

## **MINUTES OF THE FEBRUARY 26, 2009, ADVANCEMENT COMMITTEE MEETING**

The Advancement Committee (“the Committee”) of the Board of Regents held a regular meeting on February 26, 2009, in the Regents’ Room of the Smithsonian Castle in Washington, D.C. In attendance were Committee Chair Alan G. Spoon and members D. Travis Engen\*, Sako Fisher\*, David Koch\*, Robert Kogod, and Adrienne Mars\*. Also present were Secretary of the Smithsonian G. Wayne Clough; Assistant General Counsel Jason Balesta; Chief of Staff to the Secretary Patricia Bartlett; Director of External Affairs Virginia B. Clark; Chief of Staff to the Regents John K. Lapiana; Campaign Director Jenine Rabin; and Manager of Communications for the Office of External Affairs Bill Tabor.

The agenda consisted of introducing the four new Committee members; a report by the Chair; a discussion of a \$40 million fiscal year 2009 campaign focus; a report on development operations; an update on Institution fund raising through January 31, 2009; and a discussion of the alcohol, tobacco, firearms, and gaming gift acceptance policy.

The Chair called the meeting to order at 1:03 p.m.

### **New Committee Members**

The Chair welcomed new Committee members D. Travis Engen, Sako Fisher, David Koch, and Adrienne Mars and thanked them for making the commitment to serve on the Committee.

### **Report of the Chair**

Mr. Spoon reported that a number of significant events had taken place since the Committee’s last meeting, which was held on January 15, 2009. The Smithsonian National Board (SNB) held its winter meeting on January 22–24, 2009, and with its support, the Institution convened “Smithsonian 2.0” on January 23–24, 2009. The conference brought together high technology thinkers and company leaders with Smithsonian leadership and staff members to examine how new technologies might be used by the Smithsonian to advance its mission. The Board of Regents met on January 26, 2009, and on that same day Secretary Clough was formally installed as the 12<sup>th</sup> Secretary of the Smithsonian. Mr. Spoon also said that the Secretary and Ms. Clark had visited Los Angeles on February 12–13, 2009, for meetings and a dinner hosted by Regent Eli Broad.

### **Fiscal Year 2009 \$40 Million Focus**

Secretary Clough noted that the weak economy has diminished the Institution’s Trust funds, which are derived from several sources. He said that the Smithsonian’s Federal funding could be helped if an omnibus budget bill under consideration is passed. Although Congress expects the Smithsonian to raise private funds, the Institution has not previously engaged in a national fund-raising campaign. A campaign, in addition to raising money, is

*\* present by teleconference*

an opportunity to articulate the Institution's vision and expand the reach of its fund-raising efforts. The strategic planning process presently under way will inform the campaign.

Dr. Clough said that the Institution has set an internal marker of raising \$40 million for the campaign in fiscal year 2009. Ms. Clark outlined categories of gifts that can be counted. The Committee discussed this amount and methods of counting gifts. A Committee member asked how individual museums' fund-raising goals will fit with the central campaign's fund-raising goals. The Committee discussed both this concern and related issues, such as coordinating fund-raising plans, setting priorities, and reaching common goals. Mr. Spoon noted the importance of the Committee's role in the oversight and management of these issues. He also asked that staff present a draft report on gift-counting rules to the Committee at a subsequent meeting.

### **Smithsonian Development Review**

Ms. Clark described the Smithsonian's present fund-raising structure and staffing, and the funding methods that support fund-raising operations. She noted that no single, uniform funding method is used throughout the Institution and explained that, based on market comparisons, individual units' development operations can be conceptually grouped into three tiers — large to small — and that appropriate staffing levels can be projected based on these classifications. Ms. Clark gave brief assessments of each of the Institution's development functions. In addition, campaign consultant Marts & Lundy will develop an in-depth report that will analyze current development capabilities and what resources will be needed to undertake a campaign. The firm will present this assessment report on internal operations to the Committee in June 2009. Ms. Rabin said that Marts & Lundy also will help with "benchmarking," funding models, and training. The discussion also addressed developing a standard funding mechanism, the campaign's timeline and its overall goal, and the technology systems necessary to support this endeavor. Mr. Spoon said that campaign resources should be added conservatively and with attention to the state of the economy.

### **Smithsonian Development Review**

Ms. Clark reported on fund-raising results through January 31, 2009, and said that the Smithsonian had raised \$40.2 million, or 34% of its fiscal year 2009 goal. Fifteen million dollars were raised in January 2009, the third-highest total for a January on record. She noted that her office is monitoring the anticipated payment schedules and said that there are presently no problems to report.

Ms. Clark described visits by the Secretary to major U.S. cities. In addition to the aforementioned dinner hosted by Mr. Broad in February, visits are planned to New York, Boston, San Francisco, and Minneapolis for the spring and early summer of 2009. In addition to meeting major donors and members, Secretary Clough will also engage with local media and cultural organizations. Smithsonian National Board members and alumni, as well as other Smithsonian advisory board members, are helping host and organize these events. She added that Smithsonian corporate friends also are playing an important role in introducing the new Secretary to key Smithsonian stakeholders.

### **Alcohol, Tobacco, Firearms, and Gaming Gift Acceptance Policy**

The Committee then reviewed the Institution's policy regarding potential gift agreements with alcohol, tobacco, firearms, and gaming companies. The Secretary reviews all potential approaches to such companies. Historically, gifts have not been accepted if they involve exhibitions or programs for children or families. Other approaches are considered on a case-by-case basis that, according to research by consultants Marts & Lundy, is consistent with the practices of other organizations. The Committee discussed two potential approaches by the National Museum of African American History and Culture, and a number of points of view were considered. The Committee referred the potential approaches back to the Office of External Affairs and the Museum.

### **Adjourn**

There being no further business, this meeting of the Advancement Committee was adjourned at 2:54 p.m.