

OFFICE OF THE PRESIDENT

WHARTON, CLIFTON R. PAPERS

MSM SUBJECT FILE

Performing Arts Center 1976-1977

FOLDER 47

BOX 427

COLLECTOR UA 2.1.1

cc Mr. Scott

Brakeley, John Price Jones Inc.

6 East 43rd Street New York, N.Y. 10017 212-697-7120

GEORGE A. BRAKELEY, Jr.  
CHAIRMAN



September 20, 1977

Dr. Clifton R. Wharton, Jr.  
President  
Michigan State University  
450 Administration Bldg.  
East Lansing, Mich. 48823

Dear Cliff:

It was good to be with you a week ago Monday night and to have the opportunity to visit privately for a few minutes after the dinner.

Ted Alexander has provided me with the summary report he prepared for you and Dr. Hannah after our first year of service, and John Leslie has sent me an overall assessment following his visit last week.

We are all persuaded that the Enrichment Program should be a success and reflect extremely well on the University in its first major fund-raising undertaking. However, we are a bit uneasy with several situations which exist. Since it's far better to anticipate and prepare oneself than to be blithely overconfident, let me share these concerns with you.

In many respects the success of the campaign rests on five or six key prospective donors with requests that total approximately \$10 million. If these gifts came in at 75% or better of request, the campaign would be a success. Any significantly lower percentage would place an extremely heavy burden on the major and special gifts people.

John Hannah, whom we counted upon to be available in early summer, now appears to be tied up with the UN into the fall months. Since he is not going to be available and

September 20, 1977

since there is not really a "leadership gifts committee," the burden of carrying the most important part of the campaign falls unduly on your shoulders. And this becomes a time factor, plain and simple.

Thus far, the attempt to find additional leadership gift prospects among major and special gifts prospects hasn't brought much success. I know that John has discussed this with both Ted and Les. Obviously, we have no idea of how many, if any, five-figure prospects could reasonably be upgraded and contacted for a gift in the six-figure range. But it is imperative that the special and major gift prospects be screened carefully with this thought in mind.

We feel the next sixty days could hold the key to the ultimate course of the campaign. In mid to late October we certainly should have a handle on how promptly the major gifts committees have performed their tasks, as well as how effective previous and upcoming solicitations of leadership gifts prospects will be.

We feel a responsibility to let you know of our concerns, not to alarm, but rather to alert you to potential pitfalls. I would be happy to talk about any of these matters, or come to East Lansing -- and please feel free to counsel with Ted or John.

Cordially,



GABjr:ra

Brakeley, John Price Jones Inc.

6 East 43rd Street New York, N. Y. 10017 212-697-7120



GEORGE A. BRAKELEY, Jr.  
CHAIRMAN

December 15, 1977

Mr. Clifton R. Wharton, Jr.  
President  
Michigan State University  
East Lansing, MI 48823

Dear Cliff:

We are pleased to announce that, on November 21, 1977, Charles E. Lawson was elected President of Brakeley, John Price Jones Inc.

On the same date, George A. Brakeley III became Senior Vice President of the firm.

With this realignment in management structure, Mr. Lawson, Mr. Brakeley, and Mrs. Tina F. Daniels, Senior Vice President and Secretary of the Corporation, now comprise the nucleus upon which I, as Chief Executive Officer, will rely in planning and directing the growth and development of Brakeley, John Price Jones and its affiliates.

I believe these changes, complemented by the continued involvement of our senior associates, Charles A. Brecht, Robert L. Conway, William F. Hobbie, and John W. Leslie Jr., will best ensure to our clients the same high quality of diversified services traditionally identified with Brakeley, John Price Jones Inc.

Sincerely,

A handwritten signature in dark ink, appearing to read "G. Brakeley".

# Brakeley, John Price Jones Inc.

6 East 43rd Street New York, N. Y. 10017 212-697-7120

GEORGE A. BRAKELEY, Jr.  
CHAIRMAN

August 20, 1976

Mr. Leslie Scott  
Vice President for Development  
Michigan State University  
Nisbet Building, Rm. 220  
East Lansing, Michigan 48823

Dear Les:

I enclose the signed copy of the contract between the University and Brakeley, John Price Jones with the following comments, in response to your letter of August 5th, which I hope you will bring to the President's attention and to that of others who should be concerned.

1. The reason for article 3 is that almost inevitably other capital needs, of greater or lesser amounts and urgency, surface during the two or three year period of capital campaigning and the faculty members concerned tend to seek funds, sometimes unauthorized to start with, for their own pet projects from their own pet prospects, often going to the same ones on which the success of the major and approved effort depends. Sometimes even volunteer energies are diverted for these "pet projects."

2. It is usual for the Administration, in consideration of this problem, to issue a policy statement along the following lines:

A. There is a major capital program for the performing arts center, etc., which has been given top priority by the Trustees and the Administration. Therefore, for a period of at least two years, no other capital campaigns or fund raising for major amounts for special capital projects will be approved. (Perhaps I'm making the wrong assumption, but I believe there is a policy now to the effect that all capital projects within the University must be approved in advance by the Administration; if not, we need one.)

B. Representatives of the University are not authorized to approach any of the major university prospects for capital gifts (such list to be available, of course) for any project or program for capital or annual funds without clearing with the Development Department (the Foundation?) first. This does not eliminate the approach where there is a pattern of previous support, or if justification for an approach for new support can be established, but duplications of solicitation, particularly for major capital amounts, must be avoided at all costs and/or coordinated carefully.

The obvious point is that we must establish control of key prospect assignment without any intention of interfering other than for clearance sake and/or coordination where there is a possible duplication with the ongoing program of the Development Fund or "in other areas of the University" which obviously should continue.

3. I note your comment about the Advanced Management Center campaign which may present some serious problems if AMC is authorized to go back to major donors to close the \$700,000 gap or to other new major prospects, on which our success will largely depend. The performing arts center, etc., campaign should be free to go to the top motor companies, for instance, (Burroughs, the utilities, the banks, etc.) for new capital support which will probably only be considered after pledges to AMC have been completed. (Hopefully, at least, we'll get the pledges or "statements of intention" in advance of actual payments if there is a delay.)

4. I understand the policy (already demonstrated I believe) is that unrestricted or undesignated bequests and other forms of deferred gifts will be available for crediting to the performing arts center campaign if necessary and/or as desired, but under appropriate authority and policy.

5. Your statement, that dollars contributed to ongoing programs, or bequests not related to the projects included in the campaign "may be counted in a total public relations concept (but) only the dollars contributed in the capital campaign would be used as a base to assess the success of the program," recognizes the facts of life and is accepted.

Mr. Leslie Scott

3

August 20, 1976

So I guess we're all of a mind, and hard at work. My associates are most enthusiastic and particularly pleased with the fine reception on the campus to their presence and purpose.

Sincerely,

A handwritten signature in dark ink, appearing to read "J. Edgar Hoover", is centered below the closing. The signature is written in a cursive, flowing style.



AGREEMENT

THIS AGREEMENT, made this 5<sup>th</sup> day of August, 1976, by and between BRAKELEY, JOHN PRICE JONES INC., a corporation doing business in the City, County and State of New York, hereinafter known as BRAKELEY, and the BOARD OF TRUSTEES OF MICHIGAN STATE UNIVERSITY, a constitutional corporation, hereinafter known as CLIENT,

WITNESSETH:

1. That BRAKELEY agrees to supply to CLIENT experienced staff for the purpose of planning, organizing, managing and otherwise furthering in every way possible the solicitation of capital and other funds by the Trustees, officers, alumni, and friends of CLIENT for a period of twelve months beginning with the 2nd day of August, 1976. ~~19th day of July, 1976~~, in accordance with Appendix I, THE ROLE OF PROFESSIONAL COUNSEL, incorporated herein by specific reference. The staff of BRAKELEY will include among others, a Program Director (full-time), Supervisor/Consultant (part-time), and Writer (part-time).

2. The Trustees and Officers of CLIENT agree to give BRAKELEY their full cooperation and support in this effort. It is agreed that the final decision in all questions as to the proper methods to be used in advancing the interests of the fund-raising program shall be mutually vested in BRAKELEY, its Supervisor/Consultants and its Program Director, and the Chairman and Co-Chairman of CLIENT'S "Program Executive Committee" and/or other duly appointed CLIENT representatives, in the manner contemplated by Appendix II, THE UNIVERSITY'S ROLE, incorporated herein by specific reference. CLIENT agrees that the funds so raised are to be used for the capital, endowment and program needs of the CLIENT, within the guidelines established by the individual or corporate donors.

3. It is further agreed that there shall be no major fund-raising effort or solicitation of capital and/or endowment funds by or for CLIENT for any other purpose during the period agreed upon for this program, except as may be specifically agreed to in writing by both BRAKELEY and CLIENT.



4. As compensation for BRAKELEY'S service during the contract period, CLIENT agrees to pay BRAKELEY a service fee of One Hundred and Eleven Thousand Dollars (\$111,000), payable in advance on a biweekly basis. Invoices will be mailed ten days prior to payment dates. The payment thereof is due within fourteen (14) days of the rendition of said billing.

5. It is understood that local travel, meeting and related expenses, other than routine local home-to-office, of BRAKELEY staff members to and from and on this assignment will be reimbursed by CLIENT. It is further agreed that said living and travel expenses for BRAKELEY personnel will be reimbursed in a total amount not to exceed Nineteen Thousand Dollars (\$19,000), payable as and when expended and billed.

6. It is agreed that other expenditures during the contract period, for printed materials, office supplies, telephone, postage, meetings, and the other costs of conducting thw CLIENT'S fund-raising program, under this contract, will be provided by CLIENT as set forth in a budget approved by CLIENT'S Board of Trustees. It is further understood that all expenditures are to be incurred at the suggestion of BRAKELEY'S Program Director, with the approval of CLIENT'S "Program Executive Committee" or Officers and all bills to be made to CLIENT and approved by the BRAKELEY Program Director.

7. It is agreed that CLIENT will supply appropriate and adequate office space, secretarial and clerical services, furniture, equipment, local transportation and petty cash.

8. It is understood that BRAKELEY will provide designated CLIENT representatives with Weekly Situation and Progress Reports.

9. It is further agreed that in close coordination with BRAKELEY'S Program Director, CLIENT will handle all funds, subscriptions and pledges made payable to CLIENT, or its legal representatives, and all records relating to said funds, subscriptions and pledges.

10. It is understood and agreed that this agreement may be subject to cancellation on forty-five (45) days written notice during the first six (6) months and on sixty (60) days written notice thereafter, by either party, and if

such cancellation is by CLIENT, then CLIENT agrees to pay the proportionate fee and incurred expenses for the forty-five (45) or sixty (60) day period from the date of such notification.

11. It is further agreed that BRAKELEY will not hire any employee of CLIENT and CLIENT will not hire any employee of BRAKELEY within one year after the completion of the terms of this contract, unless mutually approved.



12. This written agreement merges all prior negotiations between the parties and cannot be modified except in writing signed by both parties.

IN WITNESS WHEREOF, BRAKELEY and CLIENT have executed this agreement the day and year first written above.

BRAKELEY, JOHN PRICE JONES INC.

By   
Chairman

BOARD OF TRUSTEES OF MICHIGAN STATE  
UNIVERSITY

By   
C. R. Wharton, Jr., President  
  
Elliott G. Ballard, Secretary

## APPENDIX I

### THE ROLE OF PROFESSIONAL COUNSEL

1. To assist in the articulation of the total program philosophy, the projection of financial needs, the recommended changes in pacing and general strategy.
2. To advise in personnel selection — both staff and volunteer.
3. To identify and research on potential large-figure donors. Much of this procedure will be based on information developed during the course of the study.
4. To work with top leadership on successful techniques for cultivation and solicitation of top gifts; to plan and administer leadership and committee training at all levels.
5. To assist the top volunteer leadership in the screening, selection, enlistment and orientation of volunteers.
6. To prepare and maintain the operating schedule — particularly in relation to the previously-determined timing of the campaign.
7. To coordinate the evaluation and rating of all prospects and, ultimately, the assignment of each prospect to the solicitor capable of doing the most effective job.
8. To prepare and distribute reports on plans, significant meetings and the progress of the campaign.
9. To plan the production of printed materials such as the case statement, the major campaign brochure and related announcements and booklets.
10. To provide overall guidance of program policy, strategy and tactics.
11. To make available (a) senior company officers for policy-level meetings, especially of the proposed Executive Committee, and (b) supporting company services.
12. Working with University and Foundation staff, to provide budget control with periodical reports to those concerned.

In addition to the foregoing, counsel assumes responsibility for the campaign headquarters. This includes the supervising, training and orientation of technical and clerical staff which may be needed. This responsibility includes the function of building prospect lists and careful control of their distribution.

## APPENDIX II

### THE UNIVERSITY'S ROLE

To assist in discharging the University's responsibilities, we list points below which, in our experience, have proved essential to success. (The key to it all will be the President's own participation.)

1. To accept, and then act on appropriate, related recommendations in the study and subsequently.
2. To the extent not done in preparation for the several studies, to make decisions, establish policies and provide documented reports in such areas as:
  - a. The University's purpose and direction in the next decade, especially as related to the stated needs.
  - b. The broad base of services which will be improved if properly financed.
  - c. Such other basic data essential to preparing and presenting the University's case for private sector support.
3. To provide ideological as well as practical support to fund-raising counsel — and to volunteer leadership and supporting units.
4. To interpret — initially and continually — the fund-raising process and counsel's role to the institutional family at the University, their understanding and cooperation are essential.
5. To keep counsel advised of public relations and public information events, administrative problems and decisions that might reflect on the University's support-generating posture; and to coordinate such decisions with the campaign plan.
6. To enlist the top leadership as required and to assist and support such top leadership in the enlistment of subordinates.
7. To be in constant communication with other top leadership, to make major presentations, solicit major gifts, provide resource information, mail certain personal gift acknowledgements, attend follow-up and report meetings, and participate in special events.
8. To provide qualified personnel, adequate headquarters space, equipment and furniture, and coverage of personnel (not employed on counsel payroll) under available health and pension arrangements.
9. To provide machinery for receiving, receipting, acknowledging, accounting for, advising recipients of and counsel on, "billing" on pledge payments, all contributions.
10. To provide funds for the campaign, periodical budget reports, and account for all expenditures.

ISSUES TO BE COVERED IN LETTER TO BRAKELEY

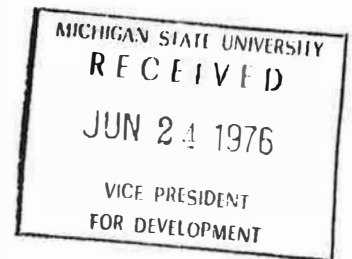
1. Issue of any other campaigns...should not be interpreted to interfere with our regular fund raising
2. Should stipulate that in assessing their success (for our internal purposes) they can not "count" what we already have in hand.

Ted Alexander, in residence

John Hestie, Supervisor of Acad

Brakeley, John Price Jones Inc.

6 East 43rd Street New York, N. Y. 10017 212-697-7120



June 22, 1976

Mr. Leslie Scott  
Vice President for Development  
Michigan State University  
Nisbet Building, Room 220  
East Lansing, Michigan 48823

Dear Les:

Enclosed is a copy of the contract which we discussed on the telephone.

I am forwarding it to you for your review, while George Brakeley is away from the office for the rest of the week.

Upon his return, he will contact you to see if it is satisfactory. If so, he will send you copies with official signature, etc.

It was good to learn that you do remember Gene Martensen. Personal regards.

Sincerely yours,

A handwritten signature in cursive script that appears to read "Bob".

Robert Pierpont  
Consultant Vice President

RP: lc

BRAKELEY, JOHN PRICE JONES INC.

6 EAST 43RD STREET

NEW YORK, NEW YORK 10017

CONTRACT

This contract, made and entered into this \_\_\_\_ day of July, 1976, by and between BRAKELEY, JOHN PRICE JONES INC., a corporation doing business in the City, County and State of New York, hereinafter known as BRAKELEY, party of the first part, and the BOARD OF TRUSTEES OF MICHIGAN STATE UNIVERSITY, hereinafter known as CLIENT, party of the second part.

WITNESSETH

1. BRAKELEY agrees to supply to CLIENT experienced staff for the purpose of planning, organizing, managing and otherwise furthering in every way possible the solicitation of capital and other funds by the Trustees, officers, alumni, and friends of CLIENT for a period of twelve months beginning with the 19th day of July, 1976. (See Appendix I — The Role of Professional Counsel.)

This staff will include the following:

Supervisor/Consultant (part-time)

Program Director (full-time)

Writer (part-time)

Special Consulting Services in Donor

Financial Planning and Grants Guidance



**BRAKELEY, JOHN PRICE JONES INC.**

2. CLIENT Officers and Trustees agree to give BRAKELEY their full cooperation and support in this effort. It is agreed that the final decision in all questions as to the proper methods to be used in advancing the interests of the fund-raising program shall be mutually vested in BRAKELEY, its Supervisor/Consultants and its Program Director, and the Chairman and Co-Chairman of CLIENT'S "Program Executive Committee" and/or other duly appointed CLIENT representatives. (See Appendix II — The University's Role.)

CLIENT agrees that the funds so raised are to be used for the capital, endowment and program needs of the CLIENT, within the guidelines established by the individual or corporate donors.

3. It is further agreed that there shall be no major fund-raising effort or solicitation of capital and/or endowment funds by or for CLIENT for any other purpose whatsoever during the period agreed upon for this program except as may be specifically agreed to in writing by both BRAKELEY and CLIENT.

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BRAKELEY, JOHN PRICE JONES INC.

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BRAKELEY, JOHN PRICE JONES INC.

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11. It is further agreed that BRAKELEY will not hire any employee of CLIENT and CLIENT will not hire any employee of BRAKELEY within one year after the completion of the terms of this contract, unless mutually approved.

12. This written agreement constitutes the true agreement between the parties and cannot be modified except in writing signed by both parties; all prior negotiations are merged in this agreement.

IN WITNESS WHEREOF, BRAKELEY and CLIENT have executed this agreement the day and year first written above.

ATTEST: BRAKELEY, JOHN PRICE JONES INC.

\_\_\_\_\_  
CHAIRMAN (SEAL)

DATE: \_\_\_\_\_

ATTEST: BOARD OF TRUSTEES OF MICHIGAN STATE UNIVERSITY

\_\_\_\_\_  
SECRETARY (SEAL)

DATE: \_\_\_\_\_

## APPENDIX I

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7. To be in constant communication with other top leadership, to make major presentations, solicit major gifts, provide resource information, mail certain personal gift acknowledgements, attend follow-up and report meetings, and participate in special events.
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9. To provide machinery for receiving, receipting, acknowledging, accounting for, advising recipients of and counsel on, "billing" on pledge payments, all contributions.
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# MICHIGAN STATE UNIVERSITY

CLIFTON R. WHARTON, JR. • PRESIDENT

September 1, 1976

EAST LANSING • MICHIGAN • 48824

## MEMORANDUM

To: Mr. Ted Alexander

From: Clifton R. Wharton, Jr., President

Subject: Progress Report No. 1

Appreciated your first progress report and am looking forward to these as a way of keeping abreast with developments.

A couple of comments:

1. The naming of the Great Hall and/or Theatre Recital Hall will be entirely dependent upon identifying a donor who would fund the overwhelming (if not all) the allocated costs of the unit. Other prospective donors in the intermediate range will not contribute to a facility to be named for someone else without very good reason. If no such donor is found, then the units might not be named.
2. Regarding invitations to home football games and luncheons. There will only be a limited number of invitations which may be used. These events are used for a number of key constituent groups and leaders in addition to those in the fund-raising area. Among the groups involved are: legislators (especially appropriations committee members), state budget office and fiscal agency personnel, alumni executive board and development council, labor leaders, corporate leaders, etc. I mention this because priority ranking will be most important so as to maximize the limited number of invitations.
3. There are other activities/events which may be used and some thought should be given to matching these with the interests of the individuals. During the past six years, we have regularly entertained various key individuals in a variety of ways and would, therefore, suggest that over the coming year certain of those persons invited be selected with the capital campaign in mind. This approach would especially be true for cultural events. (In the past, the cultural dimension of Cowles House has involved dinners/receptions for such as Van Cliburn, Duke Ellington, Joan Sutherland, Alvin Ailey, Rudolf Nureyev, Yehudi Menuhin, Leontyne Price, and Aldo Ceccato and The Detroit Symphony.) For example, there is a strong possibility that Vladimir Horowitz will be performing at MSU on October 24; if so, we might host a reception for him at Cowles House.

Mr. Ted Alexander  
September 1, 1976  
Page 2

4. In addition, Mrs. Wharton and I have tentatively set aside the following dates for possible dinners or receptions at Cowles House:

October 3  
October 29  
November 5 or 7  
November 22 or 23  
December 14

In preparation for such events, I would suggest an early meeting with Mrs. Wharton to discuss possible persons whom we might invite.

cc Mr. Scott  
Mr. Brakeley



MEMORANDUM FOR THE FILE

From: Clifton R. Wharton, Jr.

Re: Performing Arts Center

1. Brick on Pasadena Museum (veritcal dark brown) -- Pasadena, California
2. Water Sculpture by George Tsutakawa in Murphy's sculpture gardens, UCLA

MICHIGAN STATE UNIVERSITY EAST LANSING-MICHIGAN 48824

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CLIFTON R. WHARTON, JR. • PRESIDENT

February 28, 1977

Dear Mr. and Mrs. Carr:

We are delighted that you are planning to join us on Monday evening, March 7, in the Centennial Room, Kellogg Center.

The schedule for the evening is as follows:

|              |                                |
|--------------|--------------------------------|
| Reception    | 6:00 p.m.                      |
| Dinner       | 6:30                           |
| Presentation | (immediately following dinner) |
| Adjournment  | 9:00                           |

Reserved parking will be available in the parking lot south of Kellogg Center for your convenience.

We appreciate your interest and look forward to seeing you on March 7.

Sincerely,

Clifton R. Wharton, Jr.  
President

Mr. and Mrs. Leland W. Carr, Jr.  
1041 Roxburgh  
East Lansing, Michigan 48823

P.S. Please treat the enclosed material as confidential until the University makes a public announcement on the campaign.

Attending the dinner on March 7, 1977

M/M Leland W. Carr, Jr.  
1041 Roxburgh  
East Lansing, MI 48823

Mr. Gregory L. Deliyanne  
1833 Burwood Circle  
East Lansing, MI 48823

Dr. and Mrs. Matthies Evans, Jr.  
1050 Applegate Lane  
East Lansing, MI 48823

Dr. Edgar L. Harden - Chairman  
1018 Wildwood Drive  
East Lansing, MI 48823

M/M William C. Hettiger, Sr.  
3847 New Salem  
Okemos, MI 48864

M/M R. E. Olds Anderson  
1125 White Pond  
East Lansing, MI 48823

M/M David Machtel  
3422 Inverary Drive  
Lansing, MI 48910

Mrs. Evelyn Wolfram  
1341 Cambridge  
Lansing, MI

M/M Walter P. Maner, Jr.  
610 W. Ottawa  
Lansing, MI 48933

M/M Walter Neller  
400 Carey  
Lansing, MI 48915

M/M Alan Suits  
609 Belmont Circle  
East Lansing, MI 48823

M/M Damon Reinbold  
516 Belmont Circle  
East Lansing, MI 48823

M/M Louis E. Legg  
4850 Arapaho  
Okemos, MI 48864

M/M Walter F. Patenge  
5545 Park Lake Road  
East Lansing, MI 48823

Senator Earl Nelson & guest  
Michigan Senate  
The Capitol  
Lansing, MI 48901

M/M Robert J. Wilcox  
1860 Ridgewood  
East Lansing, MI 48823

Mr. and Mrs. William Hollister  
6547 Old River Trail  
Lansing, Michigan 48933

MICHIGAN STATE UNIVERSITY EAST LANSING • MICHIGAN 48824

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CLIFTON R. WHARTON, JR. • PRESIDENT

June 8, 1977

Dear Mr. Marshman:

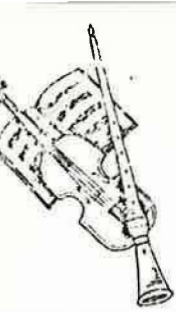
During my recent visit to Owen Hall, you and others raised a question regarding the location of the proposed State Center for the Performing Arts and the parking lot across from Owen (Lot "O" with a capacity of 303). The current plans are to build a new parking ramp at the rear of the Cyclotron with a capacity of 800.

Those persons currently using lot "O" (Owen) would be shifted to the Eppley/Shaw parking ramp. The change will take place prior to construction of the Center.

Sincerely,

Clifton R. Wharton, Jr.  
President

Mr. Joseph Marshman  
251 S Owen Hall, East  
Campus



LANSING SYMPHONY ASSOCIATION, INC.

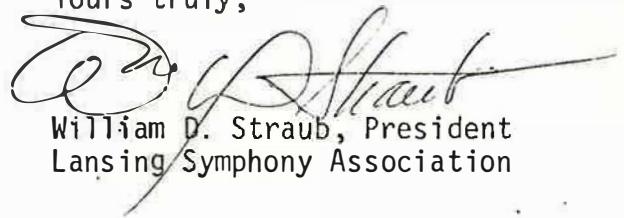
May 23, 1977

Mr. Les Scott  
407 Administration Bldg.  
Michigan State University  
East Lansing, Michigan 48824

Dear Les,

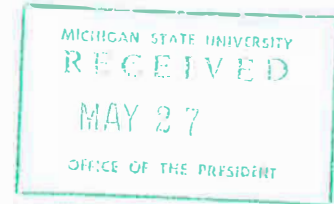
The Executive Committee of the Lansing Symphony Association is happy to inform you and those involved in the planning of the State Center for the Performing Arts that the Lansing Symphony enthusiastically supports your project and looks forward to performing in the Center during the 1980-81 season. Please make certain that we are included in the scheduling of dates so that we may coordinate effectively with your programming.

Yours truly,

  
William D. Straub, President  
Lansing Symphony Association

WDS/lis

CRW  
KB  
Ted - FYI  
and return to LWS



## SHOOTING SCHEDULE

Preview: The State Center for the Performing Arts

Location: site of new PAC, southeast corner East Shaw Lane and Bogue Street

Wednesday, October 26

- 6:00 a.m. mobile unit to site
- 7:30 a.m. fire cameras (2 TK44s, 1 TKP 45)
- 8:30 a.m. camera checkout
- 9:30 a.m. cameras for director
- 10:00 a.m. introduction to program -- with Ken Beachler (Grand Plaza area)
- 10:30 a.m. orchestra segment -- Beachler and Dennis Burk, MSU Symphony  
(Great Hall area)
- 11:30 a.m. possibly finish up introduction/break for lunch
- 1:00 p.m. ballet segment -- Beachler, Dixie Durr, dancers, including San Francisco Ballet dancers (rehearsal room area)
- 2:00 p.m. recital segment -- Beachler with pianist Ralph Votapek (Theatre/  
Recital Hall area)
- 3:00 p.m. theatre segment -- Beachler with theatre students in scenes from  
"Romeo and Juliet" and play director Georg Schuttler
- 4:00 p.m. program close -- Ken Beachler

Thursday, October 27

- 7:00 a.m. mobile unit
- 8:30 a.m. fire cameras (1 TK 44, 1 TKP 45)
- 9:30 a.m. camera checkout
- 10:00 a.m. cameras for director
- 10:30 a.m. Wharton/Juilliard segment -- Ken Beachler with President Wharton  
and members of the Juilliard String Quartet
- 11:30 a.m. strike



PREVIEW: THE STATE CENTER FOR THE PERFORMING ARTS

(A car crosses the Bogue Street bridge on campus and proceeds south to the turn-in just beyond the Shaw Lane-Bogue Circle. The car stops and Ken Beachler gets out wearing tux and black tie. . . .)

(BEACHLER) Welcome to the site of Michigan

State University's new State Center for the Performing Arts. I'm Ken Beachler, director of the MSU Cultural Activities Office....

Michigan State University is in the midst of its first major fund drive -- a 17-million-dollar Enrichment Program -- to provide added excellence in four key areas of the University....

The Enrichment Program seeks to raise funds for the State Center for the Performing Arts: a new Museum (to be located on South Harrison Road), special needs in the University Library, and to enhance the quality of teaching at the University through a series of endowed chairs.

But, today, we want to tell you something about the new eleven-million-dollar Performing Arts Center -- to be located here at the corner of Bogue Street and East Shaw Lane on campus.

(Slow dissolve to model)

And, we are going to ask you to use your imagination. Just for a moment, stand back and imagine this beautiful new facility suddenly appearing before your eyes. . . .

Here is the focal point of the Performing Arts Center -- the Great Hall. The largest of three concert halls in the Performing Arts Center, the Great Hall, will seat 2,500.

(Go to series of color sketches)

Among its many features will be floor to ceiling "acoustical columns" which, together with expanses of wood paneling, will enhance the quality of sound produced by performing groups. . . . The proscenium stage, with a 90-foot loft, can be closed off by an acoustic

curtain, permitting more intimate contact between the performer and the audience in a recital or lecture situation. . . . Side foyer entry to the Great Hall, plus continental seating, will provide excellent sight lines from all seats.

(Back to exterior model)

The second auditorium -- the 600-seat Theatre-Recital Hall -- is located within the central rectangular Grand Plaza. . . .

The Theatre-Recital Hall will be used primarily for drama productions, and will serve for recitals and chamber music performances also. . . .

As you can see, the Theatre-Recital Hall is designed to foster performer-audience intimacy. The thrust stage fans out into the seating area, making the audience a real participant in the stage action....

(Model)

The third theatre is located in the Department of Theatre wing of the Performing Arts Center. The Laboratory Theatre will seat 250 patrons. Its primary use will be for educational, experimental, and innovative drama productions....

(Exterior-PAC site)

There are many striking features about these three theatres and the entire center as a whole. But the most exciting and important feature for me is the fact that Michigan State University will finally have a facility where more than one event can take place simultaneously.

To be a performing artist, one needs a place in which to play -- be it musician, actor, or dancer. And that is why we have invited the Michigan State University Symphony Orchestra, an ensemble of dancers, artist-in-residence Ralph Votapek, a group of theatre

students, and some special guests to show you in very real terms what this new Performing Arts Center means to them. For now, you will have to imagine the Great Hall, the large rehearsal room, the Theatre-Recital Hall, and the Laboratory Theatre, while these performing artists give you a small taste of what is to come.

(Cut to MSU Symphony playing)

(At the conclusion, Ken walks up to talk with Dennis Burkh about what the PAC will mean to the orchestra and to such community groups as the Lansing Opera Guild.)

(BEACHLER) Across the way here, members of the San Francisco Ballet and some of Dixie Durr's dance students are preparing for a performance in the large rehearsal room. The rehearsal room is actually one level above the Great Hall, but you can imagine the facility here until it is completed.

(Ken talks with Dixie Durr about the PAC, what it will mean for dancers, residency programs, etc.)

(DURR) One thing I appreciate, Ken, is the fact you aren't waiting for the Performing Arts Center to be completed to bring outstanding cultural events to Michigan State.

You started the season with some fine attractions, such as the Grenadier and Scots Guards and the Vienna Choir Boys. . . .

(Dissolve to film of Grenadier and Scots Guards, Vienna Choir Boys)

(Beachler: Talk about 1977-78 season, the Grenadier and Scots Guards, enthusiastic audiences, pagentry, etc., plus the fine response to the Vienna Choir Boys, the post-concert milk-and-cookies party for them by the Okemos school children. . . . Then, after thanking Dixie, and perhaps making a comment on the importance of dance as part of the MSU cultural scene. . . .)

(BEACHLER) Some distinguished visitors -- Michigan State University President Clifton R. Wharton, Jr., and the members of the Juilliard

String Quartet -- have just arrived at the  
Grand Plaza. Let's walk over there and join  
them. . . .

(Introduce members of the Quartet --

Robert Mann, Earl Carlyss, Samuel Rhodes,  
Joel Krosnick -- and Dr. Wharton.

The discussion should include mention of  
the Juilliard's residency at MSU, what that  
means to the University's cultural development  
and for the mid-Michigan area as well.

Dr. Wharton might offer a more in-depth  
description of the Enrichment Program, plus  
the specific dollar amounts being sought for  
the PAC, the new Museum, the Library needs,  
and the endowed chairs. Also, Dr. Wharton  
might wish to name some of the large donors  
to date, such as the Ford Motor Company gift,  
and talk about the leadership of the campaign,  
including Dr. John Hannah's involvement.



The members of the Quartet should feel free to ask questions and to make comments about the PAC, looking forward to performing in it, as well as to their current residency.

Then, while Dr. Wharton and the Quartet move on to "look at the building," Ken Beachler proceeds to the Theatre/Recital Hall area. . . .)

(BEACHLER) A colleague, good friend of the Quartet, and fellow Michigan State University artist-in-residence -- pianist Ralph Votapek -- is over in the Theatre/Recital Hall. Let's go look in on him. . . .

(As we join Ralph Votapek, he is concluding a performance of Felix Mendelssohn's "Variations Sérieuse," Op. 54. Ken, clapping as Ralph finishes, joins him at the grand piano.

The conversation should include comments about the new PAC as a center for cultural

activities in the metropolitan Lansing area, including mention of the Great Hall as being the "home" of the Lansing Symphony once the building is completed.

Ken might ask what the PAC means to Ralph as an artist/teacher, i.e. having a fine hall in which to perform and having a facility and concert series which attracts topnotch students to the University. . . .)

(BEACHLER) Thank you, Ralph. We look forward to hearing your recitals in the Music Building and in the MSU Auditorium until the new Performing Arts Center is completed. . . .

To complete our tour of this facility, let's move on to the Laboratory Theatre area, in the wing where the MSU Theatre Department will be located. Georg Schuttler of the

Theatre Department is directing his cast for  
a production of Shakespeare's "Romeo and  
Juliet."

(Cut to dueling scene)

(Following "dueling scene," Georg Schuttler  
might give some directions to the cast, then  
move to the area where the "balcony scene" is  
set up. . .)

(balcony scene)

(BEACHLER) We don't have time to stay for the  
entire production, but you will have an  
opportunity to see this play, no doubt, and  
many other productions as well in an exciting  
new setting -- once Michigan State University's  
new State Center for the Performing Arts is  
completed.

If you would like to help make this  
facility a reality, please write or call the  
office of vice president for development,  
Michigan State University, East Lansing, 48824.

(Two student-ushers approach  
carrying a hard-hat and shovel  
for a pretend "ground-breaking,"  
as camera zooms out for wide  
shot.)

# MICHIGAN STATE UNIVERSITY

CLIFTON R. WHARTON, JR. • PRESIDENT

November 1, 1977

EAST LANSING • MICHIGAN • 48824

Gentlemen:

Michigan State University has embarked on the first capital fund-raising campaign in its 122-year history. It is a \$17 Million Enrichment Program for private funds to accomplish the following four objectives:

|   |                  |
|---|------------------|
| - Build and equip a major new performing arts center  | \$11,000,000     |
| - Complete the first construction phase of a new natural/cultural history museum building             | 2,750,000        |
| - Strengthen the MSU Library's holdings in key areas, and establish a "Library of Tomorrow" on campus | 1,500,000        |
| - Endow several faculty chairs/professorships in various pivotal academic disciplines                 | <u>1,750,000</u> |
| Total Goal  | \$17,000,000     |

The initial results in our efforts to date have generated gifts and/or commitments in the range of \$6.5 to \$7 million dollars. Several major foundations or corporate prospects, such as the Kresge Foundation, the Mott Foundation and General Motors Corporation have yet to indicate their level of commitment. However, we are confident that when these announcements are made, our campaign total will be well beyond the half-way mark toward the \$17 million objective.

As part of our campaign results, I am further pleased to report that the MSU family, which includes our faculty, staff, student body, retirees and clinical faculty, have pledged well over \$900,000 to this program. Every indication is that the MSU family will exceed the \$1 million mark by the end of the year.

Trustees of the Forest H. Akers Trust Fund  
John A. Hannah Administration Building  
Michigan State University  
East Lansing, Michigan 48824

Trustees of Forest Akers Trust Fund  
November 1, 1977  
Page 2

With these encouraging highlights toward a significant step in the University's history, we wish to request that the Trustees of the Forest H. Akers Trust give consideration to a grant of \$500,000 toward the \$17 Million Enrichment Program. The construction of the State Center for the Performing Arts is the University's top priority for the 1970's. I believe that the intentions of Forest Akers would be more than satisfied with a commitment of this magnitude toward a project of this importance. Of course, an extended payment schedule beyond the maximum five-year private sector plan is available in this special situation.

In order to appropriately recognize a grant request of this size, the Campaign Committee wishes to offer the Upper Lobby in the Great Hall to be named in honor of Forest H. Akers along with a listing of the Trustees of the Fund who made the grant possible.

The enclosed materials describe in detail the campaign's objectives, as well as the vital need for these facilities and programs. If there are aspects of this request that need clarification, I would be most pleased to meet with you to discuss your questions and, if requested, to narrate a special 20 minute slide presentation about the program.

Sincerely,

Clifton R. Wharton, Jr.  
President

cc Mr. Jack Breslin  
Dr. John A. Hannah  
Mr. Philip J. May  
Mr. John R. Pingel

Enclosures

MSU DEVELOPMENT FUND  
SIX-YEAR ANALYSIS AND FORECAST

In early 1970, shortly after Dr. Wharton took office as President, the University identified the importance of increasing financial support from the private sector. This analysis has been compiled to provide an accurate history and documentation of this period. It focuses on the many faceted efforts involved in creating an integrated development program.

Symbolic of the growth of the development program is the following summary comparison of the total numbers of volunteers and staff committed to the program.

|  | <u>1969-1970</u> | <u>1975-1976</u> |
|--|------------------|------------------|
| Development Fund Staff - A/P & C/T         | 4                | 15               |
| Ancillary Records Staff                    | 3                | 5                |
| Development Council                        | 36               | 36               |
| Development Council Committees             | 0                | 10               |
| Total Number Serving on Council Committees | 0                | 66               |
| Presidents Club Organization Volunteers    | 0                | 27               |
| Presidents Club Regions                    | 0                | 8                |
| Development Fund Constituent Committees    | 3                | 15               |
| Development Fund Alumni Committees         | 0                | 9                |

## CHRONOLOGY OF DEVELOPMENT

The MSU Development Fund solicits contributions from 115,000 of MSU's estimated 160,000 living alumni through more than 600,000 pieces of mail annually. This figure includes all individuals (alumni, Alumni Association members and spouses, and donors) for whom we have current mailing addresses. Our solicitation system mails one mailing per family. For economic reasons, we do not solicit from graduates before 1950 who have not contributed to the University. This group of individuals has yet to demonstrate any support towards the University and most likely will not change their habits at this point. Graduates of the last three years are not solicited because they are finding new jobs and settling down in new communities with young families. In 1973-74, 13,148 or 11.4% of MSU's alumni made contributions through the Development Fund.

While you consider MSU is fifth in the Big Ten in percent of alumni donor participation, you should understand that one-third of the degrees conferred by this University have been awarded since Dr. Wharton became President in 1970. That is 64,809 degrees in six years. If the average age of those graduates was 24 at the time they received their degrees, then those alumni are all under 30 years old. They have not yet moved into the more stabilized incomes to be major contributors to MSU.

When John Hannah became President in 1941, only 15,462 degrees had been conferred by this institution in 84 years. During Dr. Hannah's 28-year tenure until 1969, 102,508 graduates received degrees from MSU.

So the University's alumni are extremely young when compared to many alumni bodies for Big Ten schools. While generally the alumni are not yet in a strong position to heavily support MSU, they are making regular contributions.



In late 1970 the Executive Board of the MSU Alumni Association recommended that the MSU Development Council change its planning process. Consequently, by early 1971 the development staff underwent a number of structural changes in its staff organization.

In April 1971, Mr. Leslie W. Scott, at the request of President Wharton, was appointed a consultant to the President for University Development. Mr. Scott, on temporary leave one day a week from Fred Harvey, Inc., began a study with an ad hoc committee on the development programs at other major universities, particularly within the Big Ten. In December 1971, the ad hoc committee reported to President Wharton the following recommendations:

1. Establish an office of development to coordinate all fund raising activities of the University.
2. Appoint a director of development reporting to the President to act as the catalyst to bring the trustees, the President, and the faculty together with the appropriate foundations, corporations, and individuals.
3. The directors of the Development Fund and the Alumni Association should report to the director of development.
4. Establish the Michigan State University Foundation.

After review, the Board of Trustees established the Office of University Development in May 1972. Mr. Scott was appointed MSU's first Vice President for University Development. The MSU Foundation was then created in November 1972.

The fund raising consulting firm of Brakely, John Price Jones was commissioned to complete a further study of the University's development programs in June 1973. The Brakely Report recommended in December 1973 that the Development Fund be established as an independent department separate from the Alumni Association, and that the MSU Development Council become an independent body of alumni and friends of the University reporting to the President and trustees. This was approved by the trustees in March 1974. The separation of the Development Fund and the Alumni Association was completed in June 1974 when it moved to its present offices in the Nisbet Building. The

MSU Alumni Association has remained in the offices located on the first floor of the Union Building.

In 1969, 15,727 alumni were reported as contributors to MSU. At that time, any contribution to MSU entitled you to membership in the MSU Alumni Association. In 1971, the MSU Alumni Association initiated its membership dues program, and the Development Fund continued to solicit tax deductible contributions to the University. As a result, a number of alumni who had contributed to the University in order to receive Alumni Association membership now paid only their dues. Consequently, the Development Fund realized a drop in total alumni contributors, but the total dollars contributed by the alumni increased by more than \$30,000 in that year.

In addition, senior class gift program participants were listed as donors to the University. Seniors who participated in the cap and gown program paid a \$1 refundable participants' fee and deposit for their caps and gowns. The Senior Class Council requested that the seniors, instead, turn this fee over to the Council for the class gift to the University. Each year 2,000 to 3,500 seniors participated in the class gift program and were enrolled as alumni donors -- each with a \$1 contribution. The cap and gown policy changed in 1972, and the senior class gift program was discontinued. As a result, an estimated 2,000 seniors were dropped in 1972.

Since 1969, the total number of non-alumni has increased almost four-fold. In 1969, 30% (337) of the 1,114 non-alumni contributors were Ralph Young donors. By 1971, 891 Ralph Young givers who were non-alumni accounted for 59.6% of the total non-alumni givers.

Since WKAR-TV has gone full-time broadcasting as a public broadcasting station, it has established the People for Public Broadcasting fund-raising programs. The bookkeeping for this program is handled through the Development Fund and is included as part of the Development Fund's annual report

statistics. Many of the PPB contributors live within WKAR's broadcasting range and are not MSU alumni and are reported as such in the Development Fund's report.

Today, the MSU Development Fund is solely responsible for the fund-raising accounting programs of the University. The department's record section handles all gift acknowledgment, gift receipting for Michigan income tax purposes, bookkeeping and accounting of all gifts for transferring to other University accounts, the recently established computerized donor record keeping system, and the general donor relations with MSU's alumni and friends.

The new computer system, in conjunction with the University's alumni records system, allows for complete recording of all gifts to the University and nearly constant update of donor records. Since the installation of the system a year ago, we have been working to refine the capabilities of the system. In the future, we will be able to pull together some highly refined fund-raising efforts specialized according to the prospective donors' interests and financial abilities to contribute.

As the Development Fund's accounting procedures improved and communications with other departments and colleges increased, more gifts from corporations, foundations, and businesses were channelled through the Development Office. Today, copies of gift and grant forms which have been forwarded to the Trustees for approval are sent to the Development office. These accounting procedures allow the University to have a more accurate picture of its development growth.

Today, our records on total individuals contributing to MSU are more accurate. The statistics indicate a steady upswing; the non-alumni contributors are steadily increasing at a very rapid rate; and contributions to MSU from corporations, businesses, and foundations have increased more than four times.

While some of this growth can be credited to increased accounting accuracy, much more emphasis must be placed on the increased interest in higher education by these organizations.

The 1973-74 report on Voluntary Support for Public Higher Education, published by Brakely, John Price Jones, reported that for the first time, businesses and corporations displaced philanthropic foundations as the largest source of contributions to public higher education. Contributions from business that year represented 24.4 percent of all contributions to public higher education while those from foundations represented a 22.0 percent share. In 1972-73, the figures were 21.4 for business and 24.9 percent for foundations.

The increase in business contributions was 9.7 percent, from \$86.2 million to \$94.5 million. Meanwhile, contributions from general philanthropic foundations were slipping by 14.8 percent from just under \$100 million to \$85.1 million.

Michigan State University's support from the corporate sector has not yet reached its full potential. In 1968-69, MSU reported total contributions from corporations as \$1,462,628. In 1973-74, that figure rose to \$1,781,184. While that means MSU realized a \$318,556 increase in support from the business community, the corporate community's contributions have not kept pace with other sources. In 1968-69, the \$1,462,628 was 50.8 percent of MSU's total private support. In 1973-74, \$1,781,184 was only 22.3 percent of the University's total support as compared to the national average of 24.4 percent. (The University's support in 1973-74 from foundations was only 20.5 percent of the total University support as compared to 22 percent nationally.) The national trend is toward increasing support from the corporate world, and we have increased our efforts in corporate relations this year.

Another factor is the increased size of the average gift from both our alumni and non-alumni donors.

Since 1969, the size of the average alumni gift has increased 42 percent, and the gift from non-alumni has increased 136 percent in six years. So, MSU is well on its way to establishing a thorough development program with individual donors by getting them on board as contributors and maintaining a solid effort in increasing their annual contributions.

A development program begins its educational program while the alumni are most available to the staff -- when they are students.

By tapping the service and allegiance of potential alumni while they are students, we can provide greater dividends than soliciting their support after graduation.

Such an organization of students can provide a great deal of assistance to the development staff. They can publicize projects, raise money, visit alumni, provide campus tours, work on special seminars with students, welcome other students to campus on behalf of the University and coordinate and promote student/alumni activities. One of their major responsibilities is to educate the University's student body, as a whole, in the tradition and success of the University, instilling in the students a true pride in their University.

After they become alumni, the development staff can come back to them to recruit them as volunteers in various fund-raising efforts. They have a good understanding of the financial needs of the University and the importance of private philanthropic support. The job of soliciting, in short, becomes easier.

An analysis of major donors to the \$55 million program at the University of Michigan was done at its conclusion. In that study, Donald A. Morris found there was no major significance in the birthplace or present residence of the donor and his likelihood to contribute. But one of the most important

areas was that of campus activities. The study revealed the donors as a group were much more active in student organizations and they held far more student offices.

Many of the donors were also members of social and honorary fraternities and sororities. It was found that these major donors were members of 61 different social fraternities and sororities.

Initially, the University works to have the newly graduated alumnus just contribute for the first time. The size of the gift is not that relevant. Rather, it is more important to inculcate the habit of contributing.

Alumni donor participation is best in an atmosphere of positive alumni/University relations. The Michigan analysis reported that strong alumni activities was the most important factor in good donor relations. Those who served as class officers, who have gone on an Alumni Association tour, who have received Alumni Distinguished Awards, or who have served on the Alumni Association Board of Directors are the most likely donors.

As the alumnus has established this habit of giving and his income increases, he is encouraged to increase his gift. Eventually, he is encouraged to join a major giving club -- first the Centurion Club and then the Deans Club. Good relations are maintained with donors throughout their own professional career. Should the donor become a senior executive in a corporation, solid corporate relations are established. As the individual moves towards retirement and begins to draw up his will and settle his estate matters, the University encourages him to consider MSU as a beneficiary with a trust gift, cash, stocks, or property.

MSU's Presidents Club is a very vital program in the University's development effort. Not only does it honor those major contributors to the University, but it also serves as a source for very important volunteers for the University.

The growth of the Presidents Club has been phenomenal. Since 1970, when there were only 77 Presidents Club members, the program enrollment has reached 410 members. Much of the success can be credited to the Presidents Club members themselves. They are organized into a regional chairmanship program. Each regional chairman is responsible for recruiting new Presidents Club members in his own community.

DEVELOPMENT FUND  
TOTAL CONTRIBUTIONS

| <u>Year</u> | <u>Donors</u> | <u>Dollars</u> |
|-------------|---------------|----------------|
| 1968*       | 17,048        | \$ 935,851.27  |
| 1969*       | 17,186        | 1,016,396.34   |
| 1970*       | 17,219        | 1,329,431.59   |
| 1971* +     | 14,812        | 1,683,032.00   |
| 1972* ++    | 15,678        | 1,215,144.00   |
| 1973-74     | 18,107        | 2,515,292.00   |
| 1974-75     | 18,206        | 2,819,849.00   |

\* Includes senior class gift programs participants. Seniors who participated in the cap and gown programs paid a \$1 refundable participants fee and deposit for their caps and gowns. The Senior Class Council requested that the seniors instead turn this fee over to the Council for the class gift to the University. Each year 2,000 to 3,500 seniors participated in the class gift program and were enrolled as alumni donors--each with a \$1 contribution. The cap and gown policy changed in 1972, and the senior class program was discontinued. As a result, an estimated 2,000 seniors were dropped in 1972. There were, in fact, 2,866 new donors in 1972.

+ In 1971, the MSU Alumni Association established the membership dues program. As a result, many former Alumni Association members were confused in the initial year and paid only their dues and did not make a contribution to the University.

++ In 1972, the Development total appears to be down \$468,000 from 1971. In 1972, however, no estate or trust fund money was reported while \$353,000 was reported in 1971. In addition, in 1971, an estate distribution in excess of \$55,000 was reported in the alumnus category.



# CONTRIBUTORS

|   | <u>Year</u> | <u>Donors</u> | <u>Dollars</u> | <u>Average Gift</u> |
|---|-------------|---------------|----------------|---------------------|
| MSU Alumni  | 1969 *      | 15,727        | \$ 345,198.00  | \$ 21.95            |
|   | 1970 *      | 14,986        | 372,821.00     | 24.88               |
|   | 1971 *+     | 12,693        | 390,037.00     | 30.73               |
|   | 1972        | 12,707        | 371,222.00     | 29.21               |
|   | 1973-74     | 13,148        | 380,232.00     | 28.92               |
|   | 1974-75     | 13,093        | 409,427.00     | 31.27               |
| Non-Alumni  | 1969        | 1,114         | 47,892.72      | 42.99               |
|   | 1970        | 1,805         | 96,392.45      | 53.40               |
|   | 1971        | 1,495         | 92,237.00      | 61.70               |
|   | 1972        | 2,459         | 166,435.00     | 67.68               |
|   | 1973-74     | 3,716         | 219,190.00     | 59.08               |
|   | 1974-75     | 3,834         | 388,956.00     | 101.45              |
| Corporation,<br>Business &<br>Foundation<br>Gifts | 1969        | 140           | 446,346.55     | 3,188.19            |
|   | 1970        | 176           | 750,735.93     | 4,265.55            |
|   | 1971        | 382           | 801,406.00     | 2,097.92            |
|   | 1972        | 264           | 634,565.00     | 2,403.66            |
|   | 1973-74     | 689           | 1,235,001.00   | 1,792.45            |
|   | 1974-75     | 730           | 1,277,861.00   | 1,750.49            |

\* Includes senior class gift programs participants. Seniors who participated in the cap and gown programs paid a \$1 refundable participants fee and deposit for their caps and gowns. The Senior Class Council requested that the seniors instead turn this fee over to the Council for the class gift to the University. Each year 2,000 to 3,500 seniors participated in the class gift program and were enrolled as alumni donors--each with a \$1 contribution. The cap and gown policy changed in 1972, and the senior class program was discontinued. As a result, an estimated 2,000 seniors were dropped in 1972. There was, in fact, 2,866 new donors in 1972.

+ In 1971, the MSU Alumni Association established the membership dues program. As a result, many former Alumni Association members were confused in the initial year and paid only their dues and did not make a contribution to the University.

GIFT DESIGNATIONS

Unrestricted Giving

| <u>Year</u> | <u>Total</u> | <u>Percentage of Development<br/>Fund Total Gifts</u> |
|-------------|--------------|---|
| 1968        | \$ 80,260.23 | 8.6%  |
| 1969        | 97,324.76    | 9.6%  |
| 1970        | 142,739.52   | 11.1%   |
| 1971        | 132,035.00   | 7.8%  |
| 1972        | 161,371.00   | 13.2%   |
| 1973-74     | 209,496.00   | 8.3%  |
| 1974-75     | 216,231.00   | 7.7%  |

Athletics

| <u>Year</u> | <u>Total</u> | <u>Percentage of Development<br/>Fund Total Gifts</u> |
|-------------|--------------|---|
| 1968        | \$131,230.92 | 14.0%   |
| 1969        | 133,745.00   | 13.2%   |
| 1970        | 174,577.00   | 13.1%   |
| 1971        | 192,602.00   | 11.4%   |
| 1972        | 208,507.00   | 17.3%   |
| 1973-74     | 228,358.00   | 9.1%  |
| 1974-75     | 342,046.00   | 12.1%   |

GIFT DESIGNATIONS (Continued)

Colleges and Departments

| <u>Year</u> | <u>Total</u> | <u>Percentage of Development<br/>Fund Total Gifts</u> |
|-------------|--------------|---|
| 1968        | \$550,164.67 | 58.8%   |
| 1969        | 574,813.96   | 56.6%   |
| 1970        | 756,170.20   | 56.9%   |
| 1971        | 901,359.00   | 53.6%   |
| 1972        | 682,932.00   | 56.2%   |
| 1973-74     | 799,406.00   | 31.8%   |
| 1974-75     | 959,610.00   | 34.0%   |

Scholarship and Loan Programs

| <u>Year</u> | <u>Total</u> | <u>Percentage of Development<br/>Fund Total Gifts</u> |
|-------------|--------------|---|
| 1968        | \$180,672.86 | 19.3%   |
| 1969        | 198,563.96   | 19.5%   |
| 1970        | 225,041.75   | 16.9%   |
| 1971        | 224,670.00   | 13.4%   |
| 1972        | 260,240.00   | 21.4%   |
| 1973-74     | 777,265.00   | 30.9%   |
| 1974-75     | 725,524.00   | 25.7%   |

GIFT DESIGNATIONS (Continued)

General University

| <u>Year</u> | <u>Total</u> | <u>Percentage of Development<br/>Fund Total Gifts</u> |
|-------------|--------------|---|
| 1968        | \$ 7,500.00  | .8%   |
| 1969        | 78,944.06    | 7.8%  |
| 1970        | 101,194.07   | 7.6%  |
| 1971        | 71,007.00    | 4.2%  |
| 1972        | 59,393.00    | 4.9%  |
| 1973-74     | 375,365.00   | 14.9%   |
| 1974-75     | 419,050.00   | 14.9%   |

One of the major incentives which the Development Fund has utilized in soliciting contributions has been the opportunity for the donor to designate their contribution to a particular academic, athletic, or scientific research field.

Any development program such as the one at MSU must maintain the philosophy or principle that philanthropy must be viewed through the eyes of the donor. By encouraging designations, it is felt the University's development efforts have been far more successful.

#### UNRESTRICTED GIVING

Designations to the unrestricted area or as the Development Fund terms, "THE AREA OF GREATEST NEED," go towards covering such development programs as the Alumni Distinguished Scholarship Program, the Distinguished Faculty Awards, Abrams Planetarium, and any special projects which have been approved for funding by the Development Council's Project Evaluation Committee.

Basically, those gifts designated to the area of greatest need have remained fairly constant as it relates to the total funding provided by Development Fund solicitations.

#### ATHLETICS

Many alumni would assume that a very large portion of the Development Fund contributions go to the Ralph Young Fund. However, contributions to athletics are only 12 percent of the total received through the Development Fund. At one point (1972), the Ralph Young designations accounted for 17 percent of the contributions. But the sudden drop in percentage of the total is actually due to the major increase in the total Development Fund effort:

The colleges and departments have consistently received the greatest amount of alumni support. Much of this, of course, is attributed to the concentrated efforts on the part of the constituent alumni associations and the Development Fund. While there has been a major decrease in the percentage of gifts designated to these programs, the total dollars received annually over the last seven years have nearly doubled.

#### SCHOLARSHIP AND LOAN PROGRAMS

One of the major reasons for the fluctuation of all these factors is the increased dollars designated to scholarships and loan programs. While we are fairly confident these dollars have all been coming to the University, the Development Fund implemented procedures which channelled these funds through its office beginning in 1973. As a result, this figure has greatly increased. It has also increased the total dollar figure reported to the Development Fund and therefore caused a reduction in the percentage figure of other designations.

#### GENERAL UNIVERSITY

These are funds which are channelled through the Development Fund after approval as unrestricted gift and grants by the Board of Trustees.

CONSTITUENT ALUMNI SOLICITATIONS

Business

| <u>Year</u> | <u>Dollars</u> |
|-------------|----------------|
| 1969        | \$15,965.14    |
| 1970        | 12,036.00      |
| 1971        | 13,530.00      |
| 1972        | 19,434.00      |
| 1973-74     | 23,208.00      |
| 1974-75     | 26,328.00      |

Communication Arts & Sciences

| <u>Year</u> | <u>Dollars</u> |
|-------------|----------------|
| 1970        | \$ 277.00      |
| 1971        | 1,744.00       |
| 1972        | 2,730.00       |
| 1973-74     | 3,389.00       |
| 1974-75     | 4,205.00       |

Engineering

| <u>Year</u> | <u>Dollars</u> |
|-------------|----------------|
| 1970        | \$4,905.00     |
| 1971        | 4,112.00       |
| 1972        | 6,686.00       |
| 1973-74     | 7,616.00       |
| 1974-75     | 9,475.00       |

| <u>Year</u> | <u>Dollars</u> |
|-------------|----------------|
| 1969        | \$18,796.04    |
| 1970        | 16,504.00      |
| 1971        | 12,054.00      |
| 1972        | 15,316.00      |
| 1973-74     | 23,075.00      |
| 1974-75     | 30,899.00      |

Human Ecology (Home Economics)

| <u>Year</u> | <u>Dollars</u> |
|-------------|----------------|
| 1969        | \$ 5,877.00    |
| 1970        | 6,852.00       |
| 1971        | 6,907.00       |
| 1972        | 8,353.00       |
| 1973-74     | 10,986.00      |
| 1974-75     | 12,777.00      |

Veterinary Medicine\*

| <u>Year</u> | <u>Dollars</u> |
|-------------|----------------|
| 1969        | \$ 8,419.15    |
| 1970        | 12,654.00      |
| 1971        | 20,188.00      |
| 1972        | 28,714.00      |
| 1973-74     | 31,207.00      |
| 1974-75     | 42,785.00      |

\*The rapid growth in the total contributions to the College of Veterinary Medicine has been attributed to the Tel-An-Alum program initiated by its alumni in 1971. From seven communities at that time, this program has expanded to eleven in 1974-75.

CONSTITUENT ALUMNI SOLICITATIONS (Continued)

| <u>Year</u> | <u>Bldg.<br/>Constr.</u> | <u>Forestry</u> | <u>HR&amp;IM</u> | <u>Nursing</u> | <u>Packaging</u> | <u>Social<br/>Work</u> |
|-------------|--------------------------|-----------------|------------------|----------------|------------------|------------------------|
| 1970        |                          | \$ 117          | \$ 816           | \$ 776         | \$1,736          | \$355                  |
| 1971        |                          | 2,151           | 980              | 1,352          | 724              | 505                    |
| 1972        | \$145                    | 1,315           | 928              | 672            | 1,067            | 725                    |
| 1973-74     | 904                      | 2,615           | 1,072            | 1,006          | 1,955            | 791                    |
| 1974-75     | 415                      | 3,448           | 1,582            | 877            | 1,384            | 510                    |

Human Medicine\*\*

| <u>Year</u> | <u>Dollars</u> |
|-------------|----------------|
| 1970        | \$ 5,145       |
| 1971        | 5,929          |
| 1972        | 7,411          |
| 1973-74     | 12,346         |
| 1974-75     | 14 660         |

\*\*While there is no solicitation by the College of Human Medicine, many gifts are received designated for that academic program.



MSU's alumni have been more loyal to the college or department from which they received their degrees.

Since 1968, the development appeals have become more decentralized directing the solicitations to a college constituency on behalf of that college.

The 1973 Brakely, John Price Jones Report noted:

"We have recognized that in MSU, which is euphemistically called a mega university, there appears to be very little overall University esprit de corps. What has happened instead is that students tend to develop an affinity toward the college in which they are enrolled. We, therefore, attempt to foster the concept of individual college appeals. The same type of thing is employed with respect to class gift projects and support of our athletic programs through the Ralph Young program. Essentially, we believe that it is vital to identify the natural areas of interest and to cultivate potential contributors for these particular areas. While doing this, we keep alive the overall needs of the University with the encouragement of undesignated contributions.

Presently, there are seven college constituency development programs and an additional six department-, school-, or curriculum-based constituent efforts. As these programs are becoming established and the habit of giving ingrained in the alumnus, the total dollars contributed has increased steadily.

Development efforts directed to the colleges of business, engineering, human ecology, and veterinary medicine have been in existence for several years.

In 1970, Communication Arts & Sciences and Education solicitations were added to the college programs. The new solicitation efforts were added for the schools and departments at that time also.

In 1975, the College of Agriculture and Natural Resources Alumni Association was organized, and its first mailing went out in December, 1975.

The College of Veterinary Medicine alumni appeal has been the most successful of all constituent development campaigns. The campaign last fiscal year yielded \$42,785 from a series of solicitations to 2,298 Vet Med alumni. With the cooperation of the Vet Med Alumni Association and Dean John Welser's office, we have developed one of the more sophisticated constituent development programs.

The Vet Med program operates on a regular calendar year with the initial contact with the alumni through a major fund-raising mailing. Within six weeks of that mailing, telephone follow-ups in 14 major communities in Michigan and Indiana will be conducted by Vet Med alumni. As a tightly-knit group of professionals, these alumni feel they best understand their fellow alumni's financial situation and what they can afford to contribute. These alumni go after that amount, generally not taking no for an answer.

Because of their profession, the Vet Med alumni feel they provide for much more than cursory support. As a result, they seriously believe in upgrading their alumni donors through the donor giving clubs. This year, Dr. Harold Knirk, President of the Vet Med Alumni Association, and Dr. Pete Prescott, the National Development Fund Council Chairman, are making personal calls on alumni asking them to join the Deans Club. The Dean's office is also increasing the involvement of the Deans Club members in the matters of the College.

The College of Education likewise is increasing its Deans Club programs. Periodically, Dean Keith Goldhammer holds a Deans Club breakfast for the members, and last year made a special mailing to school superintendents and principals asking them to join the College of Education Deans Club.

Presently, these colleges and departments use these funds to supplement their current operating budgets through the dean's discretionary account. However, this does not allow for any type of long-range development income through an endowment. These endowment funds for a college or department could be a very strong asset to the college in years to come. This can provide some regular income to the college for scholarships, or loan programs, costs to cover one-time special education projects, professional conference fees, special equipment acquisitions, or virtually any need which may occur during the course of a year.

One of the major problems in establishing such a constituent endowment is obtaining the investment funds for the endowment. In order to establish such an endowment, a base fund of approximately \$250,000 is needed. One possibility is to identify several potential donors who would contribute to such fund on a deferred gift or planned gift basis. Another alternative might be to merge several major memorial funds into one major endowment.

CENTURION CLUB

| <u>Year</u> | <u>New Mem-<br/>berships</u> | <u>Members</u>           | <u>Change</u> | <u>Total Dollars</u> | <u>Average<br/>Gift</u> |
|-------------|------------------------------|--------------------------|---------------|----------------------|-------------------------|
| 1963        |                              | 373                      |               | \$ 48,399.51         | \$130.00                |
| 1964        |                              | 396                      | + 23          | 49,087.78            | 124.00                  |
| 1965        |                              | 436                      | + 40          | 74,441.65            | 170.74                  |
| 1966        |                              | 510                      | + 74          | 71,392.11            | 139.98                  |
| 1967        |                              | 657                      | + 147         | 105,451.84           | 160.51                  |
| 1968        | 65                           | 434                      | - 223         | 68,700.71            | 158.30                  |
| 1969        | 157                          | 514                      | + 80          | 71,796.03            | 139.68                  |
|             |                              | (Reorganized Centurions) |               |                      |                         |
| 1970        | 150                          | 540                      | + 26          | 63,419.69            | 117.45                  |
| 1971        | 309                          | 840                      | + 300         | 122,595.00           | 146.00                  |
| 1972        | 200                          | 1,301                    | + 461         | 182,000.00           | 140.00                  |
| 1973-74     | 276                          | 1,350                    | + 49          | 173,000.00           | 128.00                  |
| 1974-75     | 135                          | 1,592                    | + 242         | 163,000.00           | 102.00                  |

Total Income Generated \$1,193,286.00

DEANS CLUB

| <u>Year</u> | <u>Members</u> | <u>Total<br/>Dollars</u> | <u>Average<br/>Gift</u> |
|-------------|----------------|--------------------------|-------------------------|
| 1973-74     | 43             | \$19,749                 | \$366                   |
| 1974-75     | 205            | 58,741                   | 287                     |

Total Income Generated (1973-75) \$78,490

PRESIDENTS CLUB

| <u>Year</u>           | <u>Membership</u> | <u>Amount</u> | <u>Insurance, Wills,<br/>Bequests, Etc.</u> |
|-----------------------|-------------------|---------------|---|
| 1963-70               | 77                | \$875,557     | \$593,089                                   |
| 1971 (New Members)    | 23                | 64,835        |   |
| 1972 (New Members)    | 51                | 66,610        | 410,000                                     |
| 1973-74 (New Members) | 101               | 100,442       | 591,000                                     |
| 1974-75 (New Members) | 89                | 89,920        | 845,000                                     |

## MAJOR GIVING CLUBS

Michigan State University utilizes major donor clubs as a method of upgrading its donors. Universities generally establish such clubs at giving levels of \$100, \$250, \$500, and \$1000. At MSU there is the Centurion Club (\$100), the Deans Club (\$250), and the Presidents Club (a \$10,000 gift, a pledge of \$10,000 over ten years, or a deferred gift of \$25,000). Within the Ralph Young Fund we have established the Spartan Club (\$125), the Green and White Club (\$250), and Honorary Coaches (\$1000). These clubs have been established to provide special recognition to those donors who have put forth an extra effort to financially assist the University. More and more, however, these club members are being called upon to provide leadership in the University's fund raising efforts or to serve as special advisors to the college deans. As an example, seventeen members of the MSU Development Council in 1975-76 are also members of the Presidents Club. As a result of these clubs, a stronger relationship is beginning to develop between the faculty and administrators of the colleges and the alumni and friends of those academic programs.

The first major donor giving club at MSU is the Centurion Club. Originally established as the Committee of One Thousand in 1963, the Centurion Club has grown to more than 1,600 members and has generated more than \$1.2 million.

As the Committee of One Thousand, the Club reached a membership level of 657 in 1967 during the campaign to establish the John A. Hannah Distinguished Professorship Chairs. But its growth waned in the two following years. As the Committee of One Thousand, the Club automatically limited itself in membership to 1000. For that reason it was reorganized as the Centurion Club in 1970 with an increased effort to solicit new members and ensure annual membership renewals.

Veterinary Medicine Telephone Campaigns contributed to significant growth in 1971. Since 1972 the Development Fund has made a special effort to have Centurions renew their membership annually.

In 1973-74 the Deans Club was established. As a result, all individuals who contributed \$250 or more and formerly were considered Centurions joined the Deans Club. This decreased the size of the average gift.

In 1974-75 the Deans Club grew from 54 to 205. This meant a larger number of Centurions who were giving between \$150 and \$200 were upgraded to the Deans Club rolls. This resulted in still another decrease in the average size of a Centurion's gift.

The organization of the Deans Club also explains why the total membership of Centurion Club increases only at a margin of the new member total. As the upgrading process continues this new membership growth will always far exceed the total growth rate of the Centurion Club.

The Deans Club program is the most recent major giving club. It serves as an intermediary giving level providing acknowledgment and recognition for those donors who contribute \$250 or more annually. There has been little proven success in promoting such giving clubs at the \$500 and up level. The feeling generally expressed is if the individual can afford to contribute at a level of \$500, then he also can most likely afford to join the higher level giving club, which at MSU is the Presidents Club.

## ANNUAL GIVING

The Annual Giving Program has often been referred to as a "bread and butter" operation of the Development Fund. This is the program by which we cultivate the habit of giving among alumni and friends. The Annual Giving Program is the base of a comprehensive development program. It serves as a primary method of communicating financial needs of the University to its alumni and of introducing the habit of philanthropy. Donors, through Annual Giving, provide basic support for a variety of constituencies, scholarship funds, special projects, and areas of greatest need.

Through the cultivation of the giving habit, donors and prospects are introduced to donor levels of increasing commitment; e.g., Centurion Club and Deans Club which they are invited and encouraged to join. They are also introduced to deferred giving, programs that may only mature after passage of a period of years. Before this fiscal year is over, in excess of 400,000 mailings will have gone out in Annual Giving Programs alone.

A. In 1970, Annual Giving solicited funds through constituencies, four college and four departmental. This specialized effort accounted for \$49,000 in gifts.

In 1974-75, solicitation mailings went to alumni affiliated with six colleges and seven departments resulting in income of \$149,000. A seventh department constituency solicitation is being added in 1976.

B. Gifts from 16,841 alumni and friends responding essentially to Annual Giving appeals totaled \$492,000 in fiscal 1969-70.

In the report for 1974-75, a total of \$798,000 was received from 16,927 alumni and non-alumni donors to annual programs.

- C. Centurion Club membership has grown from 514 in 1969-70 to 1,592 in 1974-75. This growth represents an upgrading in individual participation to the significant level of \$100 or more.
- D. Solicitation efforts were made to 104,000 alumni in 1970. This figure increased to 121,000 in 1975.
- E. The All-University Campaign, inaugurated in 1970, raised \$9,600 from the University community. As of December 31, 1975, the All-University Campaign has raised \$30,569 for this fiscal year.
- F. Telephone campaigns are an integral part of the Annual Giving Program. The College of Veterinary Medicine has employed this technique for several years with increasing success. In 1971, seven calling areas in Michigan generated \$14,000 in pledges. The program has been expanded to solicit funds from veterinarians through 11 campaigns in 14 communities. In 1975 it brought \$34,200 in pledges.

Kent-Ottawa Tel-An-Alum is our oldest general alumni telephone campaign. In 1970, \$1,729 were raised. In 1975, this program accounted for \$8,662.

To expand the Tel-An-Alum concept, organizational plans have been initiated this year with alumni in ten metropolitan areas in Michigan. It is estimated that these telephone campaigns will raise at least \$31,000 in new contributions the first year with a potential within three years of approximately \$100,000.

Matching gift support amounted to \$17,000 in 1969-70. Fiscal year 1974-75 saw matching gifts increase to \$39,900.



New programs presently underway or being developed within the Annual Giving program include the following:

1. Management Education Center
2. Honors College
3. Cooperative Extension
4. Student Foundation
5. Kellogg Farmers Study Program
6. Intramural Sports Solicitation
7. Foundation solicitation for Alumni Distinguished Scholarship support.

## MEMORIAL FUNDS

The MSU Development Fund has the responsibility of coordinating the memorial funds established at Michigan State University. The funds are established by loved ones or friends who wish to do something to honor the deceased person's name with a project, scholarship, or loan program that may require a significant sum of money.

Presently, we have records of 66 individual memorial fund files and 11 "in memory of" programs established by departments and colleges.

One of the inherent problems with the memorial fund is the fact that while all the memorial funds may bring in approximately \$10,000 annually, the total dollars in each of the funds averages less than \$1,500 each. This is not enough to establish any sort of rewarding scholarship or award program for students and it is reaching the point where these memorials in themselves will not meet the financial cost of supporting the acquisition of library materials or equipment.

Presently, we are working to refine a memorial program at college or school level which will enable the University to better utilize the memorial contributions and, at the same time, honor the memory of the alumnus or faculty member. This program may include a master memorial endowment fund for each college. Any memorial which would not generate more than an anticipated \$10,000 would be deposited in the memorial endowment and the deceased individual would be honored by placing the name on a memorial plaque at the college office. It is contemplated that a minimum \$500 total contribution would qualify for the name to be placed on the plaque.

If there is a memorial which generates more than \$10,000 a special named memorial endowment could be established at the request of the family in honor of the individual with guidelines established.

A third possibility would be for the relatives to request that some type of equipment could be purchased. The individual's memory could be perpetuated by placing that individual's name on the memorial plaque.

The memorial endowments could be used to fund the college's scholarships, loan program, or supplement the dean's discretionary fund. Because the fund would have the potential under such a program, it could provide much more to the University and its students. At the same time, the memory of the individual is honored and perpetuated.

## PLANNED GIVING REPORT

January 1975 the University authorized the expansion of the Development Fund to include planned giving. The term "planned giving" is used to describe all major gifts, both current and deferred. A planned gift is the result of an act by a donor which will benefit the University during his or her lifetime or upon his or her demise. Often the donor wishes first to make certain provisions for himself or his family. Importantly, however, he desires thereafter to provide the funds by which his University may further programs of education, research and public service.

The various types of planned gifts include outright cash, gifts of appreciated securities, bequests, charitable trusts, gifts of life insurance, gift annuities, deferred gift annuities, short-term trusts, bargain sales, charitable remainder annuity trusts, and the Pooled Income Fund. Because these various forms of planned giving require special arrangements and special tax treatment, we extend to the alumni and friends this new service so they may acquire the maximum benefit of present tax laws for the major gifts they are contemplating to Michigan State University.

During the fiscal year of 1974-75, thirty definite contractual agreements for planned gifts were established with alumni and friends with a total value of \$845,000. It should be noted that according to national trends this would represent approximately 35% of all planned gifts which were established, since many times the donor desires not to make available a copy of the contract; therefore, we do not add this to our total. In

addition, there were fourteen planned gifts received with a total cash value of \$236,282. Furthermore, many current gifts were generated as a direct result of the new planned gift service.

Fiscal year 1975-76 will result in planned gifts established for the benefit of Michigan State University well in excess of \$1 million.

Since the beginning of this new program nine seminars have been conducted informing different audiences concerning the planned gifts program. Presently we are doing research on potential major donors for the University. This should greatly enhance the program in enabling us to identify those alumni and friends who have attained respectable positions of responsibility and wealth. Each year we work with the 40th and 50th class reunions on a class gift project which is also a systematic approach to planned gifts.

It is most evident that the specific results of the planned giving program this past 1½ years have well justified the investment. For the benefit of MSU it is also apparent in the near future consideration should be given to added personnel because of the scope and importance of the program.

## SITUATION ANALYSIS AND FUTURE OPTIONS

Since 1970, the MSU Development Fund has undergone significant organizational changes which have resulted in considerable expansion of activities with consequent increases in the dollars raised. Often the number of dollars produced becomes the paramount indicator used to validate effectiveness. This criterion is critical when and if we are evaluating only fund raising; however, development embraces a different objective and similarly, the results must be assessed along much more comprehensive standards.

Some of the factors indigenous to a total development program and subject to a comparative evaluation are:

- a) Number of volunteer leaders actively serving on a policy level board as informed, knowledgeable representatives of several constituencies.
- b) Number of active standing committees involving volunteer leadership in deliberative pursuit of organizational and fund raising objectives.
- c) Extent of decentralization of fund raising programs through geographic areas, college constituencies, years of graduation and special interest areas served.
- d) Scope of promotional and public relations activities that are planned to serve the university's fund raising objectives and further, that a specific office is held accountable for the effort.
- e) Numbers of volunteer and volunteer leaders actively participating in fund raising programs and supporting the development effort.
- f) The effect of promoting the three vital legs of the fund raising tripod: consistent and growing annual giving by all elements of the constituency; the promotion of deferred gifts through bequests and living trusts; and occasional capital campaigns.

- g) The authority and responsibility of the development office to participate and assist in evolving procedural and policy formats that are fundamental to augmenting the development effort.
- h) The office should be receptive to suggestion, flexible on procedure and strong on long term planning and objective attainment which is compatible with staff and budget provided by the University.

Although many changes have taken place, it is obvious that many more are anticipated. The expansion into new program areas and the concerted effort to upgrade and refine existing programs will create an accelerated demand level of existing staff, facilities and budget. Added to this is the yet-to-be defined future fund raising organization.

Currently, the University development effort comes under the responsibility of the Vice President for University Development who reports directly to the President of the University. In this capacity, the Vice President informs and advises the President on all fund raising programs and further involves him in his top level planning and negotiations. Additionally, the planning concept is carried out in conjunction with the executive group, the administrative group, the Development Council and the Directors of the Development Fund and the MSU Foundation. The Vice President's office has become the point of coordination for the Alumni Association, the Development Fund Office and the MSU Foundation. The MSU Development Fund is a department of the University which also includes a high level of volunteer participation on the Development Council. Simultaneously, the MSU Foundation is organized as a non-profit corporate entity apart from the University but with half of the directors being members of the University executive staff and Board of Trustees.

The MSU Foundation, although organized three years ago, is still in its infancy; however, there has been an ongoing commitment from both the Foundation and the Development Fund to coordinate their efforts. This has brought about an affiliation agreement which was approved by both the Foundation and the Development Council last Fall. The essence of the affiliation is to establish integrated long range goals and programs which might have a unique Development Fund aspect, may have a unique Foundation aspect or may have overlapping aspects and to carry out planned strategy to achieve the goals. There has been established an ongoing dialogue between the top executive staff of both organizations. Also, Vice President for University Development has been appointed Assistant Executive Director of the Foundation and the Director of Development, the Director of Planned Giving and the Director of Corporate Relations all hold joint appointments with the Foundation.

At this time, it is not known which organizational character the total development effort will assume in the future. The options are (1) to continue under the present structure with a close working relationship between the two fund raising vehicles; (2) to further expand the MSU Foundation's fund raising capabilities into a more aggressive fund raising program in such areas as property management, investment programs, foundation solicitation, copyrights and publications and pooled incomes and corporate relations, while maintaining the existing responsibilities for the Development Fund; (3) to integrate the total fund raising and development fund effort into the MSU Foundation. This, of course, would take some time to develop image and prestige and to build to a position of credibility and acceptability.

There are questions of organizational structure and financing which will have to be surfaced and ultimately resolved by a top level ad hoc group which should be appointed to study the total development effort. An example of some of the problems to be resolved are:



- a) If it is better to have one fund raising organization (MSU Foundation) -- then the volunteer structure should be reconstituted to take the most advantage of the leadership we have on both the MSU Foundation Board and the Development Council.
- b) The line staff organization should be defined so there is direct access to the President of the University.
- c) The total budget system must be resolved since the Development Fund is now funded through University allocation and the Foundation is not. It should be determined where the money required will come from if the entire program is shifted under the aegis of the Foundation.
- d) The majority of current Development Fund staff have considerable University longevity and personal fringe benefits. Any redefinition of the organization must assure the existing staff that they will maintain all of the fringe benefit programs in which they have a vested interest and that their seniority will not be adversely affected.
- e) As the two organizations grow and take on additional responsibilities, the need for expansion of staff and facilities is ever present.

In summary, the total development effort of the University has progressed significantly since 1970. There is every expectation that this trend will continue and that more aggressive and rewarding programs will be introduced. Toward this end, it is anticipated that in the foreseeable future, a major capital campaign will be inaugurated. The capital campaign will be over and above the ongoing programs of the Development Fund and the Foundation but will serve to inspire alumni and friends to higher levels of participation. It will identify key alumni leadership who will become involved in a fund raising effort of the first magnitude. It will introduce a new level of enthusiasm and excitement. The staff and volunteer leadership have demonstrated their willingness and desire to work aggressively for Michigan State and will continue to do so.



# MICHIGAN STATE UNIVERSITY

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VICE PRESIDENT FOR DEVELOPMENT  
JOHN A. HANNAH ADMINISTRATION BUILDING

EAST LANSING • MICHIGAN • 48824

June 14, 1976

## MEMORANDUM

TO: President Clifton R. Wharton, Jr.

FROM: Les Scott 

SUBJECT: Proposed Item for Executive Session of the Board --  
Contract with Brakeley, John Price Jones, Inc.

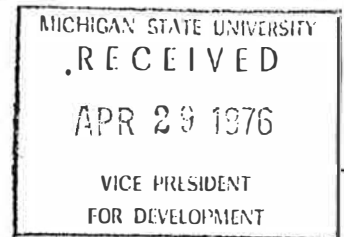
In 1974, the University planned to undertake its first private fundraising campaign for the Performing Arts. Unfortunately, the sustained economic malaise in the State of Michigan caused a delay in the initiation of our proposed capital drive. We now believe that the time is more propitious for us to launch a successful effort.

Attached is a contract letter from Brakeley, John Price Jones, Inc. It is my recommendation that we enter into a contract totaling \$126,000 (their proposed budget exclusive of the special consulting services).

Brakeley, John Price Jones Inc.

6 East 43rd Street New York, N.Y. 10017 212-697-7120

GEORGE A. BRAKELEY, Jr.  
CHAIRMAN



April 27, 1976

Mr. Leslie Scott  
Vice President for Development  
Nisbet Building, Room 220  
Michigan State University  
East Lansing, Michigan 48823

Dear Les:

As requested in our various recent telephone conversations, I forward (with considerable pleasure) a revised proposal for our services, with supporting budget, in anticipation of a special-projects capital campaign for the University, directed largely at big-gifts prospects, probably over a period of two years, to start in the near future.

To put this in perspective, I assume we are talking about an objective of somewhere between \$14 and \$15 million (\$11 million for the Performing Arts Center; \$2.5 million for the Museum; \$1 million for Medical Archives, etc.), a fund-raising plan as in the study report also to be updated and adjusted to these new dimensions but applicable in principle, and with the University and this company assuming the approximate responsibilities listed on pages 63 to 68 of our report and re-affirmed in Appendices II and III.

In consideration of the applicable scope of the campaign, we submit in Appendix I the estimate budget for professional services, related costs and comments, assuming, as noted, that the University will provide support facilities and services. This relates to estimate budget costs as identified in my letter of May 2, 1975 covering the six-months period commencing July 1 of that year.

We are working now on the kind of team that can best serve Michigan State's interests in consultation on and management of the contemplated capital campaign, and this involves, particularly, consideration of our personnel resources so as to give you the most effective combination of professional staff. I will, of course, retain an overall supervisory and consultation responsibility on the account.

Initially we will concentrate on:

1. The documentation of the "case" for the Performing Arts Center, Museum, etc., focusing on specific building and related needs, ranging from the Center itself down to smaller items, to provide opportunities for prospects to identify with and perhaps put their names on specific segments thereof.
2. Setting up the fund-raising office, securing and training staff, setting up procedures for liaison with the University's Development, Finance, University Relations, and other related departments.
3. Preparing a Plan of Campaign, operating schedule, budget, etc., for this specific fund-raising program.
4. Identification of and research on prospects for the campaign, and, not so inferentially, for the University as a whole, particularly those whose interests might be swayed in this direction.
5. Identification, cultivation, and enlistment of leadership, particularly determining the roles of University Trustees, Foundation Directors, the President, officers of the Development Council and the Alumni Association, and related University officials.
6. And fund raising — mostly on "targets of opportunity" as they appear.

We propose that the plan of campaign as documented in principle in our study be updated as the first order of business after a week or two of orientation, administration and volunteer leadership discussions, and after review of the study conclusions and recommendations as to applicability today.

We stand ready to meet and review this proposal, adjust it as desirable, and re-submit it if necessary. If it stands as is, the signature of a University signing officer on the enclosed copy and its return to us will put us in business. If a formal contract is desired, we will forward one on your advice.

Mr. Leslie Scott

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April 27, 1976

It will be a great pleasure to again be associated with Michigan State University, its President, its Vice President for Development and concerned volunteers and staff.

Sincerely,

A handwritten signature in dark ink, appearing to be "J. H. H. H.", written over a horizontal line.

Accepted for Michigan State University:

Signature \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Enclosures

OFFICE OF VICE PRESIDENT FOR DEVELOPMENT  
MICHIGAN STATE UNIVERSITY

Date \_\_\_\_\_

TO:

FROM: NOTES TO APPENDIX I:

The special consulting services in donor financial planning will not be required or expenses for this individual. This would be a reduction of \$20,000. The request for the services of Brakeley for one year would then total \$126,000.

On page 2, note 5, provides for the cancellation by either party of this commitment.

APPENDIX IESTIMATE CAMPAIGN BUDGETAND NOTESProfessional Fees

|  |               |
|--|---------------|
| Corporate Services and full-time Director (52 weeks)                           | \$ 96,000     |
| Writing Services   | 15,000        |
| Special Consulting Services in<br>donor financial planning and grants guidance | <u>15,000</u> |
|  | \$126,000     |

Staff Expenses

|                                   |               |
|-----------------------------------|---------------|
| For supervision and consultation  | \$ 5,000      |
| For full-time staff, writer, etc. | <u>15,000</u> |
|                                   | \$ 20,000     |

General Expenses

Estimated as approximating professional fees, depending largely on facilities and services available and/or provided for in other budgets (clerical, printing, local transportation, supplies and equipment, meetings, lettershop, etc.).



And the following notes:

1. Our fees will be billed and are payable biweekly in advance; our expenses will be billed biweekly as incurred. (If some other billing and paying schedule is desired, we can adjust.)
2. General expenses will be billed directly to and paid by the University and under our approval. Specific authorizations for such expenditures will require your approval for any amount exceeding, say, \$250.
3. Office space, services, petty cash, local transportation, furniture and equipment, will be provided by the University.
4. After acceptance of this proposal in principle, we will submit a contract for mutual approval.
5. This arrangement may be terminated by either party on 45 days notice in the first six months, and 60 days notice thereafter.
6. We will provide at least biweekly progress reports and budget reports as information is available through the University.
7. Neither party during the term of this agreement, or for a period of two (2) years following the termination thereof, shall offer employment to or accept services from an individual, who at any time during the term of this agreement, was employed by the other, except by mutual consent.

It is worth noting, I believe, that many of these initial expenditures can be viewed as investments and perhaps written off, or amortized, in later stages of your fund-raising program. Certainly such basics as prospect and leadership research, definition of the "case," fund-raising policies and strategy, gift recording and acknowledgment procedures, will have continuing application to the University's capital and development fund raising.

APPENDIX IITHE UNIVERSITY'S ROLE

To assist in discharging the University's responsibilities, we list points below which, in our experience, have proved essential to success. (The key to it all will be the President's own participation.)

1. To accept, and act on appropriate, related recommendations in the study and subsequently.
2. To the extent not done in preparation for the several studies, to make decisions, establish policies and provide documented reports in such areas as:
  - a. The University's purpose and direction in the next decade, especially as related to the stated needs.
  - b. The broad base of services which will be improved if properly financed.
  - c. Such other basic data essential to preparing and presenting the University's case for private sector support.
3. To provide ideological as well as practical support to fund-raising counsel — and to volunteer leadership and supporting units.
4. To interpret — initially and continually — the fund-raising process and counsel's role to the institutional family at the University, their understanding and cooperation are essential.
5. To keep counsel advised of public relations and public information events, administrative problems and decisions that might reflect on the University's support-generating posture; and to coordinate such decisions with the campaign plan.
6. To enlist the top leadership as required and to assist and support such top leadership in the enlistment of subordinates.
7. To be in constant communication with other top leadership, to make major presentations, solicit major gifts, provide resource information, mail certain personal gift acknowledgements, attend follow-up and report meetings, and participate in special events.

8. To provide, if and as able, loan of personnel, headquarters space, equipment and furniture, and coverage of personnel (not employed on counsel payroll) under available health and pension arrangements.
9. To provide machinery for receiving, receipting, acknowledging, accounting for, advising recipients of and counsel on, "billing" on pledge payments, all contributions.
10. To provide funds for the campaign, periodical budget reports, and account for all expenditures.

APPENDIX IIITHE ROLE OF PROFESSIONAL COUNSEL

1. To assist in the articulation of the total program philosophy, the projection of financial needs, the recommended changes in pacing and general strategy.
2. To advise in personnel selection — both staff and volunteer.
3. To identify and research on potential large-figure donors. Much of this procedure will be based on information developed during the course of the study.
4. To work with top leadership on successful techniques for cultivation and solicitation of top gifts; to plan and administer leadership and committee training at all levels.
5. To assist the top volunteer leadership in the screening, selection, enlistment and orientation of volunteers.
6. To prepare and maintain the operating schedule — particularly in relation to the previously-determined timing of the campaign.
7. To coordinate the evaluation and rating of all prospects and, ultimately, the assignment of each prospect to the solicitor capable of doing the most effective job.
8. To prepare and distribute reports on plans, significant meetings and the progress of the campaign.
9. To plan the production of printed materials such as the case statement, the major campaign brochure and related announcements and booklets.
10. To provide overall guidance of program policy, strategy and tactics.
11. To make available (a) senior company officers for policy-level meetings, especially of the proposed Executive Committee, and (b) supporting company services.
12. Working with University and Foundation staff, to provide budget control with periodical reports to those concerned.

In addition to the foregoing, counsel assumes responsibility for the campaign headquarters. This includes the employment, training and orientation of technical and clerical staff which may be needed. This responsibility includes the function of building prospect lists and careful control of their distribution.