Please note: This is a transcription so there may be slight grammatical errors.

Kara:

Hello, everyone, and welcome to today's webinar, How Nonprofits Can Handle Major Gifts. I would now like to introduce Eric Bailey, principal and head of endowments and foundations at CAPTRUST. Eric?

Eric Bailey:

Great. Thank you, Kara, and good afternoon, everyone. Thank you for joining us today for CAPTRUST's webinar on how nonprofits deal with major gifts. You might remember last year we had a similar webinar that dealt with post-COVID fundraising and how the landscape had changed from big galas and big events to a lot more technology, a lot more online gifts, and a lot more attention paid to donors.

This year, though, the seeds have changed yet again, and many of our organizations or nonprofits around the country are seeing more major gifts, more transformational gifts, as many billionaires over the years have decided to give away their money rather than keep it or pass it on. Warren Buffet was one of the first years ago that declared he would give most of his wealth to charity. Bill and Melinda Gates followed suit, and most recently, MacKenzie Scott and others that have given away billions to many organizations. These have had a real profound impact on organizations in our community and the impact for people in our communities all around the country in need.

Today, we have two great guests with us that are going to share some experiences from their own major gifts and transformational situation. First, we have Bob Murray with the Ferris Foundation, and also Jessica Muroff with the United Way Suncoast. I'll ask them both to introduce themselves in just a moment.

At CAPTRUST, we have experienced this firsthand as a major gift with our own foundation, which was started back in 2007, and that's the CAPTRUST Community Foundation. Shortly after COVID, our CEO made a challenge to employees. This is an organization or a foundation that's run by our employees and fundraised through our employees basically giving their own money to be matched by the company, and then those dollars went out into the community. But our CEO, Fielding Miller, said we need to do more. He really challenged all of us, and that changed the way that our foundation operated.

Prior to then, really for over a decade, we would raise money; that money would be given out into the community each year. But we raised such substantial assets in 2020 that we had to put some policies in place. We had to invest the money for the longer run. We had to think about how to structure it and how long it should be held versus given away. The benefit of that was last year in 2021, our foundation was able to give over a million dollars away to so many different organizations through crisis grants and other types of grants. That's an output of the infrastructure that was really built with this transformational gift that we received.

Today, let's shift our gears. Jessica is CEO of United Way Suncoast. Could you share a little bit about your organization and your transformational gift?

Jessica Muroff:

Absolutely. Thank you, Eric. It's wonderful to be with you all today. In December of 2020, I received a cryptic email from a representative saying that they were representing a donor who wanted to make a significant gift to United Way Suncoast. United Way Suncoast serves five counties here in West Central Florida, one of the largest areas, top 20 MSA in the country. But that's just to give you some perspective on the area that we're serving.

But I received this cryptic email. I ignored it the first time. Then they sent the email again and I said, "Well, maybe I should respond and just see what this is about." We set up a call, and that's when I learned that MacKenzie Scott wanted to donate $20 million to United Way Suncoast to advance our efforts.

The first thing I thought about and did when we received this was just extreme due diligence to make sure that this wasn't some sort of fraud or anything like that, that this was truly something that was going to benefit our organization and our community. But then when we quickly realized that this was real and that this was happening, it's a moment in my career that I'm never going to forget, but we quickly mobilized to share this news when we could with our community. Radical transparency was incredibly important to us. We wanted to make sure that the community, our region, knew that we received this gift and how the process by which we were going to be making decisions to invest it in community so that we could build that trust in United Way.

Thankfully, we had just completed a strategic planning process, so we had a good roadmap for how we wanted to invest in our community, but we still wanted to take that a step further and created a task force to help us very thoughtfully and intentionally come up with a plan for investing those dollars and certainly keeping our community informed on how we're investing them and the impact that we're seeing.

I'm here to talk about this incredible gift from MacKenzie Scott and her trust-based philanthropy and how she's really transforming the way that gifts are given and how we as nonprofit organizations have the freedom to invest those in our communities the way that we see has the greatest impact.

Eric Bailey:

Well, that was a good day, Jessica, and a substantial gift that clearly was the largest that United Way Suncoast had received. But how did it compare to other large major gifts to put that into perspective?

Jessica Muroff:

Sure. Just the year prior, we had received a $1 million gift from a donor for early learning work, and then two years prior to that, we had a $3 million gift from a donor. The scale, it was five times or more, 20 times or more those size of gifts. This was the largest gift that we had ever received and certainly one of the most impactful moments of our history.

Eric Bailey:

That's excellent. That's so good to hear.

Bob, could you introduce yourself as executive director of the Ferris Foundation and tell us a little bit about your story?

Bob Murray:

I would be happy to. Thank you very much for having me this afternoon. My name is Bob Murray. I'm the Associate Vice President for Advancement, the executive director of the Ferris Foundation.

I think as I reflect on the question that you have asked, we really have to look at what impactful gifts we might have received. I think that sometimes a transformational gift can be much smaller than that. I will tell you, referenced COVID, Eric, in the front end of this, our hope is that we're at the tail end of that. But at the beginning, and as we've continued in higher education, we have seen the great need of housing insecurity and food insecurity of our students. Some of those really important gifts have been

$50,000-$100,000 gifts that have really been transformational for those students as we have transitioned through this adventure we have called COVID.

I will tell you, the largest gift that we have received, we received a couple years ago. It was from Dwayne and Janna Robinson, graduates of our College of Pharmacy. It was a little under $7 million. It was from their estate. Again, it was a surprise to us. It was really exciting. That's one of those things that as soon as something like that happens, you get on the phone with the president of the university, you get on the phone with the Dean of the College of Pharmacy, and you start making things happen. So we were very excited about that, and that has been transformational for the university and the College of Pharmacy itself.

Eric Bailey:

Now, when this gift came and this notice came into you, Bob, did you have a policy in place as far as exactly what would happen to that type of a gift?

Bob Murray:

Eric, that's a great question. And yes, we had policies in place. The great thing as an estate gift, that was very well-defined that they wanted that to support scholarships. I think this is really kind of a two-pronged answer. One, the university had policies as far as what we would do with those resources. The second is our investment policies with CAPTRUST, for example. With a large sum of money like that that is going to go into our endowment, we had a very clear plan with that.

Eric Bailey:

What was the first thing you did? Because you mentioned transparency was a big topic in some of our early discussions. What was your thought process there on this particular gift?

Bob Murray:

Well, transparency is very, very key in this process, but really letting everyone know that this has happened. For us, this has been an incredibly helpful tool in leveraging others to make both cash gifts and additional planned gifts. So, it's had a real cascading effect for us.

Eric Bailey:

Great. Well, Bob, I've got some questions. I'll start with you. What's something that you wish you would've done or known prior to receiving the gift? Something that you might have done differently or that you would've liked to have known ahead of time?

Bob Murray:

Well, for us, the best thing is for us to have known that this was our donor's intentions and to be able to thank individuals upfront. This was the ultimate gift. This was their entire estate. To be able to acknowledge that... I will tell you one of the things that we didn't really have planned out was how we were going to recognize the Robinsons. We have since done that, and we actually have dedicated the quad here on campus to them.

Eric Bailey:

Jessica, let's ask you the same question. What's something you wish you would've known prior to receiving the gift? This one obviously came out of the blue for you as well.

Jessica Muroff:

Yes. Well, I wish I would've answered the first email that came two weeks before, so I maybe had a little bit more time to plan. But as I mentioned, we just wrapped up a strategic planning process, which many times when we're going through this process as an organization, we're thinking big about how we evolve and grow the organization. We were building out specific roadmaps for how we were going to make that happen, but never in a million years where we would've thought that we would've received such a transformational gift that would've accelerated efforts that were included in there. I think for us, maybe having a little bit more detail and more meat on the bones as far as how we were going to achieve some of those objectives in there that we were still building out might be something that we would've done a little bit differently, but to have some future plans.

This has also taught us that these opportunities can and will come along for our organization. So, how are we better prepared in the future for these major gifts when we have these opportunities, and certainly when we are working with donors and they want to make a gift, that we have a lot of options for them to invest in the community in real and actionable ways that we don't have to design for them specifically, that we have a whole host of opportunities of things that we are working on that are very scalable. So that, for us, was something that we would've done differently and now we know better and we're prepared for.

Eric Bailey:

You mentioned having just gone through the strategic planning process, but how did you decide to spend the money? Do you put it all out in the community super fast? Do you spread it out over a long period of time? What were your guidelines and what were your thoughts on putting the money to work?

Jessica Muroff:

Sure. MacKenzie Scott has made it really clear to us that she wanted this to be actionable and impactful dollars invested in community, that the intention wasn't to just in invest in our endowment. So, we did create a seven-year, it's a five to seven-year plan to give us some wiggle room. These are what we're investing in, the community, affordable housing, crisis work, early learning, have really long runway. We wanted to give ourselves some flexibility, but we also wanted to have a very time-bound plan for investing every single dollar that she gave us and reporting on that. We did convene a task force of staff members, of board members and community stakeholders. These were people external to United Way Suncoast to help us come up with that actionable framework for how we're going to invest the dollars and we called it our Rise Task Force. That provided us the vision and the framework by which we are executing now.

Eric Bailey:

Okay, excellent. Bob, in your case, as a planned gift or an estate gift, do all estate gifts follow the same process as far as how they get spent and what gets done with them? Or was the size of this gift more meaningful to do things a little bit differently?

Bob Murray:

Yeah. The size of this gift was very meaningful. Having an endowment of about $80 million, injecting $6 million into that equation was incredibly helpful. We have a 4% spending policy, so to be able to have those dollars to support our students. Each gift is really donor-dependent. Our hope, as I said earlier, if I am successful in the work that I'm doing and my colleagues are doing, we're communicating with these donors while they're setting these estate plans up, working with their advisors, and making sure that we have that contractual agreement with that donor, so it's very clear in how things need to be executed.

Eric Bailey:

Yep. Okay, great. Well, I'm really curious because we've gotten a question before on big gifts. Do you keep it quiet or do you shout it from the mountaintop? Jessica, what was your board's feeling about publicizing such a major gift? Would it potentially decrease funding from other sources, or would other donors say, "Wow, they're totally taken care of, let me get my money somewhere else"? What were those conversations like?

Jessica Muroff:

Certainly. That is definitely a valid perspective and concern, but to us, MacKenzie Scott is very public about her gifts. She writes a blog post about it, and that is inevitably picked up by media. For us, we needed to be very upfront in sharing the message with community because that was really important to us to build that trust. In our mind, that kind of trust and faith in our organization and our work only underscored to other donors, United Way Suncoast is a great steward of donor dollars and having high impact in community." So, we wanted to showcase that as that opportunity.

While $20 million is a tremendous gift, transformational for our organization, we cover five counties here in West Central Florida, and you think about the scope of the issues that we're tackling, from financial stability, early learning, youth success, that's a drop in the bucket when you think about investing these dollars to address those areas. So, it was really important for us, too, to build very scalable projects in ways that we were investing those dollars so that we could attract matching funds to expand and grow the work and have this. I think that's really truly what Ms. Scott really wanted, is how can this gift be a catalyst for so much more in our communities and give us the flexibility to be able to do things that we know are going to have high impact and bring others to the table to support that.

Eric Bailey:

Mm-hmm. Okay, great. And Bob, was this publicized pretty quickly and how did that impact?

Bob Murray:

Absolutely. It was very helpful. We actually received this gift about halfway through a comprehensive campaign, and it really did help us. We have about 180,000 alumni, and this is a great opportunity to share with those alumni and many of them, both alumni and friends of the university that have been very successful. This is an opportunity to share, "Hey, here's what you can do and the number of students that you can impact through a gift of this type." We still are just... Well, this is a gift that continues to give. Each year we have a new cohort of students that come in and receive support, and it's exciting.

Eric Bailey:

No, that's great. That's great. How do the principles that you use for big gifts like this apply to smaller gifts of a similar nature, Bob? Is it same process all the way through?

Bob Murray:

Absolutely. Yeah. Yeah. We make sure every gift matters at Ferris State University,. We are here, with all nonprofits, it's kind of the work that we do. We want to make sure that our donors understand where those dollars are being utilized. I will tell you, I would be remiss if I didn't say I have a new president that started about six months ago, and it's very clear to me that if we were to have this webinar in another year, we'd be able to talk about some additional very large gifts. So, we've got a lot of excitement there. Part of that is built on the trust and understanding that our donors have of the work that we're doing.

Eric Bailey:

Sounds like momentum builds when good things happen.

Bob Murray:

Yes, sir. It does.

Eric Bailey:

That's excellent. Jessica, similar process for you with other gifts and maybe some planned giving and estate gifts as well?

Jessica Muroff:

100%. When there's gifts of this size, of course we might have a meeting to have the donor really connect with the mission and action in community. We just did that a couple of weeks ago, where they can actually see their gifts at work and they can see we will have our data team come and share the impact numbers and how we are measuring the progress of that gift.

But even a donor who might give in their workplace $5 or a dollar a paycheck, we're actually also building our model for what the social return on investment is for every dollar invested in United Way Suncoast so that every donor, whatever their gift size may be, a dollar, $5, $10, can know that they have whatever monetary impact back in community because that's one of the best parts about giving to United Way, is the exponential impact of our work as a convener in community. We're multiplying the impacts of every donor dollar by supporting... We support 89 nonprofit organizations through collective impact work. So, it really is making those investments very highly strategic and really multiplying the impact that you can have.

Eric Bailey:

Great. You mentioned MacKenzie Scott had some directive as it relates to the gift, but there were not very many restrictions or parameters or it had to go to this or go to that. How unusual is that, and how do you deal with restrictions from other donors?

Jessica Muroff:

It's highly unusual, although I will say that we are seeing donors become less and less have a whole series of restrictions or specific directives related to their gifts. It might be more general, to wanting to invest in early learning and then working... For us, it was for one donor, we created a due diligence process by which they could learn about our work in early learning and learn about the scope and scale of all of that, and then give us feedback as to where they specifically wanted to invest in the work and the infrastructure that we had.

But MacKenzie Scott, aside from wanting it to be actionable and invested in the community and not put in an endowment, there were no requirements. She trusted us. That was her message. She'd done her research on our organization and our mission and said, "Please do the best that you can in investing these dollars in community, based on your track record and what I've seen you do. We believe that you're going to make the best decisions to that end." And of course, we keep her and her team updated annually, and we post all of those reports to our website.

The only other thing that I would add is because this process was so unique, we actually created a whitepaper that outlines the whole process that we went through and the decision-making related to investing those dollars in community, the Rise Task Force and all of that. So, I'm happy to share that with anybody who would like to have the whitepaper that we created to really... I think it was important to us to say this is the approach that we took with this so down the road we can always refer back to it. We also wanted to share that with our nonprofit peers in case they too receive that phone call that really changes so many things in our organization and community.

Eric Bailey:

That's great. Jessica, we'll put your email on the slides so when anyone sees the slides, they can reach out and get a copy of that whitepaper from you. Thank you for offering that up.

Bob, from a size, seems like with more money or with more assets, there's both more responsibility, but more opportunities because there's more scale from a governance standpoint. It was a big gift and sounds like you've got some more in the pipeline. What changes or what additional things do you think you have as responsibilities with new and larger gifts like this?

Bob Murray:

Well, I kind of hark back to the question about restrictions. I have been a professional fundraiser in higher education. This is my 28th year. Watching the evolution of restriction on gifts has been absolutely amazing. Early, mid '90s, most people are like, "Yeah, here's $10,000. Let's do..." But the beautiful thing is donors have become more sophisticated and more invested in the work that they're doing, and their financial advisors, their attorneys, their CPAs have been helping them understand the impact of their charitable giving. I think that's a really important thing.

Building on the question you just asked me, Eric, it's our responsibility to make sure that we understand and we have clear lines of communication with our donor and our donor's advisors. I tell my colleagues all the time, if I have done my job correctly and I'm sitting at the table with the donor, their attorney, their CPA or whatever configuration you might have, that's a great day for me to be able to have that communication.

For me, that is really the driver behind this, the very clear communication, the understanding because we all know here that some of these gifts, big or small, can end up being fairly nuanced. So, you want to make sure that you've got an established policies in place, having a committee and a gift acceptance policy in place so it's not Bob Murray saying, "Oh, no, this gift is..." It is the committee reviewing the data that I have provided, my team has provided for them, and giving them that opportunity to say, "Yes, this is a gift that we'll receive here, the benefits," or, "This is out of our scope. This is not aligned with our mission." If that helps, Eric.

Eric Bailey:

Yeah, very helpful. Jessica, how about you? What did a major gift change and what new governance or policies do you have in place?

Jessica Muroff:

Well, we brushed up our gift acceptance policies and fundraising policies as an organization, which we review annually anyways, but also our gift agreements. It is really important, as Bob just said, to be very clear to the donor about how we're going to uphold our investment of their dollars and how we're going to remain connected and communicate with them and making sure those expectations and those communication lines are very, very clear. We have also updated those gift agreements, and so where we have that opportunity to do that and have that clarity, we've done that with donors. But it really is important that we come, that we have that clarity around those expectations so that we can honor the donor and the ways that they would like to see in the community.

Eric Bailey:

That makes perfect sense. Well, let me make a quick announcement to the audience. I've only got a couple more questions here and I'd like to open it up. In your chat, there is the ability to post questions and anyone that would like to put a question in there, we'll address those in just a couple of minutes.

But I'm thinking about those in the audience that may be anticipating or want to be prepared for a transformational gift, whether it comes through an estate, through planned giving, or whether it comes from MacKenzie Scott. She's now at about $12 billion that she's given away, and I think there's more to come.

What would be your tips? And Bob, we'll start with you. Where should someone get started to prepare for this day?

Bob Murray:

Well, I think that we've already referenced having a gift acceptance policy. Jessica, I really appreciate you touching on gift agreements because that's key. It's all about process. You have to know your process. All of your team members need to know your process. For me, the one thing that I learned oh-so-many years ago is the simple thing of having next to your phone or on your cell phone your tax ID number, everybody has the tax ID number accessible so when an attorney calls and says, "Hey, we're starting a conversation, I need your tax ID number to plug in," it's those types of things: having your team prepared and ready to go, establishing a process that you know is going to work.

I'm going to say this again from the bottom of my heart, stewardship is so incredibly key. If we are not, we do not want gifts to be one-and-done. We want individuals to believe in the work. And so I'm just going to share, I'm incredibly pleased that I've had the opportunity to be on this call with Jessica. I am a big believer in the mission of United Way. That is one of my really important philanthropic interests, but that's part of because I have been cared for by the United Way, Eric, in our community.

So, that's big and that's big to me, Eric. There are lots of things we can do, but I think establishing that firm foundation and understanding what you do. Do a dry run, talk to your team, say, "Hey, we've got a gift coming in. What happens?" And then what happens after that gift is closed? Because if you're not taking good care of your people here in your organization and what you're supporting and the donors, then you're not going to be successful in the work that you're doing.

Eric Bailey:

Okay, wonderful. Jessica, I imagine your whitepaper is full of tactics and great outline as far as what someone should do, but how would you summarize that? What would be your best advice to somebody today?

Jessica Muroff:

I think that having your organization strategies very clear. For us, across the organization and how we invest our dollars, I know exactly where we're at right now and where we have opportunity to continue to fundraise, to fill gaps, as well as that's what our strategic plan is for, is taking a look at two to three years from now because our strategic plan was a three-year plan, where we want to be and what we want to do. So, actually having a framework by which we could say, and we could use X, Y, Z to advance this work, "This is how much we need to do that." Having those opportunities so that when a donor does come around, saying, "I want to invest in early learning," we have a few different ways that a donor can do that specifically in community, throughout our communities, throughout our region. So, it's very easy for us now to be able to turn around and say, "Okay, here's how you can do that. Let's work through this." So, being prepared for those conversations.

Yes, our mission and vision is really important, but what is the boots-on-the-ground? What impact is being had and how can a donor be investing in that? And having specific plans to that end. All of us, all of our organizations, we know what our revenue is each year. We know what we're budgeting for; we know where the gaps are. So, having the specific strategies in place so that when a donation does come around, that you have a menu of options that you can choose from to invest, that is incredibly helpful. And bringing your board along with this. So, governance is really important, so making sure that our board members also know exactly where we're at and where we're heading, so they can also make introductions; they can be supportive in this process that is investing in the work that's advancing our organization. So, that governance piece is also a really critical part of this.

Eric Bailey:

Well, we have a question similar on that subject, so I'm going to start with this one from the audience. Did you do any donor messaging training with your board members or network on how to speak about strategic gifting, donor-advised funds, and tax efficient memorials? Can you speak on that type of training? Jessica, you mentioned some of that board conversation, but what other types of things are you doing with messaging?

Jessica Muroff:

There's a lot that we're doing in messaging. When it comes to our donors, we have year-end campaigns that talk about maximizing giving at the year end, and those really core key reminders to donors that many of us share with our donors at the end of the year or towards the end of the year. We don't do as much training around tax-efficient giving and things like that. Our communications are more focused on impact.

We have what's called the Suncoast Snapshot, which is a three-minute video that we produce weekly as well as a podcast that really gets into how we make a difference in communities, how United Way and our partners are making a difference in communities so that we're educating our donors and our communities about the impact that they're having. That's really where our focus is, is providing our donors and our community more information and education around the critical issues that we're trying to tackle, and educating them more about those, providing them access to the community data. We have an eviction crisis and affordable housing crisis dashboard to provide more context around the community issue that we're trying to tackle. So while we do have some of that for our donors and educating them about that piece, we are more focused on the community impact and how we can educate our community and our donors on the importance of the issues that we're tackling and how they can be a part of that.

Eric Bailey:

Okay. Bob, do you get into any specific training with tax efficiency or things like that?

Bob Murray:

Yeah. This is a great question. I will tell you, my foundation board is the most important group of people. They are an incredibly important team in this process, and we have done a variety of things. I want to make sure that they're very aware of all of the opportunities for donors as they're talking to their friends and they're socializing the work that we're doing, so they have that opportunity.

I have been a planned giving professional for many years. Literally at my last board meeting in November, I presented a plan, just kind of a general planned giving overview, and then walked through the board members talking about how would you start a conversation about planned giving. For me, it was a miraculous event because all of my board members started talking about what they have done and what they're planning on doing personally. So it is-

Eric Bailey:

This actually-

Bob Murray:

[inaudible]. Go ahead.

Eric Bailey:

[inaudible].

Bob Murray:

Sorry, Eric.

Eric Bailey:

Okay. No, you're good. You're good, Bob. You were freezing up for a second. I think we were just having some technology issues. But-

Bob Murray:

You can still hear me? I can wrap it up if folks can start.

Eric Bailey:

Yeah, we can hear you now. Go ahead.

Bob Murray:

Okay. Sorry about that [inaudible] feed here. It just was an absolutely fantastic board presentation. I had the foundation board talking about what they're doing with planned giving, and for me, our boards don't have to be experts. We are charitable giving experts. We're here to provide them with resources. If it's really complicated, we've got attorneys that we can call and all of these experts. For me, that's the key thing, is that they need to know our mission. They need to live and breathe the mission and be able to communicate how their friends and colleagues can really have an impact on the work that we're doing.

Eric Bailey:

Excellent. There's actually two questions on investments, and I'll ask you both. The first one is, did you add it to the endowment or hold it somehow separately given the major gift status or do something differently with it? Then secondly, what ethics guide any investment of major gifts, specifically if they're temporarily restricted or if they're for a more near-term purpose. What do you do differently or what guides you in those situations? Somewhat related to the questions, but Jessica, what are your thoughts on how to invest those dollars?

Jessica Muroff:

For MacKenzie Scott gift, because we had a relatively short period when you talk about investing, five to seven years, we needed to have some more flexibility, but we wanted a specific investment plan for those dollars. So, we worked with our investment advisors to create a specific plan that was more short-term in nature, but still putting those dollars to work as we were because we're actively utilizing them. I think of the 20 million, we've already in the last year-and-a-half invested just over 3 million of that and the immediate needs related to the housing work that we've been doing. So, we did come up with this very specific plan for investing those dollars, but still having that flexible access to them. But we utilized our investment advisors to do that for us.

We have a very active and involved investment committee that is a subcommittee of our finance committee. I love attending these meetings that we meet on a monthly basis to really look at what's happening in the markets, and we have very specific policies related to our investments that, again, we review at a minimum on an annual basis that completely guide the way that we invest dollars and community and how we are managing those funds in our endowments. That is, again, reviewed by our finance committee and our board to make sure that we are being good stewards in that regard. But we're very specific about how that happens, and we have some incredible professionals that serve on our investment committee to help guide us in those matters.

Eric Bailey:

Okay. Bob, how did you deal with this particular gift, and how do you deal with the investments on those two points?

Bob Murray:

Well, I'm going to actually answer in a very similar way. This was an endowed gift. This was a gift for endowment for scholarships. So, we have this three-year rolling average that we apply to the spendable of the scholarship. We followed our investment policies. We've got very well-established with our work that we have done with our investment committee and our board.

Again, Jessica, I'm just going to echo exactly what you say. To have a really great investment committee is, in addition to being so incredibly important to really support our fiduciary responsibility, it's also a lot of fun, right?

Jessica Muroff:

Yes.

Bob Murray:

Because if you've got these folks that are creative in this space, you've got a great partner, as we have in CAPTRUST, it's fun. But we do very clearly follow our policies. We revisit them on a regular basis. If there are specific restrictions, we have the ability, if we have cash needs that we wouldn't typically have things of that nature. So yeah, trust me, I love talking about this stuff because this allows us to be not just good stewards, but robust stewards of the work because someone's life savings, all they've had and all that they've gathered, they share with your university, there isn't anything more important than making sure that we're providing appropriate stewardship and leveraging that to the best of our ability.

Eric Bailey:

Well, I know we think this stuff is fun, but I'm just excited to hear that you two think it's fun, too.

Bob Murray:

Oh, I love it. Yeah. I love it.

Jessica Muroff:

We want to-

Eric Bailey:

[inaudible].

Jessica Muroff:

... be good stewards, and I think that we want to actively talk about what's happening in the markets and our country and being prepared for and making sure that we rely and we have the input from those experts to help us plan for the future. I couldn't underscore what you said, Bob, more. We must be strong fiduciaries for our donors, and by tapping into our volunteers this way and making sure that we are abiding by those policies and making sure that those policies are working as to the best of their ability, that's critically important.

Bob Murray:

Yeah.

Eric Bailey:

Okay. Last couple of questions here. This relates to policies, and also, Bob, you mentioned meeting with attorneys and CPAs. At what level of gift are those meetings appropriate, and how do you go about asking for a meeting with the donor's advisors?

Bob Murray:

You want to start with me, Eric?

Eric Bailey:

Yeah, Bob. Yes.

Bob Murray:

Okay. Yeah. I will tell you, it is an issue of building a relationship with that individual. There has to be trust. Typically, as you build out this relationship, someone will very clearly share their intent, their interest in supporting your organization or a particular unit, one of the colleges. So, to be able to have that plan within each college and within each unit here at the university, we know what those opportunities might be as far as financial support.

But building that trust with this donor and really saying, "Hey, this is a fantastic thing. Let's see how we can best leverage this. I don't know what your tax situation is. I don't know where you have dollars." Most likely, I have a pretty good sense if I have a good prospect researcher; I've got some fairly decent data. But I don't know what that landscape really looks like. If an individual says, "Hey," I've offered a couple good suggestions, that individual's interested, or couple, because if you've got a couple, it's a team. That's a team decision, and you have to make sure that you're including all of the folks that it's a family decision, you name it.

But for me, it's all built on trust and understanding. Again, that has evolved. In the time that I have done this work, that has evolved immensely. There were times where working with these financial advisors or attorneys years and years ago was tough because they did a lot of hands-off, like, "I don't know if these..." And now it's woven into the fabric of the work of whoever that advisor might be.

Eric Bailey:

Okay. Jessica, do you meet with large donors and tax advisors and CPAs, attorneys?

Jessica Muroff:

Yeah. Yeah. To Bob's point, that is about the trust, building the trust and the relationship. Then I would also say, too, the strength of your relationship with your community foundations because many times there's also donors who have their funds with community foundations. So, our relationships with their staff teams are critically important as well because they're a wonderful asset and partner in the community. So yes, it is. Depending on the relationship and the scope of the gift and their direction, we're prepared in every way possible.

I love it when a donor comes to us and said, "If you had a magic wand," and ideating like that. We've had that happen before. That's always the start to a beautiful conversation and impact in community. It takes many forms and making sure that we are best serving that donor and in the ways that we can.

Bob Murray:

That magic wand thing is magic. Truly, right? Oh, magic wand. Let's start talking because then the doors are open. As soon as someone says that magic wand thing, you're like, "All right. We've got lots of opportunity here."

Jessica Muroff:

Yeah.

Eric Bailey:

All right. One more question. This one just came up and it's on investments. I have a feeling that their investment committee might not say those meetings are fun right now, in a year like we're in. Because their question is, once you've established the right amount of cash that you need from a reserve standpoint as a nonprofit, how do you determine to put money to work if the committee or board is nervous about the market environment? So, you get a big gift, it's sitting in cash, it's way more cash than you need. Everybody on the board or the committee is nervous. How do you decide to put that money to work? And do your investment policies get specific with the asset allocation and where that money should go? Jessica, you want to start us off there?

Jessica Muroff:

Sure. Sure. We have a very specific policy to that end. We have a very specific with the percentage that we need to... not need to. For us, it's not a we necessarily have to spend the percentage off the endowment. It's an option for us. For a few years, while we had the option of investing those investment returns in our operations, we held those in our operational reserve. That got to be really robust. That was when we shifted the conversation with our investment committee to how are we going to make those dollars more actionable in the community, which is what we've been doing these last few years.

Now, it's shifting the conversation to, again, the percentage of those investment returns. For us, it's really important to be very transparent and have that regular ongoing conversation with our investment committee, our finance committee, and our board, about how we're utilizing that and investing that in the community. We have very specific policies to that end, but we really want to also make sure that we're also utilizing those opportunities to maximize the investments we're making in community. That's another really important piece to this for us.

Eric Bailey:

And Bob, what are your thoughts on that?

Bob Murray:

Well, that's Jessica. I almost want to say ditto because the points that you hit on were literally perfect. The only thing that I would say to enhance that would be from this perspective, from being the executive director of the Foundation, our mission is support Ferris State University. To this point you just made, we need to leverage in any way we possibly can to be able to get those dollars into the hands of our students, our faculty, and staff to do the good work that they need to do.

We do have very clear policies. I have been blessed in inheriting a foundation board where we had very risk-averse committee chairs of our investment committee so that we have a really solid strategy. We've been very fortunate. We've had some incredible returns over the last couple years. Yeah. It's not always fun, but this is the journey we're on and figuring out how to best leverage what we have to help those folks that we're out there to get this work done. It's really quite simply what it is.

We could talk about kind of this investment in policy thing for probably hours, the same thing with the planned giving component. Those are things we could sit here and talk about for a very long time, both incredibly key in the success of your mission.

The other thing, Eric, I just wanted to add is that part of this, if we have folks that are on watching this webinar and they work for an organization that's much smaller, the point that I made at the beginning of this conversation is that a $100,000 gift could be transformational for a small nonprofit, but to utilize these same tools and the same thought process as they're moving through. I've been very fortunate to serve on a number of boards of very small nonprofits and seeing that, "Oh, my gosh, we got $50,000. What are we going to do?" That's good news. But I just wanted to share that. I think it's really important that it's all immensely scalable.

Eric Bailey:

Excellent. Well, I cannot thank the two of you enough for sharing your stories online today with our virtual audience.

I'll echo your comments, Bob. I've been involved with United Way Suncoast now for over 20 years through the board and committees, and the work that they're doing in our community here in the Bay

Area, in West Central Florida, is just incredible and definitely needed. So Jessica, thank you also for sharing your story and being on today.

I would just leave our audience with the thought that things are changing and major gifts have to be a part of your strategic plan, whether it's planned giving or other opportunities. Hopefully, this provided some ideas and tips to help build some of that structure ahead of time. So, thank you for tuning in today and take care. Bye now.

Bob Murray:

Thank you, Eric.

Jessica Muroff:

Thank you, Eric.

Bob Murray:

Thank you, Jessica.