

MINUTES OF THE SEPTEMBER 7, 2011, ADVANCEMENT COMMITTEE MEETING

The Advancement Committee (“the Committee”) of the Board of Regents met on September 7, 2011, 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, Paul Neely, and ex officio member Patricia Q. Stonesifer*; Committee member Adrienne Mars was unable to participate. Staff members present were Smithsonian Secretary G. Wayne Clough, Chief of Staff to the Secretary Patricia Bartlett, Assistant Secretary for Education and Access Claudine Brown, Director of Advancement and Philanthropic Giving Virginia B. Clark, Associate General Counsel Lauryn Guttenplan, Chief of Staff to the Regents John Lapiana, Director of Communications and External Affairs Evelyn Lieberman, Director of Institutional Relations Marly Norris, and Campaign Director Jenine Rabin.

The agenda consisted of the approval of the July 20, 2011, Committee meeting minutes; a report from the Secretary on the state of the Smithsonian; a review of action items from the June 15 and July 20, 2011, Committee meetings; reports on campaign communication projects and the corporate sponsorship policy; campaign next steps; and reviews of year-to-date fundraising results and pending gifts. Committee members were sent materials in advance of the meeting.

Call to Order

Mr. Spoon called the meeting to order at 10:34 a.m. He welcomed members and staff and outlined the meeting agenda.

Approval of Minutes

Mr. Spoon asked for comments or changes on the minutes of the meeting of July 20, 2011. There being none, Mr. Neely moved that the minutes be approved. Mr. Kogod seconded the motion. The minutes were approved by unanimous vote.

Secretary’s Update

Secretary Clough reported to the Committee on Smithsonian matters since the Committee’s July 20 meeting. An earthquake and hurricane hit Washington-area Smithsonian units in late August. Staff undertook a number of actions responding to both. The Secretary outlined the current status of the Smithsonian’s fiscal year 2012 Federal budget, reviewed recent Smithsonian Capitol Hill activity, and shared with the Committee his thoughts on the outcome of the budget process this fall. In fiscal year 2011, the Smithsonian will again have opened about 100 exhibitions, including one commemorating the September 11, 2001, attacks. A Smithsonian Channel program on the same subject has been well-received. This fall, the Smithsonian will open 26 exhibitions, including one that will display the “Jefferson Bible” for the first time. Addressing the campaign, the Secretary noted that the first year of the campaign’s quiet phase will end on September 30, 2011; notification is being sent to qualifying, existing endowment donors concerning the application of fees beginning in fiscal year 2012;

* *participated by teleconference*

work continues forming the campaign steering and honorary committees; gift opportunities in the \$1 million to \$5 million range are being strengthened; implementation of the Advancement Information System is moving well; and development of unit advisory board advancement committees continues.

Action Items from the June 15 and July 20, 2011 Committee Meetings

At Mr. Spoon's request, Ms. Clark reviewed action items from the Committee's June 15 and July 20 meetings. She shared revisions to the format for and content of "dashboard" campaign reports, and the Committee discussed and commented on these. The Committee agreed in general that the dashboards are useful, and members noted that part of their usefulness will be the management discussions they will spark. Mr. Spoon and others asked that the dashboards continue to be improved. Good progress continues to be made with unit advisory board advancement committees. Mr. Spoon and Mr. Rubenstein will write a letter to advisory board committee members in early 2012. The campaign gift inventory has been expanded by adding gift opportunities at the \$1 million level and below, and the inventory is now organized by unit and gift type. The Committee discussed inviting unit directors to future meetings to discuss their top gift opportunities, as well as having Committee members work with directors to discuss their campaign case statements. These actions will develop the gift opportunities and help sharpen the language and messages associated with them. At this point, the Committee's discussion broadened to touch on subjects including projects; prospects; and the respective roles of the unit advancement committees, the campaign steering committee, and the Regents' Advancement Committee. Mr. Spoon noted that the campaign Gift Inventory contains no gifts that address deferred maintenance. Responding to a comment by Ms. Stonesifer that descriptive information on individual gift opportunities is needed, Ms. Rabin said the campaign portal will launch in a "beta" version this winter that will be designed for use by campaign volunteers and contain gift information.

Campaign Communications

Ms. Clark discussed the campaign talking points and the "elevator speech," which were sent in advance of the meeting. They are to be used to launch conversations about the campaign with various audiences. Members commented positively on the material, but suggested they be improved by using better images and including specific examples. Ms. Clark said a short video based on the campaign talking points will be presented to the Committee in January 2012. Mr. Spoon suggested the materials could be used in their present form and improved through use.

When it last met, the Committee requested additional campaign identities and accompanying "taglines." Three options were sent in advance. At Mr. Spoon's request, Ms. Clark summarized the responses of Advancement staff to the options. The Committee discussed the alternatives, with a lengthy exchange of comments and opinions. Ms. Clark had spoken with Regent David Rubenstein about the campaign identity, and she shared his thoughts with the Committee. Ms. Clark stated that the identity used for the campaign's initial phase might be changed when the public phase is reached.

Corporate Sponsorship Policy

Ms. Clark introduced Ms. Norris, who led a discussion of the Smithsonian Corporate Sponsorship Policy. Over the past year, the policy has been revised and updated. This work was undertaken by a pan-Institutional workgroup and an outside consultant, with involvement by Mr. Engen and Ms. Fisher. This process included benchmarking Smithsonian corporate policy and practices against those of other organizations. The revised policy has been simplified, so it can be better understood by staff and sponsors, and its sponsor benefits have been expanded to make it more competitive. The Committee discussed the revised policy, touching on making sure the Board of Regents is briefed about it; testing of the new policy; and ensuring it can properly handle sensitive corporate support opportunities. Mr. Spoon asked whether staff members continue to have reservations about accepting corporate support. The response was that, in general, staff recognize the benefits of corporate support. There was further discussion of web page recognition and social media opportunities. Several members advised that these are valuable benefits and should not be given away. Corporate support provides 20–25 percent of the Smithsonian’s annual private funding.

Campaign Next Steps

Ms. Clark outlined campaign next steps, referring to the calendar sent ahead to members. She addressed hiring; campaign messaging; drafting unit cases and linking these to campaign messages; video production; and volunteer leadership.

Fundraising Results as of August 31, 2011

Ms. Clark reported that, as of August 31, 2011, fiscal year 2011 fundraising results total \$162 million. The fiscal year goal of \$175 million may not be attained, but final results will be in the range of \$166 million to \$168 million. Two notable fundraising accomplishments this year are an increase in the number of leadership gifts of \$1 million and above, and an increase in the number of gifts of \$25,000 and above. There will be 28 of the former gifts this fiscal year, and the latter accomplishment builds the Smithsonian’s long-term base of support by engaging new donors. The fundraising goal for fiscal year 2012 will be \$200 million. A second fiscal year 2012 goal will be to attract significant pan-institutional gifts. Mr. Spoon noted the importance of the coming year for the campaign.

Review of Pending Gifts

Ms. Clark led a discussion of the nine gift actions before the Committee. The gifts range in value from \$50,000 to \$5 million. Eight of the nine donors previously have made gifts to the Smithsonian. A member asked if the \$50,000 minimum level for endowment gifts is too low. Ms. Clark agreed the level is low but pointed out that it encourages gifts from new donors. The Committee discussed each of the nine gifts. Ms. Clark noted that staff members are making final inquiries in regard to one gift. Mr. Spoon suggested that, assuming these inquiries result in a positive outcome, the Committee recommend all the proposed actions by approving the following motions. Mr. Kogod so moved and Mr. Neely seconded.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of an anonymous donor to Cooper-Hewitt, National Design Museum, and names the Fred and Rae S. Friedman Rare Book Room for a period of 40 years or until the next major renovation of the space, whichever occurs last.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of the Iran Heritage Foundation to the Freer Gallery of Art and the Arthur M. Sackler Gallery and approves the naming of The Iran Heritage Foundation Curatorial Fellowship, a fellowship in the arts and cultures of Iran to foster deeper knowledge and understanding of the artistic and cultural legacy of Iran.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of Earl W. and Amanda Stafford to the National Museum of African American History and Culture and names its media arts center the Earl W. and Amanda Stafford Center for African American Media Arts in their honor for 25 years from the date of the public opening of the museum.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of UnitedHealth Group to the National Museum of African American History and Culture and accepts the terms of the gift agreement.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of A. James Clark to the National Museum of American History and names the A. James Clark Excellence in History Teaching Program until all funds from the gift are expended.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of Ruth O. Selig to the National Museum of Natural History and creates and names the Ruth Osterweis Selig and Rollyn Osterweis Krichbaum Endowment for the Public Understanding of Research about Nature and Culture to support the wider dissemination and public understanding of National Museum of Natural History staff research about nature and culture.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of the State Farm Mutual Automobile Insurance Company to the National Zoological Park and the Friends of the National Zoo, and accepts the terms of the sponsorship agreement.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of Edgar M. and Margery Masinter and creates and names the Margery and Edgar Masinter Exhibitions Fund, an endowment to provide financial support for Smithsonian American Art Museum exhibitions that present new insights into American art.

VOTED that the Advancement Committee recommends that the Board of Regents recognizes the generosity of Mary Brunot to the Smithsonian and creates and names the Mary Brunot Endowment to support the Smithsonian's mission.

Mr. Spoon declared the motions passed and thanked the Committee.

Ms. Clark outlined for the Committee a further proposed action included in their materials, the establishment of a charitable trust in the United Kingdom. Such an entity would facilitate gifts made by British citizens to the Smithsonian and enable British donors to receive tax benefits available under British law. The Committee discussed the proposed action, its costs, and its risks. Mr. Engen raised the possibility of an alternative approach that would involve entering the Smithsonian into a bilateral relationship with an organization based in England. Mr. Spoon asked staff to look into this idea. He asked the Committee to be prepared, if this alternative does not prove to be compelling, to vote by e-mail ballot on recommending the proposed action to the Board in time for action at its September 21, 2011, meeting.

Ms. Clark shared with the Committee three corporate support opportunities that are under development and touch on policy considerations. The Committee discussed the three opportunities and gave its advice to staff concerning them.

Adjournment

There being no further questions or discussion, Mr. Spoon adjourned the meeting at 12:38 p.m. He thanked Committee and staff members for participating.