



# Plan 2015

The Strategic Plan of the  
Indiana University Foundation

Approved by the Board of Directors  
June 18, 2010

INDIANA UNIVERSITY FOUNDATION

---

---

# Contents

Mission .....	1
Vision .....	1
Values .....	1
Goals:	
Fundraising .....	2
Investments .....	4
Philanthropic Advancement .....	5
Strategic Decisions .....	7
Planning Assumptions .....	7
Benchmarks .....	8

---

---

# PLAN 2015

## The Strategic Plan of the Indiana University Foundation

---

### MISSION

To inspire donors to invest in Indiana University's power to transform lives and to better the State, nation, and world.

### VISION

As leaders among their peers in higher education and philanthropy, Indiana University and the Foundation are partners in marshalling resources to provide the University with the philanthropic assets necessary to achieve its aspirations.

### VALUES

The Indiana University Foundation adopts INDEPENDENT SECTOR's statement of values as the highest expression of ethical principles guiding the nonprofit sector.

- Commitment beyond self;
- Obedience to the laws;
- Commitment beyond the law, "obedience to the unenforceable";
- Commitment to the public good;
- Respect for the worth and dignity of individuals;
- Tolerance, diversity, and social justice;
- Accountability to the public;
- Openness and honesty;
- Responsible stewardship.

---

# Goals

## 1. FUNDRAISING

Optimize the fundraising performance of Indiana University and the Indiana University Foundation by:

Increasing Total Voluntary Support (gifts raised by Indiana University and the IU Foundation and by Riley Children's Foundation, plus non-governmental research grants through the office of the University's Vice President for Research) to \$400 million per year by FY2015.

In order to optimize the fundraising performance of IU and IUF, we will need to:

**1.1. Increase the number of the largest gifts.** Therefore, we will:

1.1.1. Increase the number of \$1 million plus gifts by 10% annually.

1.1.2. Increase the number of \$100,000 plus gifts by 10% annually.

**1.2. Increase the total number of donors, calculated on a three-year moving average.** Therefore, we will:

1.2.1. Maintain a donor retention rate of at least 62%.

1.2.2. Achieve a lapsed donor retrieval rate of at least 16%.

1.2.3. Generate at least 9,000 first-time donors annually.

***Key strategic initiatives:***

**1.A. Collaborate with IU partners to provide leadership and high-level consulting services for all aspects of development and related services.**

*1.A.1. Goals, Metrics, and Accountability*

*1.A.1.1.* Establish and model a University-wide goal-setting process.

*1.A.1.2.* Establish clear and consistent metrics and accountability measures.

**1.B. Fundraising programs**

*1.B.1.* Principal Gifts Program University-wide

*1.B.1.1.* Strengthen the Principal Gifts Coordinating Council with university-wide senior development leaders.

*1.B.1.2.* With IU senior development leadership, further develop the principal gifts program.

*1.B.2.* Major Gifts program University-wide

*1.B.2.1.* Identify, assign and follow up on all high-priority prospects

*1.B.2.2.* Create major gifts team framework.

*1.B.2.3.* Rebalance major gift portfolios.

*1.B.2.4.* Enhance major gifts parents' program.

*1.B.3.* Gift Planning

*1.B.3.1.* Further engage gift planning officers in strategies for identifying prospects and increasing gifts.

*1.B.3.2.* Emphasize gift planning commitments from volunteer leaders.

*1.B.3.3.* Assign prospect portfolios to gift planning officers.

*1.B.4.* Corporate and Foundation Relations – review in progress

*1.B.5.* Special Gifts and Annual Giving Programs

*1.B.5.1.* With IU development leaders, expand Leadership Annual Giving model university-wide.

*1.B.5.2.* Augment goal-setting processes.

**1.C. Professional development**

*1.C.1.* Collaborate with IU partners to develop a comprehensive, continuing,

and tailored professional education program for development staff.

1.C.2. Provide a mentoring program for new major gifts officers calling on the expertise of IU and IUF development officers.

1.C.3. Provide training in volunteer management.

**1.D. Volunteer engagement**

1.D.1. Collaborate with IU partners to build a vision for volunteer engagement across IU.

1.D.2. Develop the role of the Foundation's Board of Directors.

1.D.3. Coordinate a "best practices" university-wide study of volunteer engagement.

1.D.4. Create methods by which all philanthropic participation of university-wide volunteers is comprehensively and accurately recorded.

1.D.5. Establish an Annual Leadership Conference for all volunteers.

---

## **2. INVESTMENTS**

Maintain intergenerational equity by preserving the purchasing power of the endowment and providing a stable and growing income stream to Indiana University.

2.1. **Achieve investment returns that exceed the 'hurdle rate'** – the sum of the annual distribution, administrative management fees, and the impact of inflation (as measured by a relevant index), calculated as a 7-year rolling average, the typical duration of a full market cycle, as a near-term gauge and maintain a mindful eye on the 20-year results as the optimal measure.

2.2. **Exceed returns achieved by the Foundation's Target Weighted Index.**

***Key strategic initiatives:***

- 2.A. **Devise and implement an asset allocation framework** that provides a balance between IUF's time horizon of perpetuity and a long-term portfolio structure, and the ability to be nimble in order to take advantage of opportunities as they arise.
    - 2.A.1. Take advantage of illiquidity premium through build out and maturity of real asset and private equity allocations.
    - 2.A.2. Maintain sufficient liquidity in the overall portfolio to take advantage of opportunities.
    - 2.A.3. Establish a tactical / opportunistic allocation.
    - 2.A.4. Add measurable value to portfolio through tactical shifts and purchases.
  - 2.B. In consultation with the Finance Committee, **develop and carry out a spending policy that achieves intergenerational equity** as measured over a 20-year rolling average.
- 

### **3. PHILANTHROPIC ADVANCEMENT**

Optimize the drivers of philanthropic success for Indiana University by:

#### **3.1 Assessing Structure and Organizational Issues**

***Key strategic initiatives***

- 3.1.1. Continue development of the IU Foundation Board of Directors to best serve the philanthropic needs of Indiana University.
- 3.1.2. Collaborate with IU partners to review and redefine the units' and the Foundation's core roles and responsibilities.

- 3.1.3. Ensure that the philanthropic agenda is closely based on university goals, defined in terms of priorities, benchmarks, and metrics.
  - 3.1.4. Build a closer working relationship among the IU Alumni Association, Athletics, and the Foundation to create synergies that advance philanthropy and volunteer engagement.
  - 3.1.5. Establish a talent management program to assist the University and the Foundation in appointing and developing the careers of development staff.
- 3.2. **Providing enhanced development and administrative advancement services** that are highly integrated and service oriented, and have high customer satisfaction ratings.

***Key strategic initiatives***

- 3.2.1. Formalize an annual planning process.
- 3.2.2. Enhance client satisfaction.
- 3.2.3. Put in place a next-generation advancement system to enhance IU and IUF's capacity to gather, analyze, and utilize information to improve and manage processes and outcomes.
- 3.2.4. Enhance information management policies and procedures.
- 3.2.5. Define data integrity standards.
- 3.2.6. Create an annual information management plan.
- 3.2.7. Increase collaboration and synergies among prospect management, research, records management, gift processing, donor relations and stewardship and ITS.
- 3.2.8. Automate transfer of data from lockboxes to enhance gift processing.
- 3.2.9. Enhance donor research capacity.
- 3.2.10. Enhance prospect management.
- 3.2.11. Develop a broader role for donor relations and stewardship in defining and facilitating personal stewardship plans.

---

## Strategic Decisions

These are decisions over which Indiana University and the IU Foundation have control.

1. The strategic direction of the university and its fundraising priorities are to be determined by the President and Trustees of Indiana University.
2. The Indiana University Foundation President and Board of Directors are the legal stewards of the organization and the fiduciary stewards of gift funds.
3. The President of the Indiana University Foundation is the Chief Development Officer for Indiana University.
4. Indiana University will continue to have a hybrid development program, with centralized services and infrastructure housed at the Foundation and distributed development operations.
5. Indiana University will be in continuous campaign mode, with campaigns alternating between the Indianapolis and Bloomington campuses and concurrent campaigns on other campuses as they are ready.
6. Investment and spending policy decisions will be based on the principle of maintaining intergenerational equity.

---

## Planning Assumptions

These are key environmental factors affecting giving and the endowment over which IU and IUF have little or no control:

1. Economic conditions and indicators that affect giving and investment returns.
2. Changes in tax laws and other regulations, which serve as incentives or deterrents for giving.

3. Financial and other pressures on Indiana University that will further increase the importance of philanthropy.
4. Expectations of the Indiana Commission on Higher Education and the State of Indiana for higher education institutions, including Indiana University, that will influence not only resource decisions but also philanthropic priorities.
5. Demographic changes in the donor and prospective donor populations.
6. Social and cultural shifts, especially related to giving patterns and access to donors.

---

## **Benchmarks**

These overarching benchmarks provide an annual national comparison with other universities and colleges in the country.

1. Indiana University will rank among the Top 20 public and private colleges and universities in the nation in Total Voluntary Support (gifts plus non-governmental grants).
2. Growth in Total Voluntary Support will exceed the average Total Voluntary Support growth rate of our Big Ten peers, calculated on a three-year moving average.
3. Our average growth rate in total number of donors will exceed that of our Big Ten peers, calculated on a three-year moving average.
4. Indiana University will rank among the Top 15 public universities in the nation in the market value of its endowment.
5. The Foundation's portfolio will generate investment returns that are in the top quarter of institutions with \$1 billion plus endowments over a 10-year time period.