

# UNIVERSITY OF HAWAI‘I SYSTEM ANNUAL REPORT



REPORT TO THE 2022 LEGISLATURE

Annual Report on  
University of Hawai'i Tuition and Fees Special Fund Expenditures for the  
Purpose of Generating Private Donations

HRS 304A-2153

December 2021

# Report to the 2022 Legislature on University of Hawai'i Tuition and Fees Special Fund Expenditures for the Purpose of Generating Private Donations

## Fiscal Year 2021

Hawaii Revised Statutes Section 304A-2153 provides that the University of Hawai'i Board of Regents, "...may authorize expenditures of up to \$3,000,000 annually, excluding in-kind services, from this fund [*University of Hawai'i tuition and fees special fund*] for the purposes of promoting alumni relations and generating private donations for deposit into the University of Hawai'i Foundation for the purposes of the University."

In September 2010, the University of Hawai'i Foundation and the University of Hawai'i entered into a revised Agreement for Services to provide private fundraising and alumni relations services for the University. To provide this support, the University of Hawai'i pays the University of Hawai'i Foundation \$3,000,000 per year.

The statute requires a report "detailing the use of any funds authorized by the board under this subsection..." The following page summarizes the information provided in this report.

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Fundraising Activity  
(000)  
Attachment 1

<b><u>By Source</u></b>	<b>FY2020</b>	<b>FY2021</b>
Individuals	\$45,582	\$47,800
Corporations	\$16,467	\$23,288
Foundations	\$19,743	\$24,272
Other (Groups/Consortia; Clubs/Associations; Affiliated Organizations)	\$2,920	\$4,876
<b>Total</b>	<b>\$84,712</b>	<b>\$100,236</b>

<b><u>By Type</u></b>	<b>FY2020</b>	<b>FY2021</b>
Gifts and Pledges	\$44,144	\$69,608
Deferred Gifts	\$22,276	\$21,104
Gifts in Kind	\$669	\$819
Grants to UH	\$17,655	\$8,705
<b>Total</b>	<b>\$84,714</b>	<b>\$100,236</b>

<b><u>By Category</u></b>	<b>FY2020</b>	<b>FY2021</b>
Endowment	\$15,676	\$20,803
Expendable	\$36,198	\$49,452
Bequest Intentions	\$14,516	\$20,457
Gifts in Kind	\$669	\$819
Grants to UH	\$17,655	\$8,705
<b>Total</b>	<b>\$84,714</b>	<b>\$100,236</b>

<b><u>By Purpose</u></b>	<b>FY2020</b>	<b>FY2021</b>
Faculty and Academic Support	\$24,276	\$26,217
Student Opportunity and Access	\$24,452	\$32,280
Research	\$20,906	\$16,051
Other - Bldg., Public Svc., Special Projects	\$15,080	\$25,688
<b>Total</b>	<b>\$84,714</b>	<b>\$100,236</b>

Financial Summary of the Operating Activities of the Foundation  
Attachment 2  
Fiscal Year 2021

<b>REVENUES:</b>	<b>Results</b>
Unrestricted gifts	\$857,298
Income from expendable accounts	\$830,250
Income from endowment accounts	\$4,391,218
Service fee on gifts and non-gifts	\$2,455,970
Alumni Relations revenue	\$0
UH contract for services	\$3,082,376
Other payments for services from UH	\$382,656
<b>Total Revenues</b>	<b>\$11,999,768</b>

<b>EXPENSES:</b>	<b>Results</b>
<u>Development</u>	
Personnel	\$5,816,956
Program	\$1,412,735
Campaign	\$0
<u>Alumni Relations</u>	
Personnel	\$455,699
Program	\$75,810
<u>Service &amp; Support</u>	
Personnel	2,885,183
Program	463,243
Office Rent	\$538,117
UH Support Fund	\$150,000
Atherton	\$0
<b>Total Expenses</b>	<b>\$11,787,743</b>

<b>Net Revenue Over Expenses</b>	<b>\$212,025</b>
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# Departments Supported by the Moneys from the Fund

## Attachment 3

- Development
  - Major Gifts - Unit Development Officers
  - Annual Giving – Calling Center/Direct Mail
  - Scholarship Development
  - Corporate and Foundation Relations
  - Estate and Gift Planning
  - Development Research
- Communications
- Donor Relations
- Special Events
- Alumni Relations

# **Purpose and Activities of Each Department and how They Participate in Fundraising Activities**

## **Attachment 4**

### **Development**

Development is the unit under which all departments work together to ensure compelling philanthropic opportunities exist.

Development is comprised of the following individual departments: Annual Giving, Estate and Gift Planning, Prospect Research & Relationship Management, Communications and Donor Relations, Corporate and Foundation Relations, and Major Gift Unit Development Officers. Development supports the Foundation's fundraising efforts through the following activities:

- Coordinate with institutional leadership to develop relationships system-wide with alumni, donors, and other constituents to ensure consistent, meaningful, and strategic interactions.
- Establish and implement standards for the development process based on national best practices.
- Coordinate and provide continuous training for development staff and academic leadership on campaign development; identify cultivation and solicitation roles and responsibilities.
- Ensure prospects are appropriately managed, especially those who have interests in multiple departments, schools, or campuses and in instances when there is no unit development staff assigned.
- Facilitate the identification of a lead 'prospect manager,' a solicitation or stewardship strategy, and the steps taken towards a solicitation.
- Work with the UH System President to implement key elements of prioritized university-wide initiatives and update the President's portfolio of prospective donors.
- Hold monthly Advancement Team meetings to discuss new projects, strategies, events, and deadlines; share successes and lessons learned.

- Hold monthly (or as needed) meetings with each Development Officer to review prospect strategies, next steps, resources needed, key relationships, etc.
- Ensure that each Development Officer is working to meet mutually agreed upon performance and fundraising goals.

### **Major Gifts – Development Officers**

The Development Officers are housed at several campuses and in college units across the system. They are responsible for effectively managing relationships with individual donors and prospective donors across the UH system to achieve the philanthropic goals of both UH and the donor.

Unit Development Officers work in close coordination with Chancellors, Deans and Directors to:

- Identify, cultivate and solicit individuals (alumni, friends, parents, community leaders and others) who have the capacity to make gifts of at least \$25,000 annually.
- Engage and provide training to volunteers.
- Steward current donors to ensure that UH remains among their top charities.
- Educate and involve faculty, staff and academic leadership in the fundraising process.
- Coordinate with other colleges, campuses or programs when appropriate.
- Ensure that donors are appropriately recognized.

### **Annual Giving – Calling Center/Direct Mail**

The Annual Giving team works to raise funds in support of the university and it's priorities through direct mail, on-line, email and student call center appeals and campaigns.

The department works closely with UH chancellors, deans, directors, and UHF unit development officers to raise funds via the call center, annual fall appeals, ad hoc appeals, and crowdfunding campaigns.

Funds raised through these annual giving appeals and campaigns are the life-blood of the university, providing essential support for research, scholarship, athletics, and educational and entrepreneurial programs.



The important work of the annual giving team, goes beyond the current year funds raised from alumni, parents, friends, faculty and staff. Their outreach and engagement efforts create an important pipeline of donors for the university, ensuring long term support and creating consistent giving habits among future major gift donors.

The annual giving department aspires to continuously grow giving and donor participation through innovative engagement of our current and prospective donor community. In order to support the various units and campuses of UH in this effort, the annual giving team provides support through the following solicitation methods.

### I. Direct Mail

The annual giving team manages all aspects of direct-mail appeals system-wide.

- Coordinate all logistical aspects of direct-mail solicitations, including:
  - Obtaining and ensuring accuracy of data files for mailing.
  - Printing of letterhead, envelopes and brochures as needed.
  - Coordinating first-class and third-class (bulk) mailings.
  - Tracking and reporting of revenue and expenses from mailings.
- Assist each unit with strategy and message for each direct-mail solicitation tailored for that unit.
- Assist each unit with collateral, assets and or other support materials for direct-mail solicitations.
- Provide strategic support for specialized appeals/mailings (such multi-channel campaigns for a specific project, demographic or fund).

### II. Student Call Center

Annual Giving operates a year-round calling center staffed by paid and well-trained UH undergraduate and graduate students.

- The student call center reaches out to alumni, parents and friends of the university to engage with them and ask them to make a gift to an area that is meaningful to them.

Annual Giving works closely with each unit to craft “talking points” to be used in calling scripts. Chancellors, deans and directors are invited to meet with the student fundraisers and speak about their unit in conjunction with a calling campaign for that unit. Student fundraisers often have specific questions for unit representatives that provide callers with additional talking points.

- Student fundraisers record feedback and questions from each unit's alumni and friends – this information is forwarded to the unit for action or information.
- For many alumni, this is the only personal interaction with UH they have so the experience and the interaction with the student fundraisers is invaluable.
- The student call center is one of the university's key ways to engage and connect with "non-donors" (alumni who have not yet made their first gift).
- Texting has been added to the student call center outreach toolkit. This tool is being used to reach out to donors to confirm call center pledges, to solicit gifts for specific campaigns and challenges, and thank donors for their gifts.

### III. On-Line Giving

Online giving is growing globally. In order to better take advantage of this method of giving, the annual giving team has taken advantage of some new technologies.

- Each piece of communication or email has a unique code or custom URL in order to make giving online easier and more accurately tracked.
- On-line giving is promoted as a giving option through all channels, including pledge reminders, direct mail, emails, crowdfunding platforms and social media.
- UH units are encouraged to promote giving on their unique websites with a prominent link to the UHF on-line giving form. This helps to make the transaction seamless and simple.

### IV. Matching Gifts

Many corporations will match gifts made by their employees to UH. UHF Annual Giving seeks to enhance this source of revenue.

- The student call center fundraisers are trained to ask donors about matching gift opportunities with their employer and assist them with related questions.
- A matching gift reminder will be sent in December to encourage donors who work for a matching gift company, but who have not submitted their employer's matching gift form, to submit their form.

- UHF giving forms include an option to identify if you work for company that makes matching gifts.

#### V. Crowdfunding

The annual giving team is able to strategically target and engage prospective donors through its crowdfunding work.

- The student call center fundraisers are trained to ask donors about matching gift opportunities with their employer and assist them with related questions.
- A matching gift reminder will be sent in December to encourage donors who work for a matching gift company, but who have not submitted their employer's matching gift form, to submit their form.
- UHF giving forms include an option to identify if you work for company that makes matching gifts.

#### **Scholarship Development**

The Scholarship Development department raises funds from individuals, corporations and private foundations to support student aid, which includes scholarships, fellowships, cash awards, and stipends that directly benefit students. We are guided by the student aid priorities identified by UH System leadership, as well as chancellors and deans across the 10 UH campuses. The work of this department is to:

- Identify, build relationships with, and steward donors.
- Share information about UH's student aid priorities and student need with donors and external stakeholders.
- Write and review proposals and budgets for student aid funding.
- Work collaboratively with unit-based development officers to engage donors with have specific interests.

#### **Corporate and Foundation Relations**

The Office of Corporate & Foundation Relations raises funds from corporations and private foundations for faculty research, academic excellence, and community outreach. We are guided by the academic priorities identified by academic leadership of the UH System and its ten campuses. Activities that support the University of Hawai'i:

- Work with faculty and academic leaders to develop funding opportunities and support the proposal development process.

- Assist in identifying potential funders.
- Build relationships with funders and serving as a point of contact.
- Develop stewardship plans to encourage continued philanthropic partnership with the funder.

### **Office of Estate and Gift Planning**

The Estate and Gift Planning team assists prospective and current donors in making deferred and outright gifts, and assists development officers with prospects and donors interested in expanding their philanthropy through charitable gift planning. Donor stewardship:

- Meet personally with individuals and professional advisors to explain opportunities in which they have an interest; assisting individuals to assess their giving options, including outright gifts, bequests, charitable gift annuities, charitable remainder trusts, charitable lead trusts, gifts of qualified retirement plan assets or life insurance, and gifts of personal residence or vacation home with retained life estate.
- Provide benefit illustrations of specific gift plans.
- Publish newsletters and providing presentations for donors, prospects, and advisors; assisting development officers with market gift planning opportunities in University of Hawai'i publications and offering unit-based seminars on gift planning.
- Manage the Heritage Society, a donor club that honors and recognizes donors who have informed the Foundation that they have named the University of Hawai'i Foundation in their estate plan.

### **Development Research**

Development Research provides accurate, timely, and relevant information essential to the success of the Foundation's fundraising goals. The services of Development Research are available to UH officials and Unit Development Officers.

Applying a unique set of skills and resources, the staff of Development Research gathers, interprets, analyzes, disseminates, and manages prospect data critical to securing grants and contributions, offering support at each stage of the development process. Services include:

- Research and prepare briefing bios for cultivation, solicitation or stewardship visits and contacts.

- Research and prepare prospect giving reports summarizing giving history, philanthropic interests and activities, private foundation details, and board affiliations.
- Research and prepare reports on wealth indicators through public sources, including real estate properties, insider stockholding data, and private foundations.
- Prepare brief bios on guests attending strategic cultivation, and stewardship, friend-building and/or fundraising special events.
- Prepare summary report on multi-interest or system-wide prospects to facilitate strategic planning of next steps, detailing historical and current UH contacts, connections, and other key information.
- Prepare various prospect lists segmenting specific demographic or target groups, including unit or theme-focused prospect lists and regional prospect lists for advancement trip planning.
- Identify new prospects through electronic database screening, list segmentation and other strategies.
- Review, evaluate and rate prospects and assign preliminary capacity ratings.
- Add new prospects to an electronic prospect pool, distributing names to appropriate development officers.
- Manage and maintain an electronic Prospect Management System and facilitate the assignment of prospects to Unit Development Officers.
- Track and record data on alumni, donor or prospect interests, community and UH affiliations, gifts to other organizations, and board directorships.
- Maintain inventory of participation (invitation and attendance) in strategic alumni, donor or prospect cultivation and stewardship events.
- Respond to queries on prospects and other fund-raising-related issues and requests for prospect research from development officers.

- Track current news, reviewing local, national and international on-line and print materials, for UH related issues and alumni, donor and prospect information.
- Provide daily alerts on UH related news to Unit Development Officers and others and timely prospect alerts to appropriate fundraisers.
- Provide resource library for use by Unit Development Officers.
- Provide overview of the services available through the Development Research to new Unit Development Officers and assist in development services training as needed.
- Deliver meaningful service and products based on best available information by keeping up-to-date on current fund-raising trends and philosophy and by using the latest prospect research techniques, strategies and trends.

### **Communications**

Communications develops and implements comprehensive communication strategies that highlight the impact private giving has on the University of Hawai'i and its students, build affinity and pride in UH, and inspire philanthropic support.

- Donor recognition, strategic messaging, and gift impact stories are delivered via the UHF website, the *UH Magazine* - a UH Alumni magazine (print and electronic), a targeted donor and friends quarterly digital and print newsletter *Kupono*, the UHF Annual Report, annual endowment report, media relations, and social networking.
- UH students, research and programs, and the impact of private support are also showcased through video.
- Strategic marketing initiatives reinforce the importance of private investment in UH for donors, for the university and its students, and for Hawai'i's future.

### **Donor Relations**

The Donor Relations Office is committed to providing high-level donor engagement and donor-centered recognition of charitable gifts made in support of the University of Hawai'i's students and programs. The team plays a critical role in the lifecycle of major gift donors, ensuring that through their giving, they are engaged and invested for a lifetime.

## I. DONOR STEWARDSHIP

Stewardship serves as the foundation for building lasting relationships between donors and the University of Hawai'i and University of Hawai'i Foundation. Donors trust that the University and Foundation will recognize and manage their charitable gifts in a fiscally responsible and timely manner:

- Manage timely and appropriate written acknowledgment of charitable gifts for our most generous donors.
- Collaborate with communications and fiscal teams to provide an annual report on the overall investment pool and individual endowed funds.
- In conjunction with development officers/units/communications, develop personalized stewardship for our most generous donors, providing them with a critical sense of impact and investment through their giving.
- Provide templates, guidelines and guidance for development officers and units for donor stewardship needs.

## II. DONOR RELATIONS

Strategic and thoughtful donor relations serve to more deeply engage the Foundation's and University's most generous donors and demonstrates their importance in the fulfillment of the mission and advancement of the University of Hawai'i. Through strategic activities and communications, donors become philanthropic partners, personally invested in the priorities and progress of an institution:

- Be a source of support for our donors as they navigate and engage with the UH and UH Foundation systems.
- In conjunction with development officers/units/communications, develop personalized engagement plans for our most generous donors, cultivating a deep level of engagement with the university and foundation.
- Provide guidelines, support and/or guidance for development officers and units in their donor engagement efforts.
- Support the recognition and engagement of UHF's most generous donors through the use of donor societies.

## **Special Events**

The Special Events Office plans and implements events hosted by the University of Hawai'i Foundation. Functions include donor engagement and/or recognition ceremonies, receptions and dinners; Office of Estate and Gift Planning seminars and events; campaign roll-outs, kick-offs and other events as directed by the President of the Foundation. In addition, our special events staff may lend their support to other Foundation or University of Hawai'i Units in the strategic planning, budgeting, negotiating, organizing, and coordinating of events which benefit the Foundation and the University of Hawai'i campuses and system. Special Events works to:

- Offer unique experiences to recognize the Foundation's largest donors, highlighting the University of Hawai'i's programs and accomplishments.
- Showcase the positive impacts of philanthropic gifts to the University.
- Host presentations to encourage donors to consider making planned gifts in their estates.
- Work with Donor Relations and Development Operations departments to handle logistics for gatherings that honor specific donors.
- Coordinate gatherings of donors and prospects are coordinated in conjunction with the University of Hawai'i and Foundation Presidents' travel.
- Support unit-based events in which both the University of Hawai'i and Foundation are involved, and functions held at College Hill.
- Provide support or guidance to Development Officers (or with the unit directly) as needed to: create budgets, support logistics, manage lists and reservations, process invitations, and offer additional resources.

## **Alumni Relations**

In partnership with the University of Hawai'i and the UH Alumni Association, the Alumni Relations team works to cultivate meaningful relationships with alumni, provide opportunities for alumni to stay connected to the university and deliver value to alumni through alumni events, programs, and resources. Through these strategic alumni



engagement activities, alumni build a stronger connection to their alma mater and feel invested in the future of the university.

## I. ALUMNI EVENTS

The Alumni Relations team plans and executes several alumni events throughout the year. Events include student outreach events, athletics events, regional events and continuing education events. In addition, the Alumni Relations team may also lend support to University of Hawai'i Units in their alumni event-planning efforts. Alumni events include:

- Student Outreach Events provide alumni with the opportunity to assist in UH Mānoa recruitment efforts
- Athletics Events provide a space for alumni to connect with fellow alumni and fans, enjoy an exclusive game-day experience and build their UH pride
- Regional Events provide alumni with the opportunity to connect with fellow UH alumni and friends living in their area and to keep up-to-date on the latest UH news
- Continuing Education events take alumni behind-the scenes with local academic, business and university leaders for immersive, hands-on experiences.

## II. ALUMNI PROGRAMS

By partnering closely with University of Hawai'i leadership and various university departments, the Alumni Relations team offers several alumni programs that align with university priorities and allow alumni to participate in activities that help to fulfil the mission and advancement of the university. Alumni programs include:

- Ānuenu Connection Program: Provides alumni the opportunity to serve as a mentor to an incoming UH Mānoa student. This program aims to address the 35% drop out rate of first year students
- Professor for a Day Program: Gives alumni the opportunity to come back to campus to share their professional experiences and expertise with students.
- Alumni Recruitment Club: Goes hand in hand with Student Outreach Events, providing alumni with opportunities to participate in UH Mānoa recruitment efforts
- Homestay Aloha Program: Seeks to recruit UH alumni to serve as homestay hosts for UH health sciences students that are training

away from home. This program aims to address the shortage of Hawai'i healthcare providers and to support the UH health sciences programs that are working to meet needs.

- Alumni Advocacy Program: Provides alumni with the opportunity to learn more about university priorities through legislative advocacy.

### III. ALUMNI RESOURCES

Alumni resources are designed with the goal of supporting alumni throughout their professional lives. Resources include:

- UH Connect: An online community exclusively for University of Hawai'i alumni, students, faculty, staff and parents. The platform provides a space where users can connect, build their professional networks and engage in meaningful discussions
- Alumni Jobs Board: An online jobs board where employers can post job opportunities and job seekers can browse postings.

Expenditures of the Funds Authorized by the Board for Each  
Department by Primary Expense Category

Attachment 5  
Fiscal Year 2021

<b>Fund Sources for Payroll Expenses</b>	<b>Revenue and Expenditures</b>
From University - Service Agreement	\$3,000,000
From Other Sources	\$2,686,897
<b>Total Sources for Payroll Expenses</b>	<b>\$5,686,897</b>

<b>Funds Expended for Payroll Expenses</b>	<b>Revenue and Expenditures</b>
Major Gifts - Unit Development Officers	\$2,276,683
Development Operations	\$526,839
Annual Giving - Calling Ctr/Direct Mail	\$205,680
Scholarship Development	\$314,969
Foundation & Corporate Relations	\$510,865
Estate and Gift Planning	\$450,973
Development Research	\$277,580
Donor Relations & Special Events	\$708,905
Alumni Relations	\$445,699
<b>Total Funds Expended for Payroll Expenses</b>	<b>\$5,686,897</b>

**Unit Development Officers Support the Following Units**

Arts & Sciences	CTAHR	UH Hilo
Astronomy	SHAPS	UH West Oahu
Architecture	Education	Kapiolani CC
Athletics	Libraries	Kauai CC
CBA	Social & Health Services	Leeward CC
Law	CRCH	Maui College
Engineering	JABSOM	Windward CC

# Moneys from the Fund Transferred to Any Fund of the University

## Attachment 6

No moneys from this fund were transferred to any fund of the university.

Amounts and Purpose of All Expenditures  
from the UH Support Fund  
Attachment 7  
Fiscal Year 2021

<b>Purpose:</b>	<b>UH Support Fund</b>
Engagement and cultivation	\$3,232
Travel	\$988
Receptions	
Membership dues and professional meetings	\$16,645
Business meetings	\$946
Other services	\$1,630
Materials and supplies	
Recruitment/Relocation	
Mileage and parking	
Duplicating and printing	
Books/Subscriptions	
Other admin expense	\$874
Registration fees	
Total	<b>\$24,315</b>
<b>UH Support Fund Balance</b>	
Beginning Balance at 7/1/20	\$105,892
Amount transferred in this year	\$150,200
UH Support Fund expenditures (see above)	(\$24,315)
Transfer to Board of Regents	(\$5,000)
Ending Balance at 6/30/21	<b>\$226,777</b>