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CURRENT SCHOLARSHIP STATISTICS (Large chart) ................. APPENDIX 1
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Overview: This plan has been prepared to describe REVERBERATIONS: An Initiative for Scholarships and Faculty Support at The University of Alabama and to serve as a guide for its implementation. Along with a proposed case statement, it documents the goals, plans, methods, leadership, structure, and scope of the initiative for the advancement staff, senior administrators, and volunteer leaders. The formal announcement of REVERBERATIONS will be in the late fall of 2014 pending the approval of the President. It is important to note that other fundraising projects in UA’s colleges and units will be ongoing simultaneously with this initiative. The associate vice president of the Office of University Advancement will coordinate with each development officer to ensure all fundraising efforts are carried out in an organized manner to achieve fundraising success. This is intended to be an internal working document only and is subject to change when necessary.

REVERBERATIONS Financial Objectives

The initiative seeks to secure at least $300 million in gifts and commitments for the following priority areas:

1. General University Endowed Scholarships $175M
2. General University Annual Scholarships $50M
3. College/Unit Based Endowed Scholarships $50M
4. College/Unit Based Annual Scholarships $25M

These numbers are a guide for benchmarking during the initiative. It is important to note that totals may vary at the end of the initiative due to donor preference.

Overall Initiative Goals

At its conclusion, REVERBERATIONS will be deemed a success if:

1. UA raises at least $300 million from March 1, 2012 through December 31, 2017.
2. Initiative priority goals are achieved or surpassed.
3. The initiative expands the number of volunteer leaders who play active roles in major gift fundraising.
4. UA ends the initiative with more identified major donor suspects and prospects than before the initiative.
5. Fundraising dollars increase over the period of the initiative and in the years following the initiative.
6. If successful, this will be considered the silent phase of the University’s next comprehensive campaign.
Initiative Principles

The Office of University Advancement will use the following principles to guide its initiative efforts:

1. Expand UA's current donor base by identifying, cultivating, and soliciting increased numbers of major gift prospects throughout the initiative.

2. Enlist volunteer leaders who will widen the family of committed supporters as REVERBERATIONS workers.

3. Accept all reasonable gifts during the initiative period placing the greatest emphasis on gifts for the stated initiative priorities.

4. Appropriately thank, recognize, and steward all donors who make gifts to the initiative. An ending celebration may be considered.

Internal Initiative Planning

The vice president and associate vice president for the Office of University Advancement will be responsible for administrative aspects related to initiative planning and implementation, including the following:

1. Implementing fundraising and related program improvements including:
   a. Refining staff roles to address initiative needs and hiring additional frontline fundraisers;
   b. Preparing the advancement staff, senior administrators, and key volunteer leaders to conduct a fundraising initiative through orientation and skill building;
   c. Bolstering major and planned giving programs to meet initiative objectives; and
   d. Expanding and strengthening annual giving programs.

2. Actively prepare for the initiative by:
   a. Working with UA's president and senior administrators to give shape and urgency to the case statement;
   b. Developing a comprehensive communications plan;
   c. Working with the Office of Advancement Services to identify qualified gift prospects/donors;
   d. Creating a web and social media presence focused on REVERBERATIONS; and
   e. Establishing an overall public relations plan for REVERBERATIONS.

3. Maintaining communications among the Office of University Advancement, senior administrators, and volunteer leaders about the initiative, its goals, and plans.

4. Developing a budget for REVERBERATIONS which includes the following components:
   a. Initiative cost projection model;
   b. Initiative financing, including the purchase and distribution of the crystal bells; and
   c. Monitoring progress on administrative aspects of the initiative preparation phase.

5. Volunteer Leadership:
   a. Identify current UA scholarship donors in different regions who will help identify and solicit peers to support the REVERBERATIONS initiative;
   b. Identify senior advancement staff members to serve as points of contact for each volunteer; and
   c. Establish and print a REVERBERATIONS leadership volunteer document to leave with each major donor who agrees to support the initiative.
Initiative Strategies

Case Statement

The University of Alabama’s fundraising initiative, REVERBERATIONS, focuses on building a top-tier scholarship program that will help recruit the best and brightest minds, provide access to those with need, attract the most talented students, and extend opportunities for students who can benefit from academic enrichment opportunities beyond the borders of the UA campus.

REVERBERATIONS calls upon The University of Alabama family to respond by giving—as each is able—to support our students. While more than 36 percent of UA undergraduate students receive some form of scholarship assistance from private support (as reported by the Office of Admissions) and UA is ranked a “best buy” by numerous college guides, the cost of higher education continues to rise around the world and a large number of students and their families struggle to afford a quality education. UA continues to enroll class after class of academically talented freshman and is consistently ranked in the top 5 percent of public universities in the enrollment of national merit scholars.

REVERBERATIONS will be a significant first step to addressing the need within UA’s student body. Though support for all scholarships at UA is important, four priorities have been identified as key areas of the scholarship initiative:

1. Presidential Scholarships
2. National Merit Scholarships
3. Capstone Scholarships
4. Alabama’s Promise Scholarships

Prospecting

Identifying the appropriate number of prospects who have the capacity and interest to make gift commitments is crucial to the success of the initiative. These prospects are first identified as “potential prospects” and require either staff or volunteer contact to establish their eligibility to be a “qualified prospect”. The table below summarizes the prospecting activity required for the initiative.

The following gift range table illustrates the gifts needed for a successful $300 million initiative.
Gift Range for $300 Million REVERBERATIONS Initiative

<table>
<thead>
<tr>
<th>Potential Prospects</th>
<th>Qualified Prospects</th>
<th>Gifts</th>
<th>Averaging</th>
<th>Equaling</th>
<th>Totaling</th>
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<tr>
<td>9</td>
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<td>10,000&lt;$100k</td>
<td>$53M</td>
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<td>2,313</td>
<td>771+</td>
<td>257+</td>
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<td></td>
<td>$300M</td>
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</table>

*Note: The Office of Advancement Services is in the process of identifying potential and qualified prospects to align with the gift range chart. These efforts will be enhanced by the new Blackbaud system.

**Currently, we receive more than 100,000 gifts per year. This category will be important, but the vast majority of gifts in this range will be less than $2,500.

The gift table incorporates the following assumptions:

1. “Potential prospects” are individuals and organizations identified with the financial ability to make a gift of at least $100,000 to UA.

2. “Qualified prospects” are individuals and organizations evaluated through personal visits as having the financial ability plus demonstrated inclinations to make gifts of at least $100,000 to UA.

3. One-third of “qualified prospects” solicited are expected to make gifts at the established levels.

4. One-third of “potential prospects” are expected to become “qualified prospects” primarily through intentional “discovery call” visits by University Advancement team members.

A major effort to identify new potential prospects early in the leadership and major gift phases will be critical to the ultimate success of the initiative. “Discovery calls” made by University Advancement staff members, along with prospect research by staff members, will be required to determine which “potential prospects” are “qualified prospects”.

Confidential: Draft Document

6/30/14
Gift Sources

1. Primary initiative gift sources are individuals, foundations, corporations, and other organizations.

2. Government grants will not be included in the initiative.

Prospect Management

An effective prospect management system will help ensure that prospects are provided with opportunities to make initiative gifts commensurate with their financial abilities. The prospect management system will include:

1. Assigning prospects to appropriate advancement staff members to work with senior administration and initiative volunteers.

2. Identifying target gift amounts and gift purposes for prospects.

3. Developing key steps in the solicitation process, along with expected completion dates.

4. Tracking and evaluating progress in completing initiative solicitations.

Communication Goals and Strategies

Explicit communications goals will be stated during initiative planning, along with strategies and marketing plans for achieving communication objectives.

Pre-selling strategies will be developed with the following objectives:

1. Increase awareness among initiative constituencies about initiative projects/focus areas, including their importance to The University of Alabama achieving its mission and strategic priorities.

2. Increase understanding among initiative constituencies about specific initiatives (scholarships and faculty support).

3. Provide a common understanding among the UA president, the Board of Trustees, deans, department heads, faculty and staff.

The Office of University Advancement will use the following communication strategies:

1. Face-to-face meetings, printed materials, and electronic/social media.

2. Speaking engagements by President Bonner and other senior administrators with alumni and other groups.

3. Special initiative events.
Initiative Materials to be Developed:

1. Complete a case statement for approval.

2. Introduction of crystal bells to high-end donor prospects who have not supported UA in the past. They may be shipped or delivered in person.

3. Volunteer solicitor materials, including UA fact sheet and initiative FAQs.

4. "Leave behind" initiative brochure.

5. REVERBERATIONS related web page(s).

6. Video presentations.

7. Approved initiative logo for REVERBERATIONS.

8. Letterhead, pledge cards, envelopes, and other similar materials as needed.
Matching Program for Endowment Gifts

The matching will be for new pledges/gifts received after the date of Presidential approval of the plan and will be in effect for three years. (10/1/2013 through 9/30/2016) This program will be crucial to the success of REVERBERATIONS.

To qualify for the match; the gift must be for an endowment.

The purpose of the gift will be to support scholarships that are administered centrally by the University. These programs include the Presidential Scholarships, National Merit Scholarships, Capstone Scholarships and Alabama’s Promise Scholarships. In addition, a major focus of the program will be on scholarships that provide support to first generation students and/or students with demonstrated financial need. However, the preference of the donor will be respected within these scholarship programs. An example would be a preference that students receiving the scholarship are residents of a particular community or declare a specific major.

The minimum gift amount for matching is $500,000. This minimum will be in effect for one year and then will increase to $1 million.

The match will be graduated based on the gift amount.

- For $500,000 to $2 million the match will be 50 percent.
- For $2 to $4 million the match will be 75 percent.
- For $4 million up the match will be 100 percent.

The match will not be made until the pledge is fully funded and all gifts have been received. In addition, the gift will only be matched if the gift is administered by the Office of Undergraduate Admissions and Scholarships.

A gift must be presented for consideration and approved by the Board of Trustees of The University of Alabama before it can be included in the Matching Program.

Gifts may be accounted for separately and the interest earnings may be allocated to the corpus until the target amount is reached. A number of gifts can be consolidated to reach the match level if the College and the donor(s) desire. However, the scholarship will be administered as one gift – the College of Last Resort Scholarship.

If the gift is non-monetary, the value matched will be the cash amount realized from the sale or disposition of the gift and not the appraised value.

The matched funds will be allocated to a quasi-endowment that supports the endowment.

The funds used to make the match will be unrestricted assets of the University.

The earnings from the endowment and the quasi-endowment will be used to support the purpose of the gift – i.e. support of a scholarship.
Current Scholarship Statistics at UA:

Current scholarship data at The University of Alabama as compiled by the Office of Advancement Services:

Please note that Financial Accounting cannot determine how many students received scholarships out of one fund; they can report the total amount awarded and the total number of funds, but not the number of individual scholarships awarded from each fund. Admissions will report the total number of undergraduate students on scholarship and the percentage of undergraduate students on scholarship. Finally, Presidential and Capstone Scholarships are awarded from tuition, fees, and other revenue sources and are not held with scholarship dollars. The amount awarded from those funds is significant. They are not included in this summary.

* A = UA Accounts; T = Capstone Fund; N = Alumni Association; L = Law School Foundation

1. How many endowed scholarships does UA have?
   2,262 endowed scholarship funds in all charts (A, T, N, L).

2. How many are general university?
   Of all endowed scholarship funds, 819 of them are general University scholarships.

3. How many are non-general university?
   Of all endowed scholarship funds, 1,443 are non-general University.

4. How many annual scholarships does UA have?
   467 annual scholarship funds in all charts (A, T, N, L).

5. How many are general university?
   Of the annual scholarship funds, 102 are general University scholarships.

6. How many are non-general university?
   Of the annual scholarship funds, 365 are non-general University.

7. How much money does UA award annually from endowed scholarships?
   We are awarding $34,418,885.71 annually in endowment earnings from these funds.

8. How much money does UA award annually from annual scholarships?
   We are awarding $5,172,156.65 annually from annual scholarship funds.

*Source of Information: Advancement Services, Admissions, Financial Accounting
Current Numbers for Scholarships, Professorship and Chair Support During the Silent Phase of the Initiative:

Since the silent phase of REVERBERATIONS began on March 1, 2012, the Office of University Advancement has secured $67,661,294.34 in new scholarship dollars, and $5,042,106.66 for endowed professorships and chairs for a total of $72,703,401. It is important to note that zero matching dollars are reported in these numbers. The totals indicate that thus far during the silent phase of REVERBERATIONS, UA has raised 21.6 percent of the $300 million goal. UA would like to be closer to 50 percent of its goal before announcing REVERBERATIONS in the late fall of 2014. The following charts break down the numbers by college, scholarships, and endowed professorships and chairs.

The University of Alabama
Annual Scholarship and Endowed Scholarship Totals for 3/1/2012 - 3/31/2014

<table>
<thead>
<tr>
<th>Category</th>
<th>Realized Giving</th>
<th>Pledges Outstanding</th>
<th>Expectancies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alumni Affairs</td>
<td>$1,744,965.72</td>
<td>$23,675.00</td>
<td>$250,000.00</td>
<td>$2,018,640.72</td>
</tr>
<tr>
<td>Arts and Sciences</td>
<td>$1,561,851.31</td>
<td>$18,336.66</td>
<td>$1,008,780.28</td>
<td>$2,588,968.25</td>
</tr>
<tr>
<td>Athletics</td>
<td>$10,046,889.64</td>
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<td>$12,000,755.69</td>
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<tr>
<td>Commerce and Business</td>
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<td>$207,925.00</td>
<td>$6,600,000.00</td>
<td>$11,705,764.69</td>
</tr>
<tr>
<td>Communication</td>
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<tr>
<td>Continuing Studies</td>
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<td>$17,000.00</td>
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<td>$262,733.31</td>
</tr>
<tr>
<td>Education</td>
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<tr>
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<td>$4,383,657.61</td>
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<tr>
<td>General University</td>
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<tr>
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<td>$301,307.73</td>
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<tr>
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<tr>
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<td>**Total</td>
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<td>$2,831,003.66</td>
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<td>$67,661,249.34</td>
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**Realized Giving includes gifts, pledge payments, and bequests. Pledge payments on pledges made before 3/1/2012 are excluded. Bequests to expectancies made before 3/1/2012 are also excluded.**

**See appendix for larger version of Annual Scholarship and Endowed Scholarship Totals.**
Fundraising Dashboard:

This chart reflects charitable giving to UA beginning with the 2002-2008 Our Students. Our Future Campaign through today. The close evaluation of this chart plus the in-depth study of “potential prospects” and “qualified prospects” being identified by the Office of Advancement Services and UA fundraisers will determine the ability to reach the proposed goal of $300 million in five years. It is also important to note that these numbers include all giving to UA during this time period not just scholarships. It could be helpful to break out how much was raised for scholarships support only during this time period as an indicator of the ability to reach $300 million in the proposed five year initiative time frame.

**See appendix for larger version of Fundraising Dashboard.**
Donor Rights and Privileges

1. Donors will be recognized and honored for their support and included in the appropriate manner as agreed upon by the donor.

2. Donors will be advised of the impact of their gifts on UA’s students and faculty.

3. Donors will be urged to have all deferred gift documentation by their own legal and financial advisors.

4. Donors will be advised that obtaining a qualified appraisal to establish the fair market value of gifted assets will be the responsibility of the donor, not The University of Alabama.

5. All gift arrangements will be kept in confidence and request for anonymity carefully guarded, unless federal and state law or other legal authority requires disclosure.

6. Before gift commitments are publicized, permission will be acquired from the donor.

7. The Office of University Advancement will seek to make the giving experience satisfying to the donor through a variety of appropriate appreciation and recognition techniques.
## The University of Alabama Annual Scholarship and Endowed Scholarship Totals for 3/1/2012 - 3/31/2014

<table>
<thead>
<tr>
<th>Category</th>
<th>Realized Giving</th>
<th>Pledges Outstanding</th>
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<th>Total</th>
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Fundraising Dashboard

Total Giving Per Fiscal Year By Department

Year

Total Amount Raised
$0 M $20 M $40 M $60 M $80 M $100 M $120 M $140 M

Academics Alumni Affairs Athletics Greek Tide Pride