

## **MINUTES OF THE JUNE 13, 2012, ADVANCEMENT COMMITTEE MEETING**

The Advancement Committee (“the Committee”) of the Board of Regents met on June 13, 2012. Participating were Committee Chair Alan G. Spoon and Committee members France A. Córdova, Travis Engen, Sakurako Fisher, Adrienne Mars, Paul Neely, and David Rubenstein.

Staff present for all or part of the meeting were Smithsonian Secretary G. Wayne Clough, Chief of Staff to the Secretary Patricia Bartlett, Director of Advancement and Philanthropic Giving Virginia B. Clark, Inspector General Scott Dahl, Director of Advancement Operations Zully Dorr, Under Secretary for Finance and Administration/Chief Financial Officer Albert Horvath, Chief of Staff to the Regents John K. Lapiana, General Counsel Judith Leonard, and Campaign Director Jenine Rabin.

### **CALL TO ORDER AND REPORT OF THE CHAIR**

Mr. Spoon called the meeting to order at approximately 3:05 p.m., noting that this was the Committee’s last meeting in fiscal year 2012. He then welcomed members, including new Chair of the Board of Regents France Córdova, and outlined the meeting agenda.

Mr. Spoon outlined a “few highlights” that have occurred since the Committee’s April 19, 2012, meeting, particularly the May 15, 2012, inaugural meeting of the national campaign steering committee. Dr. Clough concurred with Mr. Rubenstein’s observations that the meeting was well organized and should serve as a key launching point for a deeper phase of engagement for the campaign. Mr. Spoon said that some of the issues identified during the meeting included the need to better articulate the “Big Ideas” for which the campaign is designed to support and the need to increase the Smithsonian’s “retail” outreach to the millions of people who use its resources every day. Participants also discussed the appropriate role of the central administration when facilitating units’ collaboration in the development of “Big Ideas” and coordinating the outreach of units to potential prospects.

Mr. Spoon reported that, as of May 31, 2012, the Smithsonian had raised about one-third of the current working national campaign goal. He said this progress made should encourage prospects to want to contribute to a campaign “that is going to win.”

### **APPROVAL OF MINUTES**

Mr. Spoon asked for comments or changes on the draft minutes of the April 19, 2012, Committee meeting. The draft minutes were approved without modification.

### **ACTION ITEMS FROM THE APRIL 19, 2012, COMMITTEE MEETING**

At Mr. Spoon’s request, Ms. Clark reviewed action items from the Committee’s April 19, 2012, meeting:

- **Gift Agreement Policy:** In response to Mr. Engen’s suggestion, Ms. Clark noted that a presentation would be made later in the meeting on the impact of the new gift policy adopted by the Board of Regents in January 2011.
- **Insider’s Case Statement:** Ms. Clark said that Jason Peevy has joined the Smithsonian as Campaign Communications Director and will lead the drafting of the insider’s case statement. She expects that the Committee will be able to review the draft at its October 4, 2012, meeting
- **Committee outreach to unit directors:** Ms. Rabin will arrange “matches” between Committee members and unit directors and their advisory board chairs over the upcoming year.

**CAMPAIGN HIGHLIGHTS AND ANALYSIS/CAMPAIGN DASHBOARD (MAY 2012)**

**Donor Pyramid.** Ms. Clark directed the Committee to the May 2012 campaign dashboard distributed with the meeting background materials. She began her report with a review of the “donor pyramid,” with a particular focus on anticipated and actual gifts of \$5 million or more. She said that this level of giving is particularly robust, and credited relationship-building by the Smithsonian with these donors and prospects, as well as the available opportunities for recognition for these levels of gifts.

**Unit Leadership.** With regard to individual unit fundraising, Ms. Clark said that new advisory board leaders with a strong understanding of the need for robust philanthropic support are coming on board at certain units. Usually, she said, a year or two will pass before the Committee will see the impact of the new leaders on unit fundraising progress.

**Institution-wide Update.** Ms. Clark then briefly reported on the status of pan-institutional fundraising for the year, with a break-down of gifts by unit, type (e.g., endowment), purpose (e.g., programs, places, people, treasures), and strategic plan grand challenge.

Mr. Spoon observed that the three biggest concerns for both the development staff and the Committee were the likely delay of significant opportunities at the National Museum of American History ( to accommodate the arrival of a new director); the commitment needs at the National Museum of African American History and Culture; and the challenge for the Smithsonian Astrophysical Observatory to “make the case” for substantial funding to support the Giant Magellan Telescope project.

**Staffing.** Ms. Clark said that staff hiring to support the campaign is going well. She noted that many candidates with demonstrated strong and relevant backgrounds in major national campaigns have applied for positions. That said, she predicted that about 30 new hires will be made in fiscal year 2012. The goal had been to hire approximately 40 new staff. The next task, she said, will be to ensure that current staff meet their performance standards. Mr. Spoon

asked Ms. Clark to present at a future meeting the fundraising expectations for each type of development staff member.

**Campaign Calendar.** Ms. Rabin reviewed the updated national campaign calendar and highlighted upcoming milestones (including fundraising milestones, unit programming activities, regional outreach, staffing actions, and staff training).

## **CAMPAIGN AND GIFT REVIEW POLICIES UPDATE**

Mr. Spoon explained that a series of national campaign and gift review policies—developed originally by the Advancement Committee—were adopted by the Regents in January 2011. At Mr. Engen’s suggestion, the Committee requested that staff present an update on the impact the new policies have made. [A summary of the policy improvements is attached.]

Mr. Spoon recalled that at the January 23, 2012, Regents meeting, a question was raised about the policy provisions regarding the length of recognitions associated with gifts and the process by which a deviation may be approved. Dr. Córdova and Mr. Spoon noted that the issue will be reviewed by the Executive Committee and that a response will be incorporated into the next Advancement Committee report to the Board. Dr. Córdova also noted that during some Regents’ meetings, existing policies were not readily available for reference. At future meetings, accommodations will be made to ensure all relevant policies will be immediately assessable by staff for the Regents. In addition, whenever a deviation from policy is requested, the supporting papers also will include the relevant policy provisions. Ms. Clark said that she also is preparing a focused presentation on the topic for Regents seeking additional information.

Mr. Engen asked that information be provided that more clearly references the approval responsibility for each individual gift [see attached]. Ms. Clark said that her office will work on ways to better illustrate the application of approval authority on individual gifts for the Committee.

## **REVIEW OF PENDING GIFTS**

Before moving to individual gift actions, Mr. Clark sought the Committee’s guidance on a possible \$10 million gift that would, among other things, seek to honor a currently serving elected official. Although still at an early planning stage, the recognition would be in response to a potential gift that would be raised by a foundation using direct Smithsonian assistance.

Ms. Clark noted that the Smithsonian’s practice has been to avoid naming facilities after currently serving political leaders, but that in this case—the honoree being a globally honored and respected leader—an exception to that practice may be appropriate. Ms. Clark and Mr. Spoon explained that the practice seeks to avoid apparent conflicts of interest for the Smithsonian or potential third-party donors (e.g., “currying official favor” for political benefit).

The Committee also expressed reservations on the possible funding structure, and noted that possible conflict of interest issues could be addressed by how donations were solicited and acknowledged. Mr. Engen suggested that more direct fundraising alternatives be explored as planning progresses.

Ms. Clark then presented two gifts for the Committee's consideration. Following brief discussion, the following motions were approved:

**VOTED** that the Advancement Committee recommends that the Board of Regents recognizes the generosity of L. Hardwick Caldwell III and his wife, Katharine S. Caldwell, to the Smithsonian American Art Museum and its Renwick Gallery and names the Hacker and Kitty Caldwell Gallery at the Renwick Gallery in their honor until the Renwick Gallery's next comprehensive renovation.

**VOTED** that the Advancement Committee recommends that the Board of Regents recognizes the generosity of Mars, Incorporated to the National Museum of American History, approves the benefits of the sponsorship, and names the Mars Hall of American Business for a period of no less than 20 years from the opening of the *American Enterprise* exhibition.

## **CAMPAIGN OUTREACH**

Dr. Clough updated the Committee on recent outreach events for Smithsonian benefactors and prospects in four areas outside of Washington, D.C.: South Florida, New York City, Los Angeles, and Denver.

## **ADJOURNMENT**

There being no further discussion or a request for executive session, Mr. Spoon adjourned the meeting at approximately 4:30 p.m.

Respectfully submitted,

Alan G. Spoon  
Chair

## SD 80g Gift Acceptance Approvals – Analysis of Policy Implementation

OLD POLICY		NEW POLICY	ANALISYS
<b>Regents</b>	<ul style="list-style-type: none"> <li>Approves all namings</li> <li>Approves the establishment of all endowments</li> <li>Approves the terms of sponsorships of \$1M or more</li> </ul>	<ul style="list-style-type: none"> <li>Approves all namings and the establishment of endowments of \$10M or more</li> <li>Approves all namings and the establishment of endowments for directorships reporting to the Secretary or members of Cabinet</li> <li>Approves all naming of facilities and spaces, any amount</li> <li>Approves the removal of namings and renaming of facilities and spaces, regardless of expiration of terms or conditions</li> <li>Corporate sponsorships of \$1M+</li> <li>At the discretion of the Secretary, approves gifts, including naming recognition, that warrant consideration at the highest level</li> </ul> <p>NOTE: <i>Advancement Committee annually reviews the SI naming inventory</i></p>	<p>Regents approved 28 papers June 2011, September 2011 and January 2012.</p> <ul style="list-style-type: none"> <li>5 naming of facilities, ranging from \$500K to \$2M</li> <li>1 corporate sponsorship of \$1M+</li> <li>1 \$10M + gift and naming</li> <li>16 gifts for endowment with naming, ranging from \$25,000 to \$5M</li> <li>5 terms gifts, 4 with naming, ranging from \$60K to \$5M</li> </ul> <p>Under new guidelines, approvals would be as follows:</p> <p><i>Regents &amp; Secretary</i></p> <ul style="list-style-type: none"> <li>5 naming of facilities, ranging from \$500K to \$2M</li> <li>1 corporate sponsorship of \$1M+</li> <li>1 \$10M + gift and naming</li> <li>1 \$50K naming and endowment – <i>special circumstances</i></li> </ul> <p><i>Under or Assistant Secretary</i></p> <ul style="list-style-type: none"> <li>3 gifts for endowment with naming, ranging from \$2.5M to \$5M</li> <li>1 terms gift, \$5M+</li> </ul> <p><i>Director of Philanthropy</i></p> <ul style="list-style-type: none"> <li>13 gifts for endowment with naming, ranging from \$25,000 to \$2.8M</li> <li>3 terms gifts with naming, ranging from \$60K to \$3M</li> </ul>
<b>Secretary</b>	<ul style="list-style-type: none"> <li>Reviews and approves agreements for all gifts of \$5M or more</li> </ul>	<p>Reviews and approves proposals and agreements of:</p> <ul style="list-style-type: none"> <li>\$10M or more</li> <li>Named positions reporting to self or Cabinet members</li> <li>At the discretion of the Under and Assistant Secretaries, and the Director of Philanthropy</li> </ul> <p>Delegates approval below this level to the following:</p>	
<b>Under Secretaries and Assistant Secretary</b>	<ul style="list-style-type: none"> <li>Reviews and approves agreements for all gifts of \$1M or more</li> </ul>	<p>Reviews and approves proposals and agreements of:</p> <ul style="list-style-type: none"> <li>\$5M or more</li> <li>\$1M or more with sponsor benefits</li> <li>All endowed positions</li> <li>At the discretion of the Director of Philanthropy or Unit Director</li> </ul>	
<b>Director of Philanthropy</b>	<ul style="list-style-type: none"> <li>Reviews and approves agreements for all gifts of \$50K or more</li> </ul>	<ul style="list-style-type: none"> <li>Reviews and approves proposals of \$1M or more with naming recognition and/or sponsor benefits</li> <li>Reviews and approves all gift agreements and substantiation letters of \$1M or more</li> </ul>	
<b>Unit Director</b>	<ul style="list-style-type: none"> <li>Review and approves agreements for all gifts \$50K or more on behalf of the unit</li> </ul>	<ul style="list-style-type: none"> <li>Reviews and approves all proposals, gift agreements and substantiation letters</li> </ul>	

# SD 809 Gift Acceptance Approvals – Analysis of Policy Implementation

## Past Approvals with New Policy – BACKGROUND INFORMATION

### JUNE 2011

#### REGENTS & SECRETARY

- \$50,000 endowment and naming, Dr. and Mrs. Clough – at the discretion to present to the Regents anything we believe should warrant their approval, the Secretary may ask them to approve a naming granted to him and his spouse.

#### UNDER SECRETARY

- \$2M for endowment for Renwick curator position, various donors SAAM. Names the endowment in honor of lead donor/challenge grantor, Lloyd Herman.

#### DIRECTOR OF PHILANTHROPY

- \$3.07M for support of archival website for AAA, Terra Foundation. Names the website where the funded project resides for 15 years.
- \$250,000 for endowment for Japanese art and culture at FSG, Parnassus Foundation. Names the endowment.
- \$135,000 from board members to establish endowment honoring the NASM Director. Names the endowment "NASM Director's Endowment".
- \$50,000 for endowment for general support at SIL, Ronald and Deborah Monark. Names the endowment

### SEPTEMBER 2011

#### REGENTS AND SECRETARY

- \$2M gift and naming of media arts center at NMAAHC in honor of Earl and Amanda Stafford (Naming Facilities)
- \$1M+ corporate sponsorship from State Farm, Kid's Farm at NZP(\$1M corporate sponsorship benefits)
- \$500,000 gift and naming of Rare Book room at CHNDM, from Fred and Rae Friedman (Naming Facilities)

#### UNDERSECRETARY

- \$5M for construction of NMAAHC, UnitedHealth Group.

#### DIRECTOR OF PHILANTHROPY

- \$100,000 for two program endowments for SAAM, Edgar and Margery Masinter.
- \$755,000 for two-year educational program at NMAH, A. James Clark. Names the program.
- \$78,875 for endowment for general support, Mary Brunot. Names the endowment.
- \$60,000 for two-year curatorial fellowship at FS, The Iran Heritage Foundation. Names the fellowship for 2 years.
- \$50,000 for program endowment for NMNH, Ruth Seilig. Names the endowment.

### JANUARY 2012

#### REGENTS AND SECRETARY

- \$10M gift to endowment and naming of NMNH endowed director position, Summit Fund/Roger and Vicky Sant (\$10M)
- \$1.5M gift and naming of the NZP Carousel and its pavilion, \$1.5M (Naming Facilities)
- \$1M gift and naming of a Reading Room at CHNDM in honor of Arthur Ross, \$1M (Naming Facilities)
- \$1M gift and naming of a gallery at CHNDM, Alan and Terri Spoon Family (Naming Facilities)

#### UNDER SECRETARY

- \$5M for endowment of FSG director position, Dame Jillian Sackler. Names the position.
- \$1.5M directed to endowment by the Regents for Human Origins initiative support.

#### DIRECTOR OF PHILANTHROPY

- \$2.8M for endowment for program and fellowships, Paul Neely. Names the fellowships the National Board Fellows
- \$1M combination of planned gifts and bequest intention for program endowment, Russell E. Palmer. Names the program and a number of participant slots.
- \$1M gift and bequest endowment for acquisition at SIL, Augustus and Deanne Miller. Names the endowment.
- \$526,232 gift by bequest, directed by the regents, Barbara J. Coffey. Names the endowment.
- \$250,000 exhibition endowment, Richard A. Brodie. Names the endowment.
- \$100,000 for endowment supporting discretionary grants to fellows at SAO, Shirley Ann Jackson. Names the endowment
- \$25,000 for endowment via DAF for acquisition for NMAI, various donors. Names the endowment in honor of Louis Ann Williams.