

MINUTES OF THE MARCH 24, 2010, ADVANCEMENT COMMITTEE MEETING

The Advancement Committee (“the Committee”) of the Board of Regents met on March 24, 2010, in the Regents’ Room of the Smithsonian Castle in Washington, D.C. Participating were Committee Chair Alan G. Spoon and Committee members Travis Engen, Sakurako Fisher, Robert Kogod*, Adrienne Mars*, and Paul Neely, as well as ex officio member Patricia Stonesifer. Committee members Phillip Frost and David H. Koch were unable to participate. Staff members present were Smithsonian Secretary G. Wayne Clough, Chief of Staff to the Secretary Patricia Bartlett, Director of External Affairs Virginia B. Clark, Deputy Director of External Affairs Zully Dorr, Chief of Staff to the Regents John K. Lapiana, Campaign Director Jenine Rabin, and Office of External Affairs Manager of Communications Bill Tabor. Also in attendance were Senior Consultant John Cash and Senior Consultant and Co-leader, Arts & Culture Practice Group Lynne Heinrich of the consulting firm Marts & Lundy, and Jerome T. Posatko, who will commence serving as Director of Development Operations and Systems on April 5, 2010.

The agenda consisted of a presentation of Marts & Lundy’s internal assessment final report; an introduction to the pending campaign feasibility study, which will also be undertaken by Marts & Lundy; a preview of the campaign needs summary; reports on campaign planning progress and year-to-date fund-raising results; a review of pending gifts; and approval of the January 13, 2010, meeting minutes. Committee members were sent materials in advance of the meeting.

Call to Order

The Chair called the meeting to order at 12:35 p.m. He welcomed new Committee member Mr. Neely, and thanked him for making the commitment to serve. Mr. Neely is Chair of the Smithsonian National Board. Ms. Clark introduced Mr. Posatko to the Committee.

Comments by the Secretary on the National Campaign

Secretary Clough made a presentation to the Committee about the need for a national fund-raising campaign and the vital role of private philanthropy in realizing the goals of the Smithsonian’s strategic plan. Extensive work by staff and Marts & Lundy indicates that it is realistic to expect that a well-planned and well-executed national campaign could double the results of the Institution’s fund-raising activities. The Secretary emphasized that such a campaign also will build the Smithsonian’s future fund-raising capacity. Upon completion of the campaign, the Institution will have a much larger donor base, as well as a greatly enhanced fund-raising infrastructure that can sustain the higher level of fund raising achieved during the campaign.

Marts & Lundy Internal Assessment Final Report

Mr. Cash and Ms. Heinrich of Marts & Lundy made a final report to the Committee on the internal assessment. The year-long study included an analysis of the potential fund-raising prospects for a campaign, a review of current fund-raising capabilities, projections of the

**participated by teleconference*

potential scale of a Smithsonian campaign, and recommendations for necessary investments in infrastructure and staff. It also looked at volunteer resources, volunteer organization, and current fund-raising policies.

Mr. Cash and Ms. Heinrich said the internal assessment shows that the Smithsonian is in a good position to undertake a national fund-raising campaign. A large number of fund-raising prospects have been identified by gathering and screening donor, membership, and other database records from across the Institution. In addition, the Smithsonian has been quite successful in fund raising by focusing its limited resources on high-end giving. However, the review notes that only a small fraction of the Smithsonian's potential donors are currently being identified and managed, and that the Smithsonian must increase its outreach activities to engage a broader set of potential donors.

With regard to staffing needs, the assessment notes that current staff have many demands on their time that are not specific to fund raising. A challenge will be to enable those staff to become more productive in their fund raising efforts. Additional fund raisers are needed to enable more aggressive outreach activities. Marts & Lundy recommends adding major gifts officers, regional major gift officers, and fund raisers assigned to the Under Secretaries. Also recommended are more support staff, such as researchers and writers. Volunteer leadership can be engaged by establishing executive and honorary campaign committees at the central and unit levels. The review also notes that, with the addition of three fund-raising policies now under development, Smithsonian fund-raising policies and procedures will be appropriate for the campaign.

The internal assessment report generated a significant amount of discussion and questions. Committee members asked about the methodologies used by Marts & Lundy in its review, the current productivity of fund-raising staff, and the report's recommendations for additional fund-raising staff. The Committee also discussed the need to make the Smithsonian's advisory boards more fund-raising focused, including when efforts to encourage such changes should begin.

The Committee discussed the present national campaign timetable and concluded it is ambitious but appropriate. It was agreed that language should be developed in the near future that will support discussions of the national campaign with outside parties, including the media.

Campaign Feasibility Study

Marts & Lundy will undertake a campaign feasibility study for the Smithsonian, an important next step in campaign planning. The study will be undertaken to gather useful information, some of it qualitative, and will involve developing campaign "messages" and interviewing and surveying selected groups of potential donors to gauge likely engagement and commitment among them. Surveys like these are done by third parties to allow interviewees to speak candidly about a proposed campaign and their anticipated level of support.

Mr. Cash and Ms. Heinrich outlined the nature and scope of the feasibility study, including the personal interviews and the questionnaire survey that will take place during spring and summer 2010. The study will survey prospective donors' attitudes about the Smithsonian and their personal philanthropic priorities, and will determine if those interviewed would consider giving to the Smithsonian's national campaign. Study results also will help determine the accuracy of the internal assessment's projections. Committee members asked a number of questions about the study's methodology, content, and projected validity of its results.

Campaign Needs Preview

Ms. Clark reported to the Committee on the campaign needs review process now being undertaken by the Campaign Needs Review Committee led by Ms. Bartlett. Ms. Bartlett outlined that committee's membership and described how it is reviewing individual units' reports of projected fund-raising needs. The Campaign Needs Review Committee ensures that the units' needs align with elements in the strategic plan and works with each unit to make necessary refinements to their reports. Some common themes are emerging from the review process, suggesting that Institution-wide strategies may be needed in areas such as fellowships and digitization.

The Advancement Committee reviewed a preliminary summary of the needs review underway. Included in it are both unit-based needs and pan-Institutional needs, such as the Arts and Industries Building. Ms. Clark emphasized that, although the figures in the summary will likely be modified, they reflect important goals and aspirations. The Advancement Committee discussed its role in the reviewing the Smithsonian's overall needs; its ability to be a sounding board to evaluate whether needs presented will appeal to donors; and, because of its top-down perspective, its potential to identify opportunities that could be overlooked through the present bottom-up process. Secretary Clough said the Advancement Committee also can look for commonalities and pay particular attention to capital projects, as these demand a high level of commitment. Ms. Clark said that the final results of the needs review process will be shared with the Advancement Committee in June 2010.

Review of Proposed Gift Actions

Ms. Clark presented three proposed gift actions for the Committee's review. She first discussed an endowment action (the proposed creation and naming of the James F. Buhr Endowment) and a naming action (the proposed naming of the Lunder Consortium for Whistler Studies) and answered questions about both. Following the Committee's discussion of the proposed actions, Mr. Spoon called for approval of two motions. The Committee approved the following proposed motions:

VOTED that the Advancement Committee recommends that Board of Regents creates and names the James F. Buhr Endowment to support charitable and educational purposes of the Smithsonian Institution.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of The Lunder Foundation and Peter and Paula Lunder to the Freer Gallery of Art and Arthur M. Sackler Galleries and approves naming the Lunder Consortium for Whistler Studies.

Ms. Clark then described a third proposed action, the proposed renaming of a space: the Warner Bros. Theater. The donor wishes to make a major gift to the National Museum of American History that will enable the renovation of the Museum's auditorium and the installation of digital film projection equipment in it. The space would be renamed for a period of 20 years from the date of its reopening. The auditorium currently is named for the seventh Secretary of the Smithsonian, Leonard Carmichael, who played a major role in establishing the Museum. Under the terms of the proposed gift, Secretary Carmichael would be recognized by a plaque on a wall outside the theater and in a display case about the Museum's history that would be located near the Museum's National Mall entrance. The Committee discussed the proposed action but took no action. It agreed that Mr. Spoon would review the proposed action with the Executive Committee and advise the Advancement Committee of the results of that discussion.

Approval of the Minutes of January 13, 2010, Meeting

The minutes of the January 13, 2010, meeting were sent to members in advance. The Chair asked for comments. Mr. Engen asked for minor changes. It was moved that the minutes be approved as amended. The motion was seconded, and the minutes were approved by unanimous vote.

Fund-Raising Results as of February 28, 2010

Ms. Clark made a report on Smithsonian fund-raising results through February 28, 2010. She said that although February 2010 was a slow fund-raising month, a number of major gifts are close to completion and the pipeline of fund-raising opportunities is robust.

Adjourn

Mr. Spoon thanked everyone present for their participation. There being no further business, the meeting was adjourned at 4:08 p.m.