



Strategic Plan

March 30, 2021

Facilitated by



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Executive Summary

Warner & Associates Consulting acknowledges and appreciates the unmitigated support received from staff, board members, and donors facilitating the Virginia College Fund's (VCF) next strategic plan. All clearly believe the VCF continues to play an important role for its four member institutions and the Commonwealth of Virginia's comprehensive higher education system. It provides visibility and access to constituencies with whom the colleges may not otherwise connect. Additionally, the four colleges and their respective presidents are highly regarded. There is a clear need in the commonwealth for these four providing access to a four-year degree for its "under-represented" population – minorities, first-generation, low-moderate income demographics.

And yet the VCF has struggled to raise the funds supporting the four colleges. As a member organization, the VCF provides financial value to its members raising contributions exceeding the levies incurred to fund its operations. Its 2016 strategic plan had set out to answer whether the VCF was still relevant after almost 50 years in existence and sustainable. The consensus was a resounding yes to both questions. Subsequently, the consensus agreed to a plan increasing contributions to provide a Return on Investment of 4 to 1 by fiscal year end 2020. Unfortunately, contributions have continued to decline.

Several factors, such as lack of general awareness and general fundraising competition among others, attributed to the lackluster results. However, with a new, energetic, and connected president in place providing innovative ideas and a renewed optimism among the board of directors, the VCF is poised for continued success.

The following recommendations are detailed within the report:

- 1. Recommit to a fundraising goal meeting a 4 to 1 Return on Investment to the member institutions.**
- 2. Change the name to better reflect VCF's mission.**
- 3. Invite additional institutions for membership.**
- 4. Consider initiating unique programs.**
- 5. Adhere to a recommended development plan, to be updated and modified as needed.**
- 6. Lay the groundwork to allow endowment contributions.**

Engagement and Process

The Virginia College Fund engaged Warner & Associates Consulting December 11, 2020 to facilitate and guide the development of its next strategic plan for its operations and fundraising activities for the next five years. Of particular interest expressed by the VCF's leadership is the need to expand its donor constituency. Accordingly, this strategic plan provides a development plan framework for VCF to enhance and execute.

Harry H. Warner, Jr., principal of Warner & Associates, led the planning process. Please note that Mr. Warner had teamed with a previous colleague when associated with West Avenue Associates creating the VCF's first strategic plan in 2016 with an update in 2017.

Mr. Warner analyzed all material provided including marketing and development material, governance documents, audits, and 990 tax returns. One focus was VCF's performance and accomplishments from the 2016 plan. He also explored and analyzed external source material and documents found on Attachment 3, Bibliography and References, and made part of the analysis. Additionally, Mr. Warner interviewed ten internal and external constituents. A complete list of participants is located on Attachment 1. The questionnaire is found on Attachment 2. As part of Warner & Associates' commitment to confidentiality, any statements are not attributed to any person.

The VCF's staff of Carthan Currin, Karen Parish, and Toni Clark were most helpful providing information and answering questions during the process.

Mr. Warner shared and discussed a draft report with Mr. Carthan Currin and Mr. Jack Wilson on March 18, 2021. And, the report was presented to the board of directors prior to its March 30, 2021 retreat in which Mr. Warner made a presentation.

The Virginia College Fund

VCF History

The Virginia College Fund (VCF) was founded in 1965 as the Independent Junior Colleges of Virginia to support the commonwealth's private two-year colleges as the Commonwealth of Virginia was ramping up its public higher education efforts, creating the Community College System in 1966. At that time none of these institutions supported dedicated, school-based fundraising efforts or programs making the VCF their fundraising arms. A similar, competing private higher education organization, the Virginia Foundation for Independent Colleges, had been created in 1952.

The VCF's original members were Averett College, Bluefield College, Ferrum College, Marymount College, Southern Seminary, Sullins College, and Stratford College. All originated as two-year private junior colleges serving underserved populations, primarily in SW Virginia, and then converted to four-year institutions in the mid-70's.

VCF Today

Resulting from subsequent mergers, closings, and transitions, the VCF is currently comprised of four institutions listed below with their respective mission statements.

Averett University

Averett University prepares students to serve and lead as catalysts for positive change. Averett fulfills this mission by educating students from diverse backgrounds, cultures, and nations through liberal arts based undergraduate and graduate programs in a personal, collegial, interdisciplinary environment.

Bluefield College

Bluefield College is a Christ-centered learning community developing servant leaders to transform the world.

Eastern Mennonite University

EMU prepares students to serve and lead in a global context.

Our community of learning integrates Christian faith, academic rigor, artistic creation and reflective practice informed by the liberal arts, interdisciplinary engagement, and cross-cultural encounter.

Ferrum College

We are a dynamic learning community where students enter with promise and leave with purpose.

These four institutions currently enroll 5,940 students collectively.

The VCF's mission is "to provide our member institutions the resources to ensure their students have access to an affordable, value-based education that prepares them for success in a global economy".

Its vision is "to become a self-funded organization and assist the member institutions in sustainability through collaboration and cost-effective operations."

The organization is governed by a board of directors who hail from throughout the commonwealth. Its president, Carthan F. Currin III was appointed in October 2020. Previously, Mr. Currin served on its board of directors for 18 years and he is an alumnus of Ferrum College. Additional staff currently consists of a part-time bookkeeper and part-time grant writer/development associate. As a membership organization, the VCF is paid an annual, pro-rata assessment by the four members funding VCF's operating and fundraising expenses.

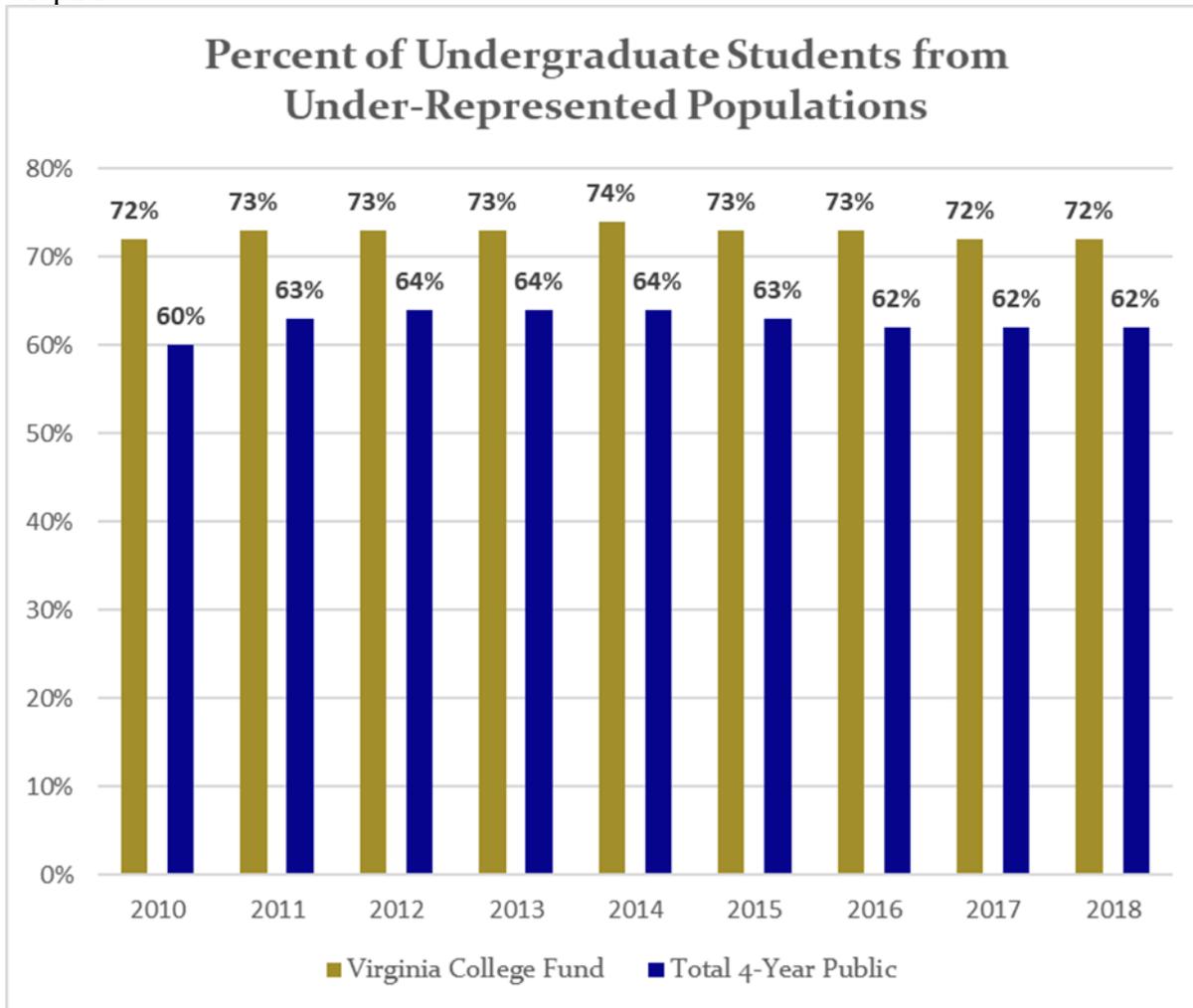
VCF accomplishes its mission by raising substantial funds for its members for their operations and student scholarships. Funds raised are allocated to each member by a predetermined formula of 75% in equal shares and 25% on the basis of each enrollment.

Most (72% as of 2018) of the member colleges' students come from under-represented populations. Graph 1 below compares the VCF's members under-represented enrollment to those of the commonwealth's public institutions.

More specifically, VCF's members collective enrollment consists of:

- 1,295 minority students, or 21.8% of their total enrollment as of 2019 (Graph 2 shows historical minority enrollment);
- 20.9% is African American, which compares to the commonwealth's total public higher education institutions of 16.6%.
- 48% receive federal Pell Grants. Graph 3 compares each individual member's Pell Grant percentage to the commonwealth's community college and 4-year institution percentages.
- Over 76% are currently in-state (receiving state funded Tuition Assistance Grants);

Graph 1

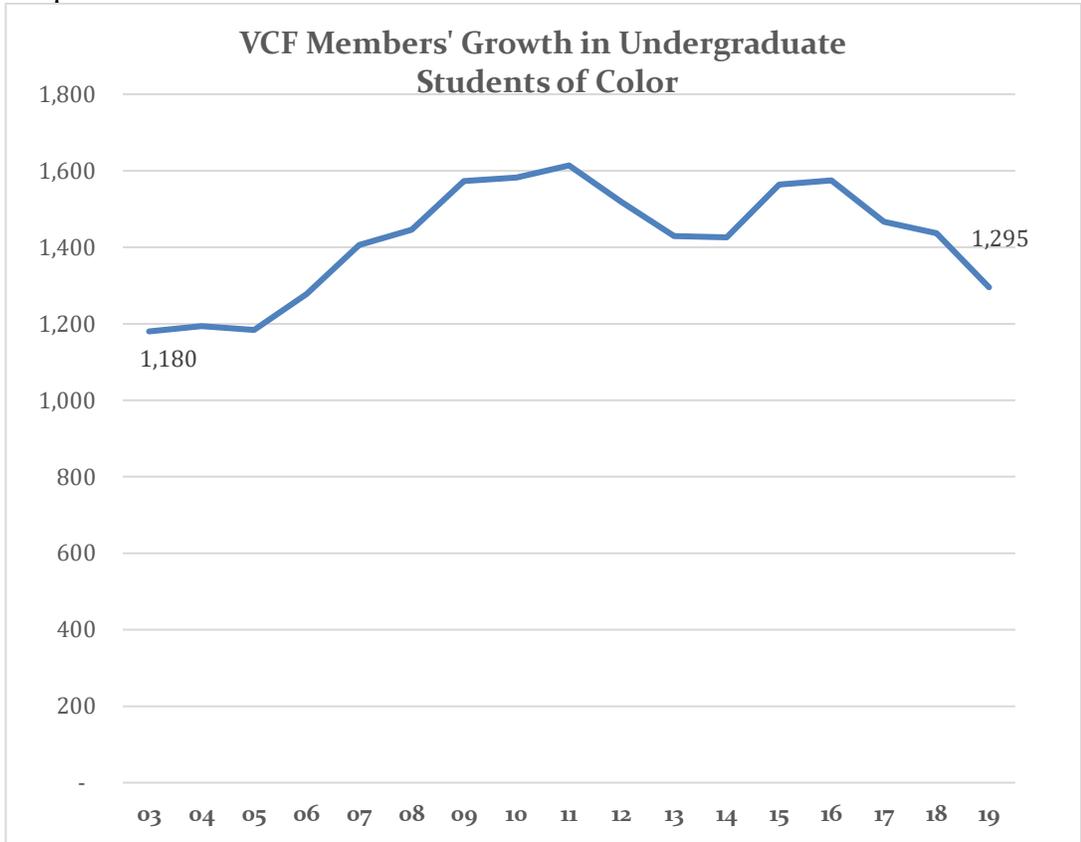


Source: State Council for Higher Education in Virginia

URPs are traditionally defined with the following characteristics:

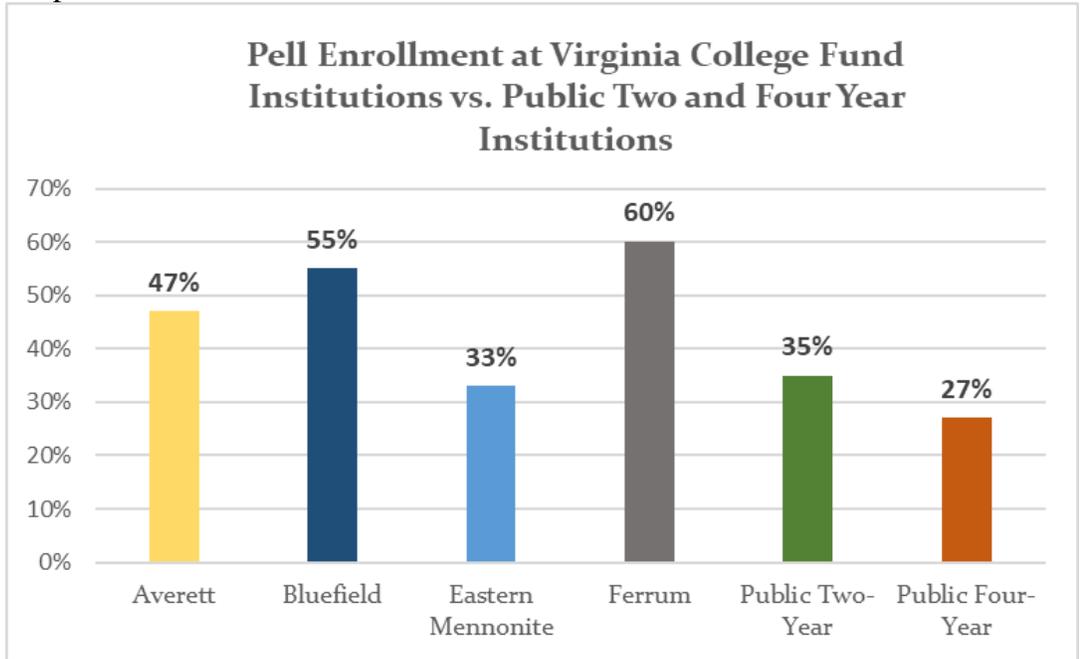
- Race:** Non-white US citizen and permanent residents
- Pell:** Students receiving Pell grants at any time during the last five years
- Age:** Non-traditional students age 25 or older at entry
- Virginia Localities:** Students from Virginia localities in the lowest quintile of associate and baccalaureate attainment rates

Graph 2



Source: SCHEV E22 Trends in Race Ethnicity Report

Graph 3



Source: SCHEV FA09 Pell Grant Report (2018-19)

Observations, Analysis, and Conclusions

2016 Strategic Plan Review

The 2016 strategic plan set out to answer whether the VCF was still relevant and sustainable. Contribution totals were continuing to decline (by 13% since 2012) continuing a longer-term trend. One factor was a reliance on one trust that decreased significantly its annual support, but other factors such as competition and messaging also contributed.

The general consensus was that the VCF remained relevant providing visibility, contacts, and financial resources to each member. And yet the fundraising had to improve. As a membership organization, the institutions pay an annual levy to cover administration costs. The institution presidents want a reasonable Return on Investment that was running a 2.7 to 1 ratio. They agreed that a 4 to 1 ratio is acceptable. The approved strategic plan established a goal to reach \$1 million in contributions annually by 2020.

Table 1 below shows the VCF's financial trends since the 2016 plan's adoption. Contributions have continued declining by 15% since FYE 2017 through 2020. The ROI for the most recent fiscal year (2020) is 2.34 for every dollar the colleges invest.

Table 1

	FY 2017	FY 2018	FY 2019 ⁽²⁾	FY 2020	FY 2021	FY 2021
	Audited	Audited	Audited	Audited	Budgeted	10 months
Income						
Contributions	\$671,378	\$553,691	\$535,076	\$569,878	\$650,000	\$289,674
One-time Contribution ⁽¹⁾		\$2,700,000				
Membership Assessments	\$255,959	\$252,683	\$252,381	\$266,892	\$220,110	\$120,196
Interest/Other	\$437	\$618	\$2,208	\$2,467		\$110
\$50,000 carryover allotment						
Total Income	\$927,774	\$3,506,992	\$789,665	\$839,237	\$870,110	\$409,980
Expenses						
Membership distribution	\$666,815	\$554,309	\$586,928	\$624,525	\$650,000	
One-time Distribution ⁽¹⁾		\$2,700,000				
Personnel	\$198,051	\$198,743			\$160,148	\$116,552
Management and General	\$27,654	\$22,841	\$72,989	\$74,283	\$34,962	\$33,913
Fundraising	\$37,768	\$30,434	\$122,335	\$123,578	\$25,000	\$9,965
Additional expense funding						
Total Expenses	\$930,288	\$3,506,327	\$782,252	\$822,386	\$870,110	\$160,430
Net Income/Loss	-\$2,514	\$665	\$7,413	\$16,851	\$0	\$249,550
ROI (assessment to distribution)	2.61	2.19	2.33	2.34	2.95	

Total Contributions	149	137	124	77
Average Contribution	\$3,716	\$3,906	\$4,596	\$3,762

⁽¹⁾ One-time contribution from the Guy E. Beatty Trust.

⁽²⁾ Starting in 2019 Personnel Expenses are being distributed by the auditor across the two functional areas

While contributions did not meet the plan’s goals, other positive steps were, and continue to be, completed strengthening the case for support and infrastructure. For instance:

- a marketing committee had been created in 2017 proposing an updated VCF’s mission statement and reaffirmation of its vision to and approved by the board;
- the website has been redesigned and with a new hosting service;
- an improved cloud-based donor/contact database (Little Green Light) was purchased and implemented;
- the offices were moved to downtown Richmond providing more convenient accessibility to and for donors/prospects and Commonwealth of Virginia officials; and
- most recently, a part-time grant-writer has been hired.

Notably, the most significant change since that plan was approved is the hiring of Mr. Currin in October 2020 as the VCF’s new president. Having served on VCF’s board of directors for 18 years—two as its chair—Mr. Currin possesses a deep passion for VCF’s mission and its success. Additionally, Mr. Currin’s skillset—honed by his time at the Tobacco Commission and as economic development director roles for two municipalities—is one of a sales-mentality, among other attributes, that is needed for successful fundraising.

General Interview Responses and Analysis:

Please refer to the ten individuals interviewed and the questionnaire found on Attachments 1 and 2, respectfully. Noted is of the ten, one is a member college president, four are board directors, two are Virginia higher educational association CEOs, and three are current or former funders. Eight of the interviews took place via a Zoom video call with two via a phone call. All were assured strict confidentiality, that their responses would not be attributed to them, though particular uncited responses may be used to help in this report.

- Of those interviewed, seven indicated they know the VCF very well with three moderately well.
- All (100%) agree with the VCF’s mission.

“In context of it supporting the four institutions and their missions”

“Hearing the mission statement read, that’s what comes across and it’s aspirational.”

- The colleges and their respective presidents are generally perceived as the VCF’s greatest asset.

“The passions of the presidents of the four institutions and the students each serves in the rural communities.”

- Conversely, the VCF’s greatest challenge going forward focuses on the competitive fundraising market place and the need for a clear message soliciting contributions.

“Lack of clarity for the reason seeking funds. It’s a crowded marketplace.”

Refer to the next section for additional comments and observations.

- Seven believe the VCF continues to add value to the four members, two did not, one did not know.

“Not just through the monetary purpose, but also through the conversations from and for the four institutions that are marketplace oriented.”

“The jury is out for me.”

- Eight believe the commonwealth benefits from the VCF’s efforts, two did not know.

“A lot of small colleges are disappearing. These four have found a niche to serve in an area the state needs.”

- Seven believe the VCF should consider changing its name, one did not think so, two did not know.

“Worth exploring. When I hear ‘VCF’ what colleges are you talking about?”

“If I’m a donor, I would have to ask why it doesn’t include others. It would be a good idea to consider, it’s pretty nondescript as it is.”

“I always like having ‘Virginia’ there. I think the name is simple, and don’t think it would be beneficial.”

- Eight believe the VCF should invite other compatible institutions into its membership, two did not know.

That will raise VCF’s profile significantly and in the long run will benefit the current members.”

“They will need to have the same ‘flavor’. Don’t ask them just to have more names.”

“Hard call to make. There will be more demand for funds and it will probably spread itself too thin.”

- Six believe the VCF is being led by an effective CEO and board of directors, four did not know.

“I think the board is very talented. Carthan seems very capable. I have no reason to believe he won’t do what is expected of him.”

“It’s early on in Carthan’s tenure, but so far yes. For the board, ongoing board development is an issue. Carthan will need a more engaged board to make significant headway.”

- On a scale of one through ten, one being the worst and ten being the best, the board’s leadership rating scored a 6.6 average, ranging from a “5” to a “9”.

“5, I see some of the newer board members getting engaged, asking good questions.”

“7 or 8, the board has a very good makeup, very diverse.”

“7, but Carthan will need a more engaged board to make significant headway.”

Marketing and Differentiators:

The 2017 ad hoc marketing committee updated VCF’s mission statement and also spurred creating a marketing brochure and revising its website. Unknown are the efforts undertaken to reach new constituencies including donor prospects. While the VCF is held in high regard, that goodwill is limited primarily to those who have been long associated with the organization. The interview responses and other anecdotal observations suggest that the VCF has lacked clarity in its messaging and that even its name is confusing. Specifically,

- As stated, the VCF is highly regarded providing a valuable service to its member institutions and the Commonwealth of Virginia.
- The VCF maintains an admired reputation for the work it does on behalf of the colleges and for its stewardship.

“It’s the only thing going for these four institutions (statewide) with its unique mission.”

- The VCF’s greatest challenge is a lack of awareness and the reasons it is seeking funds. Interview comments include:

“Clarity of (others) understanding its mission and how it complements the schools’ resources.”

“To get better known, to get people without a direct relationship with the schools to understand their value.”

“The challenge is the colleges defining themselves. They seem to be a cross between traditional liberal arts and community colleges emphasizing workforce development.”

- Additionally, the “Virginia College Fund” name confuses the general marketplace.

“When I first got on the board, I was confused by the difference with it and the VFIC.”

“If I didn’t know what VCF actually is I would think it is an investment fund.”

“Raising money is a challenge. Funders can be confused with the VFIC, and both are going after the same donors.”

- On behalf of the member colleges, the VCF presents a compelling case for support. “Minority”, “low-income”, “1st generation”, “rural”, “underserved” all appeal to individuals and funders desiring to raise up the commonwealth and its citizens through education. However, these terms have been loosely bantered about without quantifying what they mean and how they are being addressed. Funders want to see the results of their investment.
- However, the VCF, along with its member colleges, must contend with, in addition to higher education competition in general, the commonwealth’s community college system specifically. The commonwealth had previously implemented a guaranteed admission program to its public four-year colleges if a community college student graduates with an associates degree and minimum grade point average.

Approved in the recently concluded General Assembly session is a new program known as “G3, Get Skilled, Get a Job, Give Back” that will make community college free for low- and moderate-income students seeking jobs in high demand fields such as health care, manufacturing, and technology.

Furthermore, President Joe Biden’s administration is seeking its own initiative to make a community college education free.

- Another important component in the VCF's case for support is its members' economic impact within the commonwealth. Collectively they employ over 1,400 people spending over \$64 million on salaries, wages and benefits each year.

Each member contributes to its respective community's culture and identity. And each contributes significant financial support to the economies and workforce. However, recent data extolling the members' economic benefits could not be located. The most recent was reported by Bluefield College in 2011 from a Chmura Economics & Analytics study.

Opportunities:

While the VCF's purpose is to raise funds supporting its members, opportunities of providing direct programs and scholarships for the colleges' students and faculty can help raise its profile. Additionally, these initiatives could appeal to a wider pool of donor prospects to fund while also making contributions on the general fund for the colleges.

For comparison purposes, the Virginia Foundation for Independent Colleges, while representing a different membership constituency, offers to its members eight separate program opportunities and five scholarship opportunities.

One of VFIC's better known programs is the annual Ethics Bowl described on its website as

Distinguished professionals serving as judges and moderators, faculty members, and students from across Virginia support the VFIC's annual Ethics Bowl testifying to the priority that each of these individuals places on personal ethics in the workplace, classroom, and all aspects of their lives.

Current VCF board member Brad Hall also serves on the VFIC board. He indicated he would be willing to help facilitate an Ethics Bowl competition between the two organizations

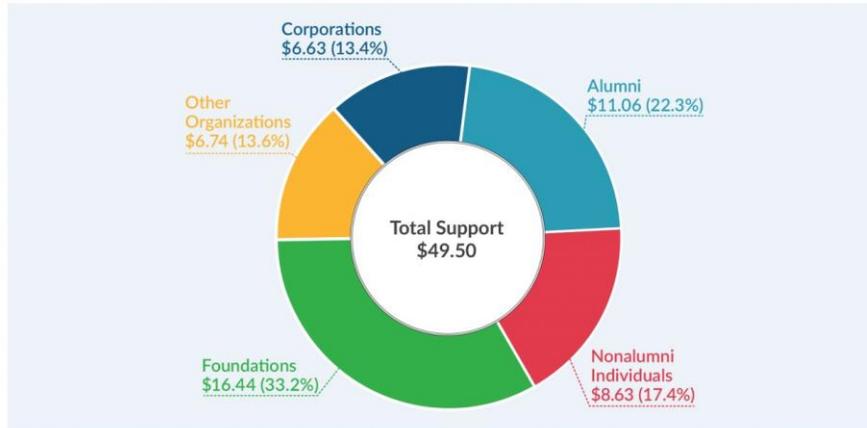
One recent initiative Mr. Currin has undertaken for VCF is a scholarship in the name of the late Ms. Betty Jolly. A committee has been formed to determine the specifics of recipient criteria and award amount(s).

Development and Fundraising:

According to the Council for Advancement and Support of Education in a February 2021 report, higher education fundraising nationally was down only slightly as of June 2020 despite the country being in the throes of the Covid-19 pandemic and resulting economic lockdowns. (\$49.5 billion v \$49.6 billion). Graph 5 below shows the sources of the 2020 donations.

Graph 5

Voluntary Support of Higher Education by Source, 2020
(Dollars in Billions)



Source: Council for Advancement and Support of Education (CASE)

Even with the pandemic, however, what has sustained, perhaps better than expected, philanthropic giving to all organizations has been Wall Street’s market rebound and growth. According to The Washington Post, “The U.S. stock market ended 2020 at all-time highs.” The S&P 500 was up 15.76%, the Dow Jones industrial up 7.25%, and the NASDAQ up 43.6%. The Post continues the impetus of the growth was “...fueled by the largest federal government stimulus ever, historic support from the Federal Reserve and optimism about how quickly the economy is likely to bounce back next year...”

However, anecdotal evidence suggests higher education giving will further decrease in 2021 and into 2022 as contributions were and will be directed to human service organizations.

As reported in Inside Higher Ed, “In fiscal 2021, the (fundraising revenue) declines are projected to be even steeper (than 2020). Nearly 45 percent of institutions (of 110 survey respondents) project double-digit declines in fundraising revenue, and a growing number of colleges project a decline of 30 percent or more compared to 2019 totals.”

Accordingly, interviewees for this strategic plan generally acknowledged the VCF is in a difficult fundraising environment.

(A challenge is) “four small colleges competing for unrestricted giving, which is very difficult as is.”

(It is a) “tough environment.”

Of note is the Giving USA annual report of philanthropic giving and analysis, showing the trends and detailed data for 2020 philanthropy, that will be released in June 2021.

Strengths, Weaknesses, Threats, and Opportunities

Strengths

- VCF provides visibility and access to donors, prospects, and the public that may not otherwise occur for its members individually.
- The four colleges and their presidents are predominantly regarded as exceptional and succeeding with an underserved demographic in the commonwealth.
- An engaging and committed board of directors.
- A new and well-connected, impassioned, and enterprising chief executive officer.
- VCF benefits from a worthy and unique mission with an established admirable reputation built over the years.
- The contributions received support its members' operations and students directly versus restricted to support specific areas such as a program or sports, helping moderate tuition increases.
- Recent improving infrastructure in staffing and database management.

Weaknesses

- VCF's contributions have continued declining the last four years, decreasing 15% since 2016.
- Consequently, the member institutions' return on investment correspondingly decreased.
- VCF's name creates confusion in the general public.
- Lack of awareness in the commonwealth.
- Limited budget and staffing to allow the CEO unfettered time meeting with donors and prospects, and for the organization to implement its own programs.
- Lack of economic benefit data members provide their respective communities.
- Lack of an endowment to ease the members' financial burden funding operations.

Opportunities

- The hiring of a new president providing a renewed passion and commitment.
- There are several compatible four-year colleges/universities in the commonwealth that could expand and complement VCF's reach and case for support if made members.
- Collaborative opportunities with the Virginia Foundation of Independent Colleges.
- Creating its own programs and special events, particularly focused on the members' students.
- The country and the commonwealth are at the cusp emerging from pandemic and resulting economic lockdowns.

Threats

- Student enrollment competition will continue to increase as the Commonwealth of Virginia expands its community college initiatives, previously providing automatic entrance to four-year public institutions, to provide "free" tuition, et. al. for low- and middle-income Virginians (G3 Program). This initiative could affect VCF by diluting its case of support claiming its members' high reach into that and first-generation demographics.
- An already competitive fundraising marketplace exacerbated by the Covid-19 pandemic.

Recommendations, Goals, and Timeline

The Virginia College Fund is positioned to undertake bold and pivotal change to meet the fundraising and operational challenges it will continue to face if the status quo is allowed. New leadership and a reestablished commitment of the board of directors provide momentum for the VCF to flourish in supporting its member institutions. For each—and collectively—provides a vital education alternative within the commonwealth's vast fabric of higher education options to those underrepresented – minorities, low- and moderate-income families, and first-generation students. Additionally, each institution, being located in rural communities removed from robust economic development efforts, provides those communities significant financial resources and sources of pride.

The following recommendations are suggested to ensure the VCF becomes a dominate financial contributor to its members while indirectly adding value to the Commonwealth of Virginia.

1. Recommit to a fundraising goal meeting a 4 to 1 Return on Investment to the member institutions.

Adopt a five-year plan that incrementally increases contributions at a reasonable rate. However, in order to achieve these goals additional staff and resources will need to be committed requiring additional operational funding, anticipated being an annual \$50,000 need.

There are several options to fund this additional expense. One option, in addition to other beneficial reasons addressed in Recommendation 3 below, would be to invite additional members. According to the VCF's bylaws, a new member's assessment following its first full year will incrementally increase 20% of budgeted expenses each year reaching 100% after the fifth full year. Calculating current expense needs of \$320,000 going forward will provide the additional \$64,000 from the new member.

However, unless the bylaws are modified, those first five years will have to be covered by current members. Perhaps the members can maintain the annual membership assessment constant at \$250,000 but reducing the annual distribution for each year by \$50,000 the first two years and incrementally decreasing as the new member(s) assessment is increased.

The board of directors agreed the current environment is ideal to review the by-laws, member assessments, member allocations, and new members. An ad hoc committee will be formed, chaired by Mr. Lee Osborne, populated by the four presidents among others, and report back to the board with recommendations at the June 2021 annual meeting.

The pro forma in Recommendation 5 (Table 2) shows that assessment trend. Additionally, in Table 2 incremental contributions increase by 20% annually in addition to other assumptions to reach \$1,244,160 by fiscal year-end 2026 resulting in a 3.67 ROI.

Noted is this plan generates very aggressive fundraising goals. For instance, next year's (FY 2022) goal of \$600,000 is a \$250,000 increase from what is expected for this year (\$350,000). Some will likely opine these goals are not achievable. However, with VCF having the right

people in place and the renewed commitment from the board, the prospect of success has never been better. And in the final analysis, the college presidents must see demonstrable and aggressive progress to continue justifying their investments.

2. Change the name to better reflect the VCF's mission.

The consensus of those interviewed in addition to anecdotal comments, the name “Virginia College Fund” evokes confusion to those unaware of the organization.

- Form an ad hoc committee to further study the VCF's name with the goal of changing it to better reflect its mission and the student population it represents. Consideration should also be given to a new logo and rebranding. A marketing agency should be considered to assist with this task.
- Once complete and approved by the board of directors, create a public relations event announcing the change and rebrand.
- Follow the announcement with a wider public relations initiative sending a press release to select media throughout the commonwealth.
- Consider purchasing advertising for the announcement in such publications as Virginia Business, Virginia Living Magazine, The Roanoker Magazine, and local newspapers.

These announcement recommendations are to jump start an awareness campaign that should make it easier to approach those unaware of VCF. If a donor prospect is already aware, any VCF representative should not have to spend 15 minutes explaining the “3Ws” – who, what, why. Continue with selected public relations stories and milestones as appropriate.

3. Invite additional institutions for membership.

A handful of like-minded institutions catering to the same student demographic as the VCF's existing members exist should be considered to invite to VCF membership.

Conceivable candidates, with their respective mission statement, are listed below. Generally, each is private attracting and enrolling a smaller student body, and each is located in a rural, underserved community within the commonwealth.

- Appalachian School of Law, Grundy (128 students),
“to provide opportunity for people from Appalachia and beyond to realize their dreams of practicing law and bettering their communities.”
- Appalachian College of Pharmacy, Oakwood, (225 students),

“provides academic, scientific, and professional pharmacy education to address the health-related needs of rural and under-served communities, particularly those in Appalachia, through education, service, and scholarship.”

- Christendom College, Front Royal (493 undergraduates),

“‘to restore all things in Christ,’ by forming men and women to contribute to the Christian renovation of the temporal order.”

- Patrick Henry College, Purcellville (344 students), and

“to prepare Christian men and women who will lead our nation and shape our culture with timeless biblical values and fidelity to the spirit of the American founding.”

- Southern Virginia University, Buena Vista (1,100 students).

“to gather faithful Latter-day Saints and like-minded students, lift them in intellect, character, and spirituality, and launch them into successful lives and careers.”

The benefits of expanding membership include:

- Further fulfill VCF’s own mission representing a larger constituency with a large portion of their student bodies coming from underserved families who may not otherwise seek a post-secondary school education.
- With a larger membership, VCF will presumably gain access to additional donor prospects. There will not only be those who represent those institutions, but also there will be those, such as foundations, who recognize the increased value their contributions provide to a larger base of beneficiaries.
- Provide additional assessment revenue to expand staff needed to successfully raise additional funds meeting the 4 to 1 ROI goal.

A short-term consideration is the risk of distribution dilution to current members though each should reap the longer-term benefit as VCF scales up reaching more donors and with a more concise case for support.

VCF’s bylaws state any new member to receive an increasingly incremental distribution over five years starting with 20% after its first year, sharing 100% equally in year six. Correspondingly, any new member’s membership assessment is prorated over the same six-year period.

The tiered arrangement should mitigate near-term dilution while giving the organization ample time to fully leverage the new member’s association.

4. Consider initiating unique programs

The VCF can aid each member while also raising its own profile by hosting programs and scholarships focused on member students and/or faculty. Already underway is the creation of the Elizabeth “Betty” Jolly Scholarship with an ad hoc committee analyzing its structure, process, and funding expectations.

Ms. Jolly, who passed away in 2017, “worked in public service in higher education as government liaison director for three Virginia universities and was an appointee in the administrations of two governors” as noted in her obituary. She was also a long-time VCF board member and influencer raising the VCF’s profile throughout the commonwealth.

A preliminary goal is to raise \$100,000 to fund the scholarship.

This scholarship is but one example that the VCF can undertake to simultaneously fulfill its mission supporting its members and raising its public profile.

An immediate program the VCF can pursue is in partnership with VFIC in its annual Ethics Bowl. As earlier noted, current VCF board member Brad Hall also serves on the VFIC board. He indicated he would be willing to help facilitate an Ethics Bowl competition between the two organizations.

One idea is each would run its own member competition resulting in a runoff taking place between those two winners.

Another program idea is to create a student writing competition with perhaps a cash award or scholarship. One subject that would differentiate the VCF from similar competitions is civics and American history that lacks in our education system. As noted by six former U. S. secretaries of education in a recent Wall Street Journal od-ed:

Regrettably, civics, which reaches skill of participation and the knowledge that sustains it, and history, which provides a frame of reference for the present, have been sorely neglected over the past half-century in U.S. schools.

They are supporting a national effort, the Roadmap to Education for American Democracy, with whom the VCF may be able to collaborate if it undertakes such an initiative.

5. Adhere to a recommended development plan, to be updated and modified as needed

As noted, raising significant funds is difficult without a clear case for support and the lack of resources needed to successfully follow the donor cycle of identifying, cultivating, soliciting, and stewarding individuals, foundations, and corporations. The Covid-19 pandemic has exponentially increased that difficulty.

The following components create a foundation of a development plan that will need to be refined by staff and implemented with both staff and the board of directors.

When we ask for money, we are friends, not adversaries. We are counselors, not salesmen. It's not a game of predator and prey. We are trying to help the donor do something significant for the community and for society. James Gregory Lord

- Setting the fundraising pace begins at the top and every board member should make a meaningful, personal contribution.

Staff should create a realistic annual goal for the board of directors who are then solicited by the board chair or other board leadership.

- Additionally, board members must be actively engaged in the donor cycle raising funds. They must introduce friends and colleagues to the VCF, help cultivate those individuals making the case for support, and help make the ask of major donors (in this case defined as having the capacity to contribute \$2,500 and above annually).
- Convene six donor/prospect breakfasts or lunches annually hosted by one or two board members in their respective community. Meeting for no more than an hour, these gatherings are an excellent way to introduce prospects to the VCF and update current donors. Mr. Currin could expand his Northern Virginia Roundtable initiative to create a roundtable in each of the commonwealth's "Go Virginia's" nine regions.

Invite representative member students and alumni/ae to these functions (as well as other events like the annual luncheon) to tell their story. They are the reason to support the VCF.

The goal is to have 5 to 12 "outsiders" attend each event.

- Make the current grant writer/development associate position full-time and expand that position's responsibilities to include managing the Little Green Light database; assisting with mail appeals and thank you letters; assist with cultivation/stewardship event, and other programs if implemented, logistics; and reporting.

Mr. Currin needs the office help so that he can meet with donors and prospects throughout the commonwealth.

Recommend a goal of four private/corporate foundation grant requests be written monthly.

- Quantify the VCF's case for support with the data provided by the State Council of Higher Education for Virginia and the Council of Independent Colleges in Virginia. Show how the VCF is succeeding educating the "under-represented population" and otherwise making a difference in Virginia.

- Engage past board members in helping with the donor cycle. They are another constituency to invite to the monthly functions, and they are probable cohosts.
- Donor and prospect files, both paper and electronic, need to be created and utilized. A written profile should be created for major donors/prospects (suggest those capable making contributions \$25,000 and above).
- The president should send thank you/acknowledgement letters to each donor no more than a week after the contribution is made. For those contributions above \$2,500 in which a board member helped cultivate and/or solicit, that board member should also send a note or sign the thank you/acknowledgement letter.
- Enhance the case for support by engaging a economic data analytics firm such as Chmura Economics & Analytics or the Weldon Cooper Center for Public Service to ascertain each member’s economic benefits.
- Create an annual report to be sent to the entire constituency by the end of August each year.
- Send two general appeal letters to donors/prospects generally determined to contribute less than \$1,000, once in November and once in May each year.
- Mr. Currin should attempt to meet with or call five major gift donors/prospects weekly.
- Refer to the below pro forma Table 2. Using the 2021 budget of \$650,000 as the base and applying a 20% annual contribution increase will reach a 3.67 to 1 ROI in FY2026. Other assumptions are noted below.

Table 2

	FY 2021	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Budgeted	10 months	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma
Income							
Contributions	\$650,000	\$289,674	\$600,000	\$720,000	\$864,000	\$1,036,800	\$1,244,160
Membership Assessments	\$220,110	\$120,196	\$270,000	\$320,000	\$320,000	\$320,000	\$320,000
Interest/Other	\$0	\$110	\$2,500	\$2,500	\$3,000	\$3,000	\$3,500
\$50,000 carryover allotment			\$50,000				
Total Income	\$870,110	\$409,980	\$922,500	\$1,042,500	\$1,187,000	\$1,359,800	\$1,567,660
Expenses							
Membership distribution	\$650,000		\$654,375	\$781,875	\$890,250	\$1,019,850	\$1,175,745
Personnel	\$160,148	\$116,552					
Management and General	\$34,962	\$33,913	\$83,025	\$93,825	\$106,830	\$122,382	\$141,089
Fundraising	\$25,000	\$9,965	\$147,600	\$166,800	\$189,920	\$217,568	\$250,826
Additional expense funding							
Total Expenses	\$870,110	\$160,430	\$885,000	\$1,042,500	\$1,187,000	\$1,359,800	\$1,567,660

Net Income/Loss	\$0	\$249,550	\$37,500	\$0	\$0	\$0	\$0
ROI (assessment to distribution)	2.95		2.42	2.44	2.78	3.19	3.67
Total Contributions		77					
Average Contribution		\$3,762					

⁽²⁾ Starting in 2019 Personnel Expenses are being distributed by the auditor across the two functional areas
Pro Forma assumptions: Historically, expenses have run as a percentage of total revenue: Distributions (75%),
M&G (9%) and fundraising (25%). For FY 2022 the \$50,000 assessment funds additional staffing and resources.

- Below is a comprehensive Action Timeline

Action	Completion Date	Responsibility	Remarks
Thank you letter to outsider interview participants	4/15/2021	President	include report as appropriate
By-law's review/recommendation	June Annual meeting	Lee Osborne/Ad hoc committee	Financial support, member assessments/ allocations, new members
Annual donor/prospect luncheon	June 2021	President/staff	selected venue
Secure board member commitments	July 2021	President/board chair	
Betty Jolly Scholarship established	August 2021	President/committee	\$100,000 goal, able to receive applications
Donor/Prospect breakfast/lunch	August 2021	President/selected board member(s)	venue in selected community hosted by board member
Annual Report sent	August 2021	President/staff	sent to all constituencies
Donor/Prospect breakfast/lunch	September 2021	President/selected board member(s)	venue in selected community hosted by board member, goal is 5 - 12 donors and/or prospects
Donor/Prospect breakfast/lunch	October 2021	President/selected board member(s)	venue in selected community hosted by board member, goal is 5 - 12 donors and/or prospects
Donor/Prospect breakfast/lunch	November 2021	President/selected board member(s)	venue in selected community hosted by board member, goal is 5 - 12 donors and/or prospects
Year-end appeal	November 2021	President/staff	recipients generally previous donors and prospects below \$1,000 level

Donor/Prospect breakfast/lunch	February 2022	President/selected board member(s)	venue in selected community hosted by board member, goal is 5 - 12 donors and/or prospects
Donor/Prospect breakfast/lunch	March 2022	President/selected board member(s)	venue in selected community hosted by board member, goal is 5 - 12 donors and/or prospects
Donor/Prospect breakfast/lunch	April 2022	President/selected board member(s)	venue in selected community hosted by board member, goal is 5 - 12 donors and/or prospects
General appeal letter	May 2022	President/staff	recipients generally previous donors and prospects below \$1,000 level
Refine FY2023 development plan	May 2022	President/staff	affirm goal, strategy, and tactics
Individual donor/prospect meetings and calls	ongoing	President	goal is five a week; focus is following up with those attending previous events, and also others as selected
Private and corporate foundation grant requests	ongoing	grant writer/president	goal of four a month
Thank you/acknowledgement letters	ongoing	admin/president	sent NLT week following gift receipt
Strategic plan review	quarterly	Board/president	Standing agenda item
Donor/Prospect breakfast/lunch	continuing	President/selected board member(s)	

As approved:

- New member invitations and on-boarding
- Name change and rebrand announcement and public relations initiatives

6. Lay the groundwork to allow endowment contributions

Don't actively solicit until the annual giving reaches \$1 million. However, there could be opportunities from individuals desiring to make a bequest or other planned giving instrument funding the endowment.

The board may consider transferring any net revenue at the end of a fiscal year to the endowment fund. These funds are considered "board designated" and can be used in the future should circumstances dictate, unlike "donor restricted" contributions to an endowment.

Attachment 1 – Interview Participants

Mr. Peter Blake
Director
State Council of Higher Education
in Virginia

The Honorable Richard S. Bray
President and CEO
Beazley Foundation, Inc.

Mr. Brad N. Hall *
Vice President, External Affairs
Appalachian Power Company

Dr. David L. Johns, Ph.D. *
President
Ferrum College

Mr. Robert Lambeth
President
The Council of Independent Colleges

Mr. Richard W. Loving *
Senior Vice President - HR
BWX Technologies, Inc.

Ms. Elizabeth G. Povar, CEcD *
Principal Officer
The RiverLink Group

Mr. Harvard Smith
Chair
Universal Leaf Foundation

Ms. Ellen Spong
SVP and Director of Institutional
Advisory Group
Atlantic Union Bank

Ms. Judith R. Trumbo *
President and CEO
Virginia Mennonite Retirement Community

* Denotes current VCF board member

Attachment 2 – Interview Questionnaire

1. What is your relationship with the Virginia College Fund?
(Donor, volunteer, member institution, or general awareness, etc.)

How well would you say you know the VCF?
(Very, Moderately, Heard of it, Not at all)
2. Please describe your understanding of the VCF’s mission or purpose.
3. Do you agree with that mission/purpose? (yes, no) Comments:
4. If you know the VCF, what do you believe is its greatest asset?
5. Conversely, what do you believe is its greatest challenge/problem going forward?
6. Do you believe the VCF continues to add value to its four member institutions? (yes, no)
Comments:
7. Do you believe the Commonwealth of Virginia benefits from the VCF’s efforts on behalf of the four institutions? (yes, no) Comment:
8. What in the past has prevented or now might prevent VCF from reaching its fundraising goals?
9. What external variables should VCF be concerned about as it solicits contributions?
10. What is most important for VCF to express marketing itself to its donor and prospect constituencies?
11. Do you believe the VCF should consider changing its name to better reflect its mission and for marketing? (yes, no) Comment:
12. Do you believe the VCF should invite other compatible, non-VFIC institutions into its membership? (yes, no) Comment:
13. Do you believe that the VCF is being led by an effective and engaging CEO and board of directors? (yes, no) Comment?
14. On a scale of one through ten, one being the worst and ten being the best, how would you rate the board’s leadership?
15. What happens if The VCF were to go out of business? Why would it matter? To whom would it matter?
16. Is there anything else you would like the VCF to know or consider that hasn’t been already covered?

Attachment 3 – Bibliography and References

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