A PROFILE OF SELECTED HIGH- AND LOW-PERFORMING NONPROFIT FOUNDATIONS IN PUBLIC COMMUNITY, TECHNICAL, AND JUNIOR COLLEGES IN THE UNITED STATES

by

Jackie Juanita Johnson

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APPROVED:

Charles A. Atwell, Chairman

Stephen R. Parson

Dennis E. Hinkle

Daniel E. Vogler

Gerald F. Robinson

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(ABSTRACT)

The purpose of the study was to determine whether effective (high-performing) and less effective (low-performing) foundations differ significantly in their organizational and operational characteristics. As a result of this study, the following questions were answered: (a) What are the organizational and operational characteristics of high- and low-performing foundations? (b) How do high- and low-performing foundations differ in organizational and operational characteristics?

A survey was completed of a random sample of 400 presidents of public community, technical, and junior colleges to identify those colleges with affiliated non-profit foundations. Of the 400 colleges surveyed, 374 (93.5%) responded and 290 (77.5%) reported having a nonprofit foundation. Of the 290, 270 usable surveys were used to develop a mailing for the second survey.

A second survey was completed of those colleges that reported having a foundation. This survey was designed to obtain data for the performance ratio utilized in the study and to identify the organizational and operational characteristics of the foundations. The survey results were used to identify and distinguish differences in

organizational and operational characteristics of high- and low-performing foundations.

Of the 270 surveys, 166 (61.5%) were returned and 158 (58.5%) were usable. As a result of missing data, a performance ratio (dollar per FTE) to determine high- and low-performance was calculated for only 87 of the 158 foundations. Seven of the 87 had a zero performance ratio and were excluded from the analysis. A series of Chi-square tests of independence were used to determine whether high- and low-performing foundations differed in organizational and operational characteristics. A significant difference existed in performance between those foundations who operate under organizational documents that include a constitution and those who do not, but this finding does not appear to be meaningful in determining performance or effectiveness.

A profile of responding community college foundations reveals that the overwhelming majority are relatively new having been incorporated in the last five years. Most of the foundation directors are part-time with no previous experience in development or foundation work. The majority of reporting foundations do not employ outside consultant services to develop their fund-raising plan and one-half spend $500 or less for fund-raising activities. Personal solicitation was the most frequently used method of fund raising.

While only one statistically significant difference was found between high- and low-performing foundations, the characteristics identified in this study should be helpful to community college presidents, development officers, and foundation board members in the development of community college foundations.

I dedicate this dissertation to
my Mom and Dad.

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CHAPTER I

INTRODUCTION

Voluntary support of higher education rose 8.5% in 1983-84 to an estimated $5.6 billion. The results of an annual survey of giving to higher education revealed that 1,118 respondents had received approximately $4.6 billion in voluntary support. The bulk of these funds went to private four-year colleges and universities ($3.1 billion or 61.7%) and public four-year colleges and universities ($1.5 billion or 3.2%). Private and public two-year colleges received less than 1%--private two-year colleges received $20.6 million or 0.4% and public two-year colleges received $14.6 million or 0.3% (Voluntary Support of Education 1983-84, 1985, pp. 3, 7).

This support obviously does not reflect the number of students in these institutions. In 1984, total credit enrollment in private four-year colleges and universities was approximately 3.1 million; in public four-year colleges and universities, 6.2 million; in private two-year colleges, 195,000. Public community colleges, in contrast, enrolled approximately 4.6 million students, more than any segment of higher education except for public four-year colleges and universities (Frankel & Gerald, 1982, pp. 40-57). Moreover, community colleges served more than one-half of all freshmen entering college, one-half of all women entering higher education, and more minorities entering college than all four-year institutions (Eaton, 1982), thus serving as the principal point of collegiate access in response to clearly expressed national goals for democratization of higher education. Yet,

four-year colleges and universities received more than 100 times the voluntary support of community colleges.

Concurrently, governmental support, as a percentage of total revenue of community colleges, has continued to decline, while tuition and fees have increased. From 1979-80 to 1982-83, local, state, and federal appropriations as a percentage of total revenue have decreased from 71.3% to 65.4% and tuition and fees have increased from 15.1% to 17% (Dickmeyer & Cirino, 1984, p. 7). The results of a 1985 survey of 41 states revealed that from 1982 to 1984, the average percentage of state support for operating funds declined to 53%, a decrease of 5.4%. Local support of 15% had remained fairly consistent with 1982 figures as a percentage of operating funds. Federal support had dropped to 2.6% in 1984, a decrease of 2% from 1982. Tuition and fees as an average percentage of operating funds were 20% which was approximately the same percentage in 1982. The percent of increase in student fees between 1982 and 1984 was as high as 50% in one state and as low as 1% in another state (Wattenbarger and Mercer, 1985, pp. 33-34, 37, 49-50).

Consequently, the lack of private support, the proportionate decline in governmental appropriations, and the increase in tuition and fees now threaten the community college and the flexibility of its open-door admissions policy. According to Cohen and Brawer (1982), "all questions of curriculum, students, and institutional mission pale in light of funding issues" (p. 26). These funding issues represent a challenge for community colleges to get a larger slice of the revenue pie, and many advocates of the community college consider the nonprofit

foundation a viable means of raising private funds for aiding in the support of various programs and facilities (Luck & Tolle, 1978; Shlipak, 1982; Woodbury, 1973).

Background

Faced with a decline in local, state, and federal tax support, an uncertain economy, and stiffer competition for the public dollar from other public service agencies, community colleges are seeking alternative resources to meet increasing consumer demands for education (Degerstedt, 1981; Duffy, 1979; Luck & Tolle, 1978; Robertson, 1982; Sharron, 1978). Alternative resources are being sought as many community college leaders agree with Harper (1976) that circumstances may get worse before they get better. Harper (1976) emphasized the impact of this financial condition clearly when he made this statement:

> Faced with the first serious threat to the open-door concept since it became the cornerstone of the movement two decades ago, community colleges must now either accept a closing door or find some new ways to prop it open. (p. 48).

Degerstedt (1982) described the financial dilemma facing community colleges as a new struggle to fund the best and the most necessary in a period of diminishing tax support. This study was designed to examine the effectiveness of the community college nonprofit foundation, one of the principal agencies which has evolved in the quest for new sources of revenue.

To understand the intensity of this struggle, a review of the financial situation of the community college may be helpful. The

contemporary financing strategies of community colleges have been described as "more vestiges of a by-gone era than they are reflections of present conditions" (Richardson & Leslie, 1980, p. 15). While modern community college missions have varied greatly from those of earlier days, financing strategies have not. "Instead, these strategies have lagged behind, often as much as a decade or two or even more" (Richardson & Leslie, 1980, p. 15). In the 1960's, the community college became the vehicle for equal access. "Increases in federal and state funds provided local taxpayers with services which could be bought for a dime, were worth a dollar, and appeared to be indispensable" (Richardson & Leslie, 1980, p. 43). Funding formulas based on full-time equivalent student enrollment combined with ever increasing student enrollments created an atmosphere of expectancy that through the community college the educational millennium was within reach.

However, in 1972, decline in community college enrollments coupled with the establishment of an individual entitlements program of federal funding began to diminish the financial base of community colleges. Since 1972, community colleges have experienced a gradual erosion of their financial position, and, concomitantly, an increase in institutional aspirations. Consequently, community colleges have provided programs and services to a greater number of students while the constant dollars available have either remained steady or declined. To compound this problem, community colleges have encountered a decline in full-time students and an increase in total headcount. As a result, funding formulas based on full-time equivalent enrollment have ignored

the costs of serving the full-time equivalency which is composed of large numbers of students who are enrolled in one or two courses but who also require services (Richardson & Leslie, 1980, p. 43).

Consequently, "community colleges have been among the hardest hit in terms of the inadequacy of state appropriations" (Richardson & Leslie, 1980, p. 44). In addition, local taxpayers have been resistant to increase local taxes to offset the decline in state aid and have voiced this resistance by questioning the importance of programs and services which have never been questioned before.

Richardson and Leslie (1980) noted that "the emerging conflict between institutional aspirations for continuing mission development and the restraints imposed by financing arrangements designed to promote stability or even phased decline has not been confronted squarely" (p. 44). This confrontation has been avoided by community college leaders by the utilization of more part-time faculty, by the avoidance of developing expensive programs, and by the recruitment of part-time adult students into courses of lower costs. While these practices have been directed at continual growth while resources dwindle, the credibility of such practices has become a serious concern to both those inside and outside the ranks of community college educators. As a result, Richardson and Leslie (1980) suggested that the relationship between institutional aspirations and available resources be examined and discussed. They presented eight recommendations for discussion to align aspirations with resources. Richardson and Leslie (1980) stated that the community college concept

has included a dream of educational equality for all and to prevent this noble goal from becoming an impossible dream will require that both policy makers and educators work together to narrow the gap between missions and resources.

Breneman and Nelson (1981) described the decade of the 1980's as one of declining enrollments and excess capacity in many colleges and universities. As institutions of higher education compete for new students and support, questions of mission and purpose will become increasingly entangled with questions of finance. Consequently, Breneman and Nelson emphasized that one of the issues of the 1980's would be whether the comprehensive mission of the community college should be maintained or whether public policy should encourage a greater division of labor among institutions, with each type concentrating on the educational functions that it performs best (p. 3). Even though economic pressures have heightened the tension between mission and finance, Breneman and Nelson stated that this has been a familiar problem--community colleges constantly striving to expand educational services while elected officials are reluctant to appropriate tax dollars to support these services.

The community college is facing a dilemma in that the share of local support is declining at a time when the direction of community college development calls for local aid. Consequently,

> the primary interest in community colleges is likely to remain in the more traditional functions of academic transfer and vocational-technical programs unless the growth in

> numbers of people participating in noncredit community activities swings the political balance in favor of increased state support for such programs. It is entirely possible that some states may never reach that position. (Breneman & Nelson, 1981, p. 207).

Breneman and Nelson (1981) reported that, based on interviews with state officials, the "consensus about the scope, purpose, and value of numerous two-year college activities is more to be found in the rhetoric than in reality" (p. 162). These interviews revealed widespread disagreement as to the value of various components of the two-year college mission, such as noncredit courses and community services activities. Breneman and Nelson also found an unwillingness of state officials to accept the broad mission statements of community colleges as a "binding expression of the state's interest in and responsibility for community college education" (p. 162). Consequently, they stated that the future is hard to predict for community colleges due to the wide range of choice in terms of what to emphasize and the tension that continues to grow between mission and finance. In addition, the competition for students and funding support and the growing adult student market have created a great deal of uncertainty as to the shape of higher education and training. As a result, Breneman and Nelson (1981) suggested that community college leaders must decide on one of the following strategies for direction in terms of institutional development:

1. To provide a comprehensive mission with equal priority to the academic, vocational-technical and the community services functions.

2. To shift to the "college" emphasis with traditional collegiate functions accented and the community service orientation eliminated.

3. To become a community-based learning center with a diminishing role for the traditional collegiate programs. (pp. 213-215).

As Breneman and Nelson noted, "community college leaders must draw upon unique strengths of their own institution as they seek to resolve the inevitable dilemma posed by changing missions and restrictive financing" (p. 215).

The results of a 1983 survey on the financing of community colleges in 44 states mirror the conclusions made by Breneman and Nelson. In summarizing these reports, Wattenbarger and Heck (1983) made the following major inferences:

1. Limited funding has caused the reexamination of existing college programs as well as a reluctance to begin new programs, a new emphasis upon program evaluation or review. The high cost programs will be difficult to continue and almost impossible to develop unless external sources of funds are identified.
2. Caps on enrollment which are supported by state funds have been used by legislatures as a way to control costs. Colleges tend to accept students beyond the cap even though they receive no support funds.

3. Several states have placed automatic caps on increases (i.e., 7% or 8%) in state funds or local funds. These caps limit expansion of enrollments, courses, and programs.
4. Limits of all kinds are universally more generally enforced.
5. The diversity of which community colleges have been traditionally proud is inhibited by the current financial support trends. "Limited resources" is the common reaction to expansion proposals. (pp. 304)

The continuing trend toward increased state tax and student fees together with increased local tax support was indicated by the results of Wattenbarger and Heck's (1983) study. According to these authors, the search for a magic formula continues but with no expectation of finding a solution to the funding paradox as follows:

> The basic philosophical purpose of community colleges has been to remove barriers to continued education. The financial barrier has been alleviated by low fees and accessibility; the geographical barrier has been affected by establishing new institutions; the motivational barrier has been relieved by developing more courses and new programs. [Yet] a primary concern by legislatures as reflected in fiscal policy and in restricted appropriations has been to increase student fees, to close down small colleges, and to institute controls over the development of new programs. (p. 60)

Wattenbarger and Heck (1983) stated that often legislators believe that access has been achieved and the focus should be on quality, implying that access should now be limited. As a result, it appears that more emphasis is now being placed on fewer students and higher quality than on accessibility. These authors indicated that a gap exists between professional commitments and political commitments as community college leaders stress the traditional community college values and purposes with a strong emphasis on lifelong learning but this emphasis has not been reflected in appropriations for support by legislative leadership.

Therefore, Wattenbarger and Heck (1983) concluded that community college advocates must consider several questions regarding this financial situation. Among them were:

1. Does the general public still support the philosophy which has guided community college development up to the present time?
2. If so, can community college advocates persuade state legislatures to provide adequate support? (p. 61)

No doubt there is deep concern for the level of federal, state, and local tax support but there is also deep concern for the degree of comprehensiveness community colleges can maintain as a result of this financial dilemma. Comprehensiveness has been one of the major hallmarks of the community college movement. In fact, Atwell and Sullins (1984) reported that many community college advocates feel that a necessary condition for an institution to refer to itself as a

community college is comprehensiveness. In addition, community college leaders have stated that the mission of the community college demands that it be comprehensive and, therefore, the strength of such an institution can be measured by the diversity of its programs. Comprehensiveness has been described as an ambiguous but relative term which differs from institution to institution as each community college attempts to meet the unique needs of its community. Atwell and Sullins (1984) defined comprehensiveness in terms of commonly accepted curricular functions including general education, transfer education, occupational education, continuing education, community services, remedial/compensatory education, and support services such as student development programs.

Even though comprehensiveness has been viewed as vital to providing access, it has been thwarted by the shift in most states to a more restrictive approach of planned, controlled funding. Degerstedt (1982) explained the results of this restrictive approach when he said:

> Flexibility to meet emerging needs, one of the community college's most valuable assets, is gradually being blunted. Community service programs, arts and cultural series, noncredit educational efforts, and other special student services of a nontraditional nature that supply the "community" dimension of the college are the usual first sacrifices. (pp. 49-50)

The question arises, then, that if comprehensiveness is vital to access

and access is a central mission of the community college, are such sacrifices undermining the basic community college concept?

Wattenbarger and Mercer (1985) would say yes based on the results of nine reports on community college finance which revealed that the major consistency throughout all nine reports was the fact that "the mission of the American community college is not supported by the method of allocating financial support" (p. i). According to Wattenbarger and Mercer support based on semester hours, FTE's, and types of categorical aid merely reflects "support for some of the mission but not all of it" (p. i).

Consequently, many community colleges have turned to the foundation as an alternative funding source to narrow the funding gap, to keep pace with student and community needs, and to accomplish mission statements. As a result, the nonprofit foundation has developed as an effective mechanism for the solicitation of funds to assist in the support of programs and facilities not adequately provided for elsewhere (Woodbury, 1973). Communities on a national basis are looking to the foundation to help the community college "retain its benefits for the community and, wherever possible...provide an added 'margin of excellence'" (Degerstedt, 1982, p. 51).

Statement of the Problem

Although enthusiasm for and the development of community college foundations have increased, there is a general lack of information available in the literature on the current state of such foundations. Authors of past studies recommend that foundation endeavors be reported

and evaluated on a current and continual basis in addition to the provision of more specific information on certain aspects of foundation fund-raising (Silvera, 1974; Duffy, 1979; Sneed, 1979).

Due to the increasing demand for private funding support and the limited amount of information on foundations, community college administrators and foundation directors are attempting to develop criteria for establishing and developing foundations to achieve greater performance. As interest grows and new foundations are organized, it is imperative that decision-makers have available information about "what works" in foundations. What fund raising strategies are employed by effective foundations? How do effective foundations differ from those that are less effective? It is to these and other similar questions that this study is addressed.

Purpose

The purpose of this study was to determine whether effective (high-performing) and less effective (low-performing) foundations differ significantly in their organizational and operational characteristics. Specifically, the study was designed to:

1. Identify organizational and operational characteristics of foundations in selected public community, technical, and junior colleges in the United States.

2. Rank these foundations by a performance ratio of new assets times return on investment to full-time equivalent enrollment (FTE).

3. Compare and contrast the organizational and operational characteristics of high- and low-performing foundations.

Research Questions

As a result of this research, the following questions were answered:

1. What are the organizational and operational characteristics of high- and low-performing foundations?

2. How do high- and low-performing foundations differ in organizational and operational characteristics?

Delimitations

This study was confined to the public community, technical, and junior colleges listed in the 1984 Community, Technical, and Junior College Directory published by the American Association of Community and Junior Colleges. In the examination of high- and low-performing foundations, the study was further delimited to those institutions whose foundations acquired new assets and earned some return on investments during the three-year period, 1982-1984.

Limitations

Only one measure of performance was used in determining effectiveness. This measure, the ratio of the average annual new assets times the average annual return on investment to the average annual full-time equivalent enrollment (FTE) for the last three years, $\left(\frac{\sum^{1982,1983,1984}\left(\frac{\text{New Assets} \times \text{ROI}}{\text{FTE}}\right)}{3}\right)$, takes into account both new revenues and effective fund management. It ignores, however, such items as district wealth.

Assumptions

The ratio of new assets times return on investment to full-time equivalent enrollment (FTE) is a reasonable measure of performance.

Need for the Study

The nonprofit foundation has been a vital contributor to the support of higher education since the days of Harvard in 1638 (Duffy, 1979). Until the 1960's, community colleges had been slow to venture into areas not funded by tax support. However, with the establishment of the first community college foundation in 1962 (Sims, 1976), interest in the development of nonprofit foundations by community colleges has grown steadily (Degerstedt, 1982).

Studies conducted from 1965 to 1978 revealed that community colleges reporting to have a foundation have grown from 23 to 546 (Degerstedt, 1982). Robison (1982) reported that more than 80% of the foundations in existence at the time of her study had been established since the late 1960's. Degerstedt (1982) described this increase in community college foundations as an explosion "with much the same intensity as the forces which gave birth to community colleges themselves" (p. 64).

Although there has been an increase in the number of foundations, it is difficult to determine accurately the scope of fund raising and the exact number of community college foundations among community colleges (Luck & Tolle, 1978). Robison (1982), Duffy (1979), and others agree with Luck and Tolle (1978) that:

> Active philanthropy seems to be occurring in public community colleges, but the extent of that philanthropy is difficult to determine. There is scant mention of foundations of two-year public colleges and their characteristics. Furthermore, the number of two-year public colleges in the existing samples is low, and the reported philanthropic figures are sometimes misleading. To accept that a community college has a $1 million endowment is one concept, but where the money came from, how it was acquired, and what it is to be used for are also important items of information that would be useful to other institutions in their planning. (p. 10)

Much of the literature concerning community college foundations deals with isolated accounts of success in developing a foundation with most studies reporting only dollar amounts raised and providing practically no information regarding development activities. Luck and Tolle (1978) considered the lack of information about public community colleges fund raising efforts and utilization of nonprofit foundations as unfortunate. Degerstedt (1982) reported that except for the National Council for Resource Development and the Council for the Advancement and Support of Education, little organized national effort exists to stimulate the growth of community college foundations.

In fact, Sharron (1982) stated that of the 650 nonprofit organizations in two-year colleges, most are considered passive, while not more than 50 are estimated as having an effective and aggressive private fund-raising operation. Robison (1982) supported Sharron's

conclusion by her observation that "far too few community colleges are experienced in tapping the private dollar" (p. 24). According to Robison (1982) many foundations have been established merely to receive funds, not to actively seek resources and, consequently, "the potential for community college foundations has not yet been fully explored" (p. 24).

Due to the increase in interest in and the untapped potential of the community college foundation, authors of past studies concerning community college foundations have encouraged further study on the current review and evaluation of foundation efforts (Duffy, 1979; Luck, 1974; Silvera, 1974; Sneed, 1979). As Robison (1982) stated:

> While the existing research on foundations is helpful in reporting information on various characteristics ranging from size of assets to number of board members, there is little specific information on foundation activities and almost no detailed foundation descriptions. Consequently, with such limited guidance, college staff wishing to begin a new foundation or revitalize an old, but passive one, will find that they need additional information. (p. 37).

In addition to the need for information on foundation activities, Duffy (1979) recommended that additional research be conducted to measure the success of the community college foundation.

The purpose of this research was to provide general information on the organizational and operational characteristics of the community college foundation. Additionally, the study was designed to determine if

high- and low-performing foundations have different characteristics. The differentiation of high- and low-performing foundations will contribute to the information available to those colleges who are interested in beginning a new foundation or revitalizing an old but passive one. The timeliness of this study is justified by the growing concern of funding issues and the growing numbers of community college foundations.

Definitions

For the purpose of this study terminology used was in accordance with the following definitions:

Foundation: "An agency established by a college or an interested administrative body which is not-for-profit and has as its sole purpose the raising and allocating of private funds (or other resources) for use by the college" (Luck & Tolle, 1978, p. 166).

New Assets: Contributions (cash, property, equipment, securities, bequests, endowments) made to the foundation for a specific year excluding interest and income from any previous year.

ROI: The rate of return on investment of assets.

Performance: The average annual new assets for the last 3 years times the average annual return on investment for the last 3 years divided by the average annual FTE (full-time equivalent enrollment) for the last 3 years $\left(\frac{\sum^{1982,1983,1984}\left(\frac{\text{New Assets} \times \text{ROI}}{\text{FTE}}\right)}{3}\right)$. This performance ratio is expressed in dollars per FTE.

High Performing Foundation: The top one-third of the foundations ranked according to performance.

Low Performing Foundation: The bottom one-third of the foundations ranked according to performance.

Operational Characteristics: Characteristics of a foundation including methods of fund raising, sources of gifts and donations, money spent on fund-raising efforts, categories of distribution of funds, and restrictions on fund-raising efforts.

Organizational Characteristics: Characteristics of a foundation including the person responsible for the operation of the foundation, the composition of the board of directors of the foundation, the date the foundation was established, and composition and size of foundation staff.

Organization of the Study

This study is organized into five chapters. The first chapter includes the introduction, background, statement of the problem, purpose statement, research questions, delimitations, limitations, assumptions, need for the study, and definitions. Chapter II contains a review of the literature as it relates to the history of foundations, the history of community college foundations, characteristics of community college foundations, and evaluative criteria. Chapter III includes the design of the study, the population, the instrumentation, data collection procedures, the research questions, and the procedures for data analyses. Chapter IV provides a report of the findings of the study and answers the research questions. Chapter V is a summary of the findings, interpretations of the results, and the recommendations for further research.

CHAPTER II

REVIEW OF THE LITERATURE

History of Foundations

Evidence of the modern-day concept of the nonprofit foundation can be traced throughout the history of education. Ancient records reveal that in the fourth century B.C., Alexander, King of Egypt, supplied a gift for the establishment of Alexandria University, while the Ptolmies maintained the endowment of their prestigious library (Silvera, 1974).

The concept of endowments dates back to the days of Plato who maintained his academy after his death through the establishment of an endowment (Bremer, 1965). In the early centuries A.D., the Romans maintained private associations for educational institutions, hospitals, and relief for the poor and the elderly (Sharron, 1978).

According to Dermer (1968), from the fourth century to the Reformation, church endowments were the main source of support for education. Contributions were typically made to monasteries for research in arts and science.

Private support was instrumental in the establishment of European universities such as Oxford and Cambridge. The small amount of equipment available came from grants and gifts; and instruction was provided in houses furnished by the community. Voluntary support was described by Carmichael (1959) as the seed from which colleges and universities sprung in England, Wales, Scotland, and Ireland.

In the United States, one of the first forceful stimulants to aid the poor and suffering was organized religion. Later, the Industrial

Revolution spread the "concern for others" concept to the wealthy class who realized that the relief of sickness, turmoil, and suffering created an environment in which both business and community could flourish (Dermer, 1968).

Philanthropy was a hallmark of the American college from its inception. The establishment of the colonial colleges such as Harvard has been described by Curti and Nash (1965) as the framework for higher education but most importantly "the beginning of the tradition of supporting American colleges with voluntary contributions" (p. 21). Yale, Brown, and Dartmouth took the name of their benefactors as did many younger colleges and universities such as Cornell, Johns Hopkins, and Stanford (Bremer, 1965). According to Duffy (1979), a historical review of the foundation concept in the United States reveals a close relationship between the development of institutions of higher education and private support.

As Sharron (1978) reported, many of the large, private foundations in the United States evolved as a result of the general income tax legislation of 1894 and 1913 and the accumulated wealth of the time. Following the lead of the Carnegie Corporation and the Rockefeller Foundation in the early 1900's, 27 other foundations were established by 1915. By 1948, the number had reached 899 (Silvera, 1974) and the number today is over 26,000.

While the creation of land-grant colleges provided a major impetus to public higher education, it was private philanthropy that impacted the development of private institutions in the United States (Duffy, 1979). The first fund established for the receipt of private

contributions to higher education was the alumni fund established at Yale University in 1890 (Sharron, 1978). The Mount Vernon School followed with a fund in 1903 and the Northfield School for Girls established its fund a year later. The University of Kansas Endowment Association established in 1893 is the oldest foundation created to assist a state institution through private resources, and independent Midway Junior College of Kentucky brought two-year colleges into the fund-raising business as early as 1960 (Luck & Tolle, 1978).

Clearly philanthropy and foundations have played a major role in the shaping of American higher education. Private support has provided the "margin for excellence" in supporting cultural programs, continuing research, new courses of study, competitive faculty salaries, student aid, and museum and library collections (Curti & Nash, 1965; Silvera, 1974).

Community College Foundations

Since community college foundations have not had the long history of the four-year college and university foundations, Degerstedt (1982) suggested an examination of the development and philosophical base of the community college was necessary to understand the slow development of the community college foundation.

Although the first public community college was established in 1902, growth was very gradual until after World War II when community colleges exploded in numbers with an average of one opening per week in the late 1960's (Degerstedt, 1982). Enrollment tripled between 1940 and

1960 from 200,000 to 600,000 students (Carnegie Commission, 1970, pp. 3-4). Today credit enrollments in community colleges equal almost 5 million students (1985 Community, Technical, and Junior College Directory).

The open door admissions policy and flexibility in meeting community needs became hallmarks as the community college movement flourished. Consequently, the community college became known as the people's college and support from communities and state legislators appeared to be limitless (Degerstedt, 1982).

As a result of community and legislative support, the community college foundation did not evolve until the 1960's. In addition to this support, Robertson (1982) offered these reasons for this slow development: community colleges were in an infancy stage of development and their leaders had not yet realized the importance of a foundation to the welfare and progress of the college; funds were abundant and administrators had only to be concerned with spending; very few presidents had experience in private fund raising and many were not in favor of the practice. It was the belief of many college presidents that certain characteristics of the community college were not conducive to successful fund raising. These characteristics included: modest representation of community college graduates in prestigious and professional groups; the lack of support of national figures and political leaders; and the belief of community college leaders that private funds be left to those institutions who are not publicly supported (Robertson, 1982).

For whatever reasons, community colleges have not been active in establishing foundations and in seeking private support. A brief historical review of the funding patterns of the community college system may help to illustrate how funding sources have changed and why one of the major issues facing community colleges today is providing adequate sources of funds.

In the early stages of the community college movement, these colleges were regarded most frequently as an extension of the high schools. Consequently, the principal source of funds was the same as for the high school; i.e., the local school district (Cohen & Brawer, 1982; Richardson & Leslie, 1980). Local property taxes and undifferentiated, flat, per student grants were the sources of support for community colleges in the early 1900's. In 1934, 84.3% of the income of these colleges was from the local districts. The remainder came from student fees. By 1950, local support of community colleges had declined to 48.8% and student fees had dropped to 8.9%. However, federal payments for veterans represented 13.5% and state funds accounted for 25.5% of the total support (Richardson & Leslie, 1980, p. 17). Cohen and Brawer (1982) pointed out the shifts in sources of funds between 1918 and 1980 showing that the local share shifted from 94% to 11% while state aid shifted from 0% to 60% during that period (p. 129).

Community colleges gained state interest during the post-World War II period as the demand for a variety of educational needs increased and the impact of rapidly growing school enrollments on the local property tax rate intensified (Richardson & Leslie, 1980). State funding began to increase and, by the 1950's, represented a significant source of

funding for community colleges--approximately 25 to 28% of the community colleges' total income came from the state. With this state support came friction between state agencies, state universities and community colleges and a hesitancy to fund community colleges because of their commitment to local community needs. To address these concerns, legislation was introduced to provide long-range planning and financial assistance on a broader basis for community colleges. As a result of state master plans, community colleges became independent districts with their own boards and taxing authority. The concept of a unified public school district operating a community college had practically disappeared by 1970 (Graham & Anderson, 1985; Richardson & Leslie, 1980).

The establishment of a separate taxing authority, growth in state support, increased federal aid, and the mushrooming of student enrollments resulted in an era of relative affluence in the 1950's and 1960's. It was a golden era as compared to previous decades. From 1961 to 1968, state support for community colleges increased from 26 to 36%, local support declined from 40 to 30% and tuition remained at 13% (Richardson & Leslie, 1980, p. 17).

State aid for operating expenses of community colleges has continued to increase. The results of a survey conducted in 1965 revealed that 40% of the colleges responding received 100% of their operating expenses from state aid. Based on the results of a 1985 survey, the average percentage of state funding was 56% but over one-half of the colleges responding received between 50 and 79% percent of their operating funds from state sources (Graham & Anderson, 1985).

However, Wattenbarger and Mercer (1985) indicated, based on 1982 data, a peak of state support for community colleges had been reached. Their survey on community college financing revealed that the 1982 average percentage of state support declined from 58.4% to 53% in 1984, a decrease of 5.4%.

This shift from local to state support has been a major concern of community college leaders as it represents more external influence on the mission and scope of the college. Consequently, the concern of funding methods and their affect on the mission of the community college have prompted many leaders in the field to seek private monies to curtail external control of the role and mission of the community college (Graham & Anderson, 1985).

In addition to the concern for curtailing external control, Sharron (1978) reported that the change in the political and economic environment affecting the federal, state, and local tax support of community colleges during the late 1960's and early 1970's was one of the primary reasons for the evolution of the community college foundation. With the passage and implementation of Basic Educational Opportunity Grants in 1972, a major shift in funding of post-secondary education from a campus-based to an individual-based student aid program took place. A world-wide economic recession in 1973-74 coupled with an increase in inflation which averaged 7% placed a severe strain on state and local tax bases to support the resources necessary to maintain existing educational programs at all levels. According to Sharron (1978), in the 5 years that followed, "higher education suffered disproportionately and struggled to sustain post-secondary education as

a viable option to promoting the well-being of the individual and the society" (p. 2). Administrators grappled to keep quality in educational programs and to sustain needed remedial education programs, particularly in community colleges. Consequently, declining resources from traditional sources of funding became a major concern (Sharron, 1978; Duffy, 1979; Robertson, 1982; Degerstedt, 1982). Not only was the financial base of the community college affected by changes in the political and economic environment but public opinion of education in general was low and this negative view was reflected in the opposition to requests for increased taxes and bond issues. According to Lombardi (1973), the financial crisis in education reached serious proportions in the 1960's as voters began to question community colleges as they were absorbing more and more public funds. From 1967 to 1969, the failure rate of bond issues became more and more depressing. In fact, 43% of the educational issues were rejected by voters in 1969.

Education dropped as the number one priority due to skepticism as to whether schools and colleges were accomplishing their goals, unemployment among college graduates, student activism, concern for relevancy of education and teacher effectiveness, and the enhancement of the disaffection for education by inflation (Lombardi, 1973). At the same time, social security, ecology, environmental preservation and many other national concerns were competing with education for public funds.

In addition to these external factors, certain factors within the community college were affecting the shift in both the public attitude

and the financial situation. Lombardi reported that the labor-intensive characteristic of education, the drain of ancillary services assigned to the colleges, and the increased costs of meeting the needs of the disadvantaged and minority student were just a few reasons for the strain of the financial condition of community colleges.

In conjunction with the decline in public support as well as resources, rapid growth and construction of community colleges during the late 1960's and early 1970's fostered the need to create alternative and additional resources to meet the challenges of the increase in consumer demands for education, and the need to expand community college facilities (Sharron, 1978). Harper (1976) described the situation clearly:

> Faced with the first serious threat to the open-door concept since it became the cornerstone of the movement two decades ago, community colleges must now either accept a closing door or find some new ways to prop it open. (p. 48)

The nonprofit foundation evolved as one way to prop open the door. However, due to scant documentation of community college foundations, there are conflicting views as to when the first foundation was established. Robison (1982, p. 33) identified foundations established at Long Beach City College in 1922; Santa Monica City College, 1955; and Vincennes University, in 1949. A survey conducted by Degerstedt (1982) revealed that the earliest reported foundation was established in 1950. Nevertheless, many writers in this field agree with Sims (1976) that the oldest foundation supporting a public community college was established in 1962 at Highland (Illinois) Community College.

The first major study on community college foundations was conducted in 1974 by Luck and Tolle. Luck (1976) reported that less than half of all colleges surveyed (192 of 418) had established a foundation. Nonetheless, interest in community college foundations has grown as a 1965 study reported only 23 of the colleges responding had a foundation (Degerstedt, 1982). Luck (1976) found that colleges which establish foundations typically do so within the first 5 years of operation. Consequently, more than 80% of the nonprofit foundations in community colleges were established following the development of large numbers of community colleges in the late 1960's (Robison, 1982, p. 33).

Four years after Luck and Tolle's study, Sharron (1978) conducted a study of the 1,037 public community colleges in the mainland United States. Sharron found 546 active or inactive foundations in the 48 states surveyed which meant that 52% of the colleges surveyed had organized a nonprofit foundation by 1978 to solicit and receive private funds.

Degerstedt (1982) reported that the ten-year period of 1968-1978 was one of dramatic growth as 65% of all extant foundations were developed during that decade (p. 57). He also noted that more nonprofit foundations were formed in 1978 alone than were formed during the 15-year period between 1950 and 1965 (p. 56). Therefore, the majority of community college foundations are 10 years of age or less.

The most recent national study of the trend to establish community college foundations was conducted in 1980 by Angel and Gares. Of the 592 institutions that responded to their survey, 370 or 62% reported

having established a foundation. The study revealed that 41% of the foundations had been formed within the last 5 years and that 61% had been established since 1965 (Angel & Gares, 1981, p. 5). In addition to the studies which focus primarily on community college foundations, a 1985 survey concerning funding sources revealed that 85% of the colleges responding had established a foundation to help curtail external control of the role and mission of the college (Graham & Anderson, 1985).

While much has been written on fund raising and how it can aid the quality of educational programs and provide benefits to colleges and universities, a limited number of studies have been conducted on community college foundations. Rowland (1983) found only five dissertations written during the last 10 years which dealt with community college foundations and only two of these were national studies.

Characteristics of Community College Foundations

What are the characteristics of a community college foundation. What is its purpose? How it is organized? Who is in charge? What are its methods of fund raising? How are its funds allocated?

After conducting several case studies of foundations, Robison (1982) concluded:

> The term "community college foundation" does not describe a single phenomenon, but is actually a general term which covers at least five different types of organizations distinguished by the following labels: (a) Holding Corporation; (b) "Old

Buddies" or Personality Foundation; (c) Structural Agent or Operating Foundation; (d) Special Purpose Foundation; and (e) Comprehensive Foundation. (p. 37)

Robison labeled these five types of community colleges foundations based on their purpose and how they worked toward achieving that purpose. Consequently, it is this writer's opinion that many community college foundations today move back and forth along this continuum as their purpose or purposes change. It would, therefore, be difficult to categorize community college foundations into types.

Previous studies, primarily descriptive in nature, have reported characteristics of community college foundations. Many of the surveys have explored the following characteristics: responsible official, board makeup and membership, value of assets, gifts, staff, expenditures for fund raising, fund-raising methods, and allocation of funds.

Responsible Official

The responsibility of the foundation can be assigned to one person or a group of people. Based on the results of a 1974 study, Luck (1976) reported "that there are as many different groups or individuals in charge of the foundation as there were foundations" (p. 34). Luck found that approximately 50% of those individuals who headed the foundation were directly affiliated with the college and were responsible for all fund-raising activities. Degerstedt (1982) reported that 34% of the colleges responding to his survey placed the responsibility of the foundation with the president, while 77% placed this responsibility with

an administrator, either the president, dean, or director. According to Luck and Tolle (1978) a foundation administrator serves as the chief fund raiser in approximately one-third of community college development programs. As Luck and Tolle (1978) pointed out, many community colleges with modest endowments will combine the positions of foundation director and chief development officer.

Boards and Board Membership

The membership of the board can range from 1 to 50 or more. In 1974, Luck and Tolle found that 31.4% of the colleges responding had 9 to 12 board members. They also reported that 26.6% had 5 to 8, while 19.7% had 20 or more (p. 140). In 1979, Degerstedt's (1982) findings were similar with 10-15 members reported as the most representative of those surveyed. Degerstedt also found that 1 to 3 college board members served on over half of the foundations' boards, while one-quarter of the colleges reported no overlap of membership between the college and foundation boards. One or 2 college administrators were represented on the foundation boards for almost half of those colleges responding, while 10% reported no representation on the board of college administrators (pp. 57-58). It is interesting to note that Luck and Tolle (1978) reported that 73.9% of the colleges responding to their survey had college faculty and staff represented on the foundation board (1 to 3 members were the most frequent numbers), while Degerstedt (1982) did not address this type of representation.

Value of Assets

In 1974, over half of the community colleges surveyed had total foundation assets under $25,000 (Luck, 1976). Robison (1982) compared Luck's 1974 study with Angel and Gares' 1980 study and found that "while the largest single category of assets is less than $10,000 overall, there has been definite growth with a 200% increase in the number of foundations with assets exceeding $100,000" (p. 34). According to Angel and Gares (1980), 31% of the community college foundations had assets exceeding $100,000. They also reported that 11% of the foundations had assets exceeding $500,000, while 7% had assets of $1,000,000 or more.

Gifts

The types of gifts received by community college foundations in the 1960's were buildings, land, stocks, and bonds but the largest single category of gifts was cash which represented almost 50% of gifts received (Bremer & Elkins, 1965, p. 18). Nonmonetary gifts such as personnel; donations of time, space, and equipment; and voluntary resources for fund-raising activities have been cited as types of gifts but a major study in 1980 revealed that 8 out of 12 major gifts to higher education were deferred (Sharron, 1982). According to Sharron, "planned giving will become the most important aspect of the foundation's fund raising techniques if properly cultivated and developed" (p. 313). In fact, planned giving is projected to represent 50% of all philanthropic giving in the next 10 years.

Staff

Hargis and Blocker (1973) found that only approximately one-quarter of the institutions reporting had full-or part-time staff members assigned to foundation work. In their 1974 study, however, Luck and Tolle reported that almost one-half of the community colleges had full-time or part-time people assigned to fund raising-activities. Degerstedt (1982) found that 24% of the foundations reporting employed some paid staff but no foundation reported more than two paid staff. Consequently, fund raising and foundation activities have been assigned as added responsibility to certain college personnel.

Expenditure for Fund-raising Efforts

Luck (1974) reported that community college foundations spent less than $2,500 per year on fund-raising efforts not including personnel costs. In fact, 45.4% of those who did participate in fund-raising activities spent approximately $1,000 per year on these expenses (p. 139). Luck (1974) and Degerstedt (1979) found that professional fund raising consultants were used by very few colleges.

Fund-raising Methods

Personal solicitation appears to be the most used method of fund raising. Of the 171 respondents to Luck's survey (1974), 52.6% used personal solicitation as a method of fund raising (Luck & Tolle, 1978, p. 136). Degerstedt (1979) asked foundations to rank their most effective fund-raising methods and 31% ranked personal solicitation as either first or second. Degerstedt provided 26 methods to be ranked and

the top 5 which were ranked as most effective were in order: personal solicitation, direct mail, special events, business and industry donations, and limited direct mail.

Allocation of Funds

The allocation of foundation funds to certain areas appears to be consistent over the past years as Luck (1974), Silvera (1974), Degerstedt (1979), Angel and Gares (1980) and Robison (1982) all report consistent support to program areas in consistent percentages. Angel and Gares (1980, p. 3), reported the following areas and percentages to each area supported by foundation funds:

Student Scholarships	85%
Student Loans	38%
Educational Programs	35%
Community Services Programs	34%
Capital Equipment	34%
Capital Facilities	30%
Grants-in-Aid	27%

Over the years, student scholarships and other types of student aid have been the principal beneficiaries of community college foundation support.

Evaluative Criteria

Many of the early studies of fund raising at the community college level viewed effectiveness in terms of funds raised. Studies such as those conducted by Bremer (1965) and Hargis and Blocker (1973) reported the increase in funds to the college via the foundation as a measure of success (Duffy, 1982). Leslie (1969) defined effectiveness as the degree to which an objective is achieved. According to Robison (1982),

"the obvious definition is that the effective foundation is the one that brings in the largest amounts of money" (pp. 35-36). Luck and Tolle (1978) modified this definition based on their examination of community college foundations and fund-raising methods and concluded that, "one measure of success for a foundation is the number of gifts accumulated. However, the best evaluative measure is reflected by the fiscal assistance provided to the college" (p. 49). Robison (1982) supported Luck and Tolle's statement by noting that the success of a foundation is determined not only by the income but also by the expenditures made on behalf of the college.

Sharron (1978) indicated that the secondary purpose of forming a nonprofit foundation is public relations and Duffy (1979) stated that strong public relations should be viewed as a characteristic of the community college foundation. According to Sharron (1982), to realize the maximum potential of its resource development program, the foundation board of directors must organize as an effective public relations vehicle during the first year of operation. The primary objective of the board of directors for the first year should be friend raising and not fund raising. Mays (1985) reported that community relations (friend raising) was a significant operational function of the foundation as development officers ranked it above fund raising in both importance and degree of responsibility. Robison (1982) suggested that the foundation can make important nonmonetary contributions such as operating as the nucleus of the community and functioning as a vehicle to meet community needs. According to Sharron

(1978), the foundation should be a way to involve the local citizenry in meeting needs of the college. Woodbury (1973) noted that the involvement of community leaders should be a characteristic of the foundation which would broaden the base of local support to the college. Consequently, good public relations is considered by many in the field as a measure of effectiveness.

While many of the earlier writers agreed with Leslie (1969) that the amount of private dollars is the best productivity measure for many institutions, other agree with Robison (1982) that the foundation cannot be evaluated merely on the size of its income and assets. Such evaluative criteria do not allow for the age and size of the college, the age of the foundation, foundation staff, community wealth, and the contributions to the achievement of college goals which affect the success and performance of community college foundations.

One of the most recent studies on developing characteristics of a successful foundation was conducted by Duffy in 1979. In an effort to survey active foundations, Duffy defined a foundation as "active" if it met one of the following criteria:

1. A foundation must raise at least $1,000 per year for the last 3 years.

2. A foundation must raise a minimum of $5,000 over the past 3 years.

3. A foundation must sponsor at least 3 activities each year for 3 years. (pp. 45-46)

One of the purposes of this study was to determine whether differences in operational and organizational characteristics exist

between high- and low-performing foundations. Although no studies were found that identified the characteristics of high- and low-performing foundations, many writers in this field have commented on successful foundations and the efficiency and effectiveness of foundations.

One of the earliest studies dealing with an effective development program was conducted by Bremer in 1965. Based on a review of the literature, Bremer developed six criteria which he considered essential for a college to carry on an effective development program. Bremer's six criteria were:

1. administrative officers assigned development responsibilities;
2. volunteer groups;
3. alumni organizations;
4. alumni funds;
5. membership in American Alumni Council; and
6. membership in the American College Public Relations Association. (1965, pp. 10, 96)

Bremer found that in comparing each of the six items, the average total amount received per college through the development program was greater when the criterion was present. Bremer also compared differences in the average annual income for a three-year period from private sources with average enrollment for a three-year period. Bremer's generalization that private support is related to enrollment was not supported by the results of his study. Even though those colleges in the lowest and highest enrollment ranges "received less total average annual support than did colleges in the two middle ranges, there was no consistent increase or decrease from one range to the other" (p. 222).

Silvera (1974) conducted a study of California community colleges using Bremer's six criteria for an effective development program. He also calculated the dollar giving per full-time equivalent student for each of the community colleges and then ranked the California foundations by amount received per full-time equivalent enrollment. Silvera found that of the 30 colleges reporting, no foundation met more than two of Bremer's criteria (p. 73). To establish a criterion for measuring effectiveness in terms of dollar yield, Silvera chose the seventy-fifth percentile as the breaking point; those institutions above the seventy-fifth percentile were considered more effective in terms of dollar giving per full-time student equivalent than those institutions with smaller amounts of giving (p. 75). Five foundations of the 30 were ranked above the seventy-fifth percentile; and by conducting a _t_-test, Silvera found that there was a significant difference in mean dollar yield between the top 5 and bottom 15 foundations. However, Silvera found no significant difference between the proportion of foundations more closely matching Bremer's criteria among the top 25% of dollar yield per full-time equivalent and the proportion of foundations more closely matching Bremer's criteria in the bottom 75% of respondents. Consequently, Bremer's criteria "did not differentiate 'effective' (top 25%) from 'non-effective' (bottom 75%) foundations" (p. 79). As Bremer's criteria did not differentiate effective and non-effective foundations, Silvera used his operational definition of dollar giving per full-time equivalent student as the measure of foundation effectiveness to complete his study.

Sneed (1979) replicated Bremer and Silvera's study with some modifications. Sneed changed the American Alumni Association and the American College Public Relations Association to the Council for Advancement and Support of Education as these two organizations had merged to form the council in 1974. She also changed the years of the data period to meet the requirements of her study. Sneed's objectives were to determine whether Florida community college foundations were "effective" based on Bremer's crtieria and if these foundations were also considered effective based on the annual average of private support per average annual full-time equivalent for the 3 years of the study (Sneed, 1979, p. 34).

The results of Sneed's study revealed that only 1 of the 23 colleges surveyed met all five criteria for effectiveness established by Bremer. Sixteen of the 23 met two or more of Bremer's criteria for effective fund raising (p. 41). Sneed's findings indicated that Florida community college foundations had a higher occurrence of Bremer's criteria of effectiveness than Bremer discovered in his 1964-65 study. She also found that the responses to Bremer's criteria of those foundations considered effective in terms of the top 25% of dollar yield per full-time equivalent enrollment were not significantly different from the response of those foundations in the bottom 75% of dollar yield per full-time equivalent enrollment. As a result, Sneed concluded that Bremer's criteria for effectiveness did not differentiate effective and non-effective foundations based on the top 25% of dollar yield per full-time equivalent enrollment. Based on these results, Sneed (1979)

questioned whether Bremer's criteria were, indeed, valid measures of effectiveness.

One of the most recent studies to determine the effectiveness of community college foundations was conducted by Duffy in 1979. The purpose of Duffy's study was "to develop evaluative criteria for developing and maintaining successful community college foundations" (p. vii). Presidents and development officers of community colleges in Region IV of the United States Department of Health, Education and Welfare ranked seven characteristics of a successful foundation:

1. establishes strong public relations with the community;
2. involves effective community leaders and potential donors as members;
3. provides a vehicle for community involvement in the institution;
4. has a series of on-going projects sponsored by the foundation that are oriented to the college;
5. raises large amounts of money;
6. provides a major source of student aid; and
7. initiates new ideas and processes. (p. 85).

Duffy (1979) also had the presidents and development officers to rank 10 of 22 conditions of a successful foundation. Duffy concluded that of the 10 conditions ranked, a planned and well-defined endeavor of fund raising and resource development with the involvement of both the president and the development officer and an informed board were major conditions for success.

Based on the elements of the characteristics and conditions ranked in the survey, Duffy surmised that planning, good communications, and public relations were necessary for a successful foundation. Duffy suggested that due to the incease in interest among community college administrators and the limited amount of research on community college foundations, additional research should be conducted and instruments developed "to measure the success of community college foundations" (p. 95).

What type of instrument should be used to measure the success of community college foundations? What criteria would measure the effectiveness or success of a foundation? A review of the development of the community college foundation reveals that many characteristics and conditions have been reported as necessary for a successful foundation. Many of the earliest studies reported the amount of money raised as the criterion for success. However, as evidenced by Duffy's (1979) study, success is more than money raised.

Although some researchers (Bremer, 1965; Silvera, 1974; Sneed, 1979) have attempted to measure effectiveness based on criteria developed from the literature and dollars given per FTE student, none considered fund management in conjunction with the amount of resources raised in determining effectiveness of community college foundations. Silvera (1974) and Sneed (1979) replicated Bremer's (1965) criteria by selecting a 3 year fiscal period and using the average annual support divided by the average annual FTE as a measure of effectiveness. Duffy (1979) used a criterion that community college foundations had to have

raised $5,000 over a three-year period to be considered active (p. 45). Consequently, these studies have suggested that a three-year period is a reasonable time frame to measure a foundation's activity. With the exception of Duffy, these researchers also used FTE to control for the size of the college.

Although the rate of return on investment has not been established as a measure of effectiveness, writers in the field have addressed the need for planning and preparation to meet future needs which will involve investment management. According to a recent article in The Chronicle of Higher Education (Sept. 4, 1985), predictions are that more colleges and universities will try to raise more money than ever before and the outcome is certain: "the competition for the philanthropic dollar is going to be absolutely fierce" (p. 52). In fact, Robison (1982) reported that requests for corporation and foundation assistance have increased nearly a hundredfold. As more and more colleges gear up to actively seek the private dollar, "support from foundations, business, and industry is proportionately diminishing as inflation, tax law revisions, and other factors make giving a less attractive or less practical part of their fiscal policy" (Young, 1980, p. 24).

Consequently, the difficulty of obtaining external resources combined with an uncertain economy, declines in enrollment and appropriations reinforce the need for an effective resource development program to obtain alternative sources of support but to also manage resources more effectively (Young, 1980; Robison, 1982).

It seems apparent that because of the intense competition for and the limited amount of private dollars, community college foundations must be evaluated on the management of funds, especially the management of funds invested. In fact, Biemiller (1985) reported that "the endowments of colleges that kept a close watch over their investments, employed multiple investment managers, and retained outside consultants grew at a faster rate during a recent five-year period than the endowments of colleges that did not" (p. 13). Therefore, the effective community college foundation is one that constantly seeks opportunities to apportion assets in various investment instruments to gain the greatest return. Consequently, the management of funds will be a necessary objective as community colleges must develop more than a 'pass-through' foundation.

Community wealth was not used as a criterion in calculating the performance ratio because of the following reasons:

1. The difficulty in defining community wealth. Is it personal property? Personal bank deposits? Disposable personal income?

2. The difficulty in defining boundaries of the community college service area. The county or counties in the service area may not reflect the true community wealth; i.e., local businesses and industries may be branches of larger companies whose corporate headquarters are located outside the service area of the community college. Therefore, the true wealth of these organizations may not be reflected in the wealth of the community.

A telephone survey of 15 community colleges conducted by this researcher in the Spring of 1984 revealed that community wealth did not

correlate with total assets of community college foundations. A comparison was made of two foundations, both established approximately the same length of time, one in an urban, progressive city-county area serving 426,000 people; one in a rural, moderately progressive three-county area serving 90,000 people. The community college foundation in the rural area had almost 4 times the assets of the community college in the urban area where the community wealth would certainly be greater. Consequently, it was this researcher's opinion that community wealth was not a valid indicator of performance.

CHAPTER III

METHODOLOGY

The purpose of this study was to investigate the differences in organizational and operational characteristics between high- and low-performing foundations. Two survey instruments were used: one to identify community colleges that had a nonprofit foundation and another to determine the organizational and operational characteristics of these foundations. The characteristics of community college foundations were developed by using survey instruments of previous studies (Bremer, 1965; Duffy, 1979; Silvera, 1974; Sneed, 1979), conducting a review of the literature, and by seeking the recommendations of a panel of members of the National Council of Resource Development, an affiliate of the American Association of Community and Junior Colleges. The organizational and operational characteristics of all foundations who completed the survey were described. The foundations that met the performance criteria were ranked as high- and low-performing foundations.

Research Design

A descriptive survey was selected as the research method for this study. Best (1970) explained descriptive research as that which "describes and interprets what is. It is concerned with conditions or relationships that exist; beliefs...attitudes that are held...or trends that are developing" (p. 116). The surveys in this study were conducted using Babbie's (1973) recommendations for descriptive research.

Population

The population of this study was the 1,064 public community, technical, and junior colleges listed in the 1984 American Association of Community, Technical, and Junior College Directory. After selecting only the main campus of any multi-campus institution in this directory, the population was reduced to 923 colleges. A letter of introduction and a brief survey were mailed to the presidents of a random sample of 400 of these colleges, slightly more than 40%. This survey was designed to identify those colleges with affiliated nonprofit foundations and to determine the person responsible for the day-to-day operation of the foundation. The survey was also used to determine interest in the concept of a nonprofit foundation and state restrictions prohibiting the establishment of a foundation by those colleges responding "No" to having such an organization.

The second survey was mailed to those community colleges that responded to the first survey as having a nonprofit foundation. The second survey was designed to determine the organizational and operational characteristics of the foundations.

Instrumentation

Two survey instruments were used in this research. The first survey was mailed to a random sample of 400 community college presidents. This survey was designed to: identify those colleges that had a nonprofit foundation, obtain the name and title of the person directly responsible for the operation of the foundation, identify colleges that had a

multi-unit district foundation, obtain the name and title of the person directly responsible for the multi-unit district foundation, determine whether state law or state regulation restricted the establishment of a foundation, and to monitor the interest in establishing a foundation. The survey questions were Yes-No response questions with the exception of those questions which asked for the name and title of the person responsible for the foundation. The results of this survey were used to develop a mailing for the second survey.

The second survey was mailed to the person directly responsible for the operation of the foundation. This survey was divided into three sections. The first section identified performance characteristics, including full-time equivalent credit enrollment for the Fall Quarter for the last 3 years, new assets for the last 3 years, the percentage of return on investments of assets for the last 3 years, and the top 3 types of interest-earning investments for the last 3 years. This section was designed to obtain data for the performance ratio utilized in the study. The performance ratio $\left(\frac{\sum^{1982,1983,1984}\left(\frac{\text{New Assets} \times \text{ROI}}{\text{FTE}}\right)}{3}\right)$ was used to rank high- and low-performing foundations. This performance ratio was developed from measures of community college foundation effectiveness used in previous studies by Bremer (1965), Silvera (1974), Sneed (1979), and Duffy (1979).

Although the rate of return on investments was not utilized as a measure of effectiveness in these studies, this criterion has been

identified as a necessary component of an effective resource development program. Recent reports indicate that competition for private support is increasing while support from private sources is diminishing due to inflation, tax revisions, and other factors. To deal with the competition for and the limited amount of external resources, Biemiller (1985) suggested effective fund management. Biemiller reported that endowments of colleges which were "among the best managed in the country realized annual investment returns averaging 15.6% during the five-year period" ending March 31, 1985 (p. 13). Those colleges using a less intensive approach to endowment management realized returns for the same period of 13.8%. According to Biemiller, this 1.8% difference amounted to an $81 million loss in added value for these endowments. Consequently, it is apparent that fund management is one criterion by which community college foundations should be evaluated.

The second section was designed to ascertain the organizational characteristics of the foundation. Questions concerning these characteristics are listed in Appendix A. This section of the survey was used to identify and compare the organizational characteristics of high- and low-performing foundations.

The third section of this survey was designed to identify the operational characteristics of the foundations. Questions concerning operational characteristics are listed in Appendix B. This section of the survey was used to identify and compare operational characteristics of high- and low-performing foundations.

Data Collection Procedures

This research involved the following two phases of data collection:

Phase One: Survey of Presidents

1. A cover letter explaining the study, the benefits to the respondent, and importance of the response to the success of the study was mailed with the survey and a stamped, return envelope. (See Appendix C.)

2. Two weeks later a follow-up letter, a replacement survey, and a stamped, return envelope were mailed to the nonrespondents.

Phase Two: Survey of Person Directly Responsible for the Community College Foundation

1. A cover letter explaining the subject of the study, the benefit to the respondent, and the importance of the response to the study was mailed to the person responsible for the foundation with a survey on the organizational and operational characteristics of the foundation and a stamped, return envelope. (See Appendix D.)

2. Two weeks later a follow-up letter, a replacement survey, and a stamped, return envelope were mailed to the nonrespondents.

3. Two weeks later a telephone survey was conducted of a 10% random sample of the nonrespondents.

Research Questions and Analyses

The surveys used in this study were designed so that respondents could mark their answers directly on the instruments. These data were then coded, recorded on op scan sheets, and transferred to a computer data file. The SPSSX statistical package was used to analyze the data.

The following research questions were addressed. The questions on the survey which corresponded to the major research questions were mapped following each question.

Research Question 1: What are the organizational and operational characteristics of high- and low-performing foundations?

Organizational Characteristics	Questions
a. age	1
b. year activated	2
c. characteristics of person/position responsible for the foundation	3, 4, 5, 6, 7
d. staff	8
e. characteristics of the board of directors	9, 10, 11, 12, 13
e. document of organization	14

Operational Characteristics	Questions
a. description of fund-raising approach	1
b. use of outside fund-raising consultants	1
c. yearly amount spent for fund raising	2
d. use of different fund-raising methods	3
e. use of an alumni association	4
f. solicitation of contributions from the "college community"	5
g. use of workshops to promote the foundation	6
h. use of accountants, attorneys and others to promote the foundation	7
i. sources of gifts and donations to the foundation	8

Operational Characteristics (Continued)	Questions
j. receipt of local or state tax monies for the operation	9
k. types of gifts received by the foundation	10
l. types of gifts projected to be received by the foundation	11

Research Question 2: How do high- and low-performing foundations differ in organizational and operational characteristics?

Organizational Characteristics	Statistics
a. age--life of foundation	Chi-square
b. length of time between incorporation and activation	Chi-square
c. characteristics of person/position responsible for the foundation	
1. proportion of foundations having development officer	Chi-square
2. proportion of full-time development officers	Chi-square
3. proportion of development officers holding another position	Chi-square
4. person directly responsible to	Chi-square
5. source of salary	Chi-square
6. previous experience in development	Chi-square
d. staff	
1. professional	Descriptive
If yes, difference in makeup of staff (full-time/part-time)	Descriptive

Organizational Characteristics (Continued)	Statistics
d. staff (continued)	
2. clerical/secretarial staff	Chi-square
If yes, differences in makeup of staff (full-time/part-time)	Chi-square
e. foundation board	
1. number of directors on the board	Chi-square
2. occupations of board members	Chi-square
3. term of office	Descriptive
4. orientation/education sessions	Chi-square
5. frequency of board meetings	Chi-square
6. frequency of executive board meetings	Chi-square
7. document of organizaton	Chi-square

Operational Characteristics	Statistics
a. use of outside consultant	Chi-square
b. money spent yearly in fund-raising efforts	Chi-square
c. methods/sources of fund raising	Chi-square
d. use of alumni association	Descriptive
e. solicitation of contributions from college community	Descriptive
f. workshops for college community	Descriptive
g. use of accountants, attorneys, and others to promote foundation	Descriptive
h. receipt of local or state monies for the operation of the foundation	Descriptive
i. types of gifts received	Descriptive

The study was to determine the high- and low-performing foundations by ranking them according to a performance ratio $\left(\frac{\sum^{1982,1983,1984}\left(\frac{\text{New Assets} \times \text{ROI}}{\text{FTE}}\right)}{3}\right)$. After ranking the foundations in descending order by this performance ratio, the top and bottom one-third of these were designated as high- and low-performing foundations, respectively.

The organizational and operational characteristics of the foundations were reported using means and proportions. Comparisons of means and proportions were made of the differences in organizational and operational characteristics of high- and low-performing foundations.

CHAPTER IV

RESULTS OF THE STUDY

The population surveyed in this study consisted of the 1,064 public community, technical and junior colleges listed in the 1984 American Association of Community, Technical, and Junior College Directory. With the exception of the main campus, multi-campus institutions were eliminated and the final population was reduced to 923. A random sample of 400 (slightly more than 40%) of these colleges was taken for the study.

The first survey packet was mailed to the presidents of these 400 colleges in March, 1985. By April, 1985, 374 colleges (93.5%) had responded. Of the total responses, 290 colleges or 77.5% reported having a nonprofit foundation. Seventy-eight or 20.9% of the respondents reported they did not have a nonprofit foundation. Six colleges were omitted from the 290 responses because: (a) they were not public community colleges; (b) they had returned more than one survey; and (d), the returned a survey not mailed by this researcher. However, more than two-thirds of these colleges (69.2%) were interested in establishing a foundation. It is also noteworthy that 69.8% of the 368 colleges asked to be sent a report of the findings of this study.

After eliminating duplicate responses from within the same college district, foundations with fewer than three years of operation, and colleges that did not wish to participate in the study, 270 (93.1%) usable surveys remained. The frequencies and percents for the responses to the initial survey are given in Table 1. An analysis of the number of usable responses for the second survey is shown in Table 2.

Table 1

Responses to Initial Survey

	Does your college have an affiliated nonprofit foundation that is operational?				If no, is your college restricted in the establishment of a foundation by state law or regulation?			If no, has your college had an interest in establishing a foundation?			Do you desire a report of the findings of this study?		
	Yes	No	N/A	Comments	Yes	No	No Response	Yes	No	No Response	Yes	No	No Response
	247	70	6										
	2	8		In process of establishing one	1	69	8	54	14	10	257	60	51
	5			barely operational									
	1			yes, but do not wish to participate									
	35			member of district foundation									
TOTAL	290	78	6		1	69	8	54	14	10	257	60	51
%	77.5	20.9	1.6		1.3	88.5	10.3	69.2	17.9	12.8	69.8	16.3	13.9

Table 2

Usable Responses from Initial Survey

The number of colleges responding "Yes" to the question, "Does your college have an affiliated nonprofit foundation that is operational?"	290
- minus colleges that have foundations that have been in operation less than 3 years.	- 7
- minus colleges that would represent a college district foundation more than once.	- 12
- minus one college that did not wish to participate.	- 1
Total number of usable responses	270 (93.1%)

Note. Total response = 290.

The second survey packet was mailed to the person identified as being responsible for the operation of the foundation at each of the 27 community colleges. This survey was used to collect information concerning performance, organizational and operational characteristics of the foundations. Of the 270 surveys mailed, 166 surveys or 61.5% were returned and 158 or 58.5% were usable. Due to the inability to obtain a 100% rate of return it was important to survey the nonrespondents to determine if significant difference existed between the respondents and nonrespondents. A random sample of 15 (slightly more than 10%) of the nonrespondents was taken and a telephone survey of these nonrespondents was conducted using questions from the survey sent to the Directors of Development (Appendix E). One of the 15 colleges did not wish to participate in the study; therefore, the sample was reduced to 14. A Chi-square test for independence between the respondents and nonrespondents was conducted. The major differences between the respondents and nonrespondents was in professional full-time and part-time staff and in clerical/secretarial full-time and part-time staff. The respondents tended to have both professional and clerical/secretarial staff, while the nonrespondents did not. Since there was one empty cell for clerical/secretarial full-time staff and one observation for clerical/secretarial part-time staff, the Chi-square test of independence was inappropriate.

The usable surveys from 158 responding foundations were used to:

1. Identify organizational and operational characteristics of foundations in selected public community, technical and junior colleges in the United States.

2. Rank these foundations by a performance ratio.

3. Compare and contrast the organizational and operational characteristics of high- and low-performing foundations.

The first section of this chapter will focus on the organizational and operational characteristics of community college foundations. The second section of the chapter will focus on statistical differences between high- and low-performing foundations.

Organizational Characteristics of Community College Foundations

A profile of community college foundations in terms of organizational characteristics is presented in this section.

Year of Incorporation

Reporting foundations had been incorporated an average of nearly 10 years. The mean year of incorporation was 1975. However, more than three-fourths (76.4%) were incorporated between 1970 and 1985 and over half (52.3%) were incorporated since 1980. Obviously, as suggested by other research (Sharron, 1982, Degerstedt, 1979), foundations in public community colleges are a recent phenomenon.

Foundation Director

Researchers suggest that the foundation director wears many hats (Luck, 1974; Sharron, 1982). Examination of the data collected indicates that the vast majority of responding foundations (119 of 157, 75.8%) have a person clearly designated as responsible for the day-to-day operation of the foundation; but, only 12.4% (18 of 145)

devote full-time to that task (Table 3). In fact, only 32 of 129 (23%) are in positions normally associated with development, grants writer, vice president for development, director/dean of development, or director of institutional advancement (Table 4). Eighteen of 129 (14%) are also the presidents of their college and 6 (4.7%) are chief business officers. Seventy-three of the 129 responding (56.6%) foundation directors indicted a title other than the titles listed on the survey instrument. Of the 73, nearly one-half (43.8%) specified a title that included development as an add-on responsibiity. However, more than half (56.2%) listed titles under "other" including professor, assistant dean, financial aid director, director of community relations, provost and assistant to the president.

It is apparent from these data that the majority of foundation directors are college officials who have been assigned development responsibilities on a part-time basis.

Previous Experience

Based on the results of their studies, Luck (1974) and Degerstedt (1982) reported that the majority of individuals who are responsible for the foundation are directly affiliated with the college; i.e., president, dean, or director. Apparently, foundation responsibilities have, in most cases, been "add-on" responsibilities to officials already employed by the college. Consequently, the majority of these foundation directors have had very little or no experience in foundation or development work. Inspection of the data collected for this study indicates that the majority (87 of 144, 60.4%) of these

Table 3

Status of Foundation Director Position

	N	Yes	%	No	%
1. Does your college have a person (foundation director) who is responsible for the day-to-day operation of the foundation?	157	119	75.8	38	24.2
2. Does the foundation director devote all work time to foundation activities?	145	18	12.4	127	87.6
3. Does this person (foundation director) have responsibilities within the college other than foundation-related responsibilities?	143	122	85.3	21	14.7

Table 4

Titles of Foundation Directors

	Frequency	%
President of College	18	14.0
Business Officer	6	4.7
Grants Writer	2	1.6
Vice President of Development	7	5.4
Director/Dean of Development	16	12.4
Director of Institutional Advancement	7	5.4
Other	73	56.5
TOTALS	129	100.0

foundation directors had no previous experience in foundation or development work. Of these 57 directors with previous experience, 22 had 5 years or less of prior experience in foundation or development work. Thirty-nine or 75% had 10 years or less of previous experience.

Foundation Directors Report to Whom

Research suggests that foundation directors are more likely to be effective in cases where they report directly to the college president (Duffy, 1979; Sharron, 1982). According to Sharron (1982), a typical organizational model for the two-year college foundation would include a top management position such as vice president for development reporting directly to the president of the college. An inspection of the data in Table 5 reveals that the majority (102 of 148, 68.9%) of the foundation directors report to the president (68 of 148, 45.9%) or to both the president and the board of directors of the foundation (34 of 148, 22.9%). Twenty-six or 17.6% of the respondents indicated they reported to the board of directors. Eighteen or 12.2% checked "other" and specified a variety of titles for the person or persons they reported to as a foundation director. Five or 27.8% of the 18 reported to a person directly involved in development such as dean of development, director or vice president for development. Examples of the persons to whom the remaining directors reported included chancellor, executive director of public affairs, assistant to the president, vice provost, and vice president of student affairs.

Table 5

Official to Whom Foundation Director Reports

	Frequency	%
President of College	68	45.9
Board of Directors of Foundation	26	17.6
Dean of Development	2	1.4
Both President of College and Board of Directors of Foundation	18	12.2
Other	34	22.9
TOTALS	148	100.0

Sources of Salary Funds

Data were collected to determine the sources of funds for directors' salaries. As indicated in Table 6, the vast majority of foundation directors (113 of 132, 82.5%) are paid solely from college funds. Only 11 of 137 (8%) directors are paid entirely from foundation funds. The remainder are either unsalaried (10 of 137, 7.3%) or are paid from a combination of college, foundation, or other-source funds.

Foundation Staff

Luck and Tolle (1978) reported that 87.5% (112 of 128) of the community colleges responding to their survey had at least one to three staff members, part- or full-time, including secretaries. Their finding is not consistent with the results of this study. However, Luck and Tolle did not indicate if these staff members were employed directly by the foundation, by the college, or even whether they were paid or unpaid volunteers.

Degerstedt (1979) reported that over three-fourths of the colleges responding to his survey (131 of 172) had no paid staff from foundation funds. Of the foundations with paid staff, none reported more than two paid staff members and only 29 reported two. However, Degerstedt did not distinguish part-time and full-time or professional and clerical (pp. 73-74).

The results of this study indicate that most community college foundation directors are part-time and, consequently, very few have any support staff, either professional or clerical, who are employed by the foundation. The majority of these foundations (134 of 151, 88.7%

Table 6

Source of Salary Funds of Foundation Directors

Source	N	100% paid by source	%	Less than 100% but more than 0% paid by source	%	0% paid by source	%
College Operating Funds	137	113	82.5	9	6.6	15	10.9
Foundation Funds	137	11	8.0	7	5.1	119	86.7
Grants/Project Funds	137	0	0.0	1	0.7	136	99.3
Other	137	1	0.7	1	0.7	135	98.5

Note: Percentages may not equal 100% due to rounding.

reported no professional, full-time support staff. Sixteen or 10.6% of the foundations reported 1 to 3 professional, full-time staff members. More than three-fourths (129 of 151, 85.4%) of the foundations reported no part-time professional staff; and 22 (14.6%) reported 1 to 4 professional, part-time staff members employed by the foundation. The major source of salaries for these professional staff members is college funds.

In addition to professional staff, 74.5% of these foundations (114 of 153) reported no full-time clerical staff. Only 39 (25.5%) foundations reported one full-time clerical staff member. Ninety-eight of 152 foundations (64.5%) reported no part-time clerical staff; and, 54 (35.5%) reported one part-time clerical staff member employed by the foundation. However, the majority of clerical staff members are paid from college funds.

Foundation Board of Directors

This study included questions concerning the size of the board of directors, the term of office for the board, orientation for new board members, and the meeting schedule for both the board of directors and the executive committee of the board of directors.

Size of the Board of Directors: Previous studies indicate that the size of the board of directors can range from 1 to 50 members or more (Degerstedt, 1979; Luck & Tolle, 1978). Degerstedt (1979) reported that the most prevalent number range in his study was 10-15 members but he also pointed to similar percentages for members of 10 or

less and 20 or more (p. 100). The foundations in this study reported boards with as many as 60 members. Forty-three of 156 foundations (27.6%) reported 10 or less board members; 65 of 156 (41.7%) reported 11 to 20 board members; and, 48 of 156 (30.8%) foundations reported 21 to 60 board members.

Occupations of Board of Directors: The data displayed in Table 7 are derived from responses to Question 10, Part II of the survey. This question was an open-ended question which asked for the occupations of the members of the foundation board of directors. Responses were then grouped into the 14 occupational categories listed in Table 7. While the 14 separate categories are descriptive of the occupational groupings, each contain several different job titles and levels of employment. For example, the category "Education" includes employees of public schools, community colleges, colleges and universities, school superintendents, etc. The category "Business," similarly, represents a wide range of occupations including corporate officers, personnel managers, chamber of commerce officers, and company presidents and vice presidents.

Finance, business, and education are the 3 top occupations of the board members of these foundations. Finance is the most representative occupation with 80.8% of the 146 foundations reporting board members in this field; business is second with 74%; and, education is third with 73.3% of the foundations reporting. The least representative occupation reported is public office with only 15 of 146 (10.3%) foundations reporting board members in this occupation. Newspaper/TV/

Table 7

Occupations of Foundations Board of Directors

Occupation	Number of institutions having occupation represented on their board of directors.	%
Finance	118	80.8
Business	108	74.0
Education	107	73.3
Law	98	67.1
Other	61	41.8
Retired	60	41.1
Medical/health occupations	56	38.4
Real Estate	51	34.9
Technical	42	28.8
Farm	36	24.7
Business proprietorship	29	19.9
Marketing	22	15.1
Newspaper/TV/Radio/ Public Relations	17	11.6
Public office	15	10.3

N = 146

radio/public relations is the second least; and marketing is third least with 15.1% of the foundations reporting.

The overriding characteristic of all the responses, however, is the dominance of managerial and executive personnel represented on foundation boards. Clearly, boards are comprised of prominent citizens from within the community.

Term of Office: The majority of these foundations (95 of 156, 60.9%) reported the term of office for board members to be 1, 2, or 3 years. Only 18 (11.5%) of the foundations reported a term of office of more than 3 years. However, 43 or 27.6% of the foundations reported "other" terms of office that included combinations of 1, 2, and 3 year terms, staggered and rotating terms, life terms, and terms based on the board's pleasure and the board member's desire to remain on the board.

Orientation/Education: Researchers suggest that foundation board members have served in name only and have not fully understood their role in fund-raising efforts. Consequently, many advocates of the community college foundation agree with Sharron (1982) that orientation and education sessions for new board members are necessary for an active and effective board. These data indicate more than one-half (81 of 151, 53.6%) of these foundations do conduct orientation and education sessions for new board members while slightly less than half (70 of 151, 46.4%) do not.

Foundation Board Meetings: The results of Degerstedt's study in 1979 revealed that the largest percentage of foundations met either quarterly or annually (pp. 65-67). The frequency of foundation board meetings is displayed in Table 8. The most common meeting schedule is quarterly with nearly 40% of the responding institutions utilizing this schedule. Nearly one-fourth (22.6%) of the foundation boards meet more frequently with the remaining meeting as infrequently as semi-annually or annually.

Executive Committee Meetings: Clearly much of the policy-making activities of the foundation boards take place in meetings of the executive committee rather than the total board. Nearly one-third of the institutions report that the executive committee of their board meets at least 6 times annually with some meeting bi-weekly. Half of the respondents indicate that the executive committee meets "on call" as frequently as required to conduct foundation business (Table 9).

Document of Organization

The majority (93.6%) of the foundations in this study operate under organizational documents that include by-laws. The remaining foundations indicated they operated under both by-laws and a charter or a constitution.

Operational Characteristics of the Foundation

A profile of community college foundations in terms of operational characteristics is presented in this section.

Table 8

Frequency of Foundation Board Meetings

Meeting schedule	Frequency	%
Bi-weekly to every 2 months	33	22.6
Every 3 months	58	39.7
Every 6 months	26	17.8
Annually	29	19.9
	146	100.0

N = 146

Table 9

Frequency of Executive Committee Meetings

Meeting schedule	Frequency	%
Bi-weekly to every 2 months	40	31.0
Every 3 to 6 months	24	18.6
As the need arises	65	50.4
	129	100.0

N = 129

Consultant Services

Based on the results of a 1974 study, Luck and Tolle (1978) surmised that very few community colleges ever used an outside fund-raising consultant. They reported that 96.7% of the foundations in their survey had never employed the counsel of a professional fund-raising agency, while 3.3% (12 of 365) had utilized such a service.

The vast majority of the foundations in this study (138 of 157 or 87.9%) did not employ the services of an outside fund-raising consultant. Only 19 or 12.1% used consultants and their services were used most frequently for the annual campaign fund-raising event.

Expenditure for Fund-raising Effort

Researchers suggest that little money has been spent for fund-raising events at the community college level. Luck (1974) reported that community college foundations spend less than $2,500 a year for fund-raising endeavors. However, based on the results of his survey, almost half (45.4%) of the responding foundations spent approximately $1,000 for fund-raising activities. The range of amounts expended for fund-raising efforts ($0-$8,500) reported by the foundations in this study is presented in Table 10. An inspection of these data indicates that the majority (72 of 102 or 70.6%) of these foundations spend less than $2,500 a year for fund raising efforts excluding salaries, while 22 or 21.6% spend no money for fund raising. Only 8 or 7.8% spend over $2,500. However, in contrast to Luck's study, only 2 or 2% of these foundations reported spending $1,000 for fund raising while one-half spend $150 or less per year for fund raising. However, 16 or 15.7% of

Table 10

Expenditure for Fund-raising Effort

Dollar amount	Frequency	%
$ 0.00	22	21.6
10.00-$150.00	29	28.4
160.00-$500.00	19	18.6
600.00-$1,100.00	12	11.8
1,200.00-$2,400.00	12	11.8
2,820.00-$8,500.00	8	7.8
	102	100.0

these foundations reported spending between $2,000 and $8,500 for fund-raising events, with 3 spending over $5,000.

Frequency of Use of Fund-raising Sources and Methods

According to Luck and Tolle (1978) over half of the community college foundations responding to their survey (90 of 171) utilized personal solicitation as a method of fund-raising (p. 36). In fact, Degerstedt (1979) found that personal solicitation was considered the most effective type of fund raising by the colleges responding to his survey.

In response to the question concerning the frequency of fund-raising methods and/or sources, 102 of 118 or 86.4% of the foundations in this study indicated that they did use personal solicitation and more than one-third (42) reported using personal solicitation on a yearly basis. Only 19 or 18.6% of the 102 foundations reported using personal solicitation on a daily basis.

Personal solicitation, direct mail, special events and projects, business and industry donations, annual fund campaign, wills and bequests, and benefit dinners were ranked in the top ten in terms of effectiveness by the foundations in Degerstedt's study (1979). These 7 sources or methods of fund raising were among the top methods in terms of frequency of responses of the foundations in this study. This would indicate that they are preferred methods or are used more than the remaining 14 fund-raising techniques. It is apparent from the data in Table 11 that the most used time frame for these solicitation efforts is

Table 11

Frequency of use of fund-raising sources and methods

Source/method	N	Yearly		Every 6 months		Quarterly		Monthly		Daily		Other		N/A	
		Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Personal solicitation	118	42	35.6	6	5.1	7	5.9	21	17.8	19	16.1	7	5.9	16	13.6
Special events/projects	111	48	43.2	18	16.2	18	16.2	2	1.8	1	0.9	2	1.8	22	19.8
Direct mail	109	50	45.9	14	12.8	18	16.5	5	4.6	1	0.9	2	1.8	19	17.4
Business/industry donations	109	49	45.0	2	1.8	14	12.8	18	16.5	8	7.3	2	1.8	16	14.7
Interest on deposits	107	22	20.6	5	4.7	13	12.1	27	25.2	25	23.4	4	3.7	11	10.3
Annual fund campaign	106	73	68.9	2	1.9	1	0.9	1	0.9	1	0.9	2	1.9	26	24.5
Scholarship drives	100	49	49.0	3	3.0	6	6.0	5	5.0	2	2.0	2	2.0	33	33.0
Staff donations	96	55	57.3	2	2.1	2	2.1	12	12.5	no response		2	2.1	23	24.0
Board gifts	90	43	47.8	1	1.0	3	3.3	4	4.4	2	2.2	2	2.2	34	37.8
Wills, bequests	90	23	25.6	4	4.4	9	0.1	5	5.5	5	5.5	7	1.1	37	41.1
Foundation proposals	88	25	28.4	12	13.6	9	10.2	10	11.4	2	2.3	5	5.7	25	28.4
Benefit dinners	87	35	40.2	5	5.7	2	2.3	no response		no response		3	3.4	42	48.3
Endowment	87	32	36.8	2	2.3	3	3.4	4	4.6	5	5.7	3	3.4	38	43.7
Grant monies from federal government	85	15	17.6	1	1.2	4	4.7	6	7.1	1	1.2	4	4.7	54	63.5
Estate planning	84	16	19.0	4	4.8	1	1.2	3	3.6	3	3.6	4	4.8	53	63.1
Community programs	81	12	14.8	8	9.9	8	9.9	3	3.7	2	2.5	4	4.9	44	54.3
Joint programs/seminars/workshops	81	12	14.8	7	8.6	2	2.5	2	2.5	no response		2	2.5	56	69.1
Telephone campaigns	78	18	23.1	no response		2	2.6	1	1.3	no response		2	2.6	55	70.5
Bank loans	78	3	3.8	no response		no response		no response		1	1.3	2	3.6	72	92.3
TV campaign	78	1	1.3	no response		no response		no response		no response		3	3.8	74	94.9
Attorney/accountant contracts	77	7	9.1	2	2.6	2	2.6	4	5.2	1	1.3	2	2.6	59	76.7

Note: Percentage may not equal 100% due to rounding.

yearly. It is interesting to note that more than 50% of the foundations that responded to the frequency of use of telephone campaigns; joint programs, seminars, and workshops; attorney and accountant contracts; estate planning; community programs; bank loans; TV campaigns; and grant monies from federal government, indicated "not applicable." Therefore, the majority of these responding foundations do not use these sources or methods of fund raising in a given year.

Alumni Association

There is much ambivalence as to the effectiveness of an alumni association as a source for funds at the community college level. However, Stoddard (1982) suggested "the potential of alumni as a base for raising private funds is an undeveloped resource in the two-year college" (p. 131). In fact, Stoddard stated that two-year college leaders dismiss alumni-related activities for a variety of reasons. More than half (56.1% or 87 of 155) of the foundations in this study indicated the college has an alumni association. However, only 24 (less than one-third) indicated that the alumni association has been an effective vehicle for foundation fund-raising efforts.

Solicitation of Contributions of Money, Time, or Expertise From College Personnel

The data in Table 12 indicate that foundations are seeking the aid of the college family in their fund-raising endeavors. However, college administrators, staff, and faculty are solicited for contributions of

Table 12

Solicitation of Contributions from College Personnel

College Personnel	N	Frequency	%
Administrators	151	114	75.5
Staff	149	110	73.8
Faculty	146	103	70.5
Alumni	144	85	59.0
Students	140	61	43.6
Student organizations	136	51	37.5

money, time, or expertise by more of these foundations than alumni, students, and student organizations. Alumni are also called on more by foundations than students or student organizations.

Workshops for College Personnel

Do foundations conduct workshops for college personnel to explain the role of the foundation? According to the results of this study presented in Table 13, less than one-third of these foundations conduct workshops for college personnel. However, fewer foundations conduct workshops for students and alumni to explain the role of the foundation than for administrators, staff, and faculty.

Involvement of Accountants and Legal Advisors

Sharron (1982) proposed that a three-year plan of operation be developed for the establishment of a community college foundation. Planned giving was recommended as the third-year phase of the plan. According to Sharron, "planned giving will become the most important aspect of the foundation's fund-raising techniques if properly cultivated and developed" (p. 313). In fact, Sharron stated that the majority (85%) of giving comes from individuals, not businesses and organizations. He also reported that in the next 10 years, 50% of all philanthropic giving will come under the heading of planned giving (p. 316). Consequently, community college foundations must involve accountants, attorneys, trust officers and others who are experts in the legal and technical aspects of planned giving in their fund-raising plan.

Table 13

Workshops for College Personnel

College Personnel	N	Frequency	%
Faculty	148	41	27.7
Administrators	147	40	27.2
Staff	147	39	26.5
Alumni	147	25	17.0
Students	143	16	11.2

In response to Question 7, Part II of this survey, "Do you involve accountants, attorneys, trust officers and others who give advice to potential donors concerning wills, income tax, estate planning and trusts in foundation fund-raising efforts?", the majority responded "Yes" (104 of 154, 67.5%). It is apparent from this response that planned giving, which includes deferred giving, is certainly a major concern that community college foundations are now attempting to address. Sharron (1982) concluded that as the mission of the community college is to serve the needs of the community and the individual, these colleges are "in the best position to take advantage of this expected trend in giving" (p. 316).

Sources of Gifts

The foundations in this study were asked to rank the top five sources of gifts and donations with the major source ranked "1". These rankings were assigned a weighted score to determine the major source of gifts and donations. The rankings were assigned as follows:

Rank	Weighted score
1	5
2	4
3	3
4	2
5	1

The sources of gifts and donations are presented in Table 14 in descending order by weighted scores.

It is interesting to note that individuals not affiliated with the college were ranked as the major source of gifts and donations as both

Stefurak (1982) and Sharron (1982) reported that the majority of future philanthropic giving will come from individuals. Even though tax laws have been changed to increase the ceiling on tax-deductible contributions from 5% to 10% of taxable income, Stefurak reported that at no time since the provision for tax-deductible contributions in 1935 have contributions from corporations been higher than 1.28% of taxable income. In fact, a report of corporate giving in 1978 revealed that 25% of corporations in the U.S. reported charitable contributions but only 6% gave more than $500 (p. 233). These results are consistent with the findings of both Bremer (1965) and Silvera (1974).

The fact that foundation board members were ranked in the top four major sources of gifts and donations is noteworthy. According to Sharron (1982), the role of the board member is both public relations and fund raising. He stated that foundation board members meet one of the following criteria:

1. people who have money;
2. people who have access to money; and/or
3. people who manage money for others.

Consequently, the foundation board member is responsible for giving and for soliciting private funds. This has not been the responsibility of the college trustees and, as indicated in Table 14, they are ranked 10th as a major source of gifts and donations. In fact, not one member of the college community is ranked in the top five as a major source of gifts and donations.

Table 14

The Sources of Gifts and Donations

Source	Weighted score
Individuals (not affiliated with college)	456
Local business/industry	404
Corporations	350
Foundation board members	233
Foundations	193
College faculty	104
College alumni	95
Other	88
College staff	75
College trustees	48
Foundation staff	10

Receipt of Local or State Tax Monies

Do community college foundations receive local or state tax monies for their operation? The majority of these foundations (137 of 153, 89.5%) do not receive local or state tax monies for their operation. Two foundations (1.3%) reported receiving local tax support and 7 (4.6%) reported receiving state tax support for operational purposes. Six foundations (3.9%) indicated they received both local and state tax support. One foundation (0.7%) reported receiving special matching funds from local and state tax support. Based on these data, it is apparent that the foundation is a "stand-alone" operation and a private entity.

Types of Gifts

According to Bremer and Elkins (1965), cash was reported as the largest single category of gifts and represented approximately 50% of gifts received in the 1960's (p. 18). Buildings, stocks, and bonds were also listed as types of gifts. Nonmonetary gifts such as personnel; donations of time, space and expertise; and voluntary resources for fund-raising projects have also been cited, but Sharron (1982) reported that 8 out of 12 major gifts to higher education were deferred.

The foundations in this study were asked to rank the top 5 types of gifts they receive with the type received most in terms of dollar amounts ranked "1". These rankings were assigned a weighted score to determine the major type of gift received by the foundations. The rankings were assigned as follows:

Rank	Weighted score
1	5
2	4
3	3
4	2
5	1

The types of gifts received by the foundations are presented in Table 15 in descending order by weighted scores.

The data in Table 15 reveal that the foundations in this study also ranked cash as the major type of gift received by foundations in terms of dollar amounts. Equipment was ranked second and bequests were ranked third. Buildings were ranked last as a type of gift received by these foundations.

Projection of Types of Gifts

The foundations in this study were asked to rank the top 5 types of gifts they expect to receive the most in terms of dollar amounts in the future. An inspection of Table 16 indicates that cash was ranked as the major type of gift these foundations project to receive in the future in terms of dollar amount. Bequests ranked second and equipment ranked third. Researchers suggest that planned giving will become one of the most important aspects of the foundation's fund-raising techniques if properly cultivated and both bequests and trusts are ranked in the top 5 by these foundations as types of gifts they expect to receive in the future. Buildings are ranked the lowest as a projected type of gift.

Table 15

Types of Gifts

Type of gift	Weighted score
Cash	674
Equipment	318
Bequests	194
Stocks	153
Land	125
Trusts	101
Automobiles	77
Other	53
Buildings	30

Table 16

Projection of Types of Gifts

Gift	Weighted score
Cash	665
Bequests	344
Equipment	316
Trusts	215
Stocks	161
Land	121
Automobiles	41
Other	34
Buildings	26

High- and Low-Performing Foundations

The first section of Chapter IV presented a profile of 158 foundations in terms of organizational and operational characteristics. Even though these foundations provided adequate data to construct a profile of these characteristics, some did not provide the necessary data to distinguish high- and low-performance. Consequently, some were excluded from further analysis because they reported no assets, no rate of return on investments, or no full-time equivalent credit enrollment (FTE). Others failed to provide data on certain segments critical to determine high- and low-performance. For example, one foundation provided FTE data but failed to report data on assets and return on investments. As a result of missing data, a performance ratio could be calculated for only 87 of the 158 foundations (55.1%). Seven of the 87 foundations provided adequate information but did not have either assets or return on investments or both and, therefore, a zero performance ratio was calculated for these foundations.

This section will include a brief discussion of the foundations with a zero performance ratio and an analysis of high- and low-performing foundations based on the performance ratio.

Zero Performance Ratio

The seven foundations with a performance ratio of zero were excluded from the analysis of high- and low-performing foundations because they reported no new assets or no return on investments, or both, during the period of the study. Of the seven foundations in this group, four were

apparently inactive as they reported no new assets and no return on investments. Two foundations reported assets for the last year of the period but no return on investments. It is not possible to determine whether failure to earn a return on assets is deliberate; e.g., a policy of spending all new assets as they are acquired, or caused by a failure by management to maximize earnings for other reasons.

Analysis of High- and Low-Performing Foundations

Of the 87 foundations for which a performance ratio could be calculated, 80 had a performance ratio (dollar per FTE) that ranged from $15.33 to $5,503.39. High- and low-performing foundations were determined by selecting the top and bottom one-third of the foundations in this range of performance ratios. Twenty-seven high-performing foundations were identified with performance ratios of $413.13 to $5,503.39. Twenty-seven low-performing foundations were also identified with performance ratios of $15.33 to $94.33.

A series of Chi-square tests were used to determine whether high- and low-performing foundations differed in the following organizational and operational characteristics: year of incorporation, year foundation became active, person (foundation director) responsible for the day-to-day operation of the foundation, full-time or part-time foundation director, does the director have responsibilities other than foundation-related responsibilities, to whom does person responsible for the foundation report, previous experience in foundation or development work, does the foundation employ full-time clerical staff, does the foundation

employ part-time clerical staff, number of directors on board, occupations of board members, orientation/education sessions for new board members, meeting schedule of foundation board, meeting schedule of executive committee of foundation, document of organization, employment of fund-raising consultants, expenditure for fund-raising efforts, and methods/sources of fund raising.

Only one Chi-square test revealed a significant difference between high- and low-performing foundations in terms of organizational and operational characteristics; namely, the document of organization. The data reported in Table 17 indicate that the low- and middle-performing foundations were very similar in terms of the documents of organization with approximately 39% in each group operating under a variety of organizational documents that did not include a constitution. This is in constrast to the high-performing foundations with only 22% operating under organizational documents that did not include a constitution. Seventy-five percent of the foundations that reported operating under one or more organizational documents that did include a constitution were high-performing foundations, while only 19% were low-performing foundations. Consequently, high-performing foundations tended to operate under organizational documents that included a constitution, while low-performing foundations tended to operate under alternative documents of organization that did not include a constitution.

While no other statistically significant differences were found when Chi-square tests of independence were conducted, this researcher felt compelled to explore further the data to see if consistent differences existed in high- and low-performing foundations.

Table 17

Constitution Included in Organizational Documents

Performance	Constitution				
	Yes		No		
	N	%	N	%	
Low	3	18.8	24	38.1	27
Middle	1	6.3	25	39.7	26
High	12	75.0	14	22.2	26
	16		63		79

$\chi^2 = 16.52967$, $p < .05$

Consequently, a comparison was made of the high- and low-performing foundations to determine if there were consistent differences in organizational and operational characteristics.

Organizational Characteristics

Title of Foundation Director

An inspection of the frequency data revealed that 28% of the foundation directors of the high-performing foundations are college presidents, while only 8.7% of the directors of the low-performing foundations are college presidents. In addition, 12% of the directors of the high-performing foundations are vice-presidents for development and 4.3% of the directors of the low-performing foundations are vice-presidents of development.

Foundation Director Reports to Whom

It is interesting to note that 96.2% of the high-performing foundation directors reported to the president, the board of directors, or both with only 3.8% of these directors reporting to some other official. However, only 75% of the low-performing foundation directors reported to the president, the board of directors, or both with 25% of these directors reporting to some other college official.

Previous Experience

In comparing directors of high- and low-performing foundations in terms of previous foundation or development work, the directors of the high-performing foundations indicated that 50% had previous foundation

or development experience, but only 34.6% of the directors of the low-performing foundations reported previous experience.

Occupations of Board of Directors

Of the 14 different occupational areas reported in this study, at least two were found to vary considerably, if not significantly, between the high- and low-performing foundations.

Public Official: While both the majority of high- and low-performing foundations reported no public officials serving as board members, high-performing foundations reported twice as many public officials on their boards as the low-performing foundations, 16% and 8.3%, respectively.

Retired: More than one-half of the low-performing foundations indicated that they had board members who were retired. However, less than one-third of the high-performing foundations reported retirees on their board of directors.

Term of Office

More than two-thirds of both the high- and low-performing foundations reported that the members of their boards served a one-to-three year term. Approximately 15% of the high-performing foundations indicated that board members served more than 3 years but only 3.7% of the low-performers reported terms of office of more than 3 years. Twice as many low-performing foundations (29.6%) indicated some other term of office than did high-performers.

Orientation/Education

The results of this study indicate that the majority (73.1%) of the high-performing foundations conduct orientation and education sessions

for new board members. However, more than one-half (55.6%) of the low-performing foundations did not conduct these sessions for new board members.

Foundation Board Meetings

An inspection of the frequency data reveals that the foundation board of directors of low-performing foundations meet more frequently than the boards of the high-performing foundations. Twenty-four percent of the boards of the low-performing foundations meet biweekly, monthly, or every two months, while only 7.4% of the boards of the high-performing foundations meet this frequently. Approximately one-half of the boards of high-performing foundations meet every three months. Only 16% of the boards of the low-performing foundations meet annually, while 22% of the boards of the high-performing foundations meet annually.

Apparently, the executive committee meets as the need arises to carry out board policies. An analysis of the data reveals that the high-performing foundations utilize the executive committee as a small working committee while the low-performing foundations do not.

Operational Characteristics

Expenditure for Fund Raising Effort

Sixty percent of the high-performing foundations spend more than $500 a year for fund-raising activities, while only 14% of the low-performing foundations spend more than $500. The vast majority of the low-performing foundations (85.7%) spend $500 or less a year for fund-raising efforts. In contrast, only 40% of the high-performing foundations spend $500 or less a year on fund-raising endeavors.

Methods/Sources of Fund Raising

Bank Loans: When asked to indicate how often the foundations used methods and/or sources of fund raising in a given year, both high- and low-performing foundations indicated that bank loans were not used as a source of fund raising. Three-fourths of the high performers and all of the low performers who answered the question reported that bank loans were "not applicable" as a source of fund raising. Only three of the high-performing foundations reported that they use bank loans.

TV Campaigns: Only one low-performing foundation reported using TV campaigns as a method of fund raising. All other high- and low-performing foundations that answered the question indicated that TV campaigns were "not applicable" as a fund-raising method.

Grant Monies: Five or 41.7% of the high-performing foundations indicated that they used grant monies as a source of fund raising, while only one (6.7%) low-performing foundation reported using grant monies. The majority of both high- and low-performers, 58.3% and 93.3%, respectively, checked grant monies "not applicable" as a source of fund raising in a given year.

Alumni Association

More than one half (51.9%) of the high- and low-performing foundations have alumni associations. However, 53.8% of the low-performing foundations considered the alumni association as an effective fund-raising vehicle but only 26.7% of the high-performing foundations considered it effective.

Workshops for College Administrators

More than one-half of the high-performing foundations (53.8%) conduct workshops explaining the role of the foundation for college administrators. This is exactly twice the number of low-performing foundations (26.9%) that conduct workshops for their administrators.

Source of Gifts

Individuals

Over one-half (55.6%) of the high-performing foundations ranked individuals not affiliated with the college as the major source of gifts and donations in terms of dollar amount. Slightly less than one-fourth (22.2%) of the low-performing foundations ranked individuals as the major source of gifts and donations.

Types of Gifts

Cash was ranked as the type of gift received most in terms of dollar amounts by the majority of all foundations in the study. Bequests and trusts were ranked by both the high- and low-performers but were not ranked "1" as a gift received most in terms of dollar amounts. Buildings as a type of gift were not ranked by the low-performing foundations and were ranked only three times by the high-performers.

Projection of Types of Gifts

When asked to rank the types of gifts the foundations expect to receive most in terms of dollar amount, the majority of both high- and low-performing foundations ranked cash as the major type of gift. Bequests and trusts were ranked but were not ranked "1" as a major type of gift.

Buildings and automobiles were not ranked by the majority of high- and low-performing foundations as types of gifts they expect to receive.

Summary of Chapter IV

The purposes of this study were to collect baseline data on community college foundations and to determine whether differences in organizational and operational characteristics exist between high- and low-performing foundations.

The baseline data collected support previous research and reflect projected trends in community college foundations. However, the only significant difference between high- and low-performing foundations in terms of organizational and operational characteristics was the difference between performance and the foundations who operate under a constitution.

CHAPTER V

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Summary

The problem identified in this study was the lack of comprehensive data concerning the current state of community college foundations. How foundations are organized and operated and what makes them effective were questions which surfaced from the literature and community college practitioners. Concomitant with this concern was the growing number of community college foundations and the increasing interest in these foundations due to limited funding support.

A national study of public community colleges was conducted to address this problem. Survey research was used to identify organizational and operational characteristics of foundations. A performance ratio was developed to determine high- and low-performing foundations; and a series of Chi-square tests were used to determine differences in organizational and operational characteristics.

A Profile of Community College Foundations

The majority of the foundations in this study were relatively new as most were incorporated after 1970. In fact, more than half of these foundations were incorporated in the last 5 years. Not only were the foundations new, but the overwhelming majority of the foundation directors had no previous experience in foundation or development work. Most were college personnel who were responsible for the foundation on a part-time basis, and who were paid solely from college funds. The vast majority of

the responding directors reported to the president or both the president and the board of directors of the foundations.

As most foundation directors were part-time, it is not surprising that they had no professional or clerical staff, either full-time or part-time, who were employed by the foundation. Those foundations who had support staff reported that the colleges paid these salaries.

The data collected for this study reveal that the board of directors for the foundations range in number from 1 to 60. However, the most prevalent broad size was 11 to 20. The occupations of these board members were distributed among 14 major clusters with finance being the most representative occupation. In addition, managerial/executive-level personnel was a predominant characteristic of board members in each occupational cluster. The vast majority of these board members serve 1, 2, or 3 year terms of office, and orientation/education sessions are conducted for new board members by more than one-half of the foundations in this study. The most common meeting schedule of the board of directors was quarterly, while the schedule of the executive committee reflected an "on call" state to address needs as they arose. Most of the boards of directors operate under by-laws as opposed to alternative methods of organization.

The overwhelming majority of these foundations do not employ the services of outside consultants to plan and implement a fund-raising program. Those foundations that do employ outside consultants use these services for the annual campaign fund-raising event. In addition, the

results of this study indicate that little money has been spent by these foundations to raise money. The majority spent less than $2500 a year for fund raising but one-half spent $150 or less. Nearly one-fourth of the responding foundations spent no money on fund raising, excluding salaries. This is in sharp contrast to Luck's (1974) finding that almost one-half of the foundations in his study spent $1000 a year for fund-raising activities. The foundations in this study indicated that the the method or source of fund raising used most frequently was personal solicitation. Other methods or sources specified were consistent with the findings of other researchers. These included direct mail, special events or projects, business and industry donations, wills, bequests, and benefit dinners. With the emphasis today on planned giving, it is interesting to note that more than half of the foundations indicated that estate planning and attorney and accountant contracts were "not applicable" as a method or source of fund raising. Another source of fund raising which has raised much controversy as to its effectiveness is the alumni association. More than half of the colleges had alumni associations, but less than one-third considered them as an effective vehicle for fund raising. To accomplish fund-raising goals, more than half of the foundations reported that administrators, staff, and faculty were sources from which they solicited contributions of money, time, or expertise. Alumni were solicited by more than half of the foundations but students and student organizations were solicited for contributions of money, time or expertise by less than half of the responding foundations.

Only one-third of the foundations conduct workshops for college personnel to explain the role of the foundation. Even fewer conduct workshops for students and alumni. This was an interesting finding as many of the advocates of the community college foundation emphasize the need to "educate" the college family as to the role of the foundation and its relationship to the needs and goals of the college. The overwhelming majority also involved accountants, attorneys, trust officers and other legal advisors in their fund-raising efforts.

Individuals not affiliated with the college were reported as the major source of gifts and donations to these foundations. Local business and industry and corporations were the second and third source, while foundation board members were the fourth major source based on a weighted scale. Cash was reported as the type of gift received most in terms of dollar amount. Equipment was second and bequests were the third type of gifts received most in terms of dollar amount based on a weighted score ranking. The major types of gifts in terms of dollar amount that the responding foundations expect to receive in the future were cash, bequests, and equipment, in that order. Stocks, trusts, and land followed the top three gifts for both present and future gifts to the foundation. It is interesting to note that buildings as a major type of gift were ranked last based on the weighted score of both present and future gifts to the foundation.

High- and Low-Performing Foundations

Foundations in this study were ranked according to a performance ratio and the top one-third and bottom one-third were designated as high-

and low-performing foundations, respectively. A series of Chi-square tests were conducted to determine differences in organizational and operational characteristics of high- and low-performing foundations.

Only one Chi-square test of independence revealed a significant difference between high- and low-performing foundations, namely the relationship of foundations who operate under organizational documents that include a constitution. Even though this was a statistically significant finding, "we" can only speculate as to how meaningful this factor is in determining what makes a foundation effective. Perhaps the formality of a constitution implies a kind of permanance or structure which might represent a level of commitment to the foundation or the fund-raising process that is more important than the document itself.

While statistically significant differences were not found between the high- and low-performing foundations, several substantial differences were found. One-fourth of the high-performing foundation directors were college presidents, while less than one-tenth of the low-performing foundation directors were presidents of their colleges. It is this writer's opinion that this would definitely have an effect on the performance of the foundation. The literature suggests that it is essential to have the president's support to be an effective foundation. Therefore, the president, acting as the foundation director, would have a better understanding of the fund-raising goals and would be able to promote these goals more effectively than anyone who operates under the president.

Approximately 15% more of the high-performing foundation directors had previous foundation or development experience than the low-performing

foundation directors. Previous experience could be considered a possible indicator of effectiveness as more of the high-performing foundations had directors with previous experience. If true, the future for foundation effectiveness appears bright as the relatively inexperienced director matures in his job and becomes more effective.

An examination of the make-up of the high- and low-performing foundations reveals that differences in occupational clusters do exist between high- and low-performing foundations. The high- and low-performing foundations differed most in the occupation of public officials and retirees. The high-performing foundations had twice as many public officials on their boards than did the low-performers and had fewer retirees on their boards than did the low-performers. As mentioned earlier in Chapter IV, board members are sought who have money, access to money, or who manage money. Consequently, the make-up of the individuals in these differing occupational clusters could contribute the effectiveness of the foundation.

A finding that may influence the performance of foundations is that more than one-half of the high-performing foundations conduct orientation and education sessions for new board members, while more than one-half of the low-performing foundations do not. If the responsibility of the board members is fund raising, and many have been asked to serve in name only, the orientation and education sessions could augment the performance of the foundation.

The high-performing foundations spend more money on fund raising than do the low-performing foundations. In fact, 60% of the high-performing

foundations spend more than $500 a year for fund raising, while 85% of the low-performing foundations spend $500 or less in a year for fund raising. It has been said that "you have to spend money to make money" and this could certainly have an impact on performance.

Both high- and low-performing foundations indicate little or no use of bank loans, TV campaigns, and grant monies as methods or sources of fund raising. The majority of both groups use the same methods or sources which are listed in Table 11. Another source of fund raising that foundations are ambivalent about is the alumni association. More than one-half of both high- and low-performing foundations have an alumni association, but, surprisingly, a larger percent of low-performing foundations indicated that it was an effective vehicle for fund-raising.

Over half of the high-performing foundations ranked individuals not affiliated with the college as the major source of gifts in terms of dollar amount but less than one-fourth of the low-performing foundations ranked individuals as the major source of gifts. Corporations and local business and industry were ranked as the major source of gifts by approximately the same number of low-performing foundations that ranked individuals as the major source of gifts. If 85% of philanthropic giving comes from individuals, the success of the foundation could be attributable to the sources being solicited for private funds.

Conclusions

An analysis of the year of incorporation of the foundations in this study reveals that more than half were established within the last five years. This finding supports and reinforces the conclusion that community

college foundations are a relatively new phenomenon. This analysis also supports the conclusion that "the economy, the efficiency and management of the existing federal and state funds, and the diminishing availability of tax resources in the early 1980's have kindled a growing concern and need for additional resources and for an alternative funding source" (Sharron, 1982, p. 302). This alternative source has been the foundation.

Due to the "newness" of the community college foundation, typically the foundation director has not been an expert in fund raising or development work. In fact, the literature suggests a trend toward selecting a foundation director or development officer who already has a position with the college and is assigned the foundation as an added responsibility. Many foundation directors are retired or semi-retired professionals who are employed part-time to manage the foundation. The findings of this study support the conclusion that the vast majority of foundation directors are college personnel who have little or no foundation-related experience and who are responsible for the foundation on a part-time basis.

The responsibility of the foundation board of directors is both fund raising and public relations. However, as Sharron (1982) stated, "only a certain strata of the community will fit the criteria for membership on the board of directors. These criteria include people who have money, people who have access to money, and people who manage money" (p. 309). It can be concluded then that members of the board of directors are selected because of their connection to money. The occupations of board members in this study support this conclusion. The most representative occupation of board members was finance. In

addition, most of the board members were at a managerial or executive-personnel level in their organizational structure.

Researchers suggest that many of the foundations have inactive boards with board members who do not fully understand their role or responsibility. One of the major reasons for this lack of activity and understanding is that people were asked to serve on the board in name only. These researchers have expressed the need to "educate" board members to their role of both fund raising and public relations. There is now a trend to establish more active boards by explaining the role and the responsibility of these members to the foundation. This conclusion is supported by the literature and reinforced by the findings of this study. It was surprising to find that more than half of the foundations do conduct orientation and education sessions for new board members.

While there is a trend to establish foundations at the community college level, the findings of this study reveal that less is being spent by foundations for fund raising today than in 1974. One-half of these foundations spent $150 or less a year for fund raising, while one-half of those responding in 1974 spent $1,000 a year for fund raising. This finding supports the conclusion that most foundations are considered to be passive and are only set up to receive gifts and donations. It can also be concluded that the overwhelming majority of these foundations are new and are struggling to build support and acceptance necessary to establish a successful fund-raising campaign. This conclusion is based on supporting research findings that many presidents at the community college level have had no experience or professional training in this

area and many lack an understanding of how to solicit private funds. Other presidents believe that solicitation of private support should not be the role of a public-supported institution.

This lack of understanding of the foundation by college presidents and other college personnel has prompted foundation directors to develop workshops to explain the role of the foundation and its relationship to the needs and goals of the college. While only one-third of the foundations in this study conduct workshops to explain the role of the foundation for college personnel, it is a relatively new trend but one that will continue to grow.

Another trend which seems to be evolving is that of involving accountants, trust officers, and other legal/estate advisors in fund-raising activities. The literature suggests that planned giving will be the major area of philanthropic giving in the next 10 years. Consequently, foundation directors will need the legal and technical expertise of advisors in this field. They will also need these advisors to recommend the college to clients as an option in their planned giving portfolio. The trend to involve accountants, attorneys, trust officers, and others who give advice to potential donors concerning wills, income tax, estate planning, and trusts is supported by the finding that more than two-thirds of the responding foundations do involve these advisors in fund-raising endeavors. This finding also supports the conclusion that planned giving will be a major concern for community college foundations. The emphasis on planned giving is evident by an examination of rankings of types of gifts by dollar amounts in previous studies. Bequests and and trusts were not ranked by foundations in many of the early studies such as

those of Bremer (1965) and Silvera (1974). The foundations in this study ranked bequests in the top three types of gifts received in terms of dollar amount. Bequests are ranked as the second major type of gift these foundations expect to receive in the future. Trusts were rank sixth and fourth, respectively, as gifts foundations received and expect to receive in the future.

Many researchers (Duffy, 1979;, Mays, 1985; Sharron, 1982) conclude that the role of the foundation is friend raising as well as fund raising. An inspection of Table 14 indicates that community college foundations are promoting friend raising as the highest ranked source of gifts to foundations by weighted score is individuals who are not affiliated with the college. Local business and industry is ranked second and corporations are ranked third. Sharron (1982) suggested that community college foundations develop lists of individuals in the community who were economically able to help the college as 85% of all giving comes from individuals. Sharron referred to this type of fund raising as planned or deferred giving. This suggestion lends support to the conclusion that planned giving is a major concern of community college foundations.

The literature supports the conclusion that the college foundation, a not-for-profit organization, should be a separate entity "organized at an arm's length relationship from the college" (Sharron, 1982). Most of the foundations in this study do not receive local or state tax monies for operational purposes, except for staff salaries. This finding supports the conclusion that foundations are stand-alone operations which

With regard to high- and low-performing foundations, no important differences were found in organizational and operational characteristics. A significant relationship existed between performance and foundations who operate under a constitution, but it was this writer's opinion that this relationship did not influence the effectiveness of foundations. It can be concluded that the organizational and operational characteristics used in this study do not distinguish performance.

Subjective Interpretations

This study was designed to determine operational and organizational characteristics that distinguish high- and low-performing foundations. The purpose of this study was to develop a profile of high- and low-performing foundations to provide criteria for colleges planning to establish a foundation or for colleges planning to revitalize a passive foundation.

Practically no research exists distinguishing high- and low-performing foundations in terms of organizational and operational characteristics, this researcher expected to find significant differences in characteristics such as the following:

1. The high-performing foundations would have more full-time directors who had previous foundation or development experience than the low-performing foundations.

2. A larger percentage of directors of the high-performing foundations would report directly to the president of the college and would occupy a higher level position in development than directors of low-performing foundations.

3. The majority of the high-performing foundations would conduct orientation and education sessions for new members, while the low-performers would not.

4. More of the high-performing foundations would have boards of directors who have access to money than would the low-performing foundations.

5. The high-performing foundations would spend more money for fund-raising activities then the low-performing foundations.

Many of these expected differences only approached significance when Chi-square tests of independence were conducted but were substantially different in terms of descriptive statistics. Consequently, the following material differences should warrant the attention of foundation officers:

1. The good strategy in electing public officials to the foundation board of directors.

2. The need to have presidential commitment and to ensure eminent involvement of the president in promoting the foundation.

3. The importance of the director's previous foundation or development experience to the success of the foundation.

4. The significance of a full-time directorship of the foundation and development endeavors.

As only one variable, operation under organizational documents that include a constitution, was statistically significant, this writer suggests the following subjective interpretations as to why no other differences were found:

1. The foundations represented in this study are relatively new and may be still in the "operational" or "start-up" phase. Sharron (1982) suggested that it takes foundations 3 years to become fully operational.

2. Based on the results of his 1979 study, Degerstedt concluded that "a typical profile of foundation operation was not evident" p. 103. He also concluded that "forming a foundation is only partially a pro forma task; it must be adapted to local circumstances and local needs" (p. 103). In a later publication, Degerstedt (1982) suggested that the foundation be built on a more solid base than the legal steps established for forming a foundation. He emphasized that the approach to this formation must be as much "friend raising" as fund raising." He indicated that successful foundations are grounded with a "deep reservoir of support" in the community (p. 63).

Based on Degerstedt's conclusions and the results of this study, perhaps performance or productivity is more the result of intangible characteristics of the foundation. In fact, Duffy (1979) concluded that characteristics of a successful foundation included:

a. establishes strong public relations with the community;

b. involves effective community leaders and potential donors as members;

c. provides a vehicle for community involvement in the institution; and

d. initiates new ideas and processes.

These are only a few examples of the conclusions of Duffy, but these do exemplify the intangibility of measuring the success of the community college foundation.

3. If the success or performance of a foundation is contingent upon community support and intangible characteristics, no performance ratio can measure with precision the success of a foundation. A profile of successful community college foundations can be used only for reference.

Recommendations

Based on the findings and conclusions of this study, the following recommendations are proposed.

1. Additional research should be conducted to determine characteristics that discriminate between effective and less effective foundations. Based on this research, alternative performance ratios should be developed that incorporates organizational and operational characteristics and certain intangible characteristics which have been addressed in the literature.

2. Ethnographic or case studies should be undertaken to determine the performance of community college foundations with regard to presidental support, community support, and other intangible characteristics that have been cited as determinants of successful foundations.

3. Further research should be conducted to develop measures of success of community college foundations.

4. Community colleges in the process of establishing foundations should pay close attention to the characteristics outlined in these studies that distinguish successful foundations.

5. Since community college foundations are relatively new and are in the process of evolution, continued research should be conducted on these foundations to provide for current information and evaluation of endeavors made by community college foundations.

6. Colleges and universities should provide courses and clinical experiences in resource development for community colleges development officers and foundation directors.

7. In-service training or development activities should be provided in the form of workshops, seminars, and training institutes for development officers and foundation directors.

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APPENDIX A

QUESTIONS CONCERNING THE ORGANIZATIONAL CHARACTERISTICS OF THE FOUNDATION

1. The year the foundation was incorporated and the year the foundation became active.

2. If the college had a person responsible for the day-to-day operation of the foundation

3. Whether the director of the foundation devotes all work time to foundation activities.

4. If the foundation director has responsibilities within the college other than foundation related responsibilities.

5. The title of the position with the college.

6. To whom the person responsible for the foundation reports.

7. How the salary of the person responsible for the foundation is paid.

8. Previous work experience of director in foundation or development work.

9. Professional or clerical/secretarial staff employed by the foundation.

10. The number of directors on the foundation board.

11. The occupations of foundation board members.

12. The term of office for foundation board members.

13. Whether orientation/education sessions are conducted for new members.

14. The number of times the foundation board and the executive committee of the board meet.

15. The document by which the foundation is organized.

APPENDIX B

QUESTIONS CONCERNING THE OPERATIONAL CHARACTERISTICS OF THE FOUNDATION

1. The employment of outside fund-raising consultants.

2. The total expenditure for fund-raising efforts for the previous year.

3. Methods and sources of fund-raising.

4. Whether the college has an alumni association.

5. Whether the alumni association has been an effective vehicle for fund-raising efforts.

6. The solicitation of contributions of money, time, or expertise from college personnel.

7. Whether workshops explaining the role of the foundation are conducted for college personnel.

8. Whether accountants, attorneys, trust officers, and others are involved in fund-raising efforts.

9. The sources of gifts and donations to the foundation.

10. Whether the foundation receives local or state tax monies.

11. The types of gifts received by the foundation.

12. The projection of types of future gifts.

APPENDIX C

LETTER TO COMMUNITY COLLEGE PRESIDENTS
FOLLOW-UP LETTER
SURVEY

March 25, 1985

Dear President

This letter is to request your assistance in a national study of nonprofit foundations affiliated with public community colleges. Your responses to the enclosed questionnaire will be used to identify colleges having foundations and the person responsible for the operation of the foundation. A more extensive questionnaire concerning the characteristics of the foundation will be sent to the person you have designated.

Thank you for taking time to respond to this questionnaire. Please return it on or before April 8, 1985. The results of this study will be available upon request.

Sincerely,

Jackie J. Johnson
Graduate Intern

/jjj

Enclosure

March 25, 1985

Dear President :

Nonprofit foundations, once relatively rare in public community colleges, are being chartered at a rapidly increasing rate. Despite their growth in numbers, there is a serious lack of data on a national level about these foundations and how they operate. For example, neither the AACJC nor its constituent council, the National Council for Resource Development, maintain a list of community college foundations.

A doctoral candidate in Community College Education at Virginia Tech, Ms. Jackie Johnson, is attempting to collect at least baseline data about community college foundations and how they operate. Your institution is one of a tightly constructed and stratified sample of public two-year colleges from which she is seeking information. Her initial questionnaire will require no more than three minutes of your time. I hope you will respond promptly.

Incidentally, we have agreed to share Jackie's results with AACJC in any way which they think will be helpful.

Sincerely,

Charles A. Atwell
Professor and Head
Community College Education

CAA/jj

Enclosures

April 11, 1985

Dear :

On March 25, 1985, I wrote to you and requested your assistance in providing information concerning whether or not your institution has an affiliated nonprofit foundation. If you have not already done so, I would be most appreciative if you could supply the requested information or delegate the task to a qualified member of your organization.

Another copy of the questionnaire is enclosed in the event that you have misplaced the one that was originally sent to you. The results of this study will be made available to you but its validity is dependent upon the response from as many institutions as possible. Your response and those of a few others will make our data complete.

Thank you for your cooperation in this matter.

Sincerely,

Jackie J. Johnson
Graduate Intern

/jjj

Enclosure

QUESTIONNAIRE

College _____

Name and Title Respondent _____

_____

Does your college have an affiliated nonprofit foundation that is operational?

_____ Yes
_____ No

If Yes, please identify the person responsible for the operation of your foundation.

Name _____ Title _____

Address _____

If No, is your college a member of a multi-unit district which has a district foundation?

_____ Yes
_____ No

If Yes, please identify the person responsible for the operation of the district foundation.

Name _____ Title _____

Address _____

If No, is your college restricted in the establishment of a foundation by state law or state regulation?

_____ Yes
_____ No

If No, has your college had an interest in establishing a foundation?

_____ Yes
_____ No

Do you desire a report of the findings of this study?

_____ Yes
_____ No

APPENDIX D

LETTER TO PERSON DIRECTLY RESPONSIBLE FOR FOUNDATION
FOLLOW-UP LETTER
SURVEY

April 29, 1985

Dear :

This letter is to request your assistance in a national study of nonprofit foundations affiliated with public community colleges. In an earlier questionnaire, the President of your college identified you as the person responsible for the operation of your college's foundation.

The purpose of this study is to collect baseline data about the operational and organizational structure of community college foundations. Data gathered thus far seems to demonstrate the timeliness and importance of this study. Despite the amount of growth of this relatively new phenomenon, there is a limited amount of research on a national level about foundations, or their organizational structure, or how they operate. The data received will be used to describe the organizational and operational characteristics of foundations and may prove useful for others who anticipate starting a foundation.

You can help with this study by completing the enclosed survey and returning it to me on or before May 13, 1985. The data received will be analyzed as group data and I guarantee the confidentiality of your responses. The results of this study will be made available to you upon request.

Thank you for your cooperation in this matter.

Sincerely,

Jackie J. Johnson
Graduate Intern

/jjj

Enclosure

May 14, 1985

Dear :

On April 29, 1985, I wrote to you and requested your assistance in providing information concerning the organizational and operational characteristics of your College's nonprofit foundation. If you have not already done so, I would be most appreciative if you would supply the requested information or delegate the task to a qualified member of your organization.

Another copy of the questionnaire is enclosed in the event that you have misplaced the one that was originally sent to you. The results of this study will be made available to you but its validity is dependent upon the response from as many institutions as possible. Your response and those of a few others will make our data complete.

Thank you for your cooperation in this matter.

Sincerely,

Jackie J. Johnson
Graduate Intern

/jjj

Enclosure

AN ANALYSIS OF COMMUNITY COLLEGE FOUNDATIONS

A Survey Research Study

Jackie J. Johnson
Principal Investigator
Virginia Polytechnic Institute and State University
College of Education
Community College Program Area
Blacksburg, Virginia

QUESTIONNAIRE

Dear Respondent:

The purpose of this survey is to obtain information concerning the organizational and operational characteristics of nonprofit foundations. This survey has been sent to a random sample of all public community colleges in the United States.

PART I: PERFORMANCE CHARACTERISTICS

1. What was your college's full-time equivalent credit enrollment for the Fall Quarter for the last three years?

   Fall, 1982 _____
   Fall, 1983 _____
   Fall, 1984 _____

2. What were the new assets in total dollar amounts for your nonprofit foundation (cash, property, securities, equipment, bequests) excluding interest and income for previous years for the following years?

   1982 _____
   1983 _____
   1984 _____

3. What has been the percentage of return on investments of assets for the last three years?

   1982 _____
   1983 _____
   1984 _____

4. Of all the interest-earning investments your foundation has made in the last three years, list the top three types in terms of rate of return.

   _____

   _____

   _____

5. Do you as the foundation director manage the foundation's investment portfolio?

   _____ Yes
   _____ No

   If no, who does manage the foundation's investment portfolio?

   _____

PART II: ORGANIZATIONAL CHARACTERISTICS OF YOUR FOUNDATION

1. In what year was your foundation incorporated? _____

2. If your foundation was not active (operational) upon incorporation, in what year did it become active? _____

3. Does your college have a person (foundation director) who is responsible for the day-to-day operation of the foundation?

   _____ Yes
   _____ No

4. Does the foundation director devote all work time to foundation activities?

   _____ Yes
   _____ No

   If no, does this person have responsibilities within the college other than foundation-related responsibilities?

   _____ Yes
   _____ No

   If Yes, please indicate the title of the position with the college:

   _____ President of College
   _____ Business Officer
   _____ Grants Writer
   _____ Vice President for Development
   _____ Dean of Development
   _____ Director of Institutional Advancement
   _____ Other (please specify _____)

5. The person responsible for the foundation reports to:

   _____ President of College
   _____ Board of Directors of Foundation
   _____ Vice President for Development
   _____ Dean of Development
   _____ Other (please specify _____)

6. What percent of the person's salary who is responsible for the operation of the foundation is paid by:

   the foundation _____
   the college _____
   Grants/Project _____
   Other (specify) _____

7. Prior to becoming director of your foundation, did you have previous experience in foundation or development work?

_____ Yes
_____ No

If yes, give the number of years of experience in foundation or development work. _____

8. Does your foundation employ the following?

Professional Staff (other than the director) ___ Yes ___ No Full-time ____ Number ____
Part-time ____ Number ____

Salaries paid from: _____ College operating budget
_____ Foundation funds
_____ Other _____

Clerical/Secretarial Staff ___ Yes ___ No Full-time ____ Number ____

Salaries paid from: _____ College operating budget
_____ Foundation funds
_____ Other _____

Part-time ____ Number ____

9. How many directors serve on the board of your foundation?

_____

10. Please list the occupations of the members of your foundation board of directors (include college personnel).

_____ _____ _____
_____ _____ _____
_____ _____ _____

11. What is the term of office for the foundation board members?

_____ 1 year
_____ 2 years
_____ 3 years
_____ 4 years
_____ 5 years
_____ Life
_____ Other (please specify _____)

12. Does the foundation conduct orientation/education sessions for new board members?

_____ Yes
_____ No

13. How often does the following meet:

Foundation Board	Executive Committee of the Board
_____ Weekly	_____ Weekly
_____ Biweekly	_____ Biweekly
_____ Monthly	_____ Monthly
_____ Every 2 months	_____ Every 2 months
_____ Every 3 months	_____ Every 3 months
_____ Every 6 months	_____ Every 6 months
_____ Annually	_____ Annually
	_____ As the need arises

14. Does your foundation operate under one or more of the following?

By-laws _____ Yes _____ No
Charter _____ Yes _____ No
Constitution _____ Yes _____ No
Other (please specify _____)

PART III: OPERATIONAL CHARACTERISTICS OF YOUR FOUNDATION

1. Does your foundation employ the services of an outside fund-raising consultant? _____ Yes _____ No

   If Yes, for which of the following events has the foundation used these services?

   Day-to-day events _____ Yes _____ No
   Special events _____ Yes _____ No
   Annual campaign _____ Yes _____ No
   Other (specify) _____

2. Excluding salaries, what was the approximate total expenditure for fund-raising efforts for the previous year?

   _____

3. Indicate how often you use the following methods and/or sources of fund-raising in a given year.

	Yearly	Every 6 Months	Quarterly	Monthly	Daily	N/A
personal solicitation	_____	_____	_____	_____	_____	_____
direct mail	_____	_____	_____	_____	_____	_____
special events/projects	_____	_____	_____	_____	_____	_____
business/industry donations	_____	_____	_____	_____	_____	_____
annual fund campaign	_____	_____	_____	_____	_____	_____
wills, bequests	_____	_____	_____	_____	_____	_____
staff donations	_____	_____	_____	_____	_____	_____
foundation proposals	_____	_____	_____	_____	_____	_____
telephone campaigns	_____	_____	_____	_____	_____	_____
joint programs/seminars/workshops	_____	_____	_____	_____	_____	_____
attorney/accountant contracts	_____	_____	_____	_____	_____	_____
interest on deposits	_____	_____	_____	_____	_____	_____
board gifts	_____	_____	_____	_____	_____	_____
scholarship drives	_____	_____	_____	_____	_____	_____
estate planning	_____	_____	_____	_____	_____	_____
benefit dinners	_____	_____	_____	_____	_____	_____
community programs	_____	_____	_____	_____	_____	_____
endowment	_____	_____	_____	_____	_____	_____
bank loans	_____	_____	_____	_____	_____	_____
TV campaigns	_____	_____	_____	_____	_____	_____
grant monies from federal government	_____	_____	_____	_____	_____	_____

4. Does your college have an alumni association?

_____ Yes
_____ No

If yes, has the alumni association been an effective vehicle for your foundation in fund-raising efforts?

_____ Yes
_____ No

5. Does your foundation solicit contributions of money, time, or expertise from any of the following?

	Yes	No
College administrators	___	___
College staff	___	___
College faculty	___	___
College students	___	___
College alumni	___	___
College student organizations	___	___

6. Does your foundation conduct workshops explaining the role of the foundation for the following?

	Yes	No
College administrators	___	___
College staff	___	___
College faculty	___	___
College students	___	___
College alumni	___	___

7. Do you involve accountants, attorneys, trust officers and others who give advice to potential donors concerning wills, income tax, estate planning and trusts in foundation fund-raising efforts?

_____ Yes
_____ No

8. What are the sources of gifts and donations to your foundation? Please rank the top five with the major source in terms of dollar amounts ranked "1."

_____ college alumni
_____ college trustees
_____ college faculty
_____ college staff
_____ corporations
_____ foundations
_____ individuals who are not affiliated with the college
_____ foundation board member
_____ foundation staff
_____ local business/industry
_____ other (specify _____)

9. Does the foundation receive local or state tax monies for its operation?

_____ Yes _____ Local _____ State _____ Both
_____ No

10. What types of gifts do you receive? Please rank the top five with the type received most in terms of dollar amounts ranked "1."

_____ cash
_____ land
_____ equipment
_____ bequests
_____ trusts
_____ stocks
_____ buildings
_____ automobiles
_____ other (specify _____)

11. Question 10 represents the types of gifts you receive today. Please rank the top five with the type of gift you project to receive the most in terms of dollar amount in the future.

_____ cash
_____ land
_____ equipment
_____ bequests
_____ trusts
_____ stocks
_____ buildings
_____ automobiles
_____ other (specify _____)

APPENDIX E

TELEPHONE SURVEY FOLLOW-UP

1. If your foundation was not active (operational) upon incorporation, in what year did it become active?

   _____

2. In what year was your foundation incorporated?

   _____

3. Does your college have a person (foundation director) who is responsible for the day-to-day operation of the foundation?

   _____ Yes
   _____ No

4. Does the foundation director devote all work time to foundation activities?

   _____ Yes
   _____ No

5. Does your foundation employ the following?

   Professional Staff (other than the director)

   _____ Yes _____ No

   Full-time _____ Number _____
   Part-time _____ Number _____

   Salaries paid from:

   _____ College operating budget
   _____ Foundation funds
   _____ Other _____

   Clerical/Secretarial Staff

   _____ Yes _____ No

   Full-time _____ Number _____
   Part-time _____ Number _____

   Salaries paid from:

   _____ College operating budget
   _____ Foundation funds
   _____ Other _____

6. How many directors serve on the board of your foundation?

_____

7. Does your foundation operate under one or more of the following?

By-laws	_____ Yes	_____ No
Charter	_____ Yes	_____ No
Contitution	_____ Yes	_____ No
Other (Please specify)	_____	

8. Does your foundation employ the services of an outside fund-raising consultant?

_____ Yes _____ No

If Yes, for which of the following events has the foundation used these services?

Day-to-day events	_____ Yes	_____ No
Special events	_____ Yes	_____ No
Annual Campaign	_____ Yes	_____ No
Other (specify)	_____	

9. Does your college have an alumni association?

_____ Yes _____ No

If Yes, has the alumni association been an effective vehicle for your foundation in fund-raising efforts?

_____ Yes _____ No

10. Does your foundation solicit contributions of money, time, or expertise from any of the following?

	Yes	No
College administrators	_____	_____
College staff	_____	_____
College faculty	_____	_____
College alumni	_____	_____
College student organizations	_____	_____

11. Do you involve accountants, attorneys, trust officers and others who give advice to potential donors concerning wills, income tax, estate planning and trusts in foundation fund-raising efforts:

_____ Yes _____ No

12. Does the foundation receive local or state tax monies for its operation?

_____ Yes _____ Local _____ State _____ Both
_____ No

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