign tag line captures the spirit: The Campaign for Fresno State: Powering the New California.

As FY2011 comes to a close, the campaign has raised \$167 million, with solid prospects in the pipeline for the final year. During the course of the campaign, the University has been recognized nationally for outstanding performance. In 2010, Fresno State was recognized with the CASE-Wealth Engine Award for Excellence in Fundraising. And this month, CASE has recognized Fresno State with a 2011 Circle of Excellence Award. We’ve received the Outstanding Performance in Fundraising award, one of only 10% of eligible institutions in the country so recognized. This is strong recognition of the hard work and commitment of volunteers, donors and staff. It is a strong foundation upon which to build the future.