

College of Arts & Sciences

Donor Relations & Advancement

W COLLEGE OF ARTS & SCIENCES | UNIVERSITY *of* WASHINGTON

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College of Arts & Sciences Donor Relations Handbook

The materials in this binder and other resources can be found online at:
<http://admin.artsci.washington.edu/stewardship-and-donor-relations>

Donor Stewardship

*Stewardship builds trust with our donors and **creates the opportunity for future giving.***

Donors need three things from us in order to continue their support. A prompt, meaningful acknowledgment of their gifts, reassurance that their gifts is being used for the purpose intended, and a report on what happened with their last gift before being asked to give again.

Stewardship can be a letter to the donor, meeting or phone call with them, an event where they can see the impact of their gift (like a department lecture or reception to connect students to donors), a newsletter article describing their impact, or other ways of thanking them for their gift.

BASIC STEWARDSHIP OF YOUR DONORS

Stewardship is simple. Stewardship is critical. The basic framework is to thank donors in a timely way after a gift is received or pledge is made and to follow up and communicate the impact of their support before they are asked to give again. Donors want to feel connected to what they are supporting, so be sure to include them as “insiders” by routinely sharing milestones and successes of your department, especially how they affect students. At a minimum, stewardship should include:

- Consistent and timely thank you for gifts to your department.
- Notification of faculty appointments or student recipients of awards.
- Annual letters from faculty who hold endowed/term positions to the donor annually. We will prompt your faculty to write these reports – your support of faculty writing these reports is crucial to their timely completion.
- Annual letters from students who receive scholarships or participate in courses funded by a gift.
- Annual letter/update to all donors to your department. This can be one general impact letter to all your donors and alumni or community at one time, or multiple, customized letters to the donors of a specific endowment or program. Anything that you would share as “good news” to your alumni, friends, faculty and students – donors want to know too.
- Invitations to special lectures, receptions, professorship celebrations, scholarship recipient events. If you invite alumni and your community – invite your donors too.

We ask that you tell us about your stewardship activities. We record all stewardship communication to our donors. Copy us on stewardship letters or emails sent to your donors. If you are planning an event, keep us in the loop.

Major Gift Stewardship

At a minimum, steward all major donors once a year at the same time of year. This can be a report from faculty appointment, a letter from a scholarship recipient, an update on accomplishments and milestones, an invitation to a department event, etc. The sky's the limit.

ENDOWMENTS

Endowments are **permanent** gifts to the University that are invested in the UW Consolidated Endowed Fund (CEF). They help fund University activities **forever**. Endowments can be used to support students, faculty, and programs in many different ways. They are created via centrally approved templates and their purposes can be very specific. The agreements, once signed, are legally binding documents. Sometimes stewardees to an endowment are widows/widowers or other relatives of the original lead donor. It is important we nurture these connections and respect the legacy of the endowment.

Types of Endowments:

- Scholarships and Fellowships
- Endowed Program Support
- Professorships/ Chairs/ Endowed Faculty Fellowship

TERM AND CURRENT-USE FUNDS

Term and Current-Use Funds are **not invested in the CEF**, and are **multi-year commitments** from donors who wish to support a specific purpose, generally for a set number of years. Term and current-use funds can be used to support students, faculty, and programs in many different ways. They are created via centrally approved templates and their purposes can be very specific. The agreements, once signed, are legally binding documents.

Types of Term and Current-Use Funds:

- Scholarships and Fellowships
- Program Support
- Professorships/ Chairs/ Faculty Fellowships

Annual & Discretionary Giving Stewardship

Annual giving donors are those people that give regularly (quarterly, yearly, or by payroll deduction) to the UW. They should be stewarded for the same reasons that endowment donors are stewarded.

Basic Stewardship

- Timely/consistent thank you's for gifts to your department – change thank you language regularly. *The Dean's Office time frame to mail a thank you to a donor is one week, and we change our thank you message three times a year.*
- Thank payroll deduction and reoccurring pledge donors quarterly, to avoid sending a thank you every week or two.
- Acknowledgment of first-time donors to your department
- Regular communication to donors on your use of private support. This can be in your newsletter, an annual letter from the Chair/Director, and/or brief phone calls to your closest supporters.

RESOURCES AVAILABLE TO YOU:

We help:

- Identify your donors and provide reports on your endowed and term funds
- Schedule regular reports of gifts to your department
- Order thank you cards & suggest messaging for your thank you cards
- Consult with you on various special categories of donors, such as faculty / staff / retiree donors, gifts in honor or memoriam of someone else, and planned giving donors.

A sample of a thank you card is on the following page. We can work from this template to create a card that is specific to your department. Please contact us for more information about how we can help your department. llindeke@uw.edu or 206-616-5373

Endowment Investment & Spending Overview

THE CONSOLIDATED ENDOWED FUND (CEF)

- The Consolidated Endowment Fund (CEF) is the investment pool of the University's endowed gifts.
- The CEF is similar to a mutual fund in that each individual endowment maintains a separate identity but is commingled with all endowments for investment purposes.
- Over 4,000 separate endowments make up the CEF. Endowments support donor designated purposes including scholarships, fellowships, chairs, professorships, research and general academic programs.

Three offices have responsibility related to endowments

Your Department

- Management the endowment operating budgets endowment which benefit your department
- Responsibility for appropriate and timely use of endowment distributions
- Regular communication with the endowment donor

Office of Advancement

- Authorized to accept most gifts including endowments
- Responsible for the process of establishing new endowments and related documentation
- Supports your department for endowment stewardship

Treasury and Investment Offices

- Invests your endowed gifts in the Consolidated Endowed Fund
 - Investment in the Consolidated Endowment takes place quarterly on:
Jan 1, April 1, July 1, Oct 1
- Makes all accounting system entries to establish endowments, transfer funds to endowments and distribute quarterly payouts
- Provides quarterly, annual and ad hoc reports for use by administrators

ENDOWMENT DISTRIBUTIONS:

- On October 21, 2010 the Board of Regents approved changes to the Consolidated Endowment Fund (CEF) investment policy adopting a long-term spending policy:
 - 4% distributions to programs and
 - 1% for administrative fees

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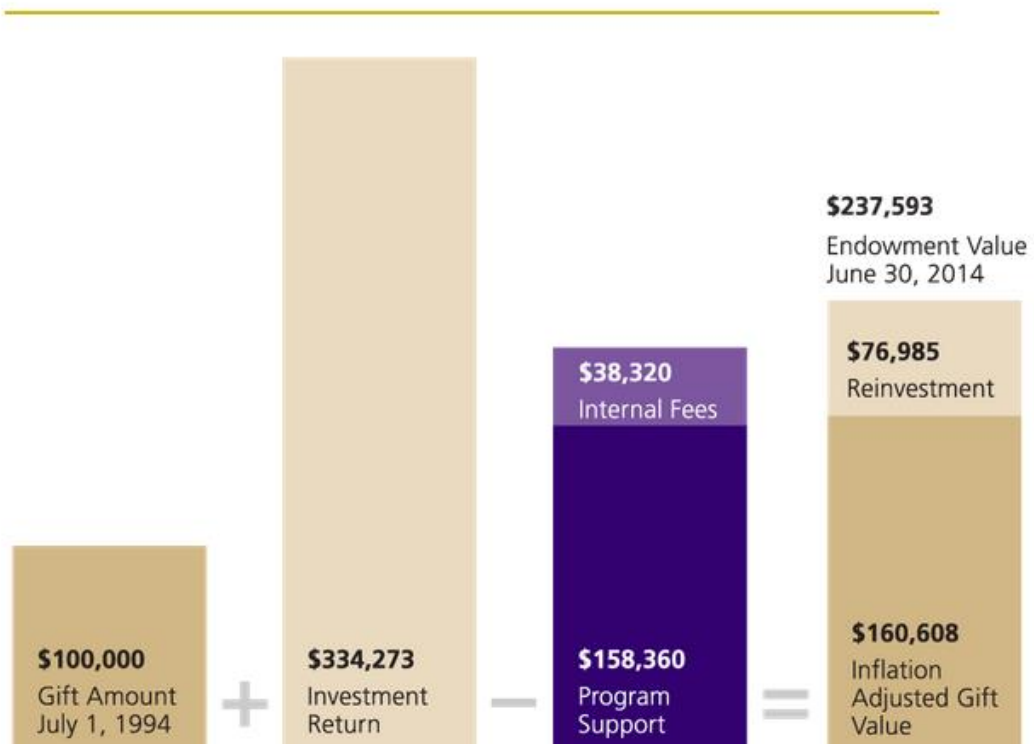
- The distributions will be based on the average market value of the CEF for the previous five years. The averaging period will be incrementally implemented over a twenty quarter transition period.
- Distributions to the department start at the beginning of the third quarter that the endowment is invested.

ENDOWMENT SPENDING:

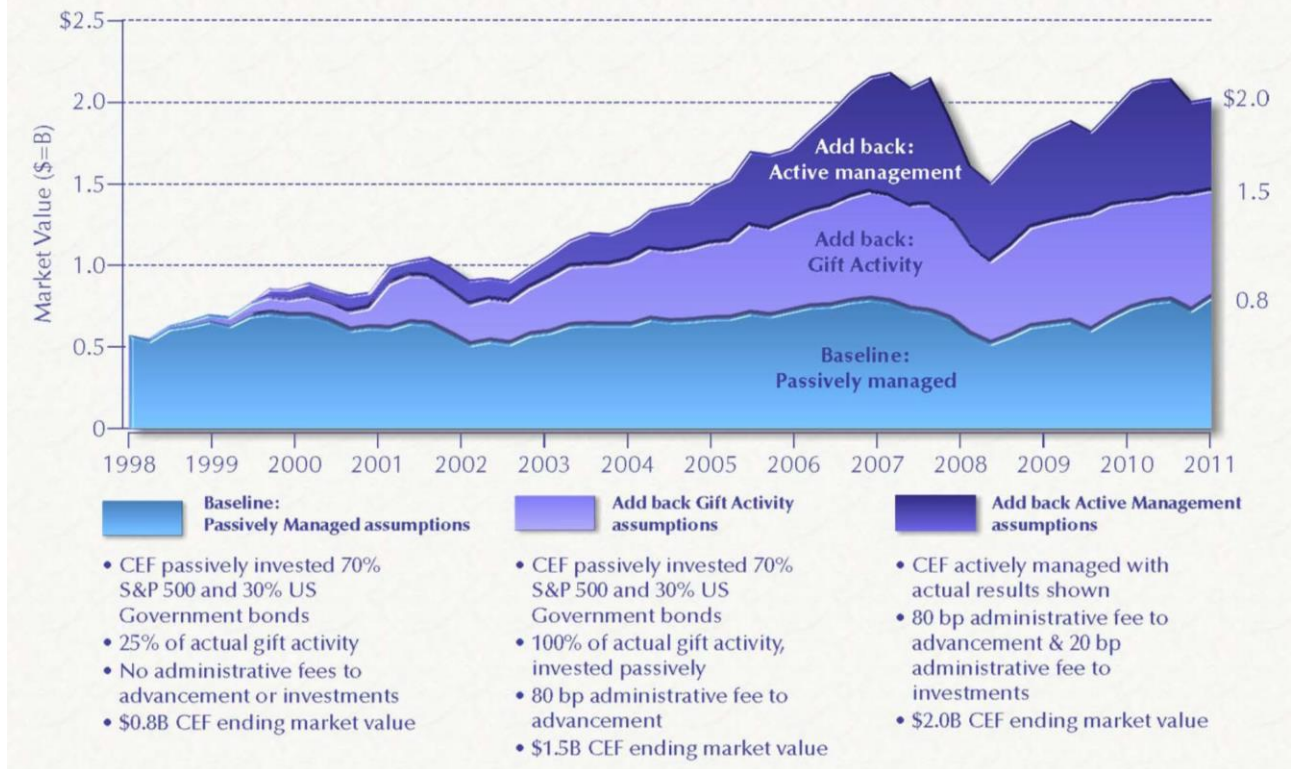
- Endowment agreements are legally binding documents and represent the agreement between the donor and the University on the terms of the gift
- University must spend endowment disbursements according to the terms of the agreement
- Operating accounts will receive endowment distributions each quarter

Below are two charts which illustrate the growth of an endowed fund over time, and the benefit of the 1% administrative fee model.

Change in Value of a Hypothetical \$100,000 Endowment Over 20 Fiscal Years Ending June 30, 2014



Gift Activity and Active Investment Contributions to Endowment Growth



RESOURCES AVAILABLE TO YOU:

We help:

- Draft endowment and current use agreements
- Provide you with copies of your current agreements
- Provide market values for your endowments
- Provide Annual CEF reports, fund reports, and individualized donor reports for each endowment
- Meet with and answer donor questions about our investment strategies or fees

Please contact us for more information about how we can help your department.

llindeke@uw.edu or 206-616-5373

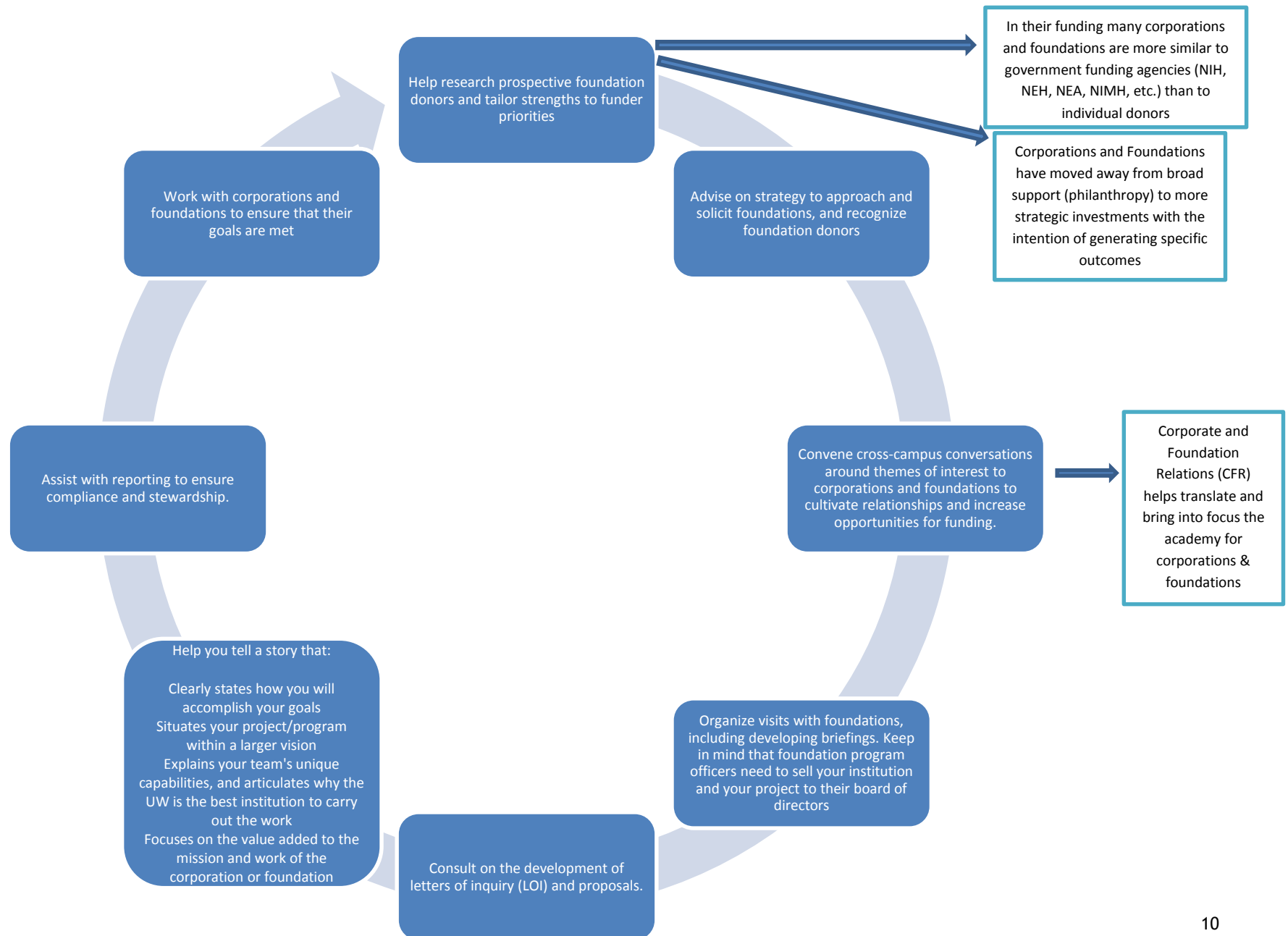
Donor Relations for Corporations and Foundations

Mission: We help you build positive relationships with foundations and corporations.

Contact:

Felicia Gonzalez,
Associate Director of Corporate and Foundation Relations
feliciag@uw.edu
(206) 616-7165

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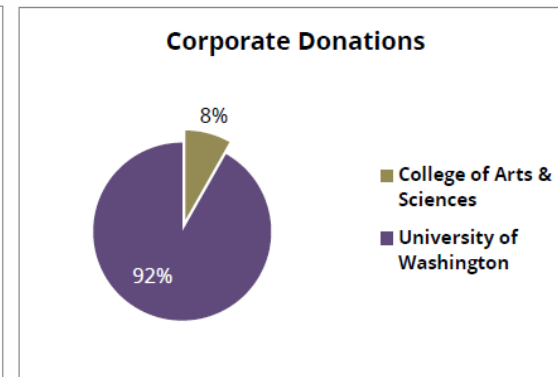
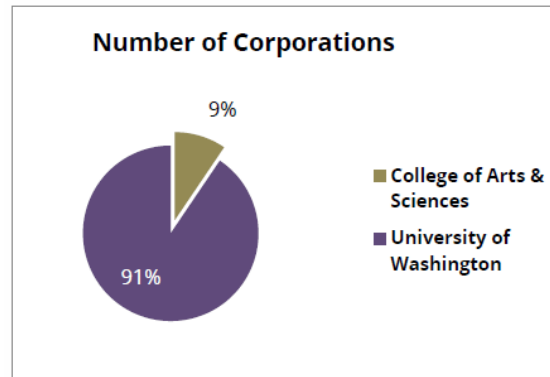


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Fiscal Year ending June 2015:

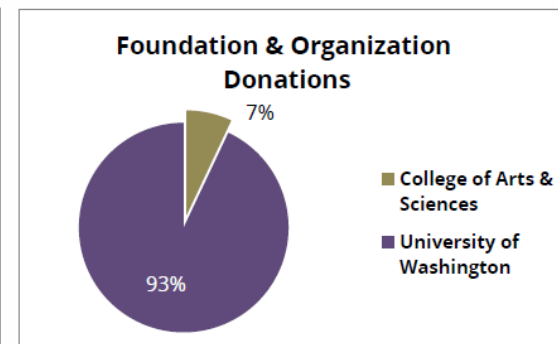
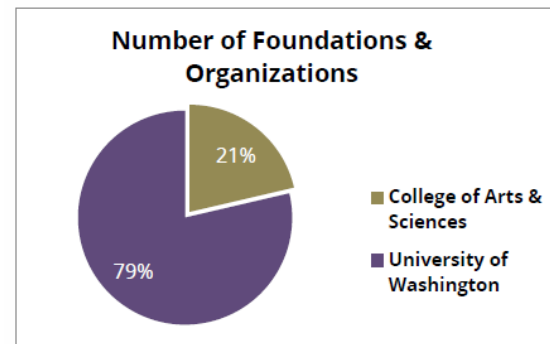
2,977 Corporations supported the UW with \$59,909,434

282 Corporations supported the College with \$4,919,539



1,138 Foundations and Organizations supported the UW with \$251,839,601

243 Foundations and Organizations supported the College with \$17,658,576



Endowment & Current Use Faculty Appointment Process

On the Faculty Endowed Appointment report in this binder, you will see the endowments which benefit your department and are eligible for faculty appointment. Endowed and Term Faculty appointments can be used for retaining and recruiting faculty.

Each appointment has an official recognition title that is specified in the agreement with the donor, and is consistent with the level at which the donor gave. This recognition title may be different than a faculty member's academic title. It is important to recognize that we must use the official recognition title for each appointment, as well as the faculty member's academic title. For instance, we have a number of endowed chair appointments, which are held by associate professors. In these instances the title would be something like:

Harry H. Husky, the John & Jane Smith Endowed Chair, and Associate Professor of Advancement

Chairs and their endowed faculty have flexibility in deciding how to spend income, explained in the next section. However, all expenditures must be consistent with University policy and with the terms of the endowment agreement. **In most cases, distributions from these funds cannot be spent without an appointed holder.**

The process to request an appointment is handled by the Dean's office. A summary is below:

- Submit the following paperwork to the Divisional Dean:
 - A copy of the appropriate UW checklist for faculty fellowships, professorships, or chairs (<http://ap.washington.edu/ahr/actions/adding-updating/endowments/>)
 - The Endowment Appointment checklist for Arts & Sciences (found on the A&S Admin Gateway)
 - A letter from the chair requesting the appointment
 - The candidate's vitae
 - The candidate's biographical statement (see Academic Human Resource's description)
 - Any other supporting documentation.

If approved by the Dean, the materials will be forwarded to the Provost for review and action by the Board of Regents. (Faculty fellowship appointments and reappointments do not need Regents approval.) When approved by the Provost, the Dean will send the candidate an appointment letter. This letter states the appointment terms and must be signed by both the candidate and the chair of the administering department. After the letter is returned to the Dean's Office, information regarding expenditure processing will be provided to both the candidate and the administering department. The appointment cannot be announced until formal approval by the Board of Regents has been given.

Policies and forms for endowed or term faculty appointments can be found on the Arts & Sciences Administrative Gateway at <http://admin.artsci.washington.edu/professorships-and-endowments>.

Spending Income from A&S Faculty Endowed and Term Appointments

Suggested uses for income from endowment or term professorships:

- **Salary and Benefits:** Endowed chairs, professors and faculty fellows may be awarded an Endowed Salary Supplement (ENS). Recipients of endowment supplements will be reported as part of the ESSB 5860 legislative reporting requirement. Endowed chairs, professors and faculty fellows may receive summer salary (earn type SUM) per Engrossed Substitute Senate Bills 5460 and 6382. Benefits charges will also be deducted from the endowment allocation for any salary received. In order to receive an ENS the Endowed Salary Supplement Request Form must be filled out. Please find this form here:
http://www.washington.edu/admin/acadpers/forms/ENS_Request_form.pdf.
- **Graduate students:** Endowed professors may choose to use income to support graduate students through recruiting fellowships, research assistants, student travel for research or conference presentations, or dissertation fellowships.
- **Undergraduate students:** Endowed professors may choose to use income to develop new courses, fund undergraduate research projects, community internships, and/or travel by undergraduates for research or conferences.
- **Research:** Endowed professors may choose to use income for research expenses *including hiring research assistants (graduate or undergraduate students)*, professional travel for yourself or your research assistants, purchasing materials or equipment, or hiring people whose expertise helps you in your work (e.g., someone to create or maintain a research-related database or web page).
- **Travel:** Endowed professors may choose to use income for travel related to research, professional collaborations, conferences, or other venues where you or your students are invited to make presentations. We encourage you to use these funds in lieu of limited department travel funds.

In most cases, distributions from these funds cannot be spent without an appointed holder

If you have any questions, contact Stewardship Manager, Lianne Lindeke, at 616-5373 or llindeke@uw.edu, or Debbie Olson in the Dean's Office at 616-4414.

Stewardship of Donors for Endowed Faculty and Term Appointments

On the anniversary of the faculty appointment, the Donor Relations team will send the appointee a reminder to send a report to the donor, along with the contact information for the donors. The Donor Relations team tracks appointment and donor correspondence to ensure that these major gifts to your department are regularly stewarded.

As Chair, you are important to ensuring that our donors hear about the impact of their gifts. Please help us by encouraging faculty who hold appointments in your department to write these annual reports, and to use their official recognition title. These faculty endowed appointments are prestigious, and we encourage faculty members to use their official titles proudly. The faculty member should use the official recognition title in connection with his or her name and academic title in signature lines, letters, newsletters, web sites, business cards, conference speaking attendance, and stationary.

We also publish all newly appointed faculty and their official recognition titles in A&S Perspectives in the Awards & Honors section.

RESOURCES AVAILABLE TO YOU:

We help:

- Provide you with reports or vacant or expired faculty appointments
- Answer questions about official appointment titles or spending from these funds
- Identify the donors and their contact information for these important funds
- Prompt your faculty to write an annual report to your donors

Please contact us for more information about how we can help your department. llindeke@uw.edu or 206-616-5373