

FLORIDA ATLANTIC UNIVERSITY  
DIVISION OF INSTITUTIONAL ADVANCEMENT



# FLORIDA ATLANTIC UNIVERSITY

*BOARD OF TRUSTEE MEETING*

*NOVEMBER 15, 2022*

# AGENDA

1. Advancement Division
2. Endowment
3. DO Metrics
4. Alumni Engagement
5. Campaign!

**DIVISION OF INSTITUTIONAL ADVANCEMENT  
AND  
FAU FOUNDATION**

# ADVANCEMENT

FAU's Division of Institutional Advancement is comprised of:

- Development
  - Major gift officers assigned to FAU colleges/units, planned giving, foundation, principal gifts and annual giving
- Operations
  - Stewardship, database administration, gift processing, information technology, reporting, prospect research, campaign
- Communications and Marketing
- Alumni and Community Engagement
- Finance

*The Division has team members on the Boca Raton, Jupiter and Broward campuses, as well as at Harbor Branch Oceanic Institute in Fort Pierce.*

# ADVANCEMENT STAFFING

<b>Unit</b>	<b>Current</b>	<b>In-Process</b>	<b>TOTAL</b>
Finance	6	2	<b>8</b>
Advancement Operations	14	4	<b>18</b>
Advancement Communications	2	2	<b>4</b>
Alumni and Community Engagement	4	2	<b>6</b>
<b>Development</b>			
Unit Based	16	5	<b>21</b>
Annual Giving	1	2	<b>3</b>
Central	7	0	<b>7</b>
Support	4	1	<b>5</b>
<b>TOTAL</b>	<b>54</b>	<b>18</b>	<b>72</b>

## FAU FOUNDATION

As a University DSO, the Foundation is organized and operated exclusively to receive, hold, invest, and administer private support, and make expenditures to or for the benefit of Florida Atlantic University.

*The mission of the Foundation is to encourage, promote, and provide funds and other resources for the benefit of the University in furtherance of its missions and purposes, and to secure the application of these funds in the best manner adapted to the needs of the University.*

The Foundation manages an endowment fund of approximately \$260 million and approximately \$330 million in total assets. It is responsible for accounting, budgeting, financial analysis, investment programs, coordination of annual tax reporting and audit.

The FAU Foundation Board of Directors is comprised of 20+ volunteer leaders who oversee the FAU Foundation. The Board of Directors is lead by a Chairmen and six-member Executive Committee.

## FLORIDA ATLANTIC UNIVERSITY FOUNDATION - FY22 TOTAL ASSETS

**Total assets as of June 30, 2022: \$332,321,012**

- Endowment: \$256.1MM
- Intermediate Pool: \$5.3MM
- Non-Endowed Israel Bonds: \$1.5MM
- SPIA and CD: \$69.5MM

### Portfolio Strategic Allocation

- 50% in equity
- 30% in private equity
- 14% in fixed income
- 6% in real estate and commodities

## FY22 ENDOWMENT RETURN

JP Morgan became the Outsourced Chief Investment Office (OCIO) beginning in Q2 2022.

### Endowment Pool

- Portfolio returned -8.93% in Q2, protecting against the portfolio benchmark of -10.23% over the same time period.
- The portfolio benchmark represents the long-term strategic allocation in the investment policy statement.
- Two recent changes to the allocation include a reduction to hedge funds and increase to private investments.
- Allocation to alternative investments is attributable to the outperformance over the industry standard balanced portfolio of 70% stocks and 30% bonds across Q2 2022 and FYTD. The endowment returned -9.96% (net of fees) in FY 2022.

### Intermediate Pool

- Target allocation of 40% equity and 60% fixed income.
- Returned -8.68% (net of fees) during Q2 2022, protecting against the portfolio benchmark of -10.62% over the same time period.

## FLORIDA ATLANTIC UNIVERSITY ENDOWMENT

Endowment spending rate: 3.9%

*The purpose is to generate a permanent expendable income stream from the return on the gift for the purpose the donor desires.*

## FLORIDA ATLANTIC UNIVERSITY ENDOWMENT

Endowment management rate: 2.75%

*It is standard and acceptable practice for endowments (public universities, private universities, community foundation, etc.) to charge a management fee to provide annual financial assistance to the organization.*



# FAU FOUNDATION PROPOSED OPERATION BUDGET FY23

## Florida Atlantic University Foundation, Inc. Proposed Operating Budget FY23

<i>Source of Funds from Foundation:</i>	<u>2023 Proposed Budget</u>
Endowment Management Distribution	6,830,171
Interest on expendable funds	653,380
Gift and non-gift fees and other income	242,403
Transfers in from unrestricted cash	-
<b>Total Source of Foundation Funds</b>	<b><u>7,725,955</u></b>
 <i>Projected Use of Foundation Funds:</i>	
Salaries and Benefits - FAU Advancement Staff	1,500,000
Operating Expenses	2,506,835
Government Relations and University Leadership Support	1,119,121
Scholarships	2,600,000
<b>Total Use of Foundation Funds</b>	<b><u>7,725,955</u></b>
<b>Net Income</b>	<b><u>-</u></b>

# SUS COMPARISON FOUNDATION FEES

	Current **				Proposed			
	EMF *	Gift fee	Total	Ranking	EMF *	Gift fee	Total	Ranking
FAMU	1.50%	2.30%	3.80%	5	1.50%	2.30%	3.80%	4
<b>FAU</b>	<b>1.70%</b>	<b>3.70%</b>	<b>5.40%</b>	<b>4</b>	<b>2.75%</b>	<b>0.00%</b>	<b>2.75%</b>	<b>6</b>
FGCU	1.50%	6.40%	7.90%	1	1.50%	6.40%	7.90%	1
FIU	2.00%	1.30%	3.30%	6	2.00%	1.30%	3.30%	5
FSU	1.50%	0.00%	1.50%	11	1.50%	0.00%	1.50%	11
NC	2.30%	0.00%	2.30%	7	2.30%	0.00%	2.30%	7
UCF	2.30%	0.00%	2.30%	8	2.30%	0.00%	2.30%	8
UF	1.35%	5.60%	6.95%	2	1.35%	5.60%	6.95%	2
UNF	1.60%	0.00%	1.60%	10	1.60%	0.00%	1.60%	10
USF	1.95%	0.00%	1.95%	9	1.95%	0.00%	1.95%	9
UWF	3.00%	2.70%	5.70%	3	3.00%	2.70%	5.70%	3

\* EMF - Endowment Management Fee

\*\* Survey as of March 2021

# **DEVELOPMENT OFFICER UPDATES**



# DEVELOPMENT OFFICER EXPECTATIONS AND GOALS FY23

Title	\$ Goal	Portfolio of Qualified Prospects	Major Gift Asks (\$100K+)	Major Gift Closes (\$100K+)	Minimum Personally Scheduled Meetings	Minimum Newly Qualified Major Gifts Prospects	Minimum \$100K+ Endowment Gifts	Minimum Estate Gift Closes
AVP	\$5M to \$6M	30-50	8-10	4-5	80	3	2	1
Sr. DO	\$3M to \$5M	50-70	10-12	5-6	100	5	2	1
DO	\$1M to \$3M	70-90	10-15	6-8	120	8	2	1
ADO	\$500K to \$1M	80-100	5-10	4-8	120	10	1	1

# COLLEGE GOALS

## FY23

Category	FY23 Fundraising Goal	FY23 Fundraising Activity as of 10/28/2022*	Progress Toward Goal
Alumni	\$250,000.00	\$107,015.97	42.81%
Dorothy F. Schmidt College of Arts & Letters	\$5,000,000.00	\$1,207,400.66	24.15%
Athletics	\$7,500,000.00	\$749,622.14	9.99%
College of Business	\$1,500,000.00	\$88,078.22	5.87%
Harriet L. Wilkes Honors College	\$1,300,000.00	\$148,923.23	11.46%
Charles E. Schmidt College of Medicine	\$5,000,000.00	\$296,174.16	5.92%
College of Social Work & Criminal Justice	\$400,000.00	\$5,808.00	1.45%
College of Education	\$750,000.00	\$436,427.79	58.19%
College of Engineering & Computer Science	\$1,500,000.00	\$495,484.70	33.03%
AD Henderson and FAU High School	\$3,000,000.00	\$76,021.42	2.53%
Harbor Branch	\$15,000,000.00	\$6,402,819.00	42.69%
S.E. Wimberly Library	\$300,000.00	\$20,568.96	6.86%
Christine E. Lynn College of Nursing	\$7,500,000.00	\$673,167.81	8.98%
Osher Lifelong Learning	\$500,000.00	\$42,430.00	8.49%
Charles E. Schmidt College of Science	\$1,000,000.00	\$811,007.59	81.10%
Division of Student Affairs	\$250,000.00	\$339,039.39	135.62%
Student Financial Aid	\$7,000,000.00	\$4,198,533.17	59.98%
Division of Research	\$1,000,000.00	\$367,798.54	36.78%
University Miscellaneous	\$1,250,000.00	\$206,409.51	16.51%
<b>Total</b>	<b>\$60,000,000.00</b>	<b>\$16,672,730.26</b>	<b>27.79%</b>

\*Fundraising activity=cash, pledges, estate gifts, gifts-in-kind, etc.

# DEVELOPMENT OFFICER GOALS

## FY23

College/Unit	Title	Proposed Amount to Raise in FY23	Proposed Major Gift Asks (\$100K+) in FY23	Proposed Major Gifts to Close (\$100K+) in FY23	Proposed Meetings
<b>A.D. Henderson &amp; FAU High School</b>					
	DO	\$3,000,000	20	10	120
<b>Dorothy F. Schmidt College of Arts &amp; Letters</b>					
	Sr. DO	\$4,000,000	12	6	100
	ADO	\$600,000	3	2	50
<b>Athletics</b>					
	DO	\$2,250,000	20	10	150
	DO	\$1,250,000	5	3	200
	ADO	\$500,000	3	2	250
<b>Central</b>					
	DO	\$1,700,000	17	10	120
	DO	\$10,000,000	10	10	80
	DO	\$3,500,000	5	7	120
	DO	\$1,500,000	15	7	120
<b>College of Engineering &amp; Computer Science</b>					
	DO	\$3,000,000	5	7	20
<b>Charles E. Schmidt College of Medicine</b>					
	AVP	\$5,000,000	10	5	80
<b>Charles E. Schmidt College of Science</b>					
	DO	\$1,000,000	15	7	120
<b>Harbor Branch</b>					
	Sr. DO	\$10,000,000	15	7	120

**ALUMNI  
AND  
COMMUNITY ENGAGEMENT**

# ALUMNI AND COMMUNITY ENGAGEMENT

## Fall 2022 Progress

- Growth
- Consistent and Meaningful Engagement
- Alumni Participation Rate

# **FLORIDA ATLANTIC UNIVERSITY'S COMPREHENSIVE CAMPAIGN**

# CAMPAIGN OVERVIEW

A comprehensive, university-wide fundraising campaign is an *organized effort to raise significant philanthropic support for the university's highest, most strategic priorities* over a period of time by identifying and soliciting prospects in a planned, systematic manner.

## Outcomes

- Increase awareness of and for Florida Atlantic University
- Raise significant philanthropic support for Florida Atlantic University
- Increase alumni giving

## PUBLIC LAUNCH EVENT

Celebrate past achievements and embrace the bold vision that shapes our future

*December 6, 2022 at 6 p.m.  
Florida Atlantic University  
Boca Raton Campus*

## STUDENT SUPPORT / SCHOLARSHIPS

*Keeping education accessible and affordable* for every student is vital to the future. Florida Atlantic excels at delivering higher education to underserved and underrepresented communities.

- Today, Florida Atlantic is one of the nation's most diverse public universities with 55% of its students coming from under-represented minority groups.
- One-third of the students admitted annually to Florida Atlantic are classified as first generation in their families to attend college.
- More than 40 percent of our students are low income, Pell Grant eligible.

## FAU HEALTH NETWORK

The FAU Health Network is focused on *servicing the healthcare needs of the 3.2 million people living in Broward, Palm Beach and Martin counties through education and research integration* between the region's leading public and private academic and medical leaders. By expanding health-related education, training and research, FAU will drive the next wave of advances in medicine. These collaborative academic endeavors allow for the innovative solutions necessary to optimize patient care.

## ENVIRONMENT

From the Atlantic Ocean to the Florida Everglades, mammals to microorganisms, Florida Atlantic faculty and students are *driving discoveries that improve quality of life*. For Floridians, water is one of our greatest assets, and one of our biggest challenges. Our part of the world is considered ground zero for top global issues facing the natural environment.

- Discovering and Safeguarding Potential Cures
- Exploring the Ocean and Defending our Coastlines
- Understanding and protecting our Fragile Ecosystems
- Educating the Next Generation

## CAMPAIGN GOALS

Goal: Raise **\$600M** in private support from all sources through a comprehensive university-wide campaign involving all FAU's internal and external constituencies

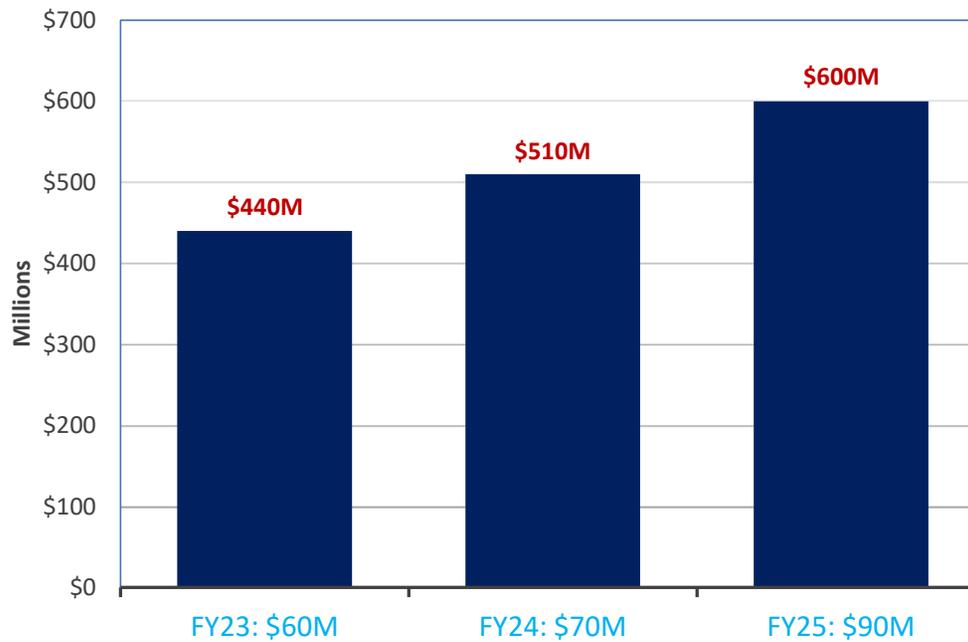
Benefit: Provide additional financial support of Florida Atlantic University and its students, faculty and staff and help raise awareness for Florida Atlantic University.

# CAMPAIGN GOAL

**\$379,289,707**  
RAISED

FY15 – FY22  
ACTUAL

As of 10.31.2022, we have  
reached approximately  
65% of this goal.



**\$600,000,000**

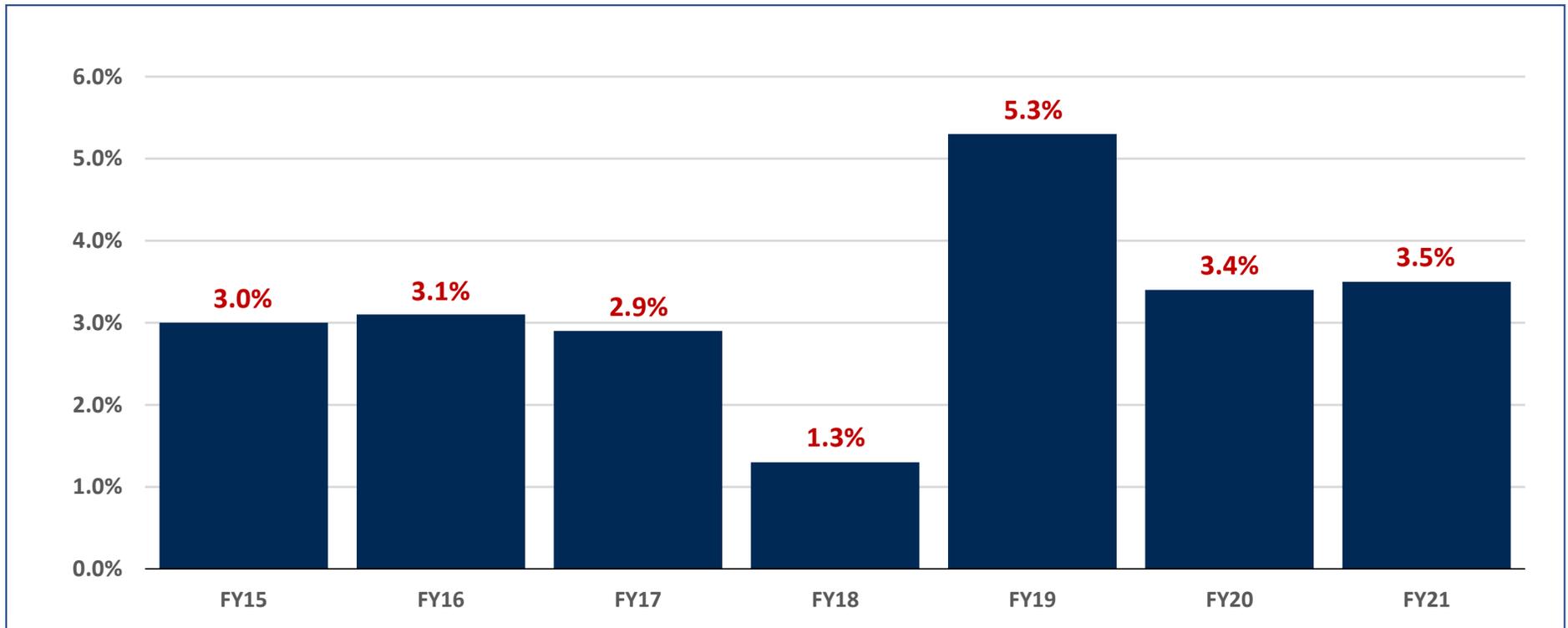
CAMPAIGN  
TOTAL

## CAMPAIGN GOALS

**Goal:** Increase alumni giving rate from 3.0% to 5.0% by 2025, representing a 66% total increase

**Benefit:** Create a culture of philanthropy and enhance FAU's *U.S. News and World Report Rankings*

# U.S. News & World Report ALUMNI GIVING RATES\* FY15 – FY21



\* 2-Year Rolling Average

FY18 and FY19 represent a data reporting issue

**Thank You!**