



FREQUENTLY ASKED QUESTIONS

July 2020

Campaign Montana

THINK BIG. BE BOLD.

THE LIVES WE CHANGE
WILL CHANGE THE WORLD

UNIVERSITY OF MONTANA FOUNDATION

The University of Montana Foundation is an independent, nonprofit organization that has inspired philanthropic support to enhance excellence and opportunity at the University of Montana since 1950.

SupportUM.org/aboutus/faq

Overview – History and Purpose

What is the University of Montana Foundation?

The mission of the UM Foundation is to inspire philanthropic support to enhance excellence and opportunity at the University of Montana. The passion and belief in that work is reflected in the UM Foundation vision statement: The Lives We Change Will Change the World.

The UM Foundation is an independent, nonprofit organization with 501(c)(3) status that supports UM by managing private fundraising efforts, donations and investment of endowed gifts to benefit UM. The UM Foundation operates under an agreement with UM that is reviewed and approved by the Montana University System Board of Regents.

The UM Foundation was established in 1950 by private citizens who desired to support UM. Today, over 30 volunteers serving on the UM Foundation Board of Trustees, several additional volunteers and a professional staff of approximately 60 individuals lead and manage a nonprofit organization separate from UM to foster philanthropic gifts totaling close to \$50 million annually that support academic achievement, foster research and elevate intellectual pursuits at UM.

Who determines how gifts are used? And who sets the fundraising priorities?

The vast majority of all philanthropic gifts received by the UM Foundation are designated by donors for a specific purpose to help advance the mission of the University. Any gifts received that are not designated by the donor are directed to the Excellence Fund to be designated by the UM President. Some donors choose to designate their gifts to be used at the discretion of the UM President, a dean, the athletic director, or another campus leader.

The UM President communicates the University's fundraising priorities to the UM Foundation. In turn, the UM Foundation provides guidance to the President on what projects or purposes are most likely to appeal to donors. The UM Foundation invites donors to learn about and invest in the priorities identified by the UM President.

An overview of current fundraising priorities is available on the Campaign Montana website – [CampaignMontana.org](https://www.campaignmontana.org).

Organization and Governance

What is an institutionally related foundation?

An institutionally related foundation is a nonprofit, tax-exempt, independent organization that raises and manages private support for a public institution. Commonplace in public higher education across the nation, institutionally related foundations advance the mission of an affiliated nonprofit organization by seeking and securing private support. The UM Foundation is an institutionally related foundation that seeks to inspire philanthropic support to enhance excellence and opportunity at the University of Montana.

Gifts – charitable donations that may consist of cash, stocks, bonds, real property, and pledges to make future gifts in an estate plan – made to an institutionally related foundation may be deducted from the donor’s state and federal income tax if the donor is an individual or corporation. The amount of the deduction is subject to certain limits under state and federal tax law. Donors should consult with their tax advisor for more information regarding the deductibility of specific gifts.

How is the UM Foundation governed?

The UM Foundation is governed by an independent and volunteer Board of Trustees. Trustees bring broad expertise and deep commitment to the mission-critical work of the Foundation. They are passionate about advancing opportunities for others to benefit from the exceptional education offered by UM.

Trustees serve the UM Foundation as defined in the bylaws for three-year terms. They come from diverse backgrounds and share expertise in areas like governance, strategic planning, financial management, institutional investments, marketing and communications, and fundraising. They hold fiduciary responsibility to make good-faith decisions with diligence consistent with the UM Foundation mission.

Who works for the UM Foundation?

Approximately 60 professionals are employed by the UM Foundation. They serve the Foundation’s business functions in diverse areas including fundraising, marketing and communications, finance and accounting, investment management, gift and records management, information technology and systems, and human resources. UM Foundation employees serve the Foundation’s mission based on the collective belief in these core values:

- We are passionate about delivering an exceptional donor experience.
- We inspire each other to do our best work.
- We act with integrity and respect.
- We innovate thoughtfully and with purpose.

Together, the Foundation's professional staff and volunteers desire to serve every donor seeking to experience the joy of philanthropy through gifts made in support of UM.

How does the UM Foundation inform constituents and the public about its operations and impact?

The UM Foundation is an institutionally related private foundation that is organized under Montana Code Annotated 35-2-266. The UM Foundation has been granted 501(c)(3) tax-exempt status by the Internal Revenue Service. The UM Foundation is guided by and adheres to federal and Montana law pertaining to information that must be shared with the public by private corporations and nonprofit organizations. In addition, the UM Foundation elects to share considerably more comprehensive information about our mission, objectives and impact in serving the advancement of the UM mission. The UM Foundation shares information including:

- [Articles of incorporation](#) filed with the Montana Secretary of State's office;
- An annual IRS Form 990, the reporting form which allows the IRS and the general public to evaluate the UM Foundation's operations and finances;
- The [operating agreement with UM](#) that is reviewed and approved by the Montana University System Board of Regents;
- Annual reports filed with the Board of Regents; the report reflects specific information requested by the Board of Regents to ensure open and continuing communications and alignment of priorities;
- Annual financial statements produced in annual commissioned [independent financial audit](#);
- [Bylaws](#) established by an independent governing Board of Trustees; and
- An [annual report](#) to provide donors and the general public with data and information about the annual impact of philanthropic giving.

How does the UM Foundation benefit UM and donors?

The UM Foundation serves individuals, families, businesses and private foundations that aim to support UM with philanthropic gifts in areas which match their interests, passions or criteria for philanthropic giving. The UM Foundation offers specific benefits to UM and donors alike.

Benefits to UM

- Provides UM with a critical and significant source of private support that augments other University revenue sources.
- Ensures a steady source of financial support to the University that is not subject to fluctuations in state revenues or changing priorities of state lawmakers.
- Enhances achievement of the UM mission through philanthropic gifts that do not reduce or replace state support.

- Offers investment of a privately funded endowment beyond the low-risk, low-return strategies often mandated by states, thereby increasing the opportunity for greater investment return and revenue available to UM.
- Distributes \$20-40 million to UM each year.

Benefits to Donors

- Assists donors in understanding the University's mission, and also supports engagement and evaluation of opportunities for philanthropic giving.
- Facilitates philanthropic gifts from donors who feel more secure giving to a separate nonprofit organization like the UM Foundation, knowing their gifts are held separate from state funds and will be used in accordance with their wishes.
- Safeguards the privacy of donors who may not want the details of their personal finances to become a matter of public record and ensures confidentiality or anonymity when requested.
- Provides appropriate acknowledgement and recognition, informs donors of the impact of their giving, and helps donors experience the joy of philanthropic giving.
- Offers engagement with professional staff who are passionate about delivering exceptional donor experiences.
- Ensures oversight by an independent governing Board of Trustees committed to fulfill their fiduciary responsibility, act with diligence and make good-faith decisions consistent with the UM Foundation mission.
- Fosters opportunities for individuals to engage through their volunteer service and financial contributions (gifts) to help advance the UM mission.
- Adheres to federal and Montana law pertaining to private corporations and nonprofit organizations. The UM Foundation has been extended tax-exempt 501(c)(3) status enabling donors to deduct their gifts to the extent allowed by law; files an IRS Form 990 annually; operates under an agreement with UM that is reviewed and approved by the Montana University System Board of Regents; annually shares independently audited financial statements; adheres to bylaws; and publishes an annual report.

Why Private Support Matters

What is the status of the state's funding for public higher education?

Across the country, we have seen a decades-long trend of decreased state funding for public higher education, and unfortunately Montana ranks near the bottom nationally in terms of state funding per student. While the percentage of UM general fund revenues that come from state contributions varies slightly each year depending upon enrollment and the resulting net tuition revenue that is generated, there has been a steady decrease in state support over the past several decades.

In fact, over the past 25 years across the Montana University System (MUS), we have seen the percentage of funding that comes from state contributions decrease from approximately 76% to approximately 40%. This reality places an increased financial

burden of the costs of college on students and families, which narrows the funnel through which citizens can gain an education, enter the workforce, and become economically mobile.

Why is charitable giving to higher education critical in helping students right now?

Nationally, student demand for higher education has grown steadily since the mid-1970s. During this same period, public investment in higher education has been in retreat. Public disinvestment in public higher education leads directly to increased tuition costs for students and families. Philanthropic support in the form of scholarships is essential to ensure cost isn't a barrier to college-ready individuals.

Post-secondary credentials offered by colleges and universities are more critical than ever to meet the demands of a changing national and global employment market. Many predict that by 2020 more than two-thirds of all jobs will require a post-secondary credential and yet only 40 percent of adults in the U.S. hold such a credential.

The United States currently *ranks thirteenth among developed countries* in college attainment rates for young adults. *Nearly half* the students who begin college in the U.S. don't finish in six years. And yet, *research shows* that societies with higher levels of higher education attainment can expect greater civic and social engagement, higher rates of voter participation and volunteerism, healthier lifestyles and less dependence on public assistance. Philanthropic support is essential to ensure campus support systems that foster student persistence and degree completion.

Is the UM Foundation continuing to fundraise throughout the COVID-19 pandemic?

The UM Foundation remains committed to its mission to inspire philanthropic support to enhance excellence and opportunity at the University of Montana. Private support is critical to UM and its students during this challenging time. Giving priorities including the [Emergency Student Support Fund](#), the state's [Montana Access Scholarship](#) initiative, and need-based scholarships allow donors to directly assist students who are struggling to meet basic needs and facing financial hardships that may impede their educational journey.

Through Campaign Montana, the University set a goal to inspire \$400 million in private support by summer 2020. With significant philanthropic momentum and several priority goals yet to be met, the UM Foundation and UM are partnering with alumni and friends to advance the UM mission through the campaign's conclusion on August 31, 2020 and beyond.

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) is designed to help individuals, businesses and nonprofits facing economic hardship during the COVID-19 pandemic. There are provisions of the CARES Act that expand charitable giving incentives and may affect you and your charitable goals in tax year 2020. For more

information, visit the [UM Foundation website](#) or contact your professional financial advisor.

Can't UM serve students and operate with just state funding and tuition revenue?

As background, UM general fund revenues include funding contributions received by the State of Montana, tuition and fees collected from students for educational purposes, funds received from governmental or non-governmental entities and sale of goods or services related to educational activities such as literary publications, camps, agricultural products.

Private philanthropic support provides enrichment opportunities that help students prepare for careers and lives of leadership. Access to internships, study abroad, experiential learning, research opportunities, career development, and similar programs have a profound effect on students' post-collegiate success.

Philanthropic gifts represent investments that directly impact the lives of students, families and communities for generations. Charitable giving to higher education contributes to the social and economic prosperity of Montana, the country and our world.

In times when the University of Montana experiences budget challenges, why doesn't philanthropic giving offset those challenges?

The vast majority of philanthropic gifts received by the UM Foundation are designated by donors for a specific purpose.

The philanthropic gifts extended by donors and accepted by the UM Foundation are tremendously impactful for UM and the constituents it serves. The gifts are often designated toward scholarships and other student support, faculty support and campus innovation. In times of campus budget constraints, philanthropic giving is not expected to offset budget challenges, but it does fuel student success and innovations that drive budget recovery more quickly.

Are the UM Foundation and the UM Alumni Association one organization?

No, the UM Foundation and the University of Montana Alumni Association are both independent, nonprofit organizations. The UM Alumni Association is led by a Board of Directors. Its mission is to create and sustain meaningful and lifelong connections between alumni and friends of the University and each other. However, the UM Foundation and UM Alumni Association do frequently collaborate to create meaningful engagement opportunities for UM alumni and donors.

UM Foundation Donors

Who are UM donors?

UM donors are individuals, families, businesses and private foundations that contribute philanthropic gifts to support the mission of UM. Each year, thousands of gifts are received from UM alumni and non-alumni alike. Millions of dollars are received from both Montana residents and out-of-state residents. Students at UM benefit tremendously from this generosity. Every donor gift is significant and helps to maintain and grow UM's excellence and distinction.

How many donors support UM?

Annually, approximately 14,000 donors make philanthropic gifts totaling more than \$50 million in support of the UM mission.

Why do donors give to UM?

Most donors contribute to UM because they believe that higher education is a pathway to making lives better. Some feel a specific learning experience, a faculty member, or a place on campus helped shape them into who they are today. Some are interested in helping students with financial limitations, in giving to a field of study important to them, in supporting an innovative research initiative, or in contributing to ensure students have access to learning environments to foster their success.

Is donor information kept confidential?

The UM Foundation is committed to maintaining the confidentiality of donor and gift information. In addition, if a donor wishes to remain anonymous, the Foundation is able to honor that request.

Why does the UM Foundation assess fees on gifts?

The UM Foundation funds its operation primarily through fees. Fees on gifts and endowment balances support Foundation operations, which are undertaken to inspire private support of UM. To learn more about the UM Foundation's current fees, please visit the UM Foundation [website](#).

How does the UM Foundation handle donor and gift information?

The UM Foundation is committed to respecting the privacy of all donors, according to their wishes, in perpetuity. This commitment to maintaining confidentiality of all non-public donor and gift information is a pillar of the UM Foundation's core values to deliver an exceptional donor experience.

Donor information includes but is not limited to contact information, donation and payment details, planned giving details, and any other personal information the UM Foundation obtains through our relationship with them. Donor records, both hard copy

and digital, and other donor information are deemed highly confidential and protected by internal policy. The UM Foundation discloses such information only at the request of the donor.

What is the Donor Bill of Rights?

The Donor Bill of Rights was developed by the American Association of Fund-Raising Counsel (AAFRC), Association for Healthcare Philanthropy (AHP), Council for Advancement and Support of Education (CASE), and the Association of Fundraising Professionals (AFP), and adopted in November 1993.

The UM Foundation also acknowledges the Donor Bill of Rights.

Gift and Fund Management

How does the UM Foundation ensure gifts are properly used for their intended purposes?

Donors designate how their gifts are to be used by UM. Designated gifts are managed by the UM Foundation to ensure they are used according to each donor's designation.

Where are gifts needed most?

Excellence Fund

Gifts directed to the Excellence Fund provide the UM President with flexibility to allocate resources to vital opportunities and needs as they arise throughout the school year.

Impact Funds

Each UM school, college, and program has an Impact Fund. Gifts to Impact Funds provide a school, college or program with a flexible source of funding that can be used where it is needed most.

University Priorities

The UM President sets priorities for which the UM Foundation seeks philanthropic gifts. These include priorities for scholarships, experiential learning opportunities, academic programs, learning environments, faculty and other needs. To learn more about the University's current priorities, please visit CampaignMontana.org.

What is the difference between a current gift and an endowed gift?

Many donors make gifts that are intended to be used in the near-term by UM to support students, programs, faculty and staff. While the impact of these gifts may last for generations, these are called current gifts.

Some donors make gifts directed to be invested in an endowment which will benefit students, programs, faculty or staff in perpetuity. These are called endowed gifts. The UM Foundation invests these gifts in a long-term investment pool. A percentage of the endowment balance is distributed quarterly to support the donor's designated purpose.

To learn more about making a current or an endowed gift, please contact the UM Foundation at 800-443-2593.

What is a scholarship?

A scholarship is a financial award that helps a student pay the cost of college attendance. Scholarships are awarded to UM students based on financial need, academic merit or other criteria. Unlike loans, scholarships are not repaid by students.

Why does the UM Foundation assess fees?

The UM Foundation funds its operation primarily through fees. Fees on gifts and endowment balances support Foundation operations, which are undertaken to inspire private support of UM. To learn more about the UM Foundation's current fees, please visit the UM Foundation [website](#).

Campaign Montana

What is Campaign Montana – Think Big. Be Bold.?

Campaign Montana is a seven-year, comprehensive fundraising campaign that will help UM elevate student support initiatives, provide scholarships and fellowships, enhance academic and athletic programs, and enrich the learning environment. To learn more, please visit CampaignMontana.org.

What is Campaign Montana's goal?

Through Campaign Montana, the University set the goal to inspire \$400 million in private support by 2020. Between the start of Campaign Montana on July 1, 2013, and the public announcement on October 5, 2018, donors contributed more than \$326 million in support of campaign priorities and the UM mission.

In early October 2019, the UM Foundation announced that generous donors had accelerated private support during the campaign to \$401.3 million. By May 2020, with 100 days left in the campaign, the UM Foundation shared that alumni, friends and partners had contributed over \$425 million, making Campaign Montana the most ambitious and successful higher education campaign in state history.

With significant philanthropic momentum and several priority goals yet to be met, the UM Foundation and UM are partnering with alumni and friends to advance the UM

mission through the campaign's conclusion on August 31, 2020. To learn more, please visit CampaignMontana.org.

What will the campaign do for UM?

Donors will help UM enhance student success initiatives and drive excellence and innovation in teaching, learning and research. Philanthropy will benefit students in every school and college on campus, as well as Grizzly Athletics and the Flathead Lake Biological Station. In building awareness of UM's leadership and campus-wide unit fundraising priorities and the impact of donor support over generations, Campaign Montana also supports UM by communicating elements of excellence and distinction to all interested audiences – from donors to community members to families considering UM for their educational investment. To learn more about leadership and unit fundraising priorities, please visit CampaignMontana.org.

What kind of gifts are counted toward the campaign?

Every gift, of every size, from an individual, corporation or grant-making foundation is significant and helps to maintain and grow UM's excellence and distinction. Students at UM benefit tremendously from this generosity. All gifts received between July 1, 2013 and the conclusion of the campaign on August 31, 2020 will count and be recognized as part of Campaign Montana.

Will enrollment be impacted by this campaign?

Investment in scholarships, professional academic advising, student wellness programs, career services, and enriched academic experiences will positively and dramatically influence persistence to graduation and success for all students. Donors have generously given to support such programs. UM and the UM Foundation continue to invite philanthropic support in these critical areas.

How were Campaign Montanan priorities established?

Campaign Montana priorities were established through a collaborative effort led by the UM President and Provost with participation from campus deans and other leaders. At the public launch of Campaign Montana in October 2018, additional leadership priorities centering on student success were added to the initial priorities identified at the start of the campaign. For more information about the priorities, please visit CampaignMontana.org.

How were Campaign Montana priorities shifted as a result of the COVID-19 pandemic?

Donors who align their philanthropic goals with UM's mission during the COVID-19 pandemic can make a significant difference for students. Students and their families are facing great disruption and challenges in their lives, including the diminished ability to pay for college. Generous private contributions for scholarships, emergency aid, and other direct support helps students stay on track to graduate and launch successful careers.

The [Emergency Student Support Fund](#), the state's [Montana Access Scholarship](#) program, and need-based scholarships have been elevated as leadership fundraising priorities. These initiatives are critical for the many students who are struggling to meet basic needs and facing financial hardships that may impede their educational journey.

Across campus, with several priority goals yet to be met, the UM Foundation and UM are partnering with alumni and friends to advance the UM mission through the campaign's conclusion on August 31, 2020.

What has been the impact of the campaign?

Most notable about Campaign Montana so far is the growth of privately funded scholarships. Some scholarship gifts were designated by donors to be expended on awards to students in the near-term. Others were designated to establish endowments which will benefit students now and for generations to come. Scholarships benefit students from all different backgrounds studying a diverse range of subjects. They are one vital way to make higher education more affordable and accessible.

Donors have also nearly doubled the number of privately supported faculty positions at UM. Through support for salaries, academic research, and professional development, these positions help UM recruit and retain world-class faculty, enabling students to work with and learn from leaders in their fields.

Every school and college at UM has also benefited from philanthropic support for academic programs. One example is the Franke Global Leadership Initiative, a four-year 12-credit certificate program available to UM students in every undergraduate major. Finally, donors have contributed to reshape our campus learning environments through renovation or construction of facilities. Examples include Dennis and Gretchen Eck's support of the renovation of the Liberal Arts Building and the Dennis and Phyllis Washington Foundation and the Alice Lee Lund Charitable Trust gifts to expand space for early childhood education, counselor education and the Montana Digital Academy.

How can alumni, friends and organizations support Campaign Montana?

First, know that a dollar invested in the lives of our students goes a long way. Every gift, of every size, from an individual, corporation or grant-making foundation is significant and helps to maintain and grow UM's excellence and distinction. Students at UM benefit tremendously from this generosity. All gifts received between July 1, 2013 and the conclusion of the campaign on August 31, 2020 will count and be recognized as part of Campaign Montana. Please visit CampaignMontana.org to learn about opportunities to support student success through philanthropic gifts.



The University of Montana Foundation
inspires philanthropic support
to enhance excellence and opportunity
at the University of Montana.