

Vice President for Resource Development

Although FY2010 presented particular challenges of confidence in the economy and continued economic dislocation, MIT was able to attract support from generous alumni, friends, and philanthropic organizations. Philanthropic cash receipts for FY2010 totaled \$311.2 million, a growth (after excluding gifts to the Broad Institute, which became an independent entity on July 1) of 16% from FY2009, setting a record for MIT. In this difficult and uncertain philanthropic environment, new commitments totaled \$252.4 million, down 17% from FY2009. The cash receipts reflect the commitment of MIT donors to honor their pledges, but the new commitments reflect the public mood of uncertainty toward the economy and the concomitant hesitation to pledge gifts over multiple years, as well as perhaps the beginning effects of the budget constraints on development operations. These achievements of FY2010 have been sustained by the active partnership of many faculty, administrators, and volunteers in the critically important work of institutional development.

Three major fundraising initiatives continued in FY2010. The Campaign for Students sponsored meetings of volunteers and prospects in Cambridge and across the country, and moved into a phase of very active solicitation of gifts. As of June 30, more than \$479 million, 96% of the goal, had been raised in support of the campaign. The MIT Energy Initiative (MITEI) has attracted multimillion-dollar support from individuals, foundations, and corporate partners, and fundraising for the David H. Koch Institute for Integrative Cancer Research has continued to be a primary focus of the development effort.

Summary of FY2010 Fundraising Results

In FY2010, new commitments of cash gifts and new pledges totaled \$252.4 million, down 17% from last year. (Cash gifts are those received in full during the year, while pledges may be paid over the course of more than one year.) FY2008 was the strongest year on record for fundraising at MIT, and although the FY2010 totals reflect a more modest return from that high, they nonetheless are higher than fundraising in FY2005 and FY2006. This total does not include the \$9.5 million in unrestricted support from Industrial Liaison Program (ILP) members. In order to make appropriate comparisons, we omit support designated to the Broad Institute in prior years, as has been the practice of management reports compiled by other units at the Institute.

In FY2010, cash receipts totaled \$311.2 million, up 16% from FY2009. The cash receipts for FY2010 compare with:

- \$269.0 million in 2009
- \$279.4 million in 2008
- \$299.8 million in 2007

Gifts-in-kind, principally of equipment, totaled an additional \$872,000. These figures also do not include the continuing strong performance of ILP, which provided an additional \$9.5 million in support in FY2010.

Jeffrey L. Newton
Vice President for Resource Development

Office of Philanthropic Partnerships

The Office of Philanthropic Partnerships (OPP) was created in FY2008 as the centerpiece of MIT's principal gifts program. The office engages the Institute's most generous donors in the life of MIT and cultivates prospects with the capacity to contribute \$5 million or more to the Institute.

As of the end of FY2010, OPP grew from eight staff to 11, with the addition of staff from the Office of Institutional Initiatives. The OPP is now staffed as follows: senior director of philanthropic partnerships, director of donor relations, director of the Corporation Development Committee (CDC) and presidential events, three philanthropic advisors, four philanthropic partnership associates, and an administrative assistant.

At the core of its activities, the Office of Philanthropic Partnerships is responsible for ensuring that the Institute's relationships with top-rated fundraising donors and prospects (of which there are approximately 400) are being managed with the highest degree of coordination and quality. Related responsibilities of the office include: developing and managing the president's resource development calendar each year; overseeing a program of high-level dinners/events at the president's residence, Gray House; and coordinating with the Corporation Office and the Alumni Association on visiting committee nominations. With the addition of staff from the Office of Institutional Initiatives, OPP now assumes responsibility for principal gifts fundraising for two of MIT's key initiatives: MITEI and the Koch Institute.

In the past year, the Office of Philanthropic Partnerships has also been responsible for two additional projects of significance: fundraising for the renovation of the W1 undergraduate residence hall and, therefore, the expansion of the undergraduate study body (fundraising was successfully completed with the addition of two 8-figure gifts committed in FY2010) and further developing the President's Advisory Council on Regional Engagement, which draws key regional business leaders closer to MIT and its role in regional economic development. An important byproduct of this leadership-level committee is the philanthropic engagement of regional stakeholders (whether individual or companies).

The Office of Philanthropic Partnerships reports the following results for FY2010, as achieved in collaboration with all other Resource Development offices and the Alumni Association:

- 7 gifts/pledges of \$5 million or more, totaling \$102,596,000
- 21 cultivation or stewardship dinners and/or receptions at Gray House
- 17 presidential trips for Resource Development (13 domestic, four international)
- 157 individual prospect/donor appointments
- 22 presidential Resource Development events
- 17 presidential appearances coordinated with Alumni Association events

Beth Raffeld

Senior Director of Philanthropic Partnerships

Office of the Executive Director of Development

The Office of the Executive Director of Development oversees the offices of Individual Giving, the Campaign for Students, Foundation Relations, Gift Planning, and Development Services, which includes stewardship, research, prospect identification, systems, and events.

Office of Individual Giving

In FY2010, the Office of Individual Giving encompassed the offices of Leadership Giving, Gift Planning, and Special Constituencies. The Office of Leadership Giving (OLG) cultivates and stewards individual alumni and friends capable of making gifts between \$100,000 and \$5 million. OLG works with other offices in Resource Development along with the Office of the President, the Office of the Chairman of the Corporation, deans, department heads, and volunteers from across the country.

In FY2010, OLG continued its very successful internal fundraising education program and worked on strengthening its relationships with the Alumni Association and school-based development officers. These efforts played a key role in many gifts that were realized because of the implementation of a coordinated and collaborative endeavor with many internal stakeholders.

The Office of Leadership Giving staffed a large number of one-on-one visits between senior Institute leaders and important alumni prospects and donors. A large majority of these visits were focused on highlighting and raising support for key institutional priorities as defined by the giving opportunities in the Campaign for Students.

In FY2010, OLG staff completed 1,418 personal fundraising visits with alumni across the country. OLG raised \$18.3 million in new gifts and pledges in that period. In addition to priorities represented by the Campaign for Students, OLG focused its efforts on raising support for cancer and energy initiatives.

Campaign for Students

The five-year, \$500 million Campaign for Students aims to increase undergraduate and graduate aid and enhance student life and learning opportunities. The campaign's private phase began in July 2006, the public launch occurred in October 2008, and the deadline for completion will coincide with the Institute's sesquicentennial celebration in 2011. The campaign concluded FY2010 at \$479.1 million (approximately 96% of the goal).

While the campaign supports student life and learning broadly, the priorities include undergraduate and graduate financial aid, leadership, global education, and public service. During FY2010, the campaign office worked closely with the Office of Philanthropic Partnerships, Leadership Giving, Gift Planning, the Alumni Association, and the Corporation Development Committee to leverage existing events; bring MIT students, faculty, and administrators into contact with supporters of the campaign priorities; and ensure that campaign messaging to our alumni and donor audience was constant and consistent.

The campaign's five volunteer cochairs are:

Lawrence Fish

Thomas Gerrity '63, SM '64, PhD '70

Mark Gorenberg '76

Martin Tang SM '72

Barrie Zesiger HM

In addition to providing leadership counsel, the co-chairs focused on soliciting corporation and visiting committee members, CDC members, and other prospective donors to MIT.

Gift Planning

The Office of Gift Planning (OGP) supports MIT's development efforts by engaging donors in estate planning and philanthropic conversations that result in life income gifts and bequests. OGP supports OLG, OPP, all of the MIT schools, the Koch Institute, MITEI, MIT Libraries, the Alumni Association, and the McGovern Institute for Brain Research.

As a result of this year's collaboration with the Koch Institute and MITEI, OGP raised several new outright and planned gifts. OGP also worked closely with the Alumni Association on reunion solicitations, training of volunteers, and gift planning mailings in the reunion appeal. Gift planning donor profiles were created for the School of Science newsletter, *Technology Review*, and the McGovern Institute.

The Office of Gift Planning engages in a variety of activities, including individual donor visits, proposals to donors, strategy sessions, and solicitations. Life income gifts provide funding for scholarships, fellowships, cancer research, MITEI, professorships, MIT's libraries, and general needs. OGP also seeks to increase awareness of gift planning among internal and external constituencies and to cultivate relationships with current

donors while supporting the work of other Resource Development staff, the schools, and the Alumni Association.

In addition, OGP works closely with donors and their advisors to solicit bequests for the Institute. In some cases, these bequests are realized within a short time frame and result in unrestricted gifts or endowed scholarships.

During FY2010, OGP accepted \$7.7 million in gifts to life income funds, and another \$8.4 million was realized in bequests to MIT.

Office of Development Services

The Office of Development Services provides stewardship and reporting to donors, event planning and execution, individual prospect research, information management, business intelligence, technology management, and training support to Resource Development and its partners. In FY2010, the office continued to focus on key strategic areas—research, donor engagement, fund compliance, events management, information administration, and technology—to enhance the support it provided to MIT fundraisers.

Stewardship

The stewardship team designed individual prospect plans and launched coordinated strategies to engage major donors in areas that they support, as well as the Campaign for Students. The office managed tight resources and limited staffing to streamline the scholarship and fellowship reporting process, as well as to deliver personalized presidential acknowledgment letters to the Institute's most loyal donors. The team continued to facilitate individual campus meetings between donors and students, and the annual brunch honoring scholarship, Undergraduate Research Opportunities Program, and fellowship recipients saw an increase in numbers across the board (donors attending, students attending, funds represented). Over 400 scholarship reports were issued in fall 2009 and the number of student thank-you letters sent to donors over the academic year rose significantly, approaching 30%, resulting in 632 instances of correspondence between donors and students. In addition, 546 presidential acknowledgement letters were generated in FY2010, representing a 5% increase from the year prior. Another major accomplishment of the year was the creation and generation of more than 1,400 endowment reports, providing assurances of careful financial management and transparency to donors throughout the Institute.

Research

Research continued to focus on providing business intelligence and analysis on known prospects and on finding new ones. Significant effort was expended on briefing senior officers, with 1,152 detailed reports prepared for these individuals in FY2010. The team leveraged technology to produce briefings more efficiently. It also continued work to assist other units within Resource Development on the imaging and indexing of paper files into our document management system.

Prospect Identification

Prospect identification efforts were adversely affected by staff reductions in FY2009. The number of evaluations was down 46% but the number of new major gift prospects was down only 32%, with 666 new major gift prospects identified this fiscal year. In addition to ongoing data modeling projects and screenings, Research has taken a special look at the parents of incoming freshmen for the third consecutive year. In FY2009, 18 parents were identified as major gift prospects; in FY2010, the number increased to 58.

Events

The development services events team collaborated with offices within Resource Development and across campus to create gatherings for prospects and donors. More than 70 events were held throughout the country, with more than 3,000 attendees in all. Several cultivation dinners and receptions focused on the Koch Institute for Integrative Cancer Research, including a reception honoring Robert Langer held at the home of Fran Brown in Concord, MA. This year's scholarship brunch was the most successful to date, matching over 120 donors with the student recipients of their scholarship support. Collaboration between Resource Development and the Alumni Association was key to maximizing donor involvement during the joint annual Corporation Development Committee and Alumni Leadership Council Meetings. Additional events raised support for the Public Service Center, the Campaign for Students, and the Council for the Arts, among other initiatives.

Systems

The systems and reporting groups served over 239 clients in Resource Development and the schools. More than 5,000 calls to RDCompHelp, Resource Development's computer support telephone line, were resolved. An additional 998 data requests were fulfilled and 85 self-service reports created. Numerous systems enhancements were completed during FY2010, including enhancements to management reporting, online reporting, gift processing, quality control, document management, and stewardship.

Robert D. Scott
Executive Director of Development

Office of Communications

The Office of Communications (OC) provides writing, print design, and new media materials to support MIT's philanthropic goals. OC partners with fundraisers to define strategic approaches for initiatives that inspire donors. OC also works with the Office of the President, the News Office, the Alumni Association, and schools, departments, and centers on communications strategies and messaging.

Priorities for FY2010 included supporting the Campaign for Students, MITEI, the Koch Institute, and various global initiatives. Projects this year focused on principal gift proposals, major gift proposals, and templates for web development, video/new media,

branding/identity development, and event collateral. Key new media accomplishments included the development of:

- A new global website (<http://global.mit.edu>) designed, developed, and launched for the Office of the Associate Provost
- A new, secure extranet developed for the CDC
- New school portals for InsideRD, our intranet portal and email newsletter to support philanthropic initiatives across the Institute.

The office also produced three *Spectrum* newsletters—on the brain, public service, and water—seen by more than 35,000 readers in print and 90,000 electronically. The publication won a silver medal for best newsletter in the 2010 District 1 awards competition sponsored by the Council for the Advancement and Support of Education (CASE). This is the 11th CASE award overall that *Spectrum* has won since 2001.

Nicole M. Malec

Director of Communications

Office of Corporate Relations

The Office of Corporate Relations (OCR), which includes the Industrial Liaison Program (ILP), creates and strengthens mutually beneficial relationships between MIT and corporations worldwide. During FY2010, ILP broke its record-setting achievement of FY2008 with revenues of \$9.7 million, the highest in the 62-year history of the program.

OCR staff provided support to members of the senior administration in their corporate relations activities, as well as in connection with major MIT international and corporate partnerships. Of special significance, OCR staff continued to work with the faculty leadership of MITEI to secure commitments from companies to join the MITEI Industry Consortium, including the two existing ILP members, Alstom SA and Shell, that joined MITEI as research sponsors in the past year. Staff also maintained excellent relations with all MITEI sustaining and founding members as part of the MITEI/ILP partnership structure.

OCR staff focused on supporting Institute-wide efforts to secure these funding streams by identifying and catalyzing opportunities for the faculty to acquire research and other gift support from ILP member companies and assisted faculty efforts with member firms. Examples of FY2010 results in which ILP staff were instrumental were the Madrid–MIT Biomedical Imaging Consortium and MIT's collaboration agreement with Sanofi-Aventis. Approximately half of ILP member organizations provide financial support to MIT through research and gift funding.

OCR organized six major conferences in FY2010, several in conjunction with major MIT organizations or ILP members. Examples include a joint conference with MIT's Leaders for Global Operations on New Visions for Global Operations: From Product

Development Through Delivery and Recycling, and the ILP–BDigital Innovation Ecosystem Workshop.

During the past year, OCR designed and launched an industry gateway to the MIT home page, with links to the wide array of programs and services at MIT that involve the corporate sector, including the Technology Licensing Office, the Office of Sponsored Programs (OSP), the MIT and Sloan School of Management career development centers, executive and professional education programs, and the lengthy set of MIT-industry research collaborations across the schools, departments, and centers at the Institute.

Karl F. Koster

Executive Director of Corporate Relations

Office of Foundation Relations

The Office of Foundation Relations (OFR) manages MIT's relationships with the foundation community and supports project-driven fundraising on behalf of the deans and faculty. Gifts from private foundations and charitable trusts for this fiscal year totaled \$97.25 million, comprising 31 percent of the total private support to MIT. In addition to these figures, we have been tracking more than \$103 million in pledged balances in the pipeline. (Note that these numbers reflect that on July 1, 2009, the Broad Institute was established as a permanent nonprofit scientific research institute; therefore its revenues are no longer counted in the MIT gift stream.)

This year featured new and continued major foundation support for the following:

- Abdul Latif Jameel Poverty Action Lab
- Science of aging
- Autism research
- Bringing Biology Research Software into the Classroom project
- Campaign for Students
- Center for Future Civic Media
- Community Innovators Lab
- Congressional Staff Seminar
- Energy Studies minor
- Engineering curriculum development in China
- Genomics of marine ecosystems
- Global development program
- Global Security Working Group

- Graduate fellowship support in energy, environmental sciences, brain and cognitive sciences, mathematics, economics, and electrical engineering and computer science
- Industrial Performance Center: Accelerating US Innovation study
- iLabs: Realizing the Potential of iLabs in sub-Saharan Africa (Phase III)
- MIT Kavli Institute for Astrophysics and Space Research
- David H. Koch Institute for Integrative Cancer Research
- Kuwait–MIT Center for Natural Resources and the Environment
- Learning International Networks Consortium
- Malaria research
- Media Lab
- Mentor Advocate Partnership program (Office of Minority Education)
- MIT International Science and Technology Initiatives
- MITEI Future of Solar Energy Study
- MITEI Future of the Grid Study
- Gordon and Betty Moore Foundation investigatorships in marine microbiology
- Office of Engineering Outreach Programs (pre-college outreach)
- Postdoctoral fellowships in energy; the School of Humanities, Arts, and Social Sciences; and the Department of Biological Engineering
- MIT-Portugal program
- Program in Art, Culture and Technology
- School of Architecture and Planning–Indian Institute for Human Settlements Partnership
- Security Studies Program
- Undergraduate Science Education Program (Howard Hughes Medical Institute)
- US–Iran Relations Project
- Visualizing Cultures project

Foundation Relations continues to play a central role in the fundraising efforts of the Legatum Center for Development and Entrepreneurship at MIT.

Lindley Huey
Director of Foundation Relations

Office of Global Initiatives

The Office of Global Initiatives (OGI) works collaboratively with faculty, senior administrators, colleagues within Resource Development, the Alumni Association, and school, program and project fundraisers to define fundraising priorities, identify and solicit potential donors, and coordinate activities across organizational boundaries.

During FY2010, OGI worked to develop philanthropic ties throughout the world and coordinated the international efforts of development staff. MIT staff individually visited more than 360 alumni and other supporters outside the United States, and helped raise \$51.6 million in philanthropic support from 2,385 international donors, reflecting major international foundations, friends of MIT, and alumni. Among the international activities staffed by the office were events held in conjunction with the World Economic Forum in Davos, Switzerland, and a highly successful trip to Greater China by President Hockfield.

During the presidential trip to Greater China in June, the team met with several high-level government leaders and President Hockfield signed two agreements: one to create the Tsinghua–MIT–Chinese University of Hong Kong Joint Center for Theoretical Computer Science, the second to jointly develop an executive education program in energy with Shanghai Jiao Tong University. OGI also worked with the Greater China Strategy Working Group to release the MIT–Greater China Strategy Report in September 2010. OGI orchestrated the establishment of a Chinese government scholarship that supports MIT students to study in China.

During the year, OGI also organized and supported successful presidential trips to London, Istanbul, Athens, and Paris, where President Hockfield met with the highest levels of leadership in industry and government. OGI organized and coordinated two talks each for the MIT China and the MIT India forums, and supported the Greater China and India strategy groups in their discussions.

Arundhati Tuli Banerjee
Director of Global Initiatives

Recording Secretary's Office

The Office of the Recording Secretary (RSO) receives gifts on behalf of the Institute and provides expertise and consultation on gift policies and procedures. The office prepares tax receipts, deposits gifts, and provides the official recordkeeping of pledges and gifts of cash, securities, mutual funds, and gifts-in-kind. In addition, the office ensures the maintenance, safekeeping, and accessibility of permanent records of gifts, including original documentation of gift memoranda, gift agreements, pledges, trust instruments, and other legal documents associated with gifts. The office has oversight of the approval, creation, and maintenance of all endowed funds and works with senior representatives of the Institute to formulate policy and implement established guidelines.

The Gift Policy Committee, chaired by the recording secretary, convened nine times during FY2010. Topics discussed included the Institute's policy on the acceptance of illiquid assets and clarification of the investment and administrative fees applied to gift funds.

RSO worked with the Office of the Vice President for Finance on a project to review several hundred funds to ensure that true endowment funds are not comingled with non-endowment funds. To date, we have reduced this comingling substantially and will finish the effort in FY2011. In addition, RSO reviews funds that are underutilized and brought to our attention from the stewardship office or the schools and departments for consideration by the Corporation's Executive Committee for expanded usage (i.e., overstuffed chairs) or for preparation for probate court determinations (i.e., loan funds). These efforts provide the Institute and senior officers with greater financial flexibility.

RSO, OSP, and OFR have collaborated closely this year to insure that foundation funds are being captured correctly in Resource Development's alumni and donor information system (ADONIS). During the past year, communications among the three offices have been greatly enhanced; RSO now is able to draw down data through COEUS—MIT's electronic research administration system—to assist in this process for the purposes of appropriate stewardship to all foundation donors.

Process improvements continue to enhance record retention through scanning procedures. RSO is scanning additional endowed fund documentation, including Executive Committee votes, and has now scanned all current pledges to further enhance the completeness of donor records.

MIT recorded 60,000 gift transactions this year. Of these, the Recording Secretary's Office handled one-quarter of the volume, representing 97% of the revenue. Just over half (52%) of RSO's gifts were made by check and one-third (31%) by wire. Gifts of securities are on the rise again, with revenue increasing by 50% (from \$26.7 million to \$39 million).

Elizabeth M. Ogar
Recording Secretary/Executive Director of Administration

Shared Services Administration

At the beginning of FY2010, Resource Development and the Alumni Association leveraged their co-location in W98 to establish the Office of Shared Services Administration (SSA). Composed of the Office of Finance and Operations and the Office of Human Resources and Staff Development, the SSA supports all program areas within Resource Development and the Alumni Association on financial planning and analysis, human resources and staff development, administrative operations, and facilities. During the initial months of the team's development, business processes were reviewed with an eye toward identifying and eliminating redundancies and duplicative work between the two areas. The resulting structure and definition of roles builds

on the strengths of individual team member's expertise and specializations, while simultaneously emphasizing enough cross-training to provide highly responsive and effective service to both departments.

During FY2010, SSA's human resources unit served as a resource for leading during times of change and transition as we moved through a period of staff reductions, as well as helped our colleagues in thinking about how to do more with fewer resources. Along the way, we continued to keep a focus on staff morale through professional development opportunities such as the third annual Institutional Intelligence Forum, the launching of a health and wellness learning series, and encouraging staff to continue recognizing each other through the Resource Development and Alumni Association Rewards and Recognition programs. Resource Development awarded eight Infinite Mile and 32 Spot Appreciation awards and the Alumni Association awarded six Infinite Mile awards. Additionally programming got underway to pilot an in-house leadership development program and a diversity and inclusion initiative, called Perspectives, for all staff within the Alumni Association and Resource Development; both are scheduled to launch in fall 2010.

The finance unit assisted Resource Development managers in adjusting to their reduced budgets and supported Alumni Association senior managers in identifying the second round of reductions in their FY2011 budget proposal. In addition, the team collaborated to meet the expanded information requirements for the annual federal tax Form 990 on costs associated with fundraising across the Institute. The operations unit established several online systems to streamline communication and tracking of service requests for facilities and on-campus parking, and managed reconstruction of the W98 building "envelope" with minimal disruption to staff. During the coming year, SSA will build on its successful first year and will continue to provide consistent, flexible service to our internal customers in all of their administrative needs.

Elizabeth Ogar
Recording Secretary/Executive Director of Administration

More information about resource development at MIT can be found at <http://development.mit.edu/>.