Assessment of Alumni and Development Organizational Relationships, Processes, and Structure

April 27, 2001 – Final
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I. EXECUTIVE SUMMARY

The President of Auburn University (AU) requested that Arthur Andersen’s Higher Education Consulting Practice conduct an assessment of Auburn University’s alumni and development activities to identify opportunities for improvement in organizational structure and financial accountability. This request was made with the recognition that the demands on AU’s Office of Alumni and Development have increased significantly during the last decade and that the demands and expectations will be even higher during the next decade. The assessment also focused on key business relationships among Auburn University, the Auburn University Office of Alumni and Development, Auburn University Foundation (AUF) and Auburn Alumni Association (AAA). The primary goal of this assessment was to identify opportunities for improvement in organizational structure, financial accountability and business processes that support the alumni and development activities at Auburn University as it prepares for a heightened level of alumni and development activity during the next decade.

Since our involvement began on this project in January 2001, we have become aware of the significant publicity surrounding many of the organizational and operational issues that are addressed in this report. While there are clearly strong sentiments among the parties that have voiced opinions about the topics addressed in this report, and while many of the specific issues are unique to Auburn University, controversy involving non-academic organizational entities is not new in higher education. During our interviews one thing became clear; all of the parties seem to have very strong and loyal feelings for Auburn University and all parties expressed a common goal of helping Auburn University. What differs among the parties involved are the opinions regarding the means to accomplish Auburn University’s goals.

Our report provides specific recommendations about the organizational structure and reporting relationships among and between key Auburn University units and related entities. Although we are aware of the current and historical issues, our report is focused on the future. Our objective is to provide recommendations that will better position Auburn University to achieve its goals and objectives during the coming decade. During this period Auburn University will need to become increasingly engaged with both its alumni and other supporting constituencies that will play a key role in ensuring Auburn University’s long-term success.

Principal Recommendations and Rationale

Although Auburn University and its primary support organizations - the Auburn Alumni Association and the Auburn University Foundation - have made significant progress during the past decade, there are opportunities to improve the structure and operating practices to make these organizations more efficient and successful in the future. As it stands today, many of the reporting relationships, responsibilities, and business processes performed by the Office of Alumni and Development appear to have evolved more as a result of the frantic pace of growth than in a strategically planned manner. Given the significant growth in alumni and development activity during the last decade, this is not necessarily an unusual outcome. However, with the expectation of a fundraising campaign in the near future, it is critical that the recommendations identified in this report be addressed soon to enable AU, AAA and AUF to serve the University and its constituents in an efficient and effective manner.

The following table provides an overview of our principal recommendations. A complete description of all of our recommendations and the detail supporting each recommendation are contained in the body of the report.
# Auburn University
## Assessment of Alumni and Development Organizational Relationships, Processes, and Structure

<table>
<thead>
<tr>
<th>Recommendation(s)</th>
<th>Rationale</th>
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<tbody>
<tr>
<td>1. The AUF Board of Directors should establish an AUF Board of Trustees Liaison Committee with a similar charter to that of the recently formed AAA Board of Trustees Liaison Committee.</td>
<td>Both AU and the AUF will benefit from increased communication of AU’s mission, goals, and strategies and AUF’s role in supporting AU.</td>
</tr>
<tr>
<td>2. The AU Board of Trustees, AUF Board of Directors, and AAA Board of Directors should consider formal cross representation on the respective Boards or governing committees to facilitate strong communication and to encourage consistency of strategic direction.</td>
<td>The current and historic lack of communication among and between these entities has resulted, in large part, in the dilemma facing the University today. Cross representation will increase the opportunity for meaningful discussion, consistency of strategic direction, and explanation of opposing views.</td>
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<tr>
<td>3. The AU Board of Trustees, AUF Board of Directors, and AAA Board of Directors should discuss the November 1998 Association of Governing Boards of Universities and Colleges Statement on Institutional Governance and its applicability to each entity.</td>
<td>Through a series of forums, discussion of the guidance put forth in the AGB Statement would serve to promote a common understanding and interpretation of the Statement and how this guidance pertains to these related entities.</td>
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<tr>
<td>4. Establish an AAA Board of Directors Committee focused on the concerns of AU policy decisions and adopt protocols to foster close internal communication and issue resolution between the AAA Board of Directors and the AU Board of Trustees. The AU Board of Trustees should also establish a similar committee to work with the AAA Committee.</td>
<td>The new Committee will create a forum for discussion of alumni opinion as represented by the AAA Board of Directors. With proper communication channels and protocols in place this Committee can serve as a body to continually communicate AAA concerns to the AU Board of Trustees and resolve them in a constructive manner, rather than have the issues raised through the media and other routes.</td>
</tr>
<tr>
<td>5. Use communication methods that promote knowledge sharing across the AU Board of Trustees, AUF Board of Directors, and AAA Board of Directors.</td>
<td>Individuals that serve on these Boards live throughout Alabama and the country and, as a result, these Boards should adopt the use of appropriate communication methods to share information and enhance discussion among these organizationally related groups.</td>
</tr>
<tr>
<td>6. Create a Senior Level, Vice President position that reports directly to the President of Auburn University. This position, tentatively titled the Chief Advancement Officer (CAO), will be responsible for understanding AU’s strategic direction and challenges, working with AU leadership to overcome those challenges, and integrating the critical university activities of public affairs, marketing, communications, governmental affairs, alumni affairs, and development to facilitate the long-term viability of Auburn University.</td>
<td>Private donations will become increasingly important to AU in achieving institutional objectives. The recommended Senior Level Vice President position promotes the importance and visibility of Auburn University’s advancement efforts to both internal and external constituencies. Further, this position will enhance accountability with respect to the coordination and execution of advancement efforts including alumni relations and fund raising.</td>
</tr>
<tr>
<td>7. In the short-term, the proposed Senior Level, Vice President position should be filled by the current AU Interim-President, as the acting CAO.</td>
<td>Recognizing the current funding concerns faced by AU, we recommend this interim solution until funding sources can be identified to fill the position on a permanent basis.</td>
</tr>
<tr>
<td>Section</td>
<td>Recommendation</td>
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| 8. 8. 8. | Split the Office of Alumni and Development into two separate, but related, offices. Designate an individual at the Vice President/Associate Vice President level to lead the Alumni Affairs Office and another individual at the Vice President/Associate Vice President level to lead the Development Office. These two Vice Presidents/Associate Vice Presidents will each report to the CAO.  
- The demands required to effectively conduct alumni activities and development activities have increased in the last decade. Further, development activities will be extensive with the expectation of a fundraising campaign in the near future. Appointing a Vice President/Associate Vice President level individual to lead each of these activities will allow greater focus and should provide more effective results. |
| 9. 9. 9. | If the newly established Vice President/Associate Vice President positions cannot be filled internally, commence a search process for the Vice President/Associate Vice President for Alumni Affairs and for the Vice President/Associate Vice President for Development.  
- Internal resources with requisite skills should be looked to as a first choice to fill these positions, as a selection of appropriate internal resources will result in quickly filling these new positions and maintaining continuity of alumni programming and development activity. |
| 10. 10. 10. | Migrate the newly established CAO, Alumni Affairs Office and Development Office into a comprehensive Office of Institutional Advancement, with the CAO providing leadership and oversight. This newly established Office of Institutional Advancement will replace the current Office of Alumni and Development and fold in the AU offices of University Relations and Governmental Affairs, as these offices are also responsible for institutional advancement activities.  
- The Office of Institutional Advancement will encompass and perform the activities aimed at involving Auburn University’s Alumni and other external constituencies in the activities, needs, and challenges of AU. The activities of the Office of Institutional Advancement will range from that of managing in an integrated manner public relations activities to the more personal activities of development. |
| 11. 11. 11. | When appropriate, commence a search to permanently fill the position of Chief Advancement Officer.  
- A permanent CAO position is critical for Auburn University over the long-term, and will require a dedicated individual to meet the responsibilities of the position. When funding sources for the position can be identified, fill the position on a permanent basis. |
| 12. 12. 12. | The AUF should clearly define the roles and responsibilities for the AUF Treasurer, as an initial measure to promote greater financial accountability.  
- In the near-term, clearly established roles and responsibilities will provide more focus and direction for the AUF Treasurer. As development activity expands during the next decade, the importance of financial accountability for this position will expand, and it is necessary to establish roles and responsibilities that define this accountability. |
| 13. 13. 13. | AUF should contract with AU to fill the role of AUF Controller by increasing the responsibility of the position of AU Director of Treasury Services.  
- The AUF Controller will provide needed daily financial management support to the AUF Treasurer. The responsibilities of the AUF Treasurer complement the current responsibilities of the Director of Treasury Services. Most importantly, this approach quickly addresses concerns related to increased financial accountability. |
- The addition of professional personnel to support the AUF Treasurer will enable the AUF Treasurer to perform the roles and responsibilities defined by the AUF Board of Directors. |
15. AU should split the Office of Alumni and Development Accounting into two separate offices: (1) Alumni Accounting, and (2) Development Accounting.

   - This proposed structure will address concerns related to unclear roles and responsibilities, promote the clear delineation of accounting staff priorities, and provide better focus for staff performing accounting tasks.

16. AU should establish reporting relationships for the newly formed units of Alumni Accounting and Development Accounting that are integrated with the Office of Treasury Services.

   - This approach enhances communication among related entity accounting units, provides accounting staff with greater coordination and access to AU expertise and resources, and provides leadership to continually evaluate and integrate accounting and financial processes.

17. AU should review the financial structures of AU and its related entities on a periodic basis and make changes that reflect the constantly evolving financial demands on those entities.

   - As the AU/AUF Endowment Funds continue to increase in size, the accounting and financial demands will also increase. Periodic review of these structures will proactively identify changing demands placed upon the units performing these activities and the need for structural change.

18. Auburn University and the Auburn University Foundation should establish a single investment committee to oversee the investments of the AU Endowment and the AUF Endowment.

   - A single investment committee takes advantage of business process efficiencies, the breadth of experience of the AU Investment Committee and AUF Finance Committee, and increases the consistency in which the goals of Auburn University and the Auburn University Foundation are addressed.

19. The Office of Information Management Systems & Building Operations, within the Office of Alumni and Development, should be restructured to eliminate all operational responsibilities that do not relate to information technology.

   - Eliminating the operational and business responsibilities not related to IT enables the Office of Information Management Systems to more effectively focus on and deploy information technology that enhances alumni and development business processes.

20a. Change the IMS reporting relationship from the current Vice President for Alumni and Development position to the Executive Director of the Office for Information Technology (OIT). IMS should become a sub-unit of OIT, with a direct reporting relationship to this unit and a dotted line reporting relationship to the Vice President/Associate Vice President for Alumni and the Vice President/Associate Vice President for Development.

   - The revised reporting relationship will result in increased leveraging of existing AU IT expertise, build consistency across AU IT units, and bring current IT trends and models to alumni and development IT. Additionally, the proposed change is consistent with proposed models for information technology currently being discussed at AU.

20b. Establish a team comprised of Office of Alumni Affairs personnel and Office of Development personnel that will be responsible for the integration of existing administrative technology with alumni and development business processes, determination of strategic technology needs and implementation of new technologies.

   - Future alumni and development activities will be highly dependent on the successful integration of administrative technologies to facilitate the work of internal alumni and development personnel. Business process owners are best suited to conceptualize and manage the integration of technology within these Offices.

21. Restructure the reporting relationship between the Office of Research and the individual Development Officers to facilitate greater integration of research activities with fundraising activities.

   - A more formalized working relationship between Research personnel and the individual Development Officers will address the increasing interdependence of these units in striving to attain development goals.
22. Clearly define the roles and responsibilities of the Office of Research personnel and clearly articulate Development Officer expectations of the Office of Research. Insufficient understanding of the roles and responsibilities of the Office of Research has led to the ineffective use of this Office by Development personnel.

23. Reorganize development support service activities into a single business office called Development Services, in preparation for a later transition of these activities to the proposed Office of Institutional Advancement. The development support processes of gift receipt and recording, acknowledgement, reporting, donor relations, and recognition are critical back-office activities that follow the receipt of gifts to AU or AUF. These activities currently take place in multiple units and reorganization will promote common reporting and leadership, increased information sharing, enhanced focus on business process improvement, and enhanced service to development personnel.

24. Clarify specific development roles and responsibilities between Athletics Development and the proposed Office of Development. The continued coordination of these now independent development units is important to the success of AU development. Clear roles and responsibilities will help these units to avoid duplicating efforts and sending conflicting messages to potential donors.

25. Improve and reemphasize the strategic planning processes for the organizations and units involved in the business of developing and delivering alumni and development services. Strategic planning among organizationally related entities and AU units has not resulted in sufficient coordination. Strategic planning for these entities should appropriately incorporate the feedback of internal and external constituencies and result in setting complementary goals and strategies for attainment of those goals across these related units.

26. Conduct a detailed redesign of alumni and development business processes, including those processes of alumni and development support units and AU units whose processes overlap. Alumni and development processes, as well as related support processes, have evolved over time, resulting in business processes that are not as efficient or effective as possible.

Next Steps

This assessment provides a foundation for continuing to enhance the efficiency and effectiveness of the alumni and development activities at Auburn University. Responses to these recommendations should focus on defining each assessment recommendation as a specific individual project to guide implementation efforts. With the completion of this assessment, Auburn University should:

- Obtain senior management consensus on the recommendations.
- Prioritize and sequence the recommendations. Develop a phased approach, if necessary.
- Identify project leaders, team members, and other specific project resources.
- Chart an estimated timeline for the implementation of specific projects.
- Develop individual project workplans for those considered highest priority.
- Establish a basis for monitoring progress.
II. BACKGROUND INFORMATION

As a premier Southern land grant university with campuses at Auburn and Montgomery, Auburn University plays a critical role in enhancing the economic, social, and cultural development of Alabama through its strategic missions of instruction, research, and extension programs. Auburn University is well regarded in its commitment to the pursuit of excellence. In both academics and athletics, the Tigers are a nationally recognized institution.

Chartered in 1856, Auburn University has grown from an enrollment of 80 to its current enrollment of almost 22,000 students. Moreover, since 1970 enrollment has grown by 54%. Such growth is a significant accomplishment and is certainly reflective of the increasing prestige of Auburn University. During this 30-year period of enrollment growth, Auburn University’s budget has also grown significantly, a trend consistent with budget growth at other instruction and research universities. Throughout this period, Auburn University has also seen a dramatic shift in the source of funding for the University. AU relies upon the State of Alabama, Federal Appropriations, and other sources to fund its operations. Table 1 outlines the changing mix of these funds.¹

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Fiscal Year 1991</th>
<th>Percent of Total</th>
<th>Fiscal Year 1992</th>
<th>Percent of Total</th>
<th>Fiscal Year 1993</th>
<th>Percent of Total</th>
<th>Fiscal Year 1994</th>
<th>Percent of Total</th>
<th>Fiscal Year 1995</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition &amp; Fees</td>
<td>$48.7</td>
<td>14.5%</td>
<td>$55.4</td>
<td>16.1%</td>
<td>$60.0</td>
<td>16.8%</td>
<td>$64.4</td>
<td>17.2%</td>
<td>$72.0</td>
<td>17.5%</td>
</tr>
<tr>
<td>Federal Appropriations</td>
<td>$14.2</td>
<td>4.2%</td>
<td>$13.9</td>
<td>4.0%</td>
<td>$15.0</td>
<td>4.2%</td>
<td>$14.6</td>
<td>3.9%</td>
<td>$14.4</td>
<td>3.5%</td>
</tr>
<tr>
<td>State Appropriations</td>
<td>$150.2</td>
<td>44.7%</td>
<td>$149.6</td>
<td>43.5%</td>
<td>$153.2</td>
<td>42.8%</td>
<td>$162.1</td>
<td>43.3%</td>
<td>$181.9</td>
<td>44.2%</td>
</tr>
<tr>
<td>Gifts, Grants, &amp; Contracts</td>
<td>$48.7</td>
<td>14.5%</td>
<td>$49.9</td>
<td>14.5%</td>
<td>$52.8</td>
<td>14.8%</td>
<td>$54.2</td>
<td>14.5%</td>
<td>$59.1</td>
<td>14.4%</td>
</tr>
<tr>
<td>Other Income</td>
<td>$31.6</td>
<td>9.4%</td>
<td>$30.7</td>
<td>8.9%</td>
<td>$32.0</td>
<td>8.9%</td>
<td>$34.6</td>
<td>9.2%</td>
<td>$33.7</td>
<td>8.2%</td>
</tr>
<tr>
<td>Auxiliary Income</td>
<td>$42.5</td>
<td>12.7%</td>
<td>$44.1</td>
<td>12.8%</td>
<td>$44.9</td>
<td>12.5%</td>
<td>$44.2</td>
<td>11.8%</td>
<td>$50.4</td>
<td>12.2%</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>335.9</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>343.6</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>357.9</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>374.1</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>411.5</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

As many public institutions across the country have experienced, and particularly since 1990, the percent of Auburn University’s budget covered by state and federal monies has diminished, even though the total budget has continued to grow to meet the always expanding expectations of faculty, students, and other constituents.

The External Environment

Concerns about decreasing state funding are a stark reality as Auburn University concludes its first full academic year in the 21st Century. Higher education funding in the State of Alabama is facing severe cuts as tax revenues that support education, both K-12 and higher education, have fallen short of the budgetary requests for institutions of public education. As of this writing, Auburn University is faced with a 6.2% proration (i.e., across the board pro-rata cuts to education imposed by the State) of State funding or potentially as much as an 18% proration.

¹ Auburn University Comprehensive Annual Financial Report, for the year ended September 30, 2000.
In the near-term, Auburn University will have to manage the potential budget cuts through its proration reserve fund, program cuts, and potentially tuition increases. Over the long-term, however, it is essential for Auburn University to identify sources of future operating funds that will offset what is expected to be continued decreases to state and federal funding. A primary source of additional funds is the private gifts and donations from individuals, corporations, and foundations. Auburn University is not alone in its quest to secure donations from these groups. Generally referred to as the Baby Boomer Generation, individuals born between 1943 and 1960 are now reaching the height of influence in their societal and business endeavors and represents a segment that benefited greatly from the prosperity during the 1990’s. During the next decade this country will begin to see a tremendous transfer of wealth from this segment of the population, as this Generation will be even more prepared than prior generations to return personal wealth to improve society. Public and private institutions will be aggressively reaching out to retiring individuals and wealthy families with the hope of obtaining some of these financial resources. For many higher education institutions, gift and donations will be critical to meeting constituency expectations in instructional and research programs. AU’s administration recognizes these trends and is committed to promoting greater awareness of Auburn University and its successes, by engaging AU alumni, and actively pursuing those alumni and private individuals able to contribute to Auburn University.

One of AU’s current administrative challenges is to better position the administrative offices, those that manage external relations, alumni affairs, and development processes, for the future. This means the operations of those offices must be both efficient in their execution of day-to-day activities and also highly effective in managing the end-to-end business processes that encompass broad, public informational efforts as well as the more narrowly focused and private solicitation efforts. A significant measure of success will not only be how effective Auburn University is at raising alumni awareness regarding AU needs and challenges, but also how many of those alumni will give significant financial resources to AU to meet those challenges. The public’s perception, which currently is not at a desired level, will play an integral role in achieving Auburn University’s objectives.

The Internal Environment

Auburn University has established several related entities that support Auburn University and its alumni and development activities. Additionally, AU’s Office of Alumni and Development is responsible for conducting the day-to-day alumni and development activities that benefit Auburn University. The Vice President for Alumni and Development, who reports to AU’s Executive Vice President & Chief Financial Officer (CFO), leads the Office of Alumni and Development and has oversight responsibility for these activities. Appendix A provides the current organization charts for this position and its units. The Vice President for Alumni and Development has oversight responsibility for four operational areas within the Office of Alumni and Development, including: Alumni Affairs, Development, Alumni and Development Accounting, and Information Management Systems/Operations. There are approximately 100 personnel within the Office of Alumni and Development.

Athletics Development, formerly a part of the Office of Alumni and Development, has recently transitioned from the Office of Alumni and Development and now directly reports to the Athletic Director, who in turn reports to the President of Auburn University. Athletics personnel conduct alumni and development activities, in a coordinated manner with Office of Alumni and Development personnel, to benefit Auburn University Athletics programs. Monies raised by Athletics Development personnel are collected and managed by the Auburn University Foundation and processed through Alumni and Development accounting. There are approximately five personnel responsible for athletics development and certain alumni activities pertaining only to athletics.
Auburn University
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Related Entities

The Office of Alumni and Development serves the needs of three primary constituencies, Auburn University, Auburn Alumni Association, and Auburn University Foundation. The principal constituency is Auburn University. The activities conducted by the University’s Alumni Affairs personnel are designed to re-engage Auburn Alumni in University programs and activities. The activities conducted by the University’s Development personnel facilitate the receipt of financial gifts to Auburn University.

The second principal constituent is the Auburn Alumni Association (AAA), a separately incorporated 501(c)(3) entity, in which the Vice President for Alumni and Development serves as the Executive Vice President. The Auburn Alumni Association By-Laws articulate the mission of this entity as:

“…to foster and strengthen the relationship between Auburn University and its alumni and friends; to preserve and promote the University’s traditions, purposes, growth, and development; and to keep alive the spirit of affection and reverence for our alma mater.”

The final principal constituent is the Auburn University Foundation (AUF), a separately incorporated 501(c)(3) entity, in which the Vice President for Alumni and Development serves as the Executive Vice President. The Auburn University Foundation Articles of Incorporation and By-Laws articulate the broad purpose of this entity as:

“…educational, with the one objective of developing and increasing the facilities of Auburn University for broader and increased opportunities in this realm for and service to its students, alumni, and the citizens of the State of Alabama and the Nation, by encouraging gifts, grants, and donations of money, property, works of art, historical papers and documents, museum specimens and any other such material and/or asset of educational value, and by such other proper means as may seem advisable; to receive, hold, and administer such gifts grants, and donations and to also act without profit as trustee and to have trust powers to be exercised when necessary or desirable and to perform any and all acts concerning management, investment, reinvestment, and expenditures in furtherance of the educational interests of Auburn University…”

Trends in Auburn Alumni Activity

The Auburn Alumni Association shows signs of success as the work of the Office of Alumni Affairs personnel has yielded the active membership of over 52,000 from a base of 142,824 potential alumni. This represents participation of 36.4%, which is above the national average of 21%. In addition, during the past 10 years, the Auburn Alumni Association membership has grown from 42,527 in 1993-1994 to 52,014 today. This represents growth of 22.3% participation since that time. See Table 2 for Auburn Alumni membership trends.
Auburn University was recently ranked 16th on the list of Top 20 Alumni Associations in America and now finds itself in the Top 10 nationally in terms of its percentage of membership. The AAA has also seen some growth in its Club Programs, a major programming activity used to reengage Auburn Alumni in AU. Currently, the AAA has Clubs in 30 states and the District of Columbia. Additionally, the AAA has established a credit-card affinity program and established an increasing number of alumni travel programs to reengage Auburn Alumni in the institution.

**Trends in Auburn Development Activity**

Donations to Auburn University and the Auburn University Foundation during Fiscal Year 2000 were at a record level with $38.0 million. Fiscal Year 2001 data demonstrates that AU appears to be on pace to set another record, as AU has already received private support of $41.2 million through February 28, 2001. The following table shows the trend in annual gifts since Fiscal Year 1988.

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In addition to increasing gift income, the endowment has also seen growth both in total and in endowment per student. The market value of the combined AU Endowment Fund and AUF Endowment Fund has increased from $76.8 million at the end of Fiscal Year 1991 to $271.2 million at the end of Fiscal Year 2000. See Table 4.

Presented another way, this represents an endowment per FTE student of $11,630 at the end of Fiscal Year 2000. This ratio has continued to increase during the last decade as AU demonstrated a $4,652 endowment per FTE student in 1991 and $11,596 in 1999. Compared to peer institutions, however, this ratio is on the low end of the spectrum. For example, in 1999 the University of Mississippi demonstrated a $22,835 endowment per FTE and the University of North Carolina demonstrated a $42,194. Table 5 demonstrates the change in this statistic for Auburn University.
A final perspective for consideration is demonstrated through the use of data accumulated by the National Association of College and University Business Officers (NACUBO) through its annual comparative study of endowments. Each year NACUBO accumulates comparative information from participating institutions and then publishes the results of the study. In general, Auburn University’s combined endowment has consistently ranked within the top 1/3 of the institutions participating in the NACUBO study during each of the years 1996 through 2000. As of June 30, 2000, Auburn University achieved a ranking of 168 out of 569 participating institutions. However, this ranking has declined slightly since the 1997, 1998, and 1999 studies, as AU was ranked 150, 154, and 155 in the study for each of these respective years. The preliminary June 30, 2000 results reveal that Auburn University’s SEC peer institutions rank as high as 21 and as low as 231, with seven of these institutions ranking higher than 150. See Table 6, below.

From the NACUBO study, the endowment of AU’s peer SEC institutions ranges from $153 million to $2.3 billion as of June 30, 2000. Compared with its 12 SEC peers, AU’s endowment ranks number ten on the list. The increase in these endowments between the 1997 and 2000 time period demonstrate a range of

Notes:
* All Endowment Market Value amounts are reported in millions.
** Data provided as of September 30 of each year.

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**Table 6: Endowment Growth Comparison June 30, 1997 - June 30, 2000**

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<tbody>
<tr>
<td>1</td>
<td>Vanderbilt</td>
<td>$1,389.0</td>
<td>$1,539.2</td>
<td>$1,831.7</td>
<td>$2,314.9</td>
<td>72.88%</td>
</tr>
<tr>
<td>2</td>
<td>Florida</td>
<td>480.0</td>
<td>540.4</td>
<td>Florida</td>
<td>601.3</td>
<td>41.94%</td>
</tr>
<tr>
<td>3</td>
<td>Alabama**</td>
<td>449.0</td>
<td>502.1</td>
<td>Alabama**</td>
<td>553.1</td>
<td>38.06%</td>
</tr>
<tr>
<td>4</td>
<td>Tennessee</td>
<td>281.2</td>
<td>335.2</td>
<td>Tennessee</td>
<td>378.1</td>
<td>56.58%</td>
</tr>
<tr>
<td>5</td>
<td>Georgia</td>
<td>249.4</td>
<td>293.2</td>
<td>Georgia</td>
<td>334.5</td>
<td>55.73%</td>
</tr>
<tr>
<td>6</td>
<td>Kentucky</td>
<td>189.0</td>
<td>219.2</td>
<td>Kentucky</td>
<td>327.6</td>
<td>95.82%</td>
</tr>
<tr>
<td>7</td>
<td>Auburn</td>
<td>184.9</td>
<td>217.3</td>
<td>U. of S.C.</td>
<td>253.7</td>
<td>65.77%</td>
</tr>
<tr>
<td>8</td>
<td>Mississippi</td>
<td>175.6</td>
<td>216.6</td>
<td>Auburn</td>
<td>239.0</td>
<td>83.36%</td>
</tr>
<tr>
<td>9</td>
<td>U. of S.C.</td>
<td>146.0</td>
<td>204.4</td>
<td>Mississippi</td>
<td>230.9</td>
<td>104.44%</td>
</tr>
<tr>
<td>10</td>
<td>L.S.U.</td>
<td>129.7</td>
<td>151.2</td>
<td>Arkansas</td>
<td>222.8</td>
<td>28.77%</td>
</tr>
<tr>
<td>11</td>
<td>Miss. St. U.</td>
<td>127.0</td>
<td>145.5</td>
<td>L.S.U.</td>
<td>187.2</td>
<td>63.22%</td>
</tr>
<tr>
<td>12</td>
<td>Arkansas</td>
<td>119.4</td>
<td>144.2</td>
<td>Miss. St. U.</td>
<td>160.3</td>
<td>21.10%</td>
</tr>
</tbody>
</table>

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Notes:
* All Endowment Market Value amounts are reported in millions.
** Data provided as of September 30 of each year.

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21.10% to 104.44% with Auburn at 28.77%. While AU has been able to moderately increase its endowment, the data indicates that it has not effectively kept up with its peer institutions within the SEC during that time period. Since 1997 Auburn University has moved from seventh in the SEC to tenth. The above data represent only a short time frame and endowments can fluctuate over time due to campaigns, large one-time gifts, differing investment returns and other factors, but the data none the less indicate a trend that merits attention.

Project Scope

The President of Auburn University (AU) requested that Arthur Andersen’s Higher Education Consulting Practice conduct an assessment of Auburn University’s alumni and development activities to identify opportunities for improvement in organizational structure and financial accountability. This request was made with the recognition that the demands on AU’s Office of Alumni and Development have increased significantly during the last decade and that the demands and expectations will be even higher during the next decade. The assessment also focused on key business relationships among Auburn University, the Auburn University Office of Alumni and Development, Auburn University Foundation, and Auburn Alumni Association. The primary goal of this assessment was to identify opportunities for improvement in organizational structure, financial accountability and business processes that support the alumni and development activities at Auburn University as it prepares for a heightened level of alumni and development activity during the coming decade. Specifically, the project team conducted the following agreed upon tasks:

1. Confirmed and coordinated the project objectives, scope, and approach with the President of Auburn University.
2. Assessed the current organizational structure and related business processes by:
   a. Conducting interviews with individuals knowledgeable about the current operations of the Office of Alumni and Development and related entities.
   b. Reviewing documentation describing the operating structure and principal business processes.
   c. Assessing constituent expectations and determining the demands being placed on the alumni and development areas.
   d. Interviewing a significant number of individuals from each organization to understand the future challenges of the Office of Alumni and Development.
3. Summarized issues identified during the assessment.
4. Reviewed other institutions’ alumni and development organizational structures.
5. Documented our observations and recommendations in this report.

During the fieldwork for this assessment the project team met with over 100 Auburn University personnel and supporters. These individuals included representatives of the Board of Trustees, the President, the Provost, the Executive Vice President & CFO, the academic Deans, the Athletic Director, and the entire Office of Alumni and Development. In addition, project team members met with many of the AAA Board of Directors and either met or spoke with a significant number of the AUF Board of Directors. Appendix B outlines the individuals interviewed during this effort. Finally, project team members researched peer institutions and spoke with representatives of some of those peer institutions.
III. SUMMARY OF APPROACH

A best practice approach to evaluating the administrative operations within a higher education institution involves assessing the five key elements of a business system. Each of these elements is critical to the administrative support function’s overall efficiency and effectiveness. The principal elements of a traditional business system are depicted below:

- **Business Processes**: What is the most efficient and effective way to serve process customers or users?
  - Ensure all efforts provide value.
  - Eliminate non-value-added activities.
- **Organization**: What organization, reporting relationships, and key leadership positions are needed to manage the organization?
- **Performance Measurement**: What measures will be used to evaluate a new process?
  - Cost or quality measures?
  - Time or risk measures?
- **People**: Do we have the appropriate people to enable business processes?
  - What skills do we have?
  - What skills are needed?
  - What will it take to transition?
- **Technology**: Is technology appropriately supporting and enabling business processes? Do process owners and customers understand and effectively use technology?

The remainder of this report addresses these five principal elements within the context of alumni and development at Auburn University and its related entities. Organizational issues and the related recommendations are prevalent within this report, as our analysis revealed that many of the concerns identified during the assessment stem from organizational issues. The other four elements of AU’s business system are also addressed in this report, as the assessment revealed opportunities for improvement within those areas as well.
IV. PRIMARY OBSERVATIONS & RECOMMENDATIONS

Based upon the results of our interviews, analysis, peer review, best practices comparisons and our understanding of the unique issues at Auburn University, the project team has developed recommendations that address improving the organizational relationships, financial accountability, and business processes of AU alumni and development activity. Our observations and recommendations are organized as follows:

- First, we summarize our observation of issues believed to be hindering the effectiveness of the alumni and development activities at Auburn University.
- Second, we provide a description of our observation and, to the extent possible, we provide examples that occurred at least partially as a result of the issue identified.
- Third, we discuss the implications of the particular issue for Auburn University.
- Finally, we provide recommendations to resolve the concern.

Observation A

There has been insufficient communication among and between the AU Board of Trustees, AAA Board of Directors, AUF Board of Directors, and AU Executive Management to resolve differences concerning the increasingly complex goals, objectives and approaches of each of these entities.

As part of this assessment, project team personnel interviewed the AAA Board of Directors, many of the AUF Board of Directors, several AU Board of Trustees, and AU Executive Management. From these discussions it is apparent that the lack of effective communication between and among these entities is a significant problem.

During the past 2-3 years, issues have arisen which have resulted in conflicting perspectives between the AAA Board of Directors and the AU Board of Trustees. Even further, the project team determined that differences of opinion about the means of achieving the AAA mission exist among the AU Board of Trustees, AUF Board of Directors, AU Executive Management, and the AAA Board of Directors. Finally, as supported by comments made to the project team by several AAA Board members, the AAA desires to more actively engage itself in shaping the governance structure of Auburn University.

As a result, the Auburn University community has in recent months found itself in the midst of a struggle between the AAA Board and the AU Board of Trustees. Many of these differences have become the subjects of public attention.

Examples

Some underlying examples of the communication concerns include:

- Each of these entities has had little interaction to establish complementary goals.
- Each of these entities often has different viewpoints about the means or strategies a particular entity should be using to achieve its goals. For example, discussions with AAA Board of Directors revealed a desire to promote the general well being of Auburn University. Not surprisingly, AU Board of Trustees articulated a similar desire. However, the AAA Board of Directors viewpoint about what constitutes promoting the general well being of Auburn University is markedly different from the
viewpoint of the AU Board of Trustees. The AAA Board of Directors attempt to influence AU policy as a means to represent their alumni constituency, while the AU Board of Trustees does not necessarily agree with the idea that the AAA should be influencing AU policy.

- Members of the respective Boards have different viewpoints about the funding provided to support alumni and development activities. Key differences highlighted by the Board members include: (a) the appropriateness of one entity providing funding that supports another entity, (b) the fairness of current revenue allocation methods used to support the activities of multiple entities, (c) and a general difference in perspective as to the adequacy of funding available to support alumni and development activities.
- The related entity Boards do not collectively meet on a frequent basis to discuss AU and related entity business.
- The differences among these entities are often communicated within the local media.

As this assessment concluded, several items had surfaced that were designed to address communication concerns. At the March 3, 2001 AAA Board of Directors meeting, two committees were formed to improve related entity relationships. The Athletics Liaison Committee was established to promote better communication and working relationships among the AAA, the Office of Alumni Affairs, and the Athletics Department. The Board of Trustees Liaison Committee was established to promote better communication between the Board of Trustees and the AAA Board of Directors, two groups that have recently commented on their many differences in the local media. Both of these newly established committees represent a step in the right direction.

**Implications**

- Personnel within the Office of Alumni and Development, who are both employees of Auburn University and who work very closely with members of the AAA Board of Directors, are often caught in the middle and find themselves making business decisions based on chosen loyalties, rather than what might be in the best interest of Auburn University.
- Each of the AU related entities involved in alumni and development activities quite appropriately has established a different mission and role with respect to facilitating the alumni and development processes. This alone is not a problem, however it becomes problematic if each entity does not understand and facilitate through its actions the mission of the other related entities. For example, the mission of the AAA is interpreted and articulated quite differently by the AUF Board of Directors and the AU Board of Trustees, based upon discussions with these groups.
- Current communication concerns are a distraction to day-to-day operational alumni and development personnel and, particularly, to the AU Executive Management and AU Board of Trustees. Alumni and development activities at any university are challenging and require commitment and focus.
- The significant amount of negative press AU has been receiving is bound to be detrimental to alumni and development success in the short-term, though the longer-term impact is less clear. At a time when AU should be positioning itself for its next campaign, positive publicity should be emphasized while negative publicity should be avoided as much as possible.

**Recommendations**

1. **The AUF Board of Directors should establish an AUF Board of Trustees Liaison Committee with a similar charter to that of the recently formed AAA Board of Trustees Liaison Committee.**

Similar to the AAA Board of Trustees Liaison Committee, the membership of the AUF Board of Trustees Liaison Committee should include 2-3 representatives from the AUF Board of Directors and 2-3 representatives from the AU Board of Trustees. The AUF Board of Trustees Liaison Committee
should focus its efforts on continually communicating concerns related to mission, goals, and strategies related to funding sources and uses, and its role in supporting AU. Regular, informal AUF Board of Trustees Liaison Committee meetings will help develop avenues through which greater mutual understanding can be achieved.

2. **The AU Board of Trustees, AUF Board of Directors, and AAA Board of Directors should consider formal cross-representation on the respective Boards or governing committees to facilitate strong communication and to encourage consistency of strategic direction.**

According to the American Association of Governing Boards of Universities and Colleges (AGB), there are two ways that organizations typically promote formal cross representation within colleges and universities: (a) formal representation of individuals from one entity’s board on the governing board of another entity, or (b) involvement of individuals from one board on the committees of another board even if they are not members of the board, itself. The AGB notes further, that it is important to understand, however, that foundation boards and Alumni Association boards, in and of themselves, are not in the business of setting priorities for the institution. That responsibility rests with the governing board, administration, and faculty.

In general, effective collaboration of the related entity Boards or committees will promote planning and facilitate agreement on priorities for the institution, particularly with respect to alumni and development activity. Currently, the only overlap among the AU Boards is the representation of non-voting members such as the AU President, AU Executive Vice President, AU Vice President for Development, AUF President, AUF Executive Vice President, AUF Treasurer, AAA President, AAA Executive Vice President, and AAA Treasurer. Most of the overlapping representation has evolved from historical practices, however, as a given individual may hold two or more of these positions.

If the proposed recommendations are considered, it will be especially important for each of the respective governing Boards to review the Alabama Statutes and clearly understand the implications of such formal cross representation. If a state auditor regards the AUF or AAA as an extension of a state agency, then the AUF or AAA may become subject to the same requirements that regulate the institution; thus the AUF or AAA might lose some of the flexibility that was sought upon its establishment. For example, it would not be beneficial to subject the AAA and AUF to the requirements of the State of Alabama freedom of information laws nor would it be beneficial if AAA and AUF funds become subject to state control.

2a. **The AUF Board of Directors and the AAA Board of Directors should consider changing the voting status of certain of their Board members, as one mechanism to further ensure consistency of direction by these entities.** Several AU Executive Management personnel are members of the AUF Board of Directors and AAA Board of Directors, but in a non-voting capacity. In addition, the AAA President serves as a non-voting member on the AUF Board of Directors and the AUF President serves as a non-voting member on the AAA Board of Directors. The

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respective boards should consider amending the voting status of these members. Modifying the designation of these representatives’ status from non-voting to voting will:

- Assure that the voice of a related entity is heard and counted in decisions;
- Encourage each representative to play a more active role in governing the particular entity and determining the direction of that entity; and
- Promote accountability in Board members as they participate in the governance of related entities.

2b. Provide for Board of Trustee membership on the AAA Board of Directors and the AUF Board of Directors. In addition, provide for membership of AAA Board representatives and AUF Board representative on key AU Board of Trustees’ committees, such as the Planning and Priorities Committee, the Budget Committee, and the Athletics Committee. Increased cross-representation across these governance bodies will:

- Open communication lines between these related entities and promote discussion of concerns raised by representatives of related entities;
- Promote the establishment of complementary goals across these entities; and
- Provide for increased focus on AU goals by all AU related entities; such representation encourages related entity representatives of one Board to play an active role in the governance of another AU related entity.

Many peer institutions provide for this form of cross-representation and the AGB also supports this practice.

2c. Provide for membership of an AAA Board representative and an AUF Board representative on the AU Board of Trustees. Such representation on the Board of Trustees would require a legislative change from the current composition of 14 individuals and may not be feasible given the recent legislative revisions to the Trustee nominating process. However, if it is determined that such a change is feasible, this form of cross-representation will:

- Further open communication lines between these related entities and promote two-way discussion of concerns raised by representatives of related entities;
- Promote the establishment of complementary goals across these entities;
- Provide for increased focus on AU goals by all AU related entities as it encourages related entity representatives to play an active role in the governance of an AU related entity;
- Promote accountability for the actions of related Boards that do not appear to be consistent with the direction of AU or undertaken to achieve AU goals; and
- Provide for formal input by related entities in the decisions of the AU Board of Trustees and promote a more visible decision making process.

3. The AU Board of Trustees, AUF Board of Directors, and AAA Board of Directors should discuss the Association of Governing Boards of Universities and Colleges (AGB) Statement (Statement) on Institutional Governance adopted by the AGB Board of Directors in November 1998. These forums should have the goal of developing a common understanding and interpretation of the Statement and how it pertains to the Board of each entity. As highlighted by the AGB Board of Directors, the Statement “…is not intended to be prescriptive, but rather it serves as a template and resource for discussion of good governance policies and principles, where institutional leaders may
find that to be a useful and timely exercise.” Setting up a series of discussion forums would be a useful exercise for these three Boards, particularly in light of the recent events played out in the media. Some of the guidance put forth in the Statement that should be discussed includes the following:

“…public institutions receive large proportions of their financial resources through governors, legislatures, statewide coordinating bodies, and increasingly through foundations affiliated with the institution or system – and [institutional] governing boards are accountable for those funds.”

“AGB recommends that alumni organizations be under the direct authority of the [institution’s] chief executive. Further, while the [institutional] governing board should have appropriate alumni members, the board should always retain full legal, moral, and fiduciary responsibility for the institution.”

4. **Establish an AAA Board of Directors Committee focused on the concerns of AU policy decisions and adopt protocols to foster close internal communication and issue resolution between the AAA Board of Directors and the AU Board of Trustees.** The recently established AAA Board of Trustees Liaison Committee is perhaps the foundation for what should ultimately evolve into an AAA Policy Committee. Such a Committee should include members of both the AAA Board of Directors and the AU Board of Trustees, as well as representatives of AU Executive Management. The Policy Committee’s key charge would be to focus on AU-wide issues, particularly those issues where obtaining alumni input is especially important in reaching resolution. The committee would also serve as a key forum for discussion of alumni opinion as represented by the AAA Board of Directors. This committee would address a concern that alumni opinion is not adequately reflected in the actions of the AU Board of Trustees or AU Executive Management. The committee is not responsible for setting AU policy nor should that be its goal. The goal should be to communicate alumni opinion on matters concerning AU policy decisions.

The benefits of an AAA Policy Committee include:

- The voice of a key constituency, the Auburn Alumni, is expressed.
- The AAA Board of Directors has direct access to AU Executive Management and AU Board of Trustees to discuss issues of common concern or to provide outside perspective when AU crises arise.
- AU Executive Management and AU Board of Trustees have access to the AAA Board of Directors and its network of Auburn Alumni; such access provides a network of voices that can carry AU’s message to the Alabama State Legislature.
- The AAA Policy Committee serves as a mechanism to further advance AU’s goals.

5. **Use communication methods that promote knowledge sharing across the AU Board of Trustees, AUF Board of Directors, and AAA Board of Directors.** Many of the members of these

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Boards do not live in Alabama. As a result, much of the information provided to them comes through the network of friends and alumni that they happen to participate in or through their own interpretation of Auburn University events portrayed in the media. Regularly scheduled conference calls, use of email list serves, and web sites protected behind an Intranet can all be used to increase information sharing and enhance communication across these organizationally related groups.

**Observation B**

The demands on the alumni and development functions at Auburn University have substantially increased in recent years and will likely continue to increase in the future. Leaders of these functions must effectively provide alumni programming, conduct development activities, facilitate communication among and between AU, AAA, and AUF, and manage alumni and development support services that include accounting, information technology and facilities management. Considering these broad and complex demands, the current reporting relationship for alumni and development functions is not sufficiently integrated with AU Executive Management.

Accountability for alumni and development and support service activities rests with the Vice President for Alumni and Development. This position is accountable to the AAA and AUF for communicating mission, goals, and strategies of the AAA and AUF to AU. Likewise, this position is accountable to AU for communicating its mission, goals, and strategies to the AAA and AUF. It is the responsibility of AU Executive Management to hold the Vice President for Alumni and Development accountable for those activities.

The reporting relationship of the Vice President for Alumni and Development has evolved over time, historically reporting to the President and currently reporting to the Executive Vice President & CFO. The position is included as part of the President’s cabinet in the current structure, even though the position does not have a direct reporting relationship to the AU President. However, this has resulted in a negative perception for AU by its related constituencies, as members of the AAA Board of Directors and AUF Board of Directors conveyed concern that this position was not close enough to the President, and consequently not well informed on AU goals. In addition, this reporting relationship has not adequately promoted the accountability required for a function of AU that involves significant interaction with AU’s external constituencies. Similar positions typically report directly to the President at most of Auburn University’s peer institutions and at many institutions across the United States, as indicated in Appendix C.

**Examples**

- The FY ’99 AUF audit by PricewaterhouseCoopers resulted in a management letter that emphasized the need for improved communication between AUF, AU, and its Office of Alumni and Development. In the current organization, the Vice-President for Alumni and Development is responsible for facilitating this communication. However, the Management Letter stated that there is not a clear understanding of accountability for this task.
- Though it was originally designed as an office of Auburn University, intended to take direction from AU’s Executive Management, the Office of Alumni and Development appears to now function as a sub-unit of the AAA and AUF. This evolution of accountability effectively places AU in an outsourcing role, where its primary functions are to serve as the employer and provide salary and benefits to Office of Alumni and Development personnel. This approach conflicts with Auburn University’s
original intention in creating the Office of Alumni and Development. Appendix D illustrates this relationship.

- A miscommunication between the University and the Office of Alumni and Development staff resulted in a misunderstanding and indefinite hold on the further implementation of the financial modules of the ASCEND system.

- The Vice President for Alumni and Development serves as the leader for all alumni programs and all development activity. Our interviews revealed a concern that this position has not effectively promoted development interests. Specifically, there is concern that not enough attention has been placed upon having experienced development professionals at AU to (1) lead development, (2) mentor development personnel, and (3) formulate strategies for current and future development.

- Discussions with both academic and administrative leaders indicated a concern that the Office of Alumni and Development is operating in a manner that is too isolated from the rest of Auburn University.

- Our analysis revealed a lack of certainty about the decision-making processes at the management levels within the Office of Alumni and Development. Our general observations revealed concerns about the timeliness of decisions conveyed to personnel, the conflicting nature of decisions provided by multiple management personnel to the Office personnel, and the lack of understanding by Office personnel as to how decisions are made by management.

- Office of Alumni Affairs personnel perceive that AU alumni programming has not sufficiently evolved to meet the expectations of current and future alumni. Appendix E highlights a comparison of best practice alumni programs versus AU alumni programs.

**Implications**

The primary implication is that the Office of Alumni and Development has not fully integrated the Office of Alumni Affairs activity with the Office of Development activity to achieve the overall Auburn University objectives. In addition, Office of Alumni and Development activities are not maximizing the transfer of wealth from private individuals, corporations, and foundations to AU or the AUF. The Office of Alumni and Development has not managed and coordinated the development efforts at Auburn University in a manner to maintain or improve its peer and national rankings. This is best demonstrated by NACUBO’s 2000 Endowment Study, which indicates a slippage in AU’s overall ranking, as well as the ranking compared to its SEC peers, has occurred. At June 30, 1997, AU was ranked 150 and at June 30, 2000 that ranking had dropped to 168. Similarly, when compared to its 12 SEC peers, AU has slipped from number 7 to number 10.

**Recommendations**

Our recommendations related to the reporting relationship for the Office of Alumni and Development are presented in a phased implementation approach. The following recommendations have a target timeline for completion of September 30, 2001:

6. **Create a Senior Level, Vice President position that reports directly to the President of Auburn University.** For purposes of this report, the position has been tentatively titled the Chief Advancement Officer (CAO).

   The role of the new CAO should be to serve as a key spokesperson for the institution and be a trusted representative of the President. The CAO will actively participate in campus activities of both an academic and administrative nature, and be intimately aware of the inner workings, thinking, and deliberations of AU’s Executive Management. Given the increasingly important role of private support
in achieving institutional objectives and the position’s responsibility for helping to obtain private financial support, AU’s CAO must not only understand the challenges faced by AU, but also have access to and work with the leaders of AU in overcoming those challenges.

Ultimately, the CAO position should have responsibility for integrating the critical university activities of public affairs, communications, marketing, governmental affairs, alumni affairs, and development. The increasing sophistication of the audiences targeted by these institutional activities dictates that AU must more effectively coordinate these activities on an ongoing basis. In all cases, it is the CAO’s responsibility to ensure that messages, whether simply promoting an institutional achievement or seeking a large financial contribution, are consistent and reflect the strategic goals of Auburn University. Appendix F highlights this proposed structure.

7. **In the short-term, the proposed Senior Level, Vice President position should be filled by the current AU Interim-President, as the acting CAO.**

Recognizing the current funding concerns faced by AU and in light of the recent State proration activity, we recommend this interim solution until funding sources can be identified to fill the position on a permanent basis.

8. **Split the Office of Alumni and Development into two separate, but related, offices. Designate an individual at the Vice President/Associate Vice President level to lead the Alumni Affairs Office and another individual at the Vice President/Associate Vice President level to lead the Development Office.** By establishing these separate positions, AU increases the focus on each of these areas and directly designates individuals responsible for communicating on alumni and development matters across all of AU’s related entities. Both of these positions are recommended at the Vice President/Associate Vice President level because these functions are important to the institution and should be viewed as cabinet level positions, a designation commonly associated with the title of Vice President/Associate Vice President. In addition, the title of Vice President/Associate Vice President signals a direct report to an AU Executive Officer. Looking to AU’s peer institution’s it is also common to see positions of similar title and responsibility.

The newly established Office of Alumni Affairs will provide all alumni programming and related activities, and by virtue of a service contract, this unit will provide services for the AAA. The newly established Vice President/Associate Vice President for Alumni Affairs position will lead this unit and report directly to the CAO. The Vice President/Associate Vice President should also fill the position of Executive Vice President of the AAA, a practice found in many peer institutions.

The newly established Office of Development will perform all development activities (both the fund-raising component and the development services component), and by virtue of a service contract, this unit will provide services for the AUF. The newly established Vice President/Associate Vice President for Development position will lead this unit and report directly to the CAO. The Vice President/Associate Vice President should also fill the position of Executive Vice President of the AUF, a practice found in many peer institutions. Appendix F highlights this proposed structure.

9. **If the newly established Vice President/Associate Vice President positions cannot be filled internally, commence a search process for the Vice President/Associate Vice President for Alumni Affairs and for the Vice President/Associate Vice President for Development.** The timeline for filling these positions should be short, as it is critical to fill these positions immediately and ensure continuity of alumni programming and development activity. The AAA Board of Directors
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should have representatives involved in the search for the Vice President/Associate Vice President for Alumni Affairs. Similarly, the AUF Board of Directors should have representatives involved in the search for the Vice President/Associate Vice President for Development and these representatives should ensure that the new Vice President/Associate Vice President for Development possesses sufficient professional development expertise to lead AU development efforts into the next decade.

The following recommendations have a target timeline for completion of August 31, 2002:

10. **Migrate the newly established CAO, Vice President/Associate Vice President for Alumni, Vice President/Associate Vice President for Development and the related offices into a comprehensive Office of Institutional Advancement, with the CAO providing leadership and oversight.** The newly defined Office of Institutional Advancement will encompass the Auburn University defined areas of (1) Alumni Affairs, (2) Development (which includes fundraising, receipt, and stewardship activities in the current organization), (3) Athletic Development, (4) University Relations and Communications, and (5) Governmental Relations. This newly established Office of Institutional Advancement will replace the Office of Alumni Affairs and the Office of Development, and fold in these other key AU units responsible for related institutional advancement activities. Peer institutions typically organize similar units within the Office of Institutional Advancement as the activities of these units are highly interrelated. In general, each of these units focuses on sending specific messages to internal and external constituencies, primarily with the desire to promote an understanding of institutional challenges, activities, and decisions by these constituencies.

11. **When appropriate, commence a search to permanently fill the position of Chief Advancement Officer.** This is a critical position for Auburn University over the long-term and the individual placed in this position should have the support of multiple constituencies. These constituencies must look to the CAO for leadership and trust that the CAO will facilitate attainment of their needs, as well as AU’s needs. A search committee that represents these constituencies should be assembled and include the following individuals: AU President, AU Executive Vice President, AU Provost, Director of Intercollegiate Athletics, AAA President or designee, AUF President or designee, SGA President, Faculty Senate President, and other relevant constituency designees. Appendix G provides sample CAO or equivalent job descriptions that can be used as a foundation for the development of AU’s CAO job description.

**Observation C**
*Financial accountability, as it pertains to AU, AUF, AAA, and the Office of Alumni and Development, should be improved. These entities have experienced an increase in the volume and complexity of transactions during the last decade and will likely continue to experience a similar trend as alumni activity and fundraising become more important to AU.*

During November 2000 PricewaterhouseCoopers (PwC), the Auburn University Foundation’s external audit firm, issued a Management Letter to the AUF. The Management Letter stated, “We noted certain matters involving communication between Foundation and its various support groups, lack of timely prepared reconciliations, and a lack of monitoring controls that we deemed to be material weaknesses.”

The first Management Letter finding concerns communication between AUF and the AU support functions relied upon by AUF. Those support functions include: Treasury Services, Alumni and Development
Accounting, Office of the Bursar, and Office of Financial Reporting. Discussions with Office of Alumni and Development personnel, as part of this assessment, revealed similar concerns. The recommendations contained in the Management Letter to resolve this finding seem appropriate and should be addressed immediately. The recommendations provided in this section of the report, as well as others that will be highlighted throughout this report, will provide insight to assist AUF in resolving the Auditor’s concerns.

The Management Letter recommended the “Formal identification of the Foundation’s financial leadership and the definition of the specific roles and responsibilities that the designee should play in the financial process.” Currently, the financial leader for the AUF is the AUF Treasurer. The individual in this position also serves as the Treasurer of the AAA and the Executive Vice President & CFO of AU.

Recommendations

12. **The AUF should clearly define roles and responsibilities for the AUF Treasurer, as an initial measure to promote greater accountability.** The roles and responsibilities should articulate the management reporting requirements of the AUF Audit Committee and/or Executive Committee. In addition, given the dependencies on AU systems and units, the AUF Treasurer should work with AU units to clearly establish data needs and unit responsibility for meeting those needs. Though the Management Letter did not directly pertain to the AAA, a similar approach by the AAA with respect to clearly defining roles and responsibilities for the AAA Treasurer would be beneficial.

13. **AUF should contract with AU to fill the role of AUF Controller by increasing the responsibility of the position of AU Director of Treasury Services.** The AU Director of Treasury Services currently has day-to-day responsibility for cash management and endowment management activities benefiting the AUF Endowment Fund, and conducts these responsibilities as an AU service provider to the AUF. Similarly, this position manages these same activities to benefit the AU Endowment Fund. In both of these capacities, the Director has significant interaction with Alumni and Development Accounting, an area of scrutiny within the Management Letter. Given this involvement and the Director’s direct reporting responsibility to the Executive Vice President & CFO, it seems appropriate for this position to assume the responsibilities of AUF Controller. Acting in this proposed AUF Controller capacity, the Director will provide needed financial management support to the AUF Treasurer and play an essential role in assisting with AUF budgeting, accounting, financial and managerial reporting, cash management, and endowment management activities. As Director of Treasury Services, the position will continue to have responsibility for cash management and endowment management activities related to the AUF Endowment Fund and AU Endowment Fund. Appendix H conceptually depicts this approach.

The AAA should also consider making a similar change to its Controller position recognizing that the responsibilities of that position may not be as broad as the responsibilities found within the AUF.

14. **Provide additional professional personnel to support the AUF Treasurer and AAA Treasurer in performing the responsibilities of these positions.** Currently, the AU Executive Vice President & CFO serves in the capacity of AUF Treasurer and AAA Treasurer. The responsibilities of the AUF Treasurer and AAA Treasurer have increased in recent years, particularly as the AUF, once an entity with limited assets and little activity, has evolved into a sizeable organization with assets of over $130 million. In all likelihood, the AUF Endowment will continue to increase during the next 10 years. Both now and in the future, the AUF Treasurer should have responsibility for budgeting, accounting, financial and managerial reporting, cash management, and endowment management. The addition of professional personnel to support the AUF Treasurer increases the ability to effectively conduct
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AUF accounting and financial concerns. The specific positions required and the related responsibilities shall be determined by the AUF Treasurer and Controller.

Though its financial and accounting concerns are not as complex as that of the AUF, the AAA would also benefit from additional support to its Treasurer in managing its accounting and financial affairs. Over time, the activities and programs of the AAA will likely grow and diversify, requiring additional financial support resources to manage daily accounting and financial concerns, and meet entity specific reporting needs.

15. **AU should split the Office of Alumni and Development Accounting into two separate offices: (1) Alumni Accounting, and (2) Development Accounting.** Such a split will help resolve the Auditors’ concern related to the clear delineation of roles and responsibilities within the Office of Alumni and Development Accounting. A separate Director or Manager of Alumni Accounting and Director or Manager of Development Accounting should be established with oversight responsibility for the respective accounting service areas and staff. The primary benefits of this structure include:

- Recognizes the different financial needs of the AU related entities.
- Structure implicitly sets accounting staff priorities as responsibilities are more clearly delineated.
- Provides focus in performing each related entity’s accounting and financial reporting needs.

16. **AU should establish reporting relationships for the newly formed units of Alumni Accounting and Development Accounting that are integrated with the Office of Treasury Services.** These units should report to the AU Director of Treasury Services with a dotted line reporting relationship to the respective Vice President/Associate Vice President for Alumni or Vice President/Associate Vice President for Development. From the perspective of communication and strong internal controls, this change in reporting relationship will enhance communications between personnel providing accounting services to the AUF (or AAA) and AU accounting and financial managers. Such a change will better integrate the accounting staffs with AU’s financial professionals and provide the leadership that is needed to continually evaluate and improve accounting and financial processes. The change should be implemented in a manner whereby the strategic direction and management reporting information required to manage the Alumni Affairs Office and the Development Office is provided via the dotted line reporting relationship with the Vice President/Associate Vice President for Alumni or the Vice President/Associate Vice President for Development. Appendix H illustrates this approach. Finally, it may be appropriate to both rename the Office of Treasury Services and provide a new title for the leader of this unit that more accurately reflects the proposed responsibilities.

17. **AU should review the financial structures of AU and its related entities on a periodic basis and make changes that reflect the constantly evolving financial demands of those entities.** The recommendations outlined in the five points above should be viewed as immediate solutions to resolve the concerns about financial accountability among AU and its related entities. The recommendations offered represent a transition of responsibilities to quickly attain increased financial accountability. However, as the AUF Endowment Fund continues to increase in size, the accounting and financial needs will also increase. AU should routinely review the financial structures that support AU advancement activities, proactively identify changing demands, and make the corresponding structural changes to foster continued and improved financial accountability.
Observation D
An opportunity exists to promote greater efficiencies with respect to the currently separate investment management committees providing investment management oversight for the AU Endowment Fund and the AUF Endowment Fund.

The AU Board of Trustees Investment Committee and the AUF Board of Directors Finance Committee are responsible for directing and monitoring the investment management of the AU Endowment Fund and the AUF Endowment Fund, respectively. The AU Endowment Fund was valued at $134 million as of September 30, 2000 while the AUF Endowment was valued at $136 million as of September 30, 2000. Appendix I details these committee representatives.

The primary observations include:

- The investment management structure of these related entities is not fully benefiting from the investment management expertise of the personnel on the related entity Boards.
- The AU Office of Treasury Services performs significant duplicative work activity as a result of serving the needs of the two separate investment committees. Currently, the AU Office of Treasury Services duplicates many tasks as it provides endowment management services for both the AU Endowment Fund and as a service provider for the AUF Endowment Fund. Some examples include: preparing reports and presentations for the separate investment committee meetings, attending separate investment committee meetings throughout the year, maintaining relationships with separate investment fund managers, and arranging and participating in separate meetings with investment consultants.
- As AU goals change, it may become necessary to change the corresponding investment strategies for these two endowment funds. The separate committee structure does not facilitate the communication of AU goals across these committees.

Recommendations

18. **Auburn University and the Auburn University Foundation should establish a single investment committee to oversee the investments of the AU Endowment and the AUF Endowment.** There are several reasons why moving to a single investment committee is prudent:

- There are individuals on both the AU and AUF investment committees with vast expertise and each endowment committee would likely benefit from the addition of the expertise from the other committee.
- The Beneficiaries of the AU Endowment Fund and AUF Endowment Fund are essentially the same (e.g., scholarships, fellowships, endowed chairs, etc.). Thus the risk factors, in terms of being able to continue funding the intended beneficiaries, would result in a similar investment strategy for the AU and AUF Endowment Funds.
- The level of effort put forth by the AU Office of Treasury Services would be reduced under this proposed approach as a significant amount of duplicative or very similar activity could be eliminated.
- A single investment committee promotes enhanced communication of Auburn University’s goals and strategies. Both the AU Endowment Fund and the AUF Endowment Fund articulate a goal to “Generate earnings to enrich Auburn University programs by funding activities that cannot be
provided by public appropriations, tuition and fees, contracts and grants, or other income.” Enhanced communication and integration of these currently separate investment committees would facilitate the attainment of this goal.

- The individual currently holding both the positions of AU Treasurer and AUF Treasurer has promoted consistency in the investment processes of the AU Endowment Fund and AUF Endowment Fund. This consistency will be much easier to maintain if a single investment committee is adopted. Some of the process similarities include:
  - Both the AU Endowment Fund and AUF Endowment Fund use Salomon Smith Barney Consulting Group for investment management consulting services.
  - Both the AU Endowment Fund and AUF Endowment Fund are migrating to the use of similar investment managers (i.e., Alliance Capital Management, Scudder Kemper, Neuberger Berman, and Invesco Capital Management).
  - The articulated purposes of the AU Endowment Fund and AUF Endowment Fund are identical. See Appendix J.
  - The general investment principles of the AU Endowment Fund and AUF Endowment Fund are quite similar. See Appendix J.
  - The investment objectives of the AU Endowment Fund and AUF Endowment Fund are similar, with only minor differences that relate to the nature of the custodian entity and Board with oversight responsibility. See Appendix J.
  - The spending objectives of the AU Endowment Fund and AUF Endowment Fund are identical. See Appendix J.
  - The rules for distribution of the AU Endowment Fund and AUF Endowment Fund are identical. See Appendix J.

Inherent in the recommendation to establish a single investment committee is the assumption that the AU Endowment Fund and AUF Endowment Fund would continue to be accounted for as separate, independent endowments by their respective custodial entities. In addition, before proceeding with a single investment committee approach, it is necessary to ensure that there are no legal restrictions that would prohibit such an approach by virtue of either Alabama Statute or federal statute.

Several possibilities exist as to the form of a single AU/AUF Investment Committee. The existing committees could be merged in their current form, resulting in a joint AU/AUF Investment Committee. Such a Committee would be rather large, but would provide a great variety of investment expertise. Alternatively, each of the existing Boards could nominate a certain number of its existing representatives to sit on the newly established committee. For example, the new committee might contain three representatives from the current AU Investment Committee and three from the current AUF Finance Committee. The committee should be established with an even number of members and require a two-thirds vote for decisions. This will ensure that neither AUF nor AU controls the committee and that the decisions are based on strong majority. In addition, the AU President, AU Executive Vice President & CFO, AU Montgomery Chancellor, AUF President, and AUF Treasurer might also be included on such a committee, in a non-voting capacity, in order to communicate the respective operational goals and strategies of each AU related entity to the joint Investment Committee. As the AUF manages Tigers Unlimited funds for the Athletic Department, it might also be appropriate to include a representative of that department in a non-voting capacity.

Finally, the AUF Finance Committee, which currently addresses investment, budgeting, and financial operating concerns for the AUF, might have to revise its role if the recommendation to create a single investment committee is accepted. The creation of a separate AUF Budget Committee to address
these budgetary and operational concerns might be an effective option or, alternatively, the AUF Board of Directors participating on the single investment committee could simply conduct budgeting and operational issues prior to or immediately following the Investment Committee meetings.

**Observation E**

*Information Management Systems & Building Operations (IMS), as currently structured has responsibility for certain business responsibilities that impede management’s ability to effectively focus on and deploy information technology that enables Office of Alumni and Development business processes.*

IMS currently has responsibility for the following activities: networking, system design and development, administrative applications maintenance, enhancements and upgrades, hardware and software support, imaging, building management, building scheduling and space allocation, mailroom, and several business functions (e.g., gift processing data entry, inventory, property management, car leases, and alumni rental properties). The primary concerns identified during this assessment include:

(i.) The Office of IMS has expanded well beyond the role of information technology. Personnel within the Office of Alumni and Development and throughout Auburn University expressed concern about the evolution of this Office and the resultant difficulty in getting data into or out of alumni and development administrative systems (e.g., ASCEND). The approach to information technology was described by users within the AU community as too focused on data processing and data control as opposed to knowledge sharing. Additional observations about the Office of IMS include:

- IMS has limited effective interaction and/or collaboration with AU’s Office of Information Technology.
- IMS does not seek or readily accept suggestions for improvement from its customers or effectively communicate why the suggestions cannot be implemented.
- The broad nature of roles and responsibilities within IMS detracts from the focus on information technology.

(ii.) The Office of IMS does not effectively meet the technology and information needs of Office of Alumni and Development personnel and other AU constituencies (e.g., academic deans, and athletics).

(iii.) The Office of IMS often relies upon inefficient paper-based forms and other manual processes to interact with its customers. Data is often provided in inconvenient hard copy reports, as opposed to user friendly data files that permit end-user data manipulation.

(iv.) The approach to technology adopted by IMS does not effectively facilitate efficient and effective business processes within the Office of Alumni and Development.

(v.) Responsibility for web site development and web site management is not clearly articulated and the role of externally contracted firms in developing and managing the web site is not completely clear.
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Implications

- Information is not readily available to those within the Auburn University community that need information.
- IMS is not always responsive to key constituents. In many instances, time to obtain information is far beyond what is normally expected.
- Quality of information continues to be called into question as users maintain shadow systems and reconcile the data within these systems against what may eventually be provided to the internal/external constituents of IMS.
- The creation, maintenance and reconciliation of shadow systems takes time and effort away from the primary responsibilities of the people using the data.

Recommendations

19. **The Office of Information Management Systems & Building Operations, within the Office of Alumni and Development, should be restructured to eliminate all operational responsibilities that do not relate to information technology.**

Some potential manners in which the unrelated operational responsibilities can be restructured include:

- Building scheduling and space allocation responsibilities should jointly reside with the newly established Vice President/Associate Vice President for Alumni and the Vice President/Associate Vice President for Development. This is an especially important change, particularly as space is at a premium within the current facility. It will be essential for the Vice Presidents/Associate Vice Presidents for Alumni and Development to thoroughly understand the space constraints and communicate these space concerns with the appropriate AAA, AUF, and AU personnel.
- Building management should be relocated to the AU Facilities Division. The AAA, as the owner of the building, could establish a service contract with this unit to manage and oversee all building management including: facilities maintenance, grounds maintenance, building services, facilities planning, and construction. Such an approach is consistent with a separate Facilities Division restructuring currently underway at AU.
- Gift processing data entry should become the responsibility of gift accounting and enabled through real time data input to the ASCEND system and interfaced with FRS. Data entry positions will likely no longer be required and these resources can be diverted to other value-added alumni and development activities.
- AU inventory and property management units should provide inventory and property management services through a service contract with the AAA and AUF.
- Alumni Accounting should manage rental property activities and Development Accounting should manage car lease arrangements.
20. **Align alumni and development information technology units with AU information technology units and initiate steps to promote a new knowledge sharing approach (versus the current data control and data processing approach) within alumni and development information technology.**

Organizations that demonstrate an effective approach to knowledge sharing commit significant effort to integrate technology and business processes and implement the corresponding technology tools to promote knowledge sharing. These recommended changes represent only a first step in the transition of AU’s alumni and development technology environment. To achieve this end, the following initial steps should be taken:

20a. **Change the IMS (the technology component) reporting relationship from the current Vice President for Alumni and Development position to the Executive Director of the Office for Information Technology (OIT).** IMS should become a sub-unit of OIT, with a direct reporting relationship to this unit and a dotted line reporting relationship to the Vice President/Associate Vice President for Alumni and the Vice President/Associate Vice President for Development. The focus of this unit should be on information technology infrastructure and services (hardware, desktop support, networking, database administration, training), as well as working with Office of Alumni Affairs and Office of Development personnel tasked with rethinking the use of existing technologies to support business operations. This approach is consistent with a currently proposed OIT organizational model that includes centralized and distributed IT providers.

20b. **Establish a team comprised of Office of Alumni Affairs personnel and Office of Development personnel that will be responsible for the integration of existing administrative technology with alumni and development business processes, determination of strategic technology needs, and implementation of new technologies.** This team should be responsible for continually improving the use of existing administrative applications and developing strategies to exploit new technologies to facilitate enhanced service to internal and external users. The team should include personnel from the Office of Alumni Affairs, Office of Development, IMS, AU OIT, and AU departments (i.e., deans or their designee) in discussions of this nature.

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**Observation F**

*Improvements in the Office of Development’s organizational structure could result in greater facilitation of development processes and in better service with improved cross-organization knowledge sharing.*
The primary business processes performed by the Office of Development are (1) prospect identification/research, (2) prospect engagement, (3) solicitation, (4) gift receipt and recording, and (5) stewardship. The Office of Research is the sub-unit that conducts the important activities of prospecting and research activity. The Office of Research is currently without a Director and may be slightly understaffed based on industry standards. Recommended practices suggest a ratio of one researcher for every four gift officers. Some concerns about the Office of Research and its interactions with other Office of Development functions include:

- In general, the prospecting and research activities performed by the Office of Research do not appear to be integrated with the other processes of the Office of Development, particularly the major gift areas. This is of particular concern as this Office represents the front-end of the development process.
- The Office of Research is currently without a Director to provide leadership.
- The Office of Research staff and its expertise is underutilized by other Office of Development staff.
- The current organizational structure has not effectively promoted accountability in the Development Officer staff for reporting progress about prospects generated by the Office of Research.
- Personnel in the Office of Research receive little input from Development Officers regarding the specific needs of AU colleges and little feedback regarding prospect successes.

Three sub-units are responsible for the development processes of gift receipt, gift recording, and stewardship. Office of Alumni and Development Accounting personnel, Office of Donor Relations & Stewardship personnel, and IMS data entry personnel perform these activities. Some concerns relevant to these units and processes include:

- Communication and information sharing is not efficient as these three units are physically distributed throughout the building. The current layout inhibits the required sharing of hard copy information and supporting documentation among these units.
- A significant amount of information is passed back and forth among these units in hard copy, a concern that indicates insufficient use of technology to share information.
- Manual data entry activities occur in these units, including the re-keying of similar data into separate systems.
- Manual reconciliation of hard copy reports takes place in these units. The data on these hard copy reports serves as the mechanism to prompt thank you notes and other important correspondence to external constituencies and, as a result, reconciliation activities sometimes delay prompt response.

Recommendations

21. **Restructure the reporting relationship between the Office of Research and the individual Development Officers to facilitate greater integration of prospecting and research activities with prospect engagement activities.** Currently, there is no formal reporting relationship between the Office of Research and Development Officer personnel, as the research unit reports directly to the Assistant Vice President for Development. As a result, the prospecting activities of research personnel are not sufficiently linked to development activities (prospect engagement and solicitation) performed by the Development Officers. More formal working relationships should be established that result in the specific assignment of Office of Research personnel to support 3-4 constituency-
based development areas. A more formalized working relationship will align the highly
interdependent development activities and prospect/research activities. In addition, such a working
relationship will facilitate a greater understanding of Development Officer needs by the Office of
Research personnel.

Inherent in this recommendations is the necessity to fill the Director of Research position as soon as
possible, as the Director serves as a critical link to the institution’s front-line development personnel.
The Vice President/Associate Vice President for Development should take responsibility for ensuring
this position is filled.

22. **Clearly define the roles and responsibilities of the Office of Research and communicate them
to the Development personnel. In addition, clearly articulate Development officer expectations
regarding the Office of Research.** Insufficient understanding of the roles and responsibilities of the
Office of Research has led to the ineffective use of this Office by Development personnel. Likewise,
development personnel cite an insufficient understanding of their needs by Office of Research
personnel. Roles and responsibilities should promote Office of Research personnel and
Development Officer personnel working together and serve as a basis for deeper integration of the
prospecting/research and prospect engagement activities of these personnel.

In addition, accountability mechanisms that mirror these roles and responsibilities should be
established to address concerns related to the integration of Office of Research and Development
Officer activity. For example, Development Officers should be held accountable for reporting
progress on prospects put forth by the Office of Research and providing input to the Office on
particular collegiate unit needs. Likewise, Office of Research personnel should be held accountable
for proactively understanding the information requirements of specific Development Officers and the
constituent units represented by them. Weekly meetings between Development Officers and the
Office of Research will help to foster a shared understanding of each unit’s scope of activity.

23. **Reorganize development support service activities into a single business office called
Development Services, in preparation for a later transition of these activities to the proposed
Office of Institutional Advancement.** Development Services should include: Gift Receipt &
Recording, Acknowledgement, Donor Reporting, Relations, and Recognition. These support
processes are critical steps following the receipt of a donation or gift to AU or the AUF and many of
the activities are highly interdependent. The benefits of organizing under a single business office
include:

- Closer physical proximity of these units;
- Common reporting to a single unit leader that has responsibility for related process activity;
- Increased information sharing across interdependent units;
- Greater coordination and more cross-unit focus on improving business processes; and
- Leadership to promote continuous improvement and focus on new ways of providing support
  services to development personnel.

As a result of other reorganization recommendations, the leader of this area, the Director of
Development Services will not have, in the near term, direct reporting oversight for development
accounting, development information technology infrastructure, or human resources support for the
Office of Development. These activities have been recommended to report directly to other AU-wide
units, with a dotted line reporting relationship to the Vice President/Associate Vice President for
Development. Over time, as the Office of Institutional Advancement is permanently established, the
Director of Development Services will migrate to a Director of Alumni, Athletics, and Development Services. As defined in this position title, the responsibilities of this position are expected to broaden, potentially having dotted line oversight of accounting, information management, and human resources support. See Appendix F for a depiction of this proposed organization. Dotted line reporting is not intended to signify a reporting relationship of less importance, rather it is established to signify the need to leverage the expertise of certain AU units as well as provide strong day-to-day management of the services provided. A Development Services organization is consistent with practices recommended by the Council for Advancement and Support of Higher Education (CASE). Case recommends that the organization of a large advancement effort should include separate areas for advancement or development services, annual fund development, and major giving development. Even in the instance of a medium-sized development effort, this source recommends a separate unit for advancement services.

Inherent in this recommendation is the need to establish roles and responsibilities for the new Development Services unit, as well as communicating these roles and responsibilities to impacted units, such as the various collegiate units, the Office of Development, and the Office of Alumni Affairs.

**Observation G**

Reporting for Athletics Development has recently changed and its current reporting responsibilities to the Office of Alumni and Development are unclear. The continued coordination of these units and ultimate success in athletics development is highly dependent upon the personnel involved in these positions.

Based on a recent change, Athletics Development reports to the Director of Intercollegiate Athletics, who in turn reports to AU’s President. The Office of Alumni and Development and Athletics Development are highly dependent upon each other for continued alumni and development success and prevention of potential duplication of effort and multiple solicitation of potential donors. Since there are no formal ties between the two units, the individual unit leaders will determine the success or failure of this organizational approach. If these individuals continue to communicate, success will likely result. If communication breaks down between these individuals or the leaders of the Athletics Department and the Office of Alumni and Development, the results will be less than desired.

The recently established AAA Athletics Liaison Committee will begin to address concerns related to the lack of communication and informal reporting relationship between the AAA and Athletics Department. The primary role of this Committee appears to be that of determining alumni programming needs and preventing duplication of alumni programming efforts.

**Implication**

The potential for lost gifts and donations to AU/AUF heightens if organizational reporting between Athletics Development and AU Development deteriorates as a result of insufficient communication or the appearance of personal agendas in managing development activities.

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Recommendations

24. **Clarify specific development roles and responsibilities between Athletics Development and the proposed Office of Development.** In addition, articulate the roles and responsibilities between the Athletics Department and proposed Office of Alumni Affairs, as there are programmatic areas that have the potential for overlap (e.g., Coaches Caravan, Auburn Clubs, travel programs, etc.). The roles and responsibilities should address communication and the need to establish responsibilities for communication and protocols in dealing with external constituencies. To further achieve clarification of roles and responsibilities, the following steps should be considered:

24a. Establish formal communication processes that will minimize conflict between the Office of Alumni, the Office of Development, and the Office of Athletics Development. Suggested processes include regularly scheduled meetings between the Athletics Director, the Vice President/Associate Vice President for Alumni, and the Vice President/Associate Vice President for Development. The proposed CAO position should participate in these meetings. In addition, directors or managers responsible for alumni programming or development activities in any of these units should have regularly scheduled meetings to coordinate activities, activity timing, and activity audiences.

24b. Establish specific communication protocols (i.e., who develops message, how is message delivered, timing of message delivery) for responding to external constituencies (e.g., alumni or other potential contributors) that will be adopted by the Office of Alumni Affairs, Office of Development, and Office of Athletics Development. The primary reason for such protocols is to ensure consistency of message across these three entities and prevent external constituencies from questioning the coordination of these entities. These messages will be increasingly important as AU or AUF launch future development campaigns. University Relations personnel or other AU communication professionals should also likely be involved in developing these protocols and messages.

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**Observation H**

*Strategic planning among the Office of Alumni and Development, Auburn Alumni Association, and Auburn University Foundation has not resulted in sufficient coordination of activities.*

As previously stated, there are numerous entities involved in alumni and development activities at Auburn University. Many of these entities create some version of a strategic plan. However, the strategic planning activity across these separate but highly intertwined groups does not appear to be well coordinated nor are the different strategic plans communicated much beyond the groups that create them. A given entity’s strategic goals are not always measurable or achievable and this results in an unclear direction for alumni and development service providers. Additionally, it was not apparent that these entities and units had established a strong process for monitoring the attainment of articulated goals.

**Implication**

A strategic plan and related strategic goals provides personnel with a guideline for the prioritization of day-to-day work activities. Without appropriately coordinated strategic plans and performance measures
in place, the alumni and development activity will not be as effective as it could be with clear strategic planning guidance.

Recommendations

25. **Improve and reemphasize the strategic planning processes for the organizations and units involved in the business of developing and delivering alumni and development services.**

Some key activities that should be introduced into the strategic planning process for these organizations and units include:

- Clearly define needs – identify trends; define changes in alumni and prospect demographics; assess changes in alumni and prospect composition; obtain external feedback; extrapolate the effects of trends; identify the long-term effects; and set preliminary goals.
- Build support – identify key internal and external stakeholders; begin to build internal cross-organization consensus on issues; and question assumptions.
- Obtain stakeholder input – define the stakeholders; design a process for gathering their input; identify their needs, issues, and expectations; develop a process for continuously gathering input from internal and external stakeholders; and refine goals.
- Identify barriers to success – identify cultural, organizational, and individual barriers; develop a process for addressing barriers to success; and refine goals to reflect barriers to success.
- Develop plan and communication components – define strategic plan for all stakeholders; manage expectations by stating objectives, providing timeframes, defining involvement; and provide a method for obtaining feedback.

The strategic planning process for each of these organizations or units should result in a strategic plan that articulates both its strategic goals and a direction in which the respective entity determines to position its resources to attain such goals. The personnel in each of these organizations should become familiar with these plans.

**Observation I**

Alumni and development business processes, as well as many accounting and information technology support services processes, are manual, paper intensive, and include multiple reviews. There are minimal, documented policies and procedures that govern the conduct of alumni and development and support services business processes. Policies and procedures that do exist are not well understood by those impacted.

Several key concepts guide our assessment of the Office of Alumni and Development’s business processes. In general, business processes should:

- Reflect institutional best practices in regard to service delivery;
- Reflect a clear understanding of customers’ needs;
- Achieve an optimal balance of cost, quality, time, and service from both the customer and process owner perspectives;
- Promote standardization across the entire organization, particularly to the extent that processes stem from common objectives or result in common outputs;
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- Be scaled or customized to fit the unique size or nature of each unit without compromising the benefits of standardization;
- Provide for limited flexibility; and
- Have established performance measures by which individuals, groups, organizational units, processes, and systems are regularly evaluated and upon which critical business decisions are based.

While it was beyond the scope of our review to conduct a step-by-step process analysis of the Office of Alumni and Development’s business processes, the interviews and discussions provided us with a baseline understanding of the current processes. Some of the general observations about business process include:

(i.) In our review we noticed that an above average number of transactions are processed via paper. Most transactions are initiated by completing a paper form including but not limited to: updating alumni information, recording gifts, requesting travel reimbursements and requesting vendor payment. It appears that a primary reason for many of the Office’s manual processes is that IMS has established restrictive database security with regard to the Office’s core administrative system, ASCEND, for data integrity reasons. Individuals outside of IMS do not have adequate security clearance to access much of the functionality of ASCEND and, as a result, manual paper-based processes have been established. Paper intensive processes tend to produce errors, as well as add unnecessary cycle time and cost to business processes. In addition, these paper-processes result in a significant amount of data reconciliation throughout the Office.

(ii.) Documents are passed to multiple staff throughout the organization, prompting multiple reviews and corrections to the same information. For example, gift processing requires entries to be written onto forms by Accounting, keyed into ASCEND by IMS, reviewed by Accounting, and sent to the Bursar's Office to be keyed into the Financial Reporting Systems (FRS). Updating alumni information also requires that a paper form be submitted to IMS for keying and then is routed back to the originator to verify the accuracy of the new information. These steps reflect a traditional, hierarchical approach to process management. Layers of personnel or steps in the process are added so that the appropriate review can take place. This approach to process design does not support the concepts of leverage, empowerment, and accountability that have enabled many higher education institutions to become more effective in their administrative operations.

(iii.) In general, units within the Office of Alumni and Development lack sufficient documented policies and procedures. In addition, policies and procedures that do exist do not appear to have been widely communicated, resulting in inconsistent adherence to these policies and procedures across the Office.

(iv.) In recent years, there have been limited attempts at process design and improvement. As a result, processes have evolved in response to demands without first determining the most effective manner to accomplish the goal.

Appendix K outlines some of the specific issues ascertained from discussions about these processes.

Recommendations

26. **Conduct a detailed redesign of alumni and development business processes, including those processes of alumni and development support units and AU units whose processes overlap.**
Some units that might be included in the redesign effort include: Office of Alumni, Office of Development, Athletics Development, Alumni and Development Accounting, IMS, Treasury Services, Bursars Office, and AU Financial Reporting. Redesign efforts should address the general concerns noted above and the more specific findings detailed in Appendix K to achieve efficient and effective alumni and development business processes. The steps for commencing this process redesign should include:

- Prioritize the respective unit’s core processes and sub processes for redesign.

- Redesign the critical processes within the Office of Alumni and Development. This redesign initiative should focus on ensuring that all process steps are value-added (or that non-value added steps are minimized) and that these processes use both the ASCEND and FRS systems, as well as other enabling technologies to facilitate efficient and effective processes. Where existing technologies do not meet process needs, particularly in the case of exception transactions, simple value-added steps should be developed to handle such transactions. This redesign effort should involve:
  
a) An initial step of understanding the current processes in some detail;

b) A secondary step of redesigning processes in a conceptual nature and with an understanding of technological enhancements available to enable the processes; and

c) A final step of designing detailed future state processes.

The process redesign initiative should result in the identification of quick win opportunities, as well as longer term process changes that may require significant customization of technologies or significantly changing the mechanics of the current business process. As an example of a quick win opportunity, with regard to the contact management process, ASCEND system functionality should enable direct data entry of contact report information by Development Officers into the system, replacing the current process that is a multi-step, manual, and paper-based process.

- Develop policies and procedures that govern the redesigned business processes and communicate those policies and procedures to all personnel. Well-defined and well-communicated policies and procedures enhance the quality of processes, promote standardization of processes, and provide needed guidance on process exception transactions.

- Develop necessary training for all significantly changed processes, particularly where new technologies are blended into the redesigned process, and provide this training to all impacted personnel.
V. ADDITIONAL OBSERVATIONS & RECOMMENDATIONS

The remainder of this report highlights some additional observations made by the project team during the assessment and the corresponding recommendations. These observations and recommendations primarily address opportunities to improve the use of alumni and development technology, the management of human resources, and the use of performance measures within alumni and development activity. These observations and recommendations do not fall within the scope of the organizational structure, financial accountability and process concerns articulated when this project was initiated, however, we believe the observations are significant and the recommendations, if implemented, will contribute to the continued success of alumni and development activities at Auburn University.

Observation A-1

The IMS department within the Office of Alumni and Development has not developed and implemented a clear strategic plan for how IT can facilitate the objectives of the Office of Alumni and Development; this impacts the unit’s ability to set priorities that best reflect the goals of the Office of Alumni and Development and the related organizations that benefit from its services.

ASCEND, the core administrative application used within the Office of Alumni and Development, accumulates biographical and other relevant information to support alumni and development business processes. ASCEND is a product provided by Iowa Systems, a wholly owned affiliate of the University of Iowa Foundation and developer of comprehensive software for fund-raising organizations. The ASCEND application has the ability to also integrate financial activity with the biographical and giving records of alumni and donors within its single relational database. However, at this point, the financial components have not been wholly integrated into the use of ASCEND and are not used by Office of Alumni and Development Accounting personnel. These personnel still rely upon AU’s FRS system to manage accounting and financial transactions. While it was beyond the scope of this project to recommend whether these modules should be implemented, we did note that there has not been an adequate analysis of the potential benefits or detriments of further implementation. Rather, the implementation has not proceeded due to a lack of communication.

In general, software applications like ASCEND should be viewed as an enabler to efficient and effective alumni and development business processes. ASCEND technology should be used as a facilitating tool and should not dominate or impede the day-to-day activities of alumni and development personnel. If effective, ASCEND streamlines business processes via the utilization of its central database capabilities and is easily accessible by multiple users. Input and extraction of data from the ASCEND database should be quick and accessible for all parties involved, yet ensure the integrity of data residing within the database.

Alumni and development technology is currently used primarily for data processing, rather than promoting the use of business technologies to facilitate business processes and organizational knowledge sharing. The primary objectives of the unit appear to include controlling the use and manipulation of alumni and development data and resolving office IT problems as they arise. IMS also directs and approves the purchase of equipment and software, and decides what administrative technology the Office of Alumni and Development and its individual users need, with limited input from the user.
Additionally, the Office of Alumni and Development does not appear to have a strategy for the use of Internet technologies as a communication channel that will assist in the effective management of relationships with alumni and donors. Currently, the Alumni and Development office has a web page; however, it contains mainly standard information that could be enhanced to invoke reader’s continued interest. The web site functionality essentially represents an on-line brochure with limited additional functionality. When data is entered into online forms on the site, the data must be re-keyed by Office of Alumni and Development personnel to internal systems.

Some more specific observations include:

- ASCEND technology does not appear to be used as a facilitator of efficient and effective business processes, as it is used primarily as a data repository and process owners do not have sufficient access to that data.
- The day-to-day technology concerns of IMS are dictated by the “emergencies” that arise, and IMS appears to react to problems rather than prioritize and proactively improve technology.
- AU IMS leads the nation in the best addressable percentage of alumni. According to recent CASE data, 93% of Auburn University alumni have addresses within the Auburn database while the industry average is 60%. This demonstrates the capability of IMS.
- We identified concerns that the approval process for purchasing new software and hardware seems inconsistent and the decision factors are unclear.
- Alumni can submit membership payments, donate gifts and change personal information online. Recording of these transactions is still manual, as an automated process has not been completely developed and implemented.
- The Office has a committee in place to address web site development, but an articulated strategy has not been developed. This is apparent as many of AU’s colleges are also creating a development web site to represent the particular college, with a link from the Office of Alumni and Development’s web site. The look and feel of these particular sites is far different than what is currently found at the Office of Alumni and Development’s web site. This can be confusing for alumni and potential donors attempting to find relevant information. In addition, we identified concern about the state of current web site development activities and the perception of the web site by alumni and potential donors.
- IMS places strong restrictions on the control of data that prevents the enhancement of many processes and adds a variety of non-value added tasks.
- A paper form must be submitted to IMS, which includes a description of the data or information that is requested, by Office of Alumni and Development users that need specific information in report format. IMS queries the data from the ASCEND system and provides the resultant report in hard copy format to the end user. The data or information is typically not provided in an electronic format. If the end user desires subsequent but related additional information, the individual must submit another hard copy request to IMS. Even simple requests for subtotals or other groupings of the initial data require a separate request to IMS that includes a description of the desired report fields.
- Accounting spends a considerable amount of time passing information back and forth from IMS.
- Development officers do not have a consistent tool for tracking prospects.
- When a group of students graduate, the Bursar’s office gives IMS a list of the new students to add to the alumni database. Even though this data could be extracted and loaded into ASCEND, IMS chooses to manually enter the information because there is potential for a small number of duplicative entries created when someone purchases vanity plates.
Implications

- The Office of Alumni and Development is not adequately prepared to connect with the constituencies that view the Internet as a major communication channel for staying in touch with Auburn University. Having a robust Internet presence will become increasingly important as Internet technologies, broadband, and other access tools evolve, and as these technologies are increasingly used by the broader population.

- Technology is not appropriately supporting the business processes of the Office of Alumni and Development and there does not appear to be a strategy for addressing this concern. As a result, business processes continue to be performed in an inefficient and ineffective manner, resulting in extra effort put forth by Office of Alumni and Development personnel that could otherwise be put towards more value-added alumni and development activity.

Recommendations

The following recommendations are the preliminary steps to enhance usage of information technology within AU alumni and development activities.

27. **Create an advisory committee of key stakeholders that provides input on management of administrative technology.** This committee can assist with the development of a strategy for the IMS department that will fit the needs of the organization and provide consistency with AU’s IT strategy. After the development of the strategy, define distinct objectives, prioritize objectives, and create associated tasks.

28. **Conduct an assessment of existing administrative applications, evaluate how these applications are used to enhance business processes, and develop strategies to more effectively use these applications.** For example, this assessment should consider the available functionality of the ASCEND software, including potential add-on modules, consider the functionality desired by users of the system, and provide insight regarding the gap between available and desired functionality. This process should be extensive and ultimately serve as the business case for enhancements to the existing system or the implementation of add-on modules to the system.

29. **The Office of Alumni and Development should develop a strategy for the use of Internet technologies to support alumni and development activities.** Effective use of the Internet will be essential for the success of the AAA and AUF. The strategy should address how the Internet can be used to facilitate external communications as well as internal business processes. From an internal perspective, the strategy should seek to address how the Internet can be used as a means to facilitate forms processing and approvals within the Office of Alumni and Development. Powerful tools exist in the commercial marketplace that will enable an institution to quickly create electronic forms and eliminate unnecessary and slow paper-based methods. In addition, the Internet can be used as a powerful communication mechanism with AU Deans and AU Executive Management.

Observation B-1

IMS has not adopted technology standards, both software and hardware, that are consistent with Auburn University Systems or that meet the needs of Office of Alumni and Development personnel.
As a result, Office of Alumni and Development staff experience frustration in doing their jobs and internal and external customers’ needs are not always met. Additionally, IMS often proceeds with little input from AU technology offices and does not effectively leverage the expertise of those offices. Some specific issues include:

- The Office of Alumni and Development’s email system is separate from the rest of Auburn University and personnel must manage two email accounts. This causes communication problems, particularly between Development Officers and their constituent deans. Time lags in receiving and responding to email within the secondary AU account is cited as a frequent problem.
- Development Officers cite the desire to have access to the email system and other administrative systems while traveling, as it would result in a more efficient use of their time away from the office meeting with prospects and donors.
- IMS does not utilize a standard desktop software package that includes the applications personnel require to do their jobs. Personnel could benefit from desktop databases and similar data analysis tools.
- IMS does not always adopt the computing standards promoted by the AU Office of Information Technology, which would allow for a sharing of resources and more efficient resolution of common issues.
- The alumni and development email system is often inaccessible from 4:45pm on Friday until 7:45am on Monday. As a result, emails bounce back to senders during that time period. These messages are often being sent from academic deans and potential donors, as well as other internal and external constituencies.
- Approximately one-third of all Development Officers have laptop computers. Since the Development Officers are required to travel and the nature of their constituency-based jobs requires them to frequently work at the site of their constituent dean, it would benefit all Development Officers to have a laptop computer as their standard computing device.

Recommendation

30. **Adopt technology standards within the Office of Alumni and Development that are consistent with Auburn University Office of Information Technology standards and that meet the needs of Office of Alumni and Development personnel.** The adoption of technology standards will foster consistency across administrative systems, promote efficiencies, and ensure that the design, development and implementation of future alumni and development information technology is consistent with the direction of AU information technology.

Observation C-1

**Personnel at all levels within the Office of Alumni and Development have conveyed concerns that current staffing levels and expertise are insufficient to meet the workload of the Office. In the near-term, and as the focus on alumni and development activity increases, this concern will continue as it will likely be difficult to provide a corresponding increase in the level of staff resources. Office personnel will be expected to do more with less.**

AU Executive Management is increasingly aware of this concern as it seeks to more aggressively reach out to Auburn Alumni during the next decade and capitalize on the transfer of wealth that is expected to
take place during this time period. In addition, during the last several years, administrative support personnel have been burdened with taking on new responsibilities or faced with new challenges.

**Accounting Personnel**

- The amount of annual giving to the Auburn University Foundation has continued to increase (e.g., $28.9 million, $27.6 million, $36 million, $36.6 million, and $38.0) over the last five fiscal years 1996 to 2000. The number of gift transactions handled by accounting personnel is increasing and these personnel are also facing an increasing complexity of gifts. The number of personnel in the accounting area has not increased proportionately to this change in activity.
- The number of endowment accounts to be managed by accounting personnel has increased as a result of increasing gift transactions.
- The compounded effect of increased gift activity has resulted in gift transactions not always being reported within administrative tracking systems in a timely manner. This impacts development personnel and periodically results in duplicate asking to donors.
- Staffing inadequacies in the Office of Alumni and Development Accounting become increasingly apparent during seasonal periods (i.e., after the winter break and holidays).

**Development Personnel**

- Development personnel report being overburdened with administrative paperwork and have cited a need for resources to assist with completing this documentation. In addition, development personnel cited the need for additional Development Officer personnel in the future as expectations for development increase.
- Rapid growth across all areas of the Office of Development has yielded a relatively inexperienced staff to conduct development activity and the related development support services.
- Less-experienced development staff reported inadequate mentoring and training by professional, experienced development staff. Staff members are left to pursue these efforts largely on their own and this self-development time impacts their ability to manage workloads.
- The primary responsibility for leading development efforts has been delegated to the Associate VP for Development. From an administrative perspective this is acceptable. However, from a process perspective the department is lacking essential development experience and leadership.

Office of Alumni and Development personnel have assumed these responsibilities and battled through these challenges over the years, however they have done so without significant staffing increases in certain areas of the organization. Turnover in many other areas of the Office of Alumni and Development has been costly in terms of downtime when positions are vacant and the lost productivity associated with a rather steep learning curve that accompanies development efforts. The Office of Development has seen significant staffing growth as it has added multiple development officers and support staff between 1996 and 2001.

**Recommendations**

31. Perform a workload analysis to determine short-term and long-term staffing readiness.

Throughout our assessment, personnel across the entire Office of Alumni and Development stated that existing workloads could be better managed with additional personnel. The short-term analysis should recommend immediate staffing relief, perhaps in the form of temporary personnel, for overburdened areas such as Alumni and Development Accounting. However, adding significant permanent resources without first redesigning processes and more effectively incorporating
technology into those processes may result in the continued execution of bad processes and acquisition of unneeded resources. A post-process redesign workload analysis would be useful in determining the necessity of additional staff members to handle increased or changed responsibilities. This analysis should take into account the work demand versus the supply of personnel hours, and whether or not the existing staff is sufficient to quickly and effectively complete work volumes and provide excellent service to its constituencies.

32. **Recruit an experienced development officer to lead the development office and to act as a mentor to the development staff. This individual will likely be the new Vice President/Associate Vice President for Development under the proposed organization.** In addition, the Office needs to be run more like a sales force with individual incentives established for performance and higher expectations set regarding the amount of time a Development Officer should spend traveling to meet with prospects and donors. Finally, tools need to be implemented that will assist Development Officer’s with prioritization and workload management. Robust contact management applications or sales force management applications are examples of applications that would benefit these personnel. These tools can also be incorporated into performance measures that will help gauge productivity and identify areas where improvements need to be made.

**Observation D-1**

Salaries provided to certain classification of personnel may not be commensurate with that provided to personnel at peer institutions performing comparable work.

Office of Alumni and Development Leadership, AAA Board of Directors, and AUF Board of Directors all expressed moderate concern that salary levels may not be comparable to peer institutions and, ultimately, believe that the inadequate pay structure may be impacting the ability to hire more professionally experienced personnel. This concern was highlighted with particular relevance to development personnel and development leadership. However, these constituencies did convey that existing personnel seem to be meeting expectations, given the salaries provided to them.

**Recommendations**

33. **Work with AU Human Resources personnel or other human resources professionals to conduct an alumni and development salary study. The study should include data from peer institutions and the general market with respect to key leadership, alumni, and development positions.** Questions that should be asked include, but are not limited to: How do the salaries and benefits of these leadership, alumni, and development positions compare to SEC peers? How do they compare to the general market for these types of personnel? Would the AU classification and compensation structure accommodate adjustments to salary to provide consistency with the study outcome? Can AU, AUF, or the AAA provide bonus or incentive compensation to achieve salary parity? Would a change to funding sources for certain Office of Alumni and Development personnel enable adjustments to salary levels? Does the AU, AUF, or AAA have funds available to make salary adjustments?
Observation E-1
The Office of Alumni and Development does not appear to systematically manage employee performance with effective human resources processes tied to a common human resources framework.

The Office of Alumni and Development should manage employees as a critical asset, maximize employee potential, and focus attention on enhancing personnel management. In this time of relative economic prosperity and low unemployment, organizations like the Office of Alumni and Development are faced with a tight job market and keen competition for skilled workers. Shifting workforce demographics (e.g., aging of the workforce, decrease in the availability of skilled workers) will increase the competition for skilled workers while changes in job responsibilities caused by adjustments to the institution’s systems and policies will require expanded skill sets.

Examples

- Selection and staffing processes do not seem to rely on formalized criteria to support the selection and hiring of the appropriate resources to fill Office of Alumni and Development position vacancies.
- A formalized process for personnel training does not appear to exist. Some training courses on basic business skills are provided by AU Human Resources, and Office of Alumni and Development management personnel do recommend that personnel seek out additional training and self development. However, an individual’s annual training program primarily consists of reading relevant journals and periodicals, attending relevant conferences or association meetings on a non-routine basis (not even annually in all cases), and other self-study.
- Individual performance management does not receive much focus within the Office of Alumni and Development. Annual reviews are conducted, however it is unclear as to how this process ties into a feedback loop for training and individual development throughout the year. A single review each year is probably not sufficient to promote continued growth and development of employees.
- Rewards or recognition of employee service do not really exist within the Office of Alumni and Development except for the occasional compensatory time provided to individuals that work weekend hours at alumni and donor events. Though it is difficult to implement such programs in public higher education, the separate AAA and AUF may provide the Office of Alumni and Development with the flexibility to implement such programs.

Recommendations

34. The Office of Alumni and Development should consider developing and adopting a competency-based human resource management system. Competency based systems support the recruitment and hiring of high-caliber employees; support the continual assessment of employee skills and competencies; provide opportunities for professional growth; enable the evaluation of employees on well-articulated performance goals and standards; and facilitate the provision of rewards and recognition commensurate with performance. See Appendix L for a more detailed description of competency-based human resource management systems.

35. Develop a formal training program specific to the needs of Office of Alumni and Office of Development personnel tied to a competency model for the institution. In order to improve the current training efforts for its personnel, the leadership team should develop and implement a formal
training program for administrative personnel that focuses on the development of competencies linked to individual and unit success. This program should include a group of core classes for all new employees and continuing education classes for current employees. Employees should be actively encouraged to enhance their functional and technical skills through formal training programs and participation in professional organizations. The Office of Alumni and Development should provide opportunities for employees to develop new skills to motivate staff, maintain awareness of industry related trends and tools, and provide opportunities for professional peer networking. In order for the program to succeed, however, management must play an active role in promoting and placing value on the importance of staff development.

Observation F-1
The Office of Alumni and Development and its related entities have not established a systematic performance measurement system that: (1) aids in the monitoring of progress towards successful execution of AU's overall alumni and development goals, and (2) provides real time information as to operational concerns that might require correction.

As reported by interviewed personnel, performance measures are used, to some degree, to measure alumni and development activity. Within the development area, numerous reports and other tools are used to quantify or otherwise document development activity, however questions have been raised as to the use and/or usefulness of these mechanisms. The development measures used include:

- Gifts versus commitments (promises to give).
- Gift dollars received.
- Pre-contact reports submitted by Development Officers on the 1st and 15th of the month and that contain activity projections for 60 days out.
- Contact reports submitted on the 15th of each month. Each Development Officer submits roughly 25-35 of these reports monthly. These reports are submitted in hard copy to the donor file, the Assistant Vice President for Development, the appropriate collegiate dean, other Development Officers that need to know, as well as keeping a copy for records.
- Gifts and commitment reports submitted by Development Officers 1-2 times per month.
- Top 10 Reports of gifts that can be closed within six months are submitted on demand or to meet established deadlines.

Reports submitted by Development personnel are completed in MSWord templates and data is then keyed into the ASCEND system or other record keeping database. At the present time, there is no method to directly input this information into the ASCEND system, thus promoting a performance measurement process that is largely manual and paper-based. Further, the Development Officers and their support staffs do not fully understand the use for these reports and generally believe the completion of these reports is not a productive use of their time. These reports are also subject to manipulation, by using subtle variations of the same data, to meet the reporting deadlines.

Within the Alumni Affairs area, the project team identified no significant performance measures or supporting mechanisms used on a frequent basis. Though the AAA Board of Directors reviews progress towards goals at each of its meetings (three times per year), this may not be sufficient to manage operations.
Implication

- The absence of effective performance measures hinders the ability to monitor progress, identify problems, and reward success.

Short-Term Recommendations

36. **Evaluate current performance measures and reports used within the Office of Alumni and Development to determine the effectiveness of each measure.** A cross-organization committee should be tasked with refining performance measures and tools that appear to be effective. Several specific concerns were highlighted during the assessment and should be immediately reviewed by the committee, including:

   - Determine whether quarterly goals for development officers are effective.
   - Address concerns raised that the 15-day interval for submission of pre-contact reports is too burdensome and does not reveal insightful new information. Consider adopting submission protocols of once every 45 days or other effective intervals and ensure the submission interval facilitates the accurate documentation of expected contact activity.
   - Determine the accuracy of pre-contact, contact, gift and commitment, and other reports. In addition, determine how these reports are used by management, how feedback is provided to Development personnel, and whether or not there is a clear understanding of the necessity for these reports.
   - Address concerns raised by Development Officers that the amount of time spent completing the currently used reporting mechanisms is negatively impacting the available time these personnel have to travel and meet with prospects and donors. Work to set balanced targets for the amount of in-office and travel time over the course of a week, month, or other relevant time period.
   - Determine what additional performance measures can be implemented to facilitate a productive workforce.

37. **Monitor the progress towards strategic goals for each alumni and development unit and related entity on continual basis.** AAA Directors and Officers, AUF Directors and Officers, collegiate unit advisory councils, AU Board of Trustee’s Development Committee representatives, the newly established Vice President/Associate Vice President for Alumni and Vice President/Associate Vice President for Development, and other relevant AU parties should be involved in performance updates. For example, if it is determined that a collegiate units goals are not being attained, the goals might be reduced or more resources might be deployed to attain the initial goals. Regardless, there are several stakeholder groups impacted by these decisions and they should all be involved in the performance evaluation process.

Long-Term Recommendations

38. **Develop a robust performance measurement system for the Office of Alumni and the Office of Development that is aligned with AU, AAA, and AUF vision and goals.** A performance measurement system aligned with AU, AAA and AUF vision and goals will provide the underlying support for delivering quality alumni and development services and focusing on continuous process improvement. Performance measures should be tied to well-designed and implemented business processes and must also be simple, easy to understand, and easy to communicate to Office of Alumni and Development employees. In addition, performance measures must be defined into more
detailed measures that track each individual’s or team’s contribution toward the stated goals. Other characteristics of the performance measurement system include:

- Use a small, balanced set of measures to address cost, quality and timeliness and encompass the entire range of alumni and development business processes.
- Set goals that support continuous improvement and stimulate exceptional performance.
- Secure participation from employees. Employees from the Office of Alumni and Development should participate in setting performance goals. This participation creates consensus about the goals, fosters an environment of ownership towards achieving the goals, and provides necessary motivation to achieve success.
- Communicate throughout the Office of Alumni and Office of Development those goals to which the AAA, AUF, Vice Presidents/Associate Vice Presidents for Alumni and Development, as well as AU Executive Management, are committed and its basis for commitment.
- Monitor performance measures and communicate outcomes in a meaningful way.
- Require accountability to make and act upon decisions based on performance measures.
VI. NEXT STEPS

This assessment provides a foundation for continuing to enhance the efficiency and effectiveness of the alumni and development activities at Auburn University. Responses to these recommendations should focus on defining each assessment recommendation as a specific individual project to guide implementation efforts. With the completion of this assessment, Auburn University should:

- Obtain senior management consensus on the recommendations.
- Prioritize and sequence the recommendations. Develop a phased approach, if necessary.
- Identify project leaders, team members, and other specific project resources.
- Chart an estimated timeline for the implementation of specific projects.
- Develop individual project workplans for those considered highest priority.
- Establish a basis for monitoring progress.
The Auburn Creed

I believe that this is a practical world and that I can count only on what I earn. Therefore, I believe in work, hard work. I believe in education, which gives me the knowledge to work wisely and trains my mind and my hands to work skillfully. I believe in honesty and truthfulness, without which I cannot win the respect and confidence of my fellow men.

I believe in a sound mind, in a sound body and a spirit that is not afraid, and in clean sports that develop these qualities.

I believe in obedience to law because it protects the rights of all. I believe in the human touch which cultivates sympathy with my fellow men and mutual helpfulness and brings happiness for all.

I believe in my country, because it is a land of freedom and because it is my own home, and that I can best serve that country by “doing justly, loving mercy, and walking humbly with my God.”

And because Auburn men and women believe in these things, I believe in Auburn and love it.

~ George Petrie
Appendix A: Current Organization Charts

Auburn University
Executive Administration
Current

Secretary to the Board → Board of Trustees

Interim-President William Walker → Office of the President

Director Alabama Cooperative Extension System → Chancellor Auburn University at Montgomery → Provost and Chief Academic Officer → Executive Vice President → Director Intercollegiate Athletics

Associate Provost and VP for Research → Associate Provost and VP for Student Affairs → Associate Provost and VP for Outreach → Assistant VP for Business & Finance and Controller → VP for Alumni and Development → VP for Administrative Services

Academic Colleges and Schools

Auburn University
Office of Alumni & Development
Current

Vice President for Alumni & Development
Batty M. DeMont

Executive Assistant
Linda Caudle

Exec. Secretary III
Rita Whitman

ALF Property Consultant
Robert Riley

Director of Accounting
Linda Seyers

Assistant Vice President for Alumni Affairs
Ginnie Brock Lindsey

Assistant Vice President for Development
W. Miller

Director of Information Management Systems & Operations
Kim Ffillat
Auburn University
Assessment of Alumni and Development Organizational
Relationships, Processes, and Structure

Auburn University
Alumni and Development Accounting
Current

Director of Accounting
Linda Sayers
(Interim: Paul McEwen)
(Accountant, AUTF Foundation)

Accountant III
Dorina Mesham

Financial Assistant I
Susan Barnes

Assistant Director
Beth Bailey

Gift Collection Specialist I
Theresa Susan

Accounts Payable Specialist I
Netta Lillig

Financial Assistant II
Karen Luster

Financial Assistant III
Karen Griffin

Financial Assistant III
Micki Foster

Financial Assistant I
Gail Copeland

Financial Assistant I
Vivanda
Auburn University
Assessment of Alumni and Development Organizational
Relationships, Processes, and Structure

Auburn University
Information Management Systems & Building Operations
Current

Director of IMS & Operations
Ken Pylant

Exec. Secretary I
Linda Ray

Data Entry Students

Receptionist
Nancy Ingram

Mailroom, Manager
Theodore Ahlton

Mailroom Clerk
Andrew Gam

Building Operations, Manager
Ralph Holloman

Alumni Program
Spec. I
Malcolm McCull

Information Tech Specialist, Manager
Tommy Butts

Info Tech Specialist III
Mike Bozeman

Info Tech Specialist III
Alisa Beasek

Info Tech Specialist Master
(Noor Specialist)
Katie Ardeman

Info Tech Specialist, Lead
Byron Bradley

Help Desk
Students

Programmer
Students

Data Entry
Jeana Angel

Data Entry
Wendi Game

Data Entry
Gretta Barks

Data Entry
Vacant

Tamp Computer Operator
Larry Wilks

FINAL
55
Appendix B: List of Interviewed Personnel

**Board of Trustees**
- Bobby Lowder
- Jimmy Samford
- Paul Spina

**Foundation Board Members**
- Joy Adams
- J. Gilmer Blackburn
- Dan Breeden
- Claude Carter
- Glenn Estess
- Stan Harrell
- Sally Hill
- Charles Hudson
- Joe McMillan
- Harry Philpott
- B. Phil Richardson
- Morris Savage
- Al Smith
- Robbins Taylor
- Tom Walter
- Buddy Weaver
- Earle Williams

**Alumni Association Board Members**
- Tom Bryan
- Dwight Carlisle
- Nick Davis
- Ed Dyas
- Andy Hornsby
- Daphne Huntley
- Lester Killebrew
- Keith King
- Bob Kloeti
- Bill McCartney
- Golda McDaniel
- Ben McDaniel
- Bill Porter
- Roy Richardson
- Ed Wampold

**Deans**
- Dr. Benefield
- Dr. Bennett
- Dr. Boosinger
- Dr. Brinker
- Dr. Evans
- Dr. Hellman
- Dr. Jahera
- Dr. Kunkel
- Dr. Schneller
- Dr. Waters

**Office of Alumni and Development**
- Theodis Abston
- Joyce Angel
- Sharon L. Awtry
- Beth Bailey
- Glenda Barnes
- Susan Barnes
- Tommy Bartlett
- Byron Beasly
- Tammy Beck
- Lisa Bess
- Alex Bocek
- Leslie Brasher
- Theresa Bush
- Linda Caule
- Kay Chesnut
- Diana Childers
- Rebecca Coan
- Judy Cohrs
- Gail Crowell
- Bob Curtis
- Jennifer Day
- Bettie Dement
- Jennifer Dingman
- Kim Ellis
- Ron Evans
- Chris Gary
- Carolyn Golden
- Karen Griffey
- Kathy Griffith
- Andrew Gunn
- Dani Halverson
- Jeanice Hammock
- Shannon Hankes
- Katie Hardy
- Karen Harrington
- Lauren Hendri
- Sam Hendrix
- Mary Ellen Hendrix
- Ralph Holleman
- Leslie Huff
- Nancy Ingram
- Rhea James
- Vickie Jernigan
- Mike Jernigan
- Jennifer Jordan
- Linda Kay
- Dara Kloss
- Greg Knedler
- Nicole Larsen
- Neeta Likins
- Genie Lindsey
- Lucy Little

- Angie Lowry
- Karyn H. Luster
- Jan McGuire
- Tim Meeks
- Wil Miller
- Donna Mitchell
- Flora Moss
- Wayne Murphy
- Julie Nolen
- Mitch Parker
- Leslie P. Parson
- Miriam Pearce
- Liz Peel
- Alla Pozin
- Marcalyn Price
- Ken Pylant
- Gwen Reid
- Sherri Rowton
- Miriam Sanders
- Linda Sayers
- Karen Sharpless
- Wendy Sims
- Angie Stephens
- Mollie Sticklin
- Christa Straub
- Apryl Tarrant
- Ann Thompson
- Rob Wellbaum
- Rita Whitman
- George Willock
- Mark Wilton
- Mary Cecilia Youngblood

**Auburn University Administration**
- Charles Bruce
- David Housel
- Dr. Don Large
- Dr. William Muse
- Linda Pearce
- Marcie Smith
- Dr. William Walker
Appendix C: Examples of Advancement Officers or Equivalent Positions in Higher Education

Following are some of the higher education institutions that have structured the organization in a manner that includes an advancement officer or equivalent position:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Institute of Technology</td>
<td>Vice President for Institute Relations</td>
</tr>
<tr>
<td>Clemson University</td>
<td>Vice President for Advancement</td>
</tr>
<tr>
<td>Eastern Oregon University</td>
<td>Vice President for Institutional Advancement</td>
</tr>
<tr>
<td>Emory University</td>
<td>Senior Vice President for Institutional Advancement</td>
</tr>
<tr>
<td>Florida State University</td>
<td>Vice President for University Relations</td>
</tr>
<tr>
<td>Massachusetts Institute of Technology</td>
<td>Vice President for Resource Development</td>
</tr>
<tr>
<td>Middlebury College</td>
<td>Vice President for Institutional Advancement</td>
</tr>
<tr>
<td>New Mexico State University, Main Campus</td>
<td>Vice President for University Advancement</td>
</tr>
<tr>
<td>North Carolina State University</td>
<td>Vice Chancellor for University Advancement</td>
</tr>
<tr>
<td>Oregon State University</td>
<td>Vice President for University Advancement</td>
</tr>
<tr>
<td>Portland State University</td>
<td>Vice President for University Relations</td>
</tr>
<tr>
<td>Southern Oregon University</td>
<td>Vice President for University Relations</td>
</tr>
<tr>
<td>University of Alabama *</td>
<td>Vice President for Advancement</td>
</tr>
<tr>
<td>University of Arizona</td>
<td>Vice President, Office of University Advancement</td>
</tr>
<tr>
<td>University of Arkansas *</td>
<td>Vice Chancellor for Advancement and University Relations</td>
</tr>
<tr>
<td>University of California, San Francisco</td>
<td>Vice Chancellor for University Advancement and Planning</td>
</tr>
<tr>
<td>University of Georgia</td>
<td>Senior Vice President for External Affairs</td>
</tr>
<tr>
<td>University of Kentucky *</td>
<td>Vice President for University Relations</td>
</tr>
<tr>
<td>University of Maryland</td>
<td>Vice President, University Relations</td>
</tr>
<tr>
<td>University of North Carolina</td>
<td>Vice President for Public Affairs and University Advancement</td>
</tr>
<tr>
<td>University of Oregon</td>
<td>Vice President for Public Affairs &amp; Development</td>
</tr>
<tr>
<td>University of Texas, El Paso</td>
<td>Vice President for University Advancement</td>
</tr>
<tr>
<td>University of Texas, San Antonio</td>
<td>Vice President for University Advancement</td>
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<tr>
<td>University of Texas, Tyler</td>
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<tr>
<td>Vanderbilt University *</td>
<td>Vice Chancellor for Institutional Planning and Advancement</td>
</tr>
<tr>
<td>Wake Forest University</td>
<td>Vice President for University Advancement</td>
</tr>
</tbody>
</table>

* Southeastern Conference
Auburn University
Assessment of Alumni and Development Organizational Relationships, Processes, and Structure

Appendix D: Perceived Office of Alumni and Development Reporting Conflict

**Current Practice**

**AAA**

Directing Alumni Affairs activities

**Office of Alumni and Development (AU Employees)**

**AUF**

Directing Development activities

**Disconnect**

**Auburn University**

AU's Office of Alumni and Development conducts alumni and development activities on behalf of AU, AAA, and AUF. AAA, AUF, and AU Executive Management oversee and direct those activities. AU provides staff support to AAA and AUF through an outsourcing arrangement. However, the current perception is that the related entities are directing the Office of Alumni and Development and the desires of Auburn University Executive Management are not being addressed.

**Desired Practice**

**Auburn University**

Providing oversight and directing Alumni and Development activities

**AAA**

Directing Alumni Affairs activities

**Office of Alumni and Development (AU Employees)**

**AUF**

Directing Development activities

Alumni Affairs activities benefit AAA

Development activities benefit AUF
# Appendix E: Best Practice Alumni Programming

<table>
<thead>
<tr>
<th>Best Practices*</th>
<th>Auburn Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Student-alumni programming to acquaint current students with the alumni and development programs</td>
<td>Student Alumni Association</td>
</tr>
<tr>
<td>2. Homecoming, Alumni Day, brings alumni back to campus</td>
<td>Auburn Reunions</td>
</tr>
<tr>
<td>3. Class reunions, class gift program</td>
<td>Class Reunions</td>
</tr>
<tr>
<td>4. Awards recognizing alumni achievements and service</td>
<td>Newsletters / Lifetime Achievement Award</td>
</tr>
<tr>
<td>5. Minority alumni programs</td>
<td></td>
</tr>
<tr>
<td>6. Young alumni programs</td>
<td></td>
</tr>
<tr>
<td>7. Senior alumni programs</td>
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</tr>
<tr>
<td>8. Constituent alumni associations, special interest groups affiliated with an academic program on campus</td>
<td>Pharmacy Alumni Association</td>
</tr>
<tr>
<td>9. Regional alumni clubs, offer programs for alumni in a geographic area</td>
<td>Auburn Clubs</td>
</tr>
<tr>
<td>10. Alumni magazines, tabloids, newsletters, or other publications</td>
<td>Auburn Magazine</td>
</tr>
<tr>
<td>11. Alumni family camps</td>
<td>Auburn Parents Association</td>
</tr>
<tr>
<td>12. Alumni lifelong education, includes classes as well as travel programs</td>
<td>War Eagle Travelers</td>
</tr>
<tr>
<td>13. Alumni community service programs, (literacy programs, food banks, senior citizen programs)</td>
<td>Career Services</td>
</tr>
<tr>
<td>14. Alumni Career Services</td>
<td></td>
</tr>
<tr>
<td>15. Alumni Merchandise Marketing Program</td>
<td>Alumni Products</td>
</tr>
</tbody>
</table>

* Sources:
Auburn University
Assessment of Alumni and Development Organizational Relationships, Processes, and Structure

Appendix F: Proposed Organization Charts

Auburn University
Executive Administration
Proposed 2001

Secretary to the Board
Board of Trustees
Interim-President
William Walker
Office of the President

Director Alabama Cooperative Extension System
Chancellor Auburn University at Montgomery
Provost and Chief Academic Officer
Executive Vice President
Director Intercollegiate Athletics
Interim Chief Advancement Officer
William Walker

Associate Provost and VP for Research
Associate Provost and VP for Student Affairs
Associate Provost and VP for Outreach
Assistant VP for Business & Finance and Controller
VP for Administrative Services
VP for Development
VP for Alumni Affairs

Academic Colleges and Schools
Auburn University
Office of Alumni Affairs/Office of Development
Proposed 2001

Interim Chief Advancement Officer
William Walker

- Clubs
- Reunions
- Student Alumni, Young Alumni & Parents Programs
- Marketing & Promotions (Credit Cards, Affinity Programs)
- Travel Programs
- Auburn Magazine
- Alumni Technology and Web Strategy
- Mailroom Services

------------------------------------
- Accounting *
- Info. Tech. Infrastructure ***
- HR Generalist ****

VP for Alumni Affairs

- Special Events, Councils, and Visiting Boards
- Research & Prospect Identification
- Direct Mail
- Phone-a-Thon
- Annual Fund(s)
- Planned Giving
- Corporate and Foundation Relations
- University Development
- Constituency-Based Development

------------------------------------
- Accounting *
- Info. Tech. Infrastructure ***
- HR Generalist ****

VP for Development

- Gift Receipt & Recording
- Acknowledgement
- Donor Reporting & Relations (Stewardship), Recognition
- Development Technology and Web Strategy
- Administrative Applications Management

* Subunit of Treasury Services with dotted line reporting to VP/Assoc. VP for Alumni Affairs
** Subunit of University Accounting with dotted line reporting to VP/Assoc. VP for Development
*** Subunit of University Office of Information Technology with dotted lines to VP for Alumni Affairs and VP for Development
**** Report to University HR with dotted lines to VP for Alumni Affairs and VP for Development
Auburn University
Assessment of Alumni and Development Organizational Relationships, Processes, and Structure
January 22, 2001
Contact: Michael J. Schoenfeld, (615) 322-NEWS
michael.schoenfeld@vanderbilt.edu

Gee announces new structure for student affairs, planning and advancement;
Zeppos to be Vice Chancellor

NASHVILLE, Tenn. – The consolidation of several key institutional functions and the
creation of new senior executive positions mark a significant reorganization of Vanderbilt’s
strategic planning, development, alumni relations and students affairs efforts announced
today by Chancellor Gordon Gee.

The two new positions – vice chancellor for institutional planning and advancement
and vice chancellor for student affairs and campus life – “involve issues, organizations and
opportunities that are at the heart of our academic mission and will dramatically affect
Vanderbilt’s ability to reach a new level of excellence and leadership,” Gee said.

Gee, who assumed leadership of Vanderbilt July 31, 2000, called the changes
“significant, unique and transformational.”

Nicholas Zeppos, a professor of law who for the past two years has served as
associate provost for academic affairs, will become vice chancellor for institutional planning
and advancement March 15. A national search will be conducted for the new vice chancellor
for student affairs and campus life.

Gee said the division Zeppos will head will take a leadership role in strategic planning
and will incorporate most of the activities of the current Division of Alumni and Development.

“It has become clear to me that the University’s advancement efforts, that is,
fundraising and alumni relations, must be far more closely linked with our academic mission
and planning,” Gee said. “We have arrived at a point in Vanderbilt’s evolution where our
highest academic aspirations, unparalleled opportunities and resource development must
merge.”

(more)
Gee called Zeppos “one of the brightest, most energetic and creative people at Vanderbilt. He cares deeply for Vanderbilt’s mission, has great respect for its alumni, faculty, students and staff, and has a passionate commitment to excellence for the future.”

Gee added, “I am grateful to Vice Chancellor Beverly Bond for her loyalty and service to Vanderbilt over the past 25 years. Her contributions to our alumni relations and fundraising efforts are considerable, and helped make Vanderbilt the great university it is today.”

A graduate of the University of Wisconsin and its law school, Zeppos joined the Vanderbilt faculty in 1987 after serving as an attorney in the U.S. Department of Justice. From 1998 to 1999, he served as associate dean of the Vanderbilt Law School. At Vanderbilt he has won five teaching awards and is a nationally recognized scholar in legislation and government regulation.

As part of this restructuring, John S. Beasley II, vice chancellor for alumni and development, emeritus, will serve as counselor to the chancellor and will help foster relationships between the University and key alumni constituencies.

The vice chancellor for student affairs and campus life will report directly to Chancellor Gee and will oversee a wide range of existing services and programs, such as residential and judicial affairs, student activities, student health and counseling, the Honor Code and others.

These activities are currently administered by the office of the associate provost for student affairs and the office of the dean of students, both of which report to the Provost. The new position is being established in part as a result of an evaluation of Vanderbilt’s current student life operation conducted by a review team of senior student affairs executives.

Moving student affairs and campus life to a more autonomous position within the administration will allow the Provost to engage in wider leadership in his role of chief academic officer, Gee said.

“We need to have a powerful, creative advocate for the student experience at Vanderbilt,” Gee said. “Though our classroom experience is second to none, we now have to challenge ourselves to create a dynamic, student-based learning community that touches all aspects of student life at Vanderbilt.”

(more)
Leading the search committee for the first vice chancellor for student affairs and campus life will be Vice Chancellor, General Counsel and Professor of Law David Williams II, who was also a member of the review team. The search committee will comprise faculty, students, members of the Board of Trust and alumni.

In the interim, Williams, who served seven years as vice president for student affairs at Ohio State University, will assume leadership for the current student affairs programs effective February 1. "His knowledge of, and sensitivity to, student issues is unparalleled, and we are indeed fortunate to have one of the most respected student affairs executives in place to provide leadership during this time of transition."

Gee said Williams is not a candidate for the position.
NEW MEXICO STATE UNIVERSITY
VICE PRESIDENT FOR UNIVERSITY ADVANCEMENT

New Mexico State University invites nominations and applications for the position of Vice President for University Advancement. New Mexico State University is the state's land-grant institution located in Southern New Mexico, and is one of 152 Universities on the Carnegie Foundation's list of Doctoral/Research Universities-Extensive level, a Title III Minority Institution, and a member of the Hispanic Association of Colleges and Universities. New Mexico State University serves a multi-cultural student population of more than 23,100 students on five campuses.

The Vice President for University Advancement reports to the President and will have responsibility for the emerging capital campaign, institutional advancement, annual and deferred giving, major gifts, alumni relations, and university communications including media relations and publications. The selected individual will also serve as the Executive Secretary of the NMSU Foundation.

Candidates must have a minimum of a bachelor's degree from an Accredited institution of higher education, and solid Administrative experience in managing all aspects of a University relations office. The successful candidate must possess seven years of senior development experience, a demonstrated record of success in fund raising, working with Foundations, corporations, major donor prospects, faculty and staff, volunteers, officials and dignitaries. This candidate must have experience in developing, implementing and concluding a successful capital campaign, articulating the mission, goals, needs and achievements of the university. Familiarity with university communications and marketing is highly desirable. The candidate must have an understanding of and commitment to the cultures, values and traditions of the Southwest.

Screening of applications will begin April 16, 2001, and continue until the position is filled. Offer of employment contingent upon verification of individual's eligibility for employment in the United States.
MIDDLEBURY COLLEGE
Vice President for Institutional Advancement

Middlebury College invites applications and nominations for the position of Vice President for Institutional Advancement. Reporting directly to the President, the Vice President provides executive leadership to all alumni, development, public affairs and publications functions of the College in advancing the fundamental mission of a residential liberal arts college.

In June 2001, the College will complete successfully its comprehensive $200 million-dollar Bicentennial Campaign. The Vice President will lead an experienced staff in post-campaign fund raising that will include capital fund projects for a new library and the residential Commons initiative, as well as financial aid.

The Vice President must be able to embrace fully and articulate passionately the mission and aspirations of an educational institution like Middlebury. A gifted administrator, the Vice President will engage the external affairs staff in ambitious goal setting in connection with institutional priorities. Candidates should show evidence of significant senior-level administrative experience; an understanding of academic and residential programs; a track record of cultivating, soliciting and securing majors gifts; an understanding of the role of alumni, publications and public affairs and the ability to coordinate these areas in support of institutional priorities; and superb interpersonal and communications skills.

A highly selective residential liberal arts college, Middlebury serves approximately 2,200 full-time students. In addition to the undergraduate program in Vermont, Middlebury College also comprises eight intensive summer language schools on the Vermont campus; schools abroad in France, Germany, Italy, Russia, and Spain; the Bread Loaf School of English, offering graduate summer programs in Vermont, New Mexico, Alaska, and Oxford (UK); and the Bread Loaf Writers' Conference. The College has an endowment of $719 million and more than 23,000 alumni of record.

Middlebury College is an Equal Opportunity Employer, committed to attracting and retaining a diverse student body, faculty, and staff. Women and members of minority groups are especially encouraged to apply for this position.
Auburn University
Assessment of Alumni and Development Organizational Relationships, Processes, and Structure

Position: VP for Institutional Advancement
Institution: SUNY Institute of Technology

DESCRIPTION

SUNY Institute of Technology seeks an energetic and accomplished individual as its chief development and advancement officer. The Vice President, with the support of a senior professional staff, will have responsibility for the emerging capital campaign, Institute advancement, strategic planning, annual giving, alumni relations, major gifts, publications and media relations.

QUALIFICATIONS

The successful candidate must possess seven years of senior development experience, demonstrated success working with senior administration, faculty and volunteers. This candidate must have experience in developing, implementing and concluding a successful capital campaign. The candidate should have significant work experience in either public or private institutions of higher education.

DEADLINE

Review of applications will begin February 16, 2001 and continue until filled.

ADDITIONAL INFO

This position reports directly to the President and serves with others on the Executive Council.
Auburn University
Assessment of Alumni and Development Organizational Relationships, Processes, and Structure

Position: Director, University Advancement
Institution: SUNY Maritime College
Location: NY

DIRECTOR, UNIVERSITY ADVANCEMENT

SUNY Maritime College seeks a talented, highly motivated and accomplished individual to provide leadership in a development office. The successful candidate must have the vision and drive to take charge of all aspects of managing a highly successful college advancement program. The Director with the support of a professional staff will have the responsibilities for college advancement, coordination of public and government relations, grants, and development events. This Chief Advancement Officer will also serve as the College's Capital Campaign Coordinator, and will be the campus liaison to the separately incorporated College Foundation and Alumni Association. Candidate must have a history of progressive experience in advancement, including a proven track record in all phases of a comprehensive development program.

Bachelor's degree, Master's preferred. Significant university advancement experience. Excellent communication skills.

Position: Vice President For University Advancement
Institution: Central Missouri State University
Location: Warrensburg, MS

President Bobby R. Patton of Central Missouri State University invites applications and nominations for the newly created position of Vice President for University Advancement. The anticipated start date is July 1, 2001.

The position provides leadership and overall direction for the University Advancement area, including Development, Alumni Relations, Communication and Creative Services (formerly the Office of Public Relations), Governmental Relations, Printing Services, and Media Services. Minimum requirements include: Master’s Degree, Doctoral degree preferred. Relevant experience may be substituted for degrees, 5-7 years successful experience in strategic planning; innovative program development; development, alumni, and advancement activities; capital campaigns; and fundraising. Experience in providing high-quality executive-level vision, leadership, and management.

Review of applications begins immediately and will continue until the position is filled.
UNIVERSITY OF MISSOURI
OVERVIEW OF ADVANCEMENT

A. STATEMENT OF PURPOSE -- The purpose of all advancement programs sponsored or affiliated with the University of Missouri shall be:
1. To involve citizens of the state, alumni, and friends nationally in University-related efforts.
2. To serve citizens of the state, alumni, and friends nationally through organized personal and other communications.
3. To assist the University in obtaining the public funds necessary to provide the highest quality academic, research and service opportunities for the citizens of the state and nation.
4. To assist the University in obtaining private funds, to complement and augment public resources for those academic, research and service opportunities which cannot be provided by public funds.

B. GENERAL INFORMATION
1. University Advancement encompasses all programs concerned with institutional support. It involves organized groups of the University's various publics in support of specific programs.
2. University Advancement describes those administrative service programs relating to the involvement of volunteers with the University of Missouri. It generally consists of (1) advancement communications, (2) friend raising (alumni relations and other individuals), and (3) development. University Advancement organizes and mobilizes persons who have a direct interest in the University.
3. Advancement programs emanate from the Office of the President so University policies and procedures can be fully implemented. Each campus program will be directed so that maximum understanding, acceptance, and fulfillment of total institutional needs, as well as campus objectives, are achieved.
4. Advancement Council -- There shall be an advancement council consisting of the chief advancement officer of each campus and University Outreach as well as other members appointed by the President.
5. Staff personnel assigned to any subdivision of the University for alumni or constituent relations work, special events, communications or fund raising activities shall be under the management and direction of the campus chief advancement officer, unless otherwise determined by the chancellor.

C. SCOPE OF OPERATIONS -- Programs under the purview of University Advancement primarily use motivated volunteers.

D. ADVANCEMENT COMMUNICATIONS -- A variety of written, electronic and other media will be used to communicate with specific audiences to achieve coordinated, planned goals for advancing the University of Missouri.

E. FRIEND RAISING
1. Alumni Relations
   a. Alumni Programs -- Alumni programs form the basis for many activities of institutional support. They should be driven by the unique qualities of each campus to take advantage of campus strengths in meeting University objectives.
   b. Alumni Associations -- All divisions of each campus are encouraged to maintain alumni organizations specializing in their particular field or area. These divisional alumni organizations shall be chartered by and associated with the campus alumni association.
2. Alliance of Alumni Associations -- An alliance of alumni associations, composed of representatives from each campus alumni association, shall have the following purposes:
   a. To advance the image of the University of Missouri;
   b. To serve, upon request of the Office of the President, as a vehicle for accomplishing programs of mutual benefit to all campuses; and
   c. To provide means for the interchange of ideas among the alumni associations of the University of Missouri.
3. Other Individuals -- The University conducts many educational and service programs involving other than full- and part-time students; it is an integral part of the economic, social and cultural life of all Missourians. For this reason, groups of persons who are not alumni should be involved in University advancement. These citizens are interested and can be mobilized and utilized to assist the total advancement program.

F. DEVELOPMENT
1. All gifts, both individual and corporate, are accepted and managed within the polices of the Board of Curators with complete assurance that requests and wishes of donors are fulfilled.
2. All development programs will be based on the right of an individual to allocate his or her gift for use to any department, division, or campus within the University. Strong, sustaining programs in annual, corporate, planned and special gifts shall be operated under this fundamental principle. Unrestricted gifts shall be managed in the best interests of the University by the President of the University, or his or her designee, under authority granted by the Board of Curators. The University reserves the right to reject any proposed gift.
POSITION DESCRIPTION
Director of Alumni Relations/Executive Director of Alumni Association
Oregon State University

Organization and Function:

This position serves a dual responsibility as Director of Alumni Relations at Oregon State University and as Executive Director of the Oregon State University Alumni Association, an independent not-for-profit corporation formed to assist the University in its service and programming for alumni and former students. As director, this position serves as the chief alumni of officer for Oregon State University and has general institutional responsibility for the organization, management and implementation of the University's comprehensive alumni program. As executive director, this position provides leadership and management of the OSU Alumni Association under the auspices of the Association's Board of Directors.

Responsibilities:

As Director of Alumni Relations:

a. Serves as senior executive in charge of alumni programs. Advises on the development of policy and procedures to build alumni support for the University, and develops programs, projects and initiatives through which alumni can assist the University in achieving stated institutional goals.

b. Provides management oversight for all alumni programs and activities, including those serving all graduates of Oregon State University and the membership of the OSU Alumni Association. Works with campus groups, volunteers and advisory committees in planning and implementing activities of interest to OSU alumni.

c. Provides leadership and management of the Department of Alumni Relations. Establishes unit objectives and work plans; develops and manages annual budget; assigns and evaluates professional staff; recommends employment, salary decisions, and professional development of staff; identifies, trains and recruits key volunteers and organizes volunteer activities; coordinates the management of constituent alumni groups; maintains and administers comprehensive alumni records; serves as publisher of The Oregon Stater alumni magazine; and oversees the management and institutional service to all OSU alumni chapters and clubs, domestic and international.

d. Serves as liaison between the University and the OSU Alumni Association. Works to maintain and improve communication between the University and the Association; directs activities of the OSU Student Alumni Association; works closely with the Office of Development, the OSU Foundation, and the Office of Government Relations to assist in activities which seek to increase private gift and legislative support for Oregon State University.
Auburn University
Assessment of Alumni and Development Organizational
Relationships, Processes, and Structure

e. Represents Oregon State University in external affairs or events involving alumni and friends of the University. Participates as senior staff for special projects/events as directed.

As Executive Director:

a. Manages and directs the efforts of the OSU Alumni Association and its Board of Directors. Assist in the development and implementation of the Association’s goals and objectives; execute policy decisions of the Association; propose and manage annual budget; develops and manages programs to fulfill Association membership goals; identify, recruit and train volunteer leaders; maintain Association records, reports and rosters; manage annual programs and services, including reunions, tours, athletic-related events, merchandising, recognition programs, chapter and club programs, and career-networking; and supervises annual scholarship programs, including fund-raising activities, and the management/operation of the CH2M-Hill Alumni Center.

b. Represent the Association in all interactions with Oregon State University. Serve as spokesperson for the Association in communicating all alumni interests and concerns to the campus community; represent Association in all fiduciary and policy matters associated with Oregon State University; serve as liaison to the Oregon State University Foundation.

c. Prepare and manage all financial transactions of the Association as required by the Bylaws of the Association, and applicable requirements of law and policy. Supervise investment of Association funds; complete all annual tax and business reports and filing; maintain all Association financial and employment records.

d. Manage Association staff. Supervise all personnel actions involving staff employed by the Association.

e. Arrange for scheduling and staffing of all regular meetings of the Association, its Board of Directors, Executive Committee and standing committees, and any other meetings/events directed by the Association.

f. Provide professional development leadership for staff by active and regular participation in the Council for the Advancement and Support of Education and the Council of Alumni Executives.

Minimum experience and qualifications:

Proven leadership, management and administrative experience with a minimum of five years experience in higher education, public affairs, association management, or in a closely related area such as marketing or communications. Undergraduate degree required (Oregon State University degree and graduate degree preferred). Demonstrated knowledge of management principles, budgeting practices and principles, personnel relations. Strong communication skills. Self-motivated and ability to motive others. Demonstrated ability to recruit, train and effectively manage volunteers.
Sample Job Description for VP of Development

Associate Vice President for Development
University of Louisville
Louisville, KY
Date Posted: 7 Mar 2001

The University of Louisville seeks an enthusiastic and results-oriented fundraising professionals interested in an influential senior management position of Associate Vice President for Development. Reporting directly to the Vice President for Development and Alumni, the Associate Vice President will have a strong sense of urgency to reach new milestones, while facilitating the incremental growth of the development office. The Associate Vice President is responsible for the overall leadership and management of the University's development day-to-day operating activities. The successful candidate will:

Manage a staff of 35 and an operating budget over 1.5 million. Communicate with poise and persuasiveness while projecting their ideas and the ideas of others to build collaboration. Develop and maintain a full range of fund raising programs, while possessing a strong aptitude for training and developing the best potential from fundraising professionals. Demonstrate success and passion in fund raising and resource development. Understand the research, teaching, and service mission of a complex public university. Have a focused interest in using technology to advance philanthropy and relations for U of L. A Master's degree and more than 10 years experience. Review of applicants will begin immediately and the position will remain open until filled.
Auburn University
Assessment of Alumni and Development Organizational Relationships, Processes, and Structure

Position: Associate Vice Chancellor and Executive Director of Development
Institution: University of California, Davis
Location: CA

Office of University Relations
UNIVERSITY OF CALIFORNIA, DAVIS
Davis, California

The University of California, Davis invites applications and nominations for the two key positions in the Office of University Relations: Associate Vice Chancellor of Development and Executive Director of Development.

The Davis campus is a member of the Association of American Universities (AAU) and has three colleges (Agricultural and Environmental Sciences, Engineering, Letters and Science); four professional schools (Graduate School of Management, School of Law, School of Medicine and School of Veterinary Medicine); the Division of Biological Sciences; the Division of Education; and a University Medical Center in Sacramento. The Davis campus winter 2001 enrollment is 26,000 students and the annual budget is $1.6 billion.

University Relations serves the academic enterprise of UC Davis through its seven functional units: Advancement Services, Alumni Relations, Development, Government and Community Relations, Public Communications, Resource Management, and University Cultural Programs. There are approximately 150 employees in University Relations and an operating budget of $14 million. The Office of Development operates in a centralized/decentralized mode with a total staff of 70 and an operating budget of $3.6 million. In fiscal year 1999-2000, the campus raised $72.2 million, as compared to $53 million in 1998-1999. UC Davis is positioning itself for its first major comprehensive campaign. To date, the University has had smaller, targeted campaigns in the academic units and for University-wide initiatives.

Associate Vice Chancellor of Development

The Associate Vice Chancellor of Development serves as the chief development officer for the campus as well as the Executive Director of the UC Davis Foundation, providing leadership to the central development office, constituent development programs, and advancement services. The Associate Vice Chancellor will coordinate fund-raising efforts campus wide and will oversee the campus' private support program. The position reports to the Vice Chancellor, University Relations and oversees a staff of 90. TX The ideal candidate will possess the following: a bachelor's degree, a graduate degree is preferred; significant experience leading and directly participating in a successful development program; substantial experience in designing, directing, and participating in a comprehensive campaign at a senior management level in a college, university, or other large, complex organization; the ability to utilize
Executive Director of Development

The Executive Director of Development will be responsible for the day-to-day management of the central development program, including the management of major campaigns, corporate and foundation relations, planned giving, major donor clubs, annual giving programs, stewardship, special events and public ceremonies, prospect research, development communications, and the development programs for Athletics, Cultural Programs, and the General Library. The Executive Director will report directly to the Associate Vice Chancellor of Development and oversee a staff of 36.

The ideal candidate will possess the following: a bachelor's degree, a graduate degree is preferred; significant achievement in the area of major gifts; demonstrated skill in developing sophisticated strategies for planning, implementing, and administering complex gift solicitations; proven skills in managing a complex development program; and outstanding interpersonal and communication skills.

Screening for this position will begin immediately and will continue until an appointment is made. Please submit nominations, letters of interest with resumes, and requests for the comprehensive position specification to the University's consultants:

The University of California, Davis is an equal opportunity/affirmative action employer committed to excellence through diversity, as is EMN/Witt/Kieffer.
Appendix H: Treasurer and Accounting Recommendation

Auburn University
AUF & AAA Treasurer/Controller Support
Proposed 2001

AUF President

<table>
<thead>
<tr>
<th>AUF Treasurer</th>
<th>Interim President William Walker</th>
<th>AAA Treasurer</th>
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<tbody>
<tr>
<td>AUF Controller</td>
<td>Executive Vice President &amp; CFO</td>
<td>AAA Controller</td>
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<td></td>
<td>Director of Treasury Services</td>
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</tr>
<tr>
<td></td>
<td>Same Individual</td>
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<tr>
<td></td>
<td>Same Individual</td>
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<td>Cash Management</td>
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<td>Development Accounting</td>
<td>Alumni Accounting</td>
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### Appendix I: AU Investment Committee Members and AUF Finance Committee Members

<table>
<thead>
<tr>
<th>AU Investment Committee</th>
<th>AUF Finance Committee *</th>
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<tbody>
<tr>
<td>Paul J. Spina – Chair</td>
<td>J. Thomas Walter – Chair</td>
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<tr>
<td>Spina Enterprises, Inc.</td>
<td>Perot Investments</td>
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<tr>
<td>Represents Alabama 6th Congressional District</td>
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<td>John G. Blackwell</td>
<td>Claude I. Carter</td>
</tr>
<tr>
<td>Inkana Properties, L.L.C.</td>
<td>Carter Investment Company</td>
</tr>
<tr>
<td>Represents Alabama 8th Congressional District</td>
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<tr>
<td>Charles G. Glover</td>
<td>Cecil Stanford Harrell</td>
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<td>G &amp; M Rentals</td>
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<td>Represents Alabama 7th Congressional District</td>
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<td>John C. H. Miller, Jr.</td>
<td>Richard F. Mitchell</td>
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<td>Miller, Hamilton, Snider &amp; Odom, L.L.C.</td>
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<td>Represents Alabama 1st Congressional District</td>
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<td>W. James Samford Jr.</td>
<td>B. Phil Richardson</td>
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<td>Samford &amp; DePaola, P.C.</td>
<td>Executive VP, retired, ALFA</td>
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<td>Represents Alabama 3rd Congressional District</td>
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<td>W. Robbins Taylor</td>
<td>Earle C. Williams</td>
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<tr>
<td>Standard-Taylor Industries</td>
<td>CEO, retired, BDM International, Inc.</td>
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* The AUF Finance Committee provides both investment and budgeting oversight for the Auburn University Foundation.
### Purpose of the Endowment Fund

The Auburn University Endowment Fund exists for four major reasons:

1. Generate earnings to enrich Auburn University programs by funding activities that cannot be provided by public appropriations, tuition and fees, contracts and grants, or other income.
2. Provide revenue to fund those projects which have been endowed for specific purposes, i.e., scholarships, student loans, professorships, program enhancements, etc.
3. Provide monies for various capital requirements of University life.
4. Provide funding for such contingencies as the Board of Trustees may consider appropriate.

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### General Investment Principles

Investments shall be made solely in the interest of the purposes of Auburn University.

1. The Fund shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person in a like position would exercise under similar circumstances in a manner the Trustees reasonably believe to be in the best interest of the University.
2. Investment of the Fund shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
3. The Board of Trustees may employ one or more investment managers of varying styles and philosophies to attain the Fund’s objectives.
4. Cash is to be employed productively at all times, by investment in short term cash equivalents to provide safety, liquidity, and return.

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**Investment Objectives**

In order to meet its needs, the investment strategy of the Auburn University Endowment Fund is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income. Specifically, the primary objective in the investment management for Fund assets shall be:

- **Long-Term Growth of Capital** - To emphasize long-term growth of principal while avoiding excessive risk. Short-term volatility will be tolerated inasmuch as it is consistent with the volatility of a comparable market index.
- **Income and Growth** - To achieve a balanced return of current income and modest growth of principal.
- **Rate of Return** - To equal or exceed a return higher than the Endowment & Foundation Index or other benchmarks as determined by the Board of Trustees.

**Spending Objectives**

Decisions affecting management of the endowment pool focus upon three primary goals:

1. To maintain security of the endowment pool portfolio through investment in quality securities and other assets, in accordance with the Board's Investment Policy.
2. To insure a total return necessary to preserve and enhance, in real dollar terms, the principal of the endowment pool.
3. To provide a dependable source of income for funding for current University programs.

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Consistent with the overall investment goals, the following rules for distribution are set forward.

A. The total annual distribution of spendable income to each unit of the endowment pool shall not exceed 6% nor be less than 3% of the average market value of a unit of the endowment investment. The average market value of a unit will be based on the average unit values of the endowment investment pool for the preceding three years. For endowed gifts with less than three years participation in the pool, average market value is based on the average unit values for the number of participating years or quarters, as in the case of gifts with one year or less participation. The target annual distribution rate shall be 4.5% of the average unit market value. The target annual distribution policy shall be reviewed annually by the investment committee with any recommended changes submitted for approval to the Board of Trustees.

B. Total return in excess of the actual distribution and allocations for overhead costs shall be retained in the pool and shall be considered part of the market value for all future distribution computations.

C. Total return is cumulative. If in any given year, total return shall be less than the target annual distribution, the distribution shall still be made so long as sufficient cumulative total return is available from previous years.

D. For distribution purposes, the market value of the endowment shall be based on the average unit values for the preceding three years ended December 31.

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Appendix K: Process Specific Issues and Recommendations

Prospect Identification
Researchers play a key role in prospect identification; they search periodicals for prominent Auburn Alumni and research individuals identified by development officers. Each researcher informally supports a specific group of Development Officers. However, it is not apparent that the expectations of the individual researchers are consistent with the expectations the Development Officers have for these individuals. In general, the researchers are not held accountable for helping the Development Officers reach their annual goal. Finally, the individual researchers are not adequately informed of the specific needs of the collegiate units the Development Officers are supporting; thus they are somewhat limited in how proactive they can be in their research.

To enhance prospect identification, researchers should have set goals that directly link to the goals of the Development Officers they support. These goals should be specific, measurable, and achievable and should be developed through a joint effort between the research staff, Development Officers, and Assistant Vice President for Development.

Prospect Engagement and Solicitation
The activities involved in prospect engagement and solicitation require both experience and training. After speaking with a number of deans and individuals in the Office of Development, it appears that Development Officers have received little formal training upon their hiring and do not have adequate mentoring relationships that facilitate continued growth of expertise to more effectively conduct these activities.

Reporting, regularly scheduled meetings, and administrative processes have been established to facilitate goal setting, monitoring of progress, and benchmarking, however these processes seem to be more of a formality rather than tools for success. For example, upon completing and submitting the required contact reports and other informational submissions to management, Development Officers and their supervisors rarely revisit these documents to determine if the anticipated progress was made or if goals need to be changed. In addition, Development Officers appear to spend a significant amount of time doing administrative work and attending meetings in the office, which decreases the amount of time they can spend on the road meeting with alumni and potential donors.

To increase productivity, the Development Officers and the support staff should be treated more like a sales team. This includes providing extensive new hire training, setting short-term as well as long-term measurable goals, and conducting periodic evaluations with guidance on how to improve performance. To ensure that the Development Officers are not over-involved in completing administrative paperwork, evaluate the level of required support staff as well as the effectiveness of the current reports. For those tasks that are determined to be beneficial, explain the benefits and use of these reports to Development Officers and the support staff.

Solicitation of Alumni Association Members
Involvement of Auburn Alumni in the Auburn Alumni Association (AAA) is a critical precursor to the development process of prospect engagement and solicitation. Thus, it seems appropriate that a primary goal of the AAA should be to increase membership. However, in the current state, it is not clear how this particular goal and the activities to achieve this goal are directly or indirectly tied to prospect engagement and solicitation activities. For example, all AAA marketing, events, planned trips, and new initiatives to target specific categories of Auburn Alumni should in some manner be formally tied to the goals and plans of the Office of Development.

To achieve both alumni and development goals, strategic goals and action plans need to be developed through the coordinated efforts of all groups involved in alumni and development activities (e.g. marketing and program staff, development staff, alumni and development upper management, etc.). These goals should be specific, measurable, achievable, and monitored to determine progress towards goals. To the extent necessary, goals should be periodically reevaluated to reflect changing circumstances and goals.

Receiving and Recording
The process of receiving and recording gifts primarily resides in the Office of Alumni and Development Accounting within the larger Office of Alumni and Development. This unit receives all gifts that are donated to Auburn University, the Auburn University Foundation, the Athletics Department, and the Auburn Alumni Association. Timely recording
and acknowledgement of such gifts is dependent on the efficient and effective processing of these gifts by not only Alumni and Development Accounting personnel, but also personnel within the Office of Treasury Services, the Office of the Bursar, the Office of Information Management Services, the Office of Development, and the impacted collegiate unit. Completeness and timeliness of transaction processing is a frequent concern among these units. For example, periodically Alumni and Development Accounting personnel receive information pertaining to stock gifts, yet they do not receive information pertaining to the name of the individual that donated the stock. To complete the receipt, recording, and recognition processes associated with the gift, Alumni and Development Accounting personnel send out an email asking the Development Officers if they have knowledge of this transaction. Often the development officer must then research the matter by calling recent donors and questioning them about this “mystery stock.” This is a potentially embarrassing situation for both the Development Officer personnel and Auburn University.

In addition, the volume and complexity of gifts continues to grow, presenting new challenges to personnel responsible for receiving, recording, and acknowledging gifts. The required mix and skill set of Alumni and Development Accounting personnel must evolve to reflect these changing demands.

Finally, the question of whether or not the AAA or the AUF should have a separate accounting/financial system from AU’s FRS system has been raised and significant debate ensued. ASCEND, the core alumni and development administrative system, has an add-on accounting/financial module that could be implemented and replace the AAA’s and AUF’s dependency on AU’s FRS system. Other comparable institutions have implemented this solution with considerable success, but it is not perfectly clear in this particular instance. There is a significant amount of follow-up work that must be done to resolve outstanding issues, define user needs, understand the limits of the FRS system, understand the functional capabilities of the ASCEND accounting/financial module, define potential implementation timelines, and identify relevant cost implications.

Increased communication, definition of responsibilities, and redesign of manual, paper-based processes will resolve a significant number of receiving and recording process concerns. A workload analysis should be performed and processes should be evaluated for non-value added tasks as a means to address the increasing volumes of accounting transactions. Finally, a committee should be formed to evaluate options and produce a business case that supports a recommended direction for accounting/financial systems to support alumni and development activities.

Management of Alumni Programs
Alumni programs such as the Auburn Magazine, the Auburn Spirit Card, and the War Eagle Travelers Program, as well as Auburn Clubs, provide a means for alumni to become involved with AU and stay involved with AU. Alumni Affairs staff manage these programs often with the assistance of AAA Board members on the AAA Programming Committee. Our observations revealed a fair amount of confusion often exists about programming decisions and the protocol for making programming decisions. The always-changing AAA Board membership and the natural turnover of Alumni Affairs personnel responsible for managing these programs compound these concerns.

Define the appropriate lines of communication among all involved parties, as well as establish communication protocols that address such issues as authorization to move forward with a project or new program.
Appendix L: Competency-Based Human Resource Management Systems

People represent one of the most important components of an institution’s administrative support infrastructure. AU’s human resources are the key drivers that will enable the successful provision of superior alumni and development services that benefit AU and its related organizations. As AU focuses on the future of alumni and development activity it should ensure personnel demonstrate the appropriate knowledge, skills, and behaviors to meet job responsibilities and possess the appropriate tools to effectively communicate to external constituencies. In an age of new technologies and greater information availability, it will be increasingly important for personnel to have relevant competencies.

Competencies are defined as knowledge, skills, abilities, or other personal characteristics associated with good job performance; competencies such as problem solving, analytical thinking, and leadership have been shown to create a competitive advantage for organizations. Competencies are demonstrated through observable and measurable behaviors and outcomes that focus on how an employee creates value and the results that are achieved. Competencies can be of three general types: organizational, team, and individual competencies.

- Organizational competencies focus on technologies and processes and are closely linked to how the organization achieves its vision.
- Team competencies include problem solving, solution generation, and the ability to review and critique as a team.
- Individual competencies consist of task/performance skills; knowledge; intellectual, physical, and emotional capacity; behavior repertoires; and values.

When defining core competencies within the Office of Alumni and Development’s infrastructure, these three areas should be considered. Additionally, the organization must have a mechanism to manage competencies of each type. Finally, the competencies should support the desired and implemented organizational structures that pertain to alumni and development at Auburn University. All key stakeholders should have significant input into the process of determining desired competencies.

Competency Model Framework

A Competency Model is a meaningful grouping of the defined competencies that benefit the organization, the team, or the individual and drive all to success. Competency Models are not:

- Quick-fixes for skill and leadership deficits;
- Established to avoid face-to-face feedback; and
- Intended to represent a set of detailed job descriptions, a catalogue of technical skills, or a list of baseline or expected skills.

The diagram displays the relationship among competencies and the business processes inherent within human resources management. These human resources processes and programs must be aligned with the desired competencies of the organization. Most of the Office of Alumni and Development’s human resources processes should be redesigned to use a competency model as an integrating framework.
Competencies can form a solid framework on which to build human resources systems/programs and have proven to be effective. As an example, human resources activity tied to a competency-based framework has demonstrated:

- 5-10% improvement in rate of hiring successful candidates;
- 15-20% improvement in retention of desired employees;
- 15-25% improvement in morale as measured in employee surveys;
- 20% improvement in goal attainment by individuals and teams; and
- High predictive validity for sales-oriented professionals hired for targeted competency-profiles.

* Source: Watson Wyatt Study

Competency modeling provides a valuable, ongoing benchmark to assess whether individual or team performance is aligned with the business mission and strategy of the organization. The development and communication of competency models helps employees understand how performance management is linked to development and rewards, and what competencies they have to develop to progress, to meet job objectives, and to increase reward potential.