Policies and Procedures: An Analysis of the UNC Rams Club's Decision Making Process

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ABSTRACT

Che B. P. Mock: Policies and procedures: an analysis of the UNC Rams Club's decision making process
(Under the direction of Barbara Osborne, J.D.)

This study examined whether the UNC Rams Club incorporates strategic management principles when implementing policies and procedures. Data was collected for this study from archived records, online materials, and in person interviews with Directors of the UNC Rams Club. A set number of uniform planning questions were posed to each subject, each participant was asked to answer the questions relative to the operation of the organization as a whole.

The researcher conducted a careful analysis of the participants' responses to the interview questions. The research concluded that the UNC Rams Club's process for changing policies and procedures is inconsistent with strategic management theory. The application and use of the findings were discussed. Research concludes with how to incorporate strategic management principles. A policies and procedures fundraising manual template which details how policies and procedures can be organized for UNC Rams Club is suggested at the end of the study.

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Chapter 1

When the University of North Carolina (UNC) Education Foundation (hereinafter known to, and referenced as, the UNC Rams Club) was chartered on December 7, 1938, it was created to provide assistance to support university programs and offer financial aid to worthy young men and women seeking higher education at the University of North Carolina Chapel Hill ("The Rams Club," 2009). It started as a small 501(c)(3) fundraising organization that contracted with donors and alumni through handshakes, spoken agreements, and some written agreements (D. S. Joyce, personal communication, November 13, 2008). Over time, the UNC Rams Club's fundraising operations, policies, and procedures have changed. The traditional fundraising arrangements have become more complex. The organization has grown in size and structure while the mechanisms by which fundraising donations are received and donor benefits distributed have evolved. Today contracts have been drafted to replace handshakes and donor benefits have been adopted or changed.

With so much change over the past 72 years, the UNC Rams Club has become a much more intricate organization. In order to operate effectively it has to rely on institutional memory passed down to employees, donors' recollection of deals and transactions, and documented transactions (Joyce, 2008). Consequently, there is an ever increasing need for the UNC Rams Club to have a fundraising policy and procedures manual. The document should allow for a comprehensive understanding of how the organization functions today. A manual will allow UNC Rams Club donors and employees uncomplicated ease of access to reference materials.

Purpose of the Study

The purpose of this study is to: 1) draft an endowment policies and procedures document using previous and current UNC Rams Club policies and procedures; 2) perform an exploratory case study to determine what formulative process(es) are used to determine goals and objectives; 3) identify whether the UNC Rams Club has a strategic implementation of desired goals and objectives into policies and procedures; and 4) suggest a fundraising manual template to the UNC Rams Club.

The conclusion of this research will reveal whether the UNC Rams Club uses strategic management theory when creating or analyzing policies and procedures. In addition, the research concludes with a suggestion of a fundraising manual which incorporates the findings from the endowment study and extant literature to detail how policies and procedures can be organized for a final manual to be drafted by the UNC Rams Club.

Research Questions

The following research questions are addressed in this study:

1. What are the UNC Rams Club's policies and procedures regarding endowment giving and related benefits?
2. Does the UNC Rams Club have a primary process for developing strategic plans?
3. Are there strategies and tactics used to assess or reassess the organization's goals?
4. What type of factors influence a need for a change in strategy content, and isi there a link between the strategy content and desired outcomes and objectives?
5. If strategic decision making exists, how are such decisions put into action?
6. Does an evaluative process exist for determining the success of strategic implementation of desired goals and objectives?

7. Is the formulation of UNC Rams Club's policies and procedures consistent with utilizing strategic management theory?
8. What is an appropriate template for a fundraising manual to be constructed by the UNC Rams Club?

Definition of Terms

The following terms are used in this study:

1. ***Athletic Department.*** The department of the university that oversees and administers varsity athletic competition between the university's athletic teams and other schools.
2. ***Athletic Donor.*** A person who philanthropically donates monetary contributions to the athletic department or fundraising organization.
3. ***Athletic Grant-in-Aid.*** A financial award given to a student-athlete based upon athletic ability or sports performance. Presently, up to the cost of tuition and fees, room and board and use of required course related books is the maximum amount awarded. Grants for lesser amounts are also given.
4. ***Benefit.*** Constitutively, an act of kindness or something that promotes well-being or useful aid. Operationally, a service or good provided by an athletic department or its fundraising organization as a reward for monetary donation. The amount or type of benefit provided will vary based on the giving level of the donor.
5. ***Division I.*** Refers to classifications of athletic departments as stipulated by the NCAA. An athletic department must sponsor 16 varsity level sports and comply with NCAA academic standards and governance requirements to be classified as a Division I Athletic Department.
6. ***Donor.*** Constitutively, one that gives, donates, or presents something to the university. Operationally, donor will be used to refer to an athletic donor.

7. ***Endowment.*** Constitutively, money given to an institution to provide an income for scholarship. Operationally, the endowment will refer to the education foundation (UNC Rams Club) scholarship endowment. The endowment bylaws state that each year 5% of profits generated by the endowment are to be used to fund an athletic grant-in-aid while the remaining profits are to be reinvested in the endowment.
8. ***Fundraising Organization.*** Operationally, a nonprofit organization whose stated goal is to provide monetary assistance to the athletic department.
9. ***Giving Level.*** The fundraising organization rank, or status, of donors based on their monetary contribution to the fundraising organization.
10. ***Institutional Memory.*** An undocumented collective set of facts, concepts, experiences, and know-how held by an individual or individuals.
11. ***Manual.*** An instruction booklet that serves as a guideline for how to apply or implement a topic.

Table 1

UNC Rams Club Giving Levels (2010):

Giving Level	Minimum Annual Gift Amount
Student Ram	$25.00
Tar Heel	$100.00
Ram	$200.00
Rameses	$500.00
Big Ram	$1,000.00
Super Ram	$2,500.00
Coaches Circle	$5,000.00
Annual Scholarship	$15,516
Half Scholarship	(No longer existent)
Full Scholarship	$500,000.00

("Rams," 2009, p. 7; M. A. Terrell, personal communication, February 24, 2010).

Delimitations

The following are the delimitations of this study:

1. The study will only test the fundraising process of the UNC Rams Club.
2. The suggested manual template developed from this study will reference organizational structure adopted from extant literature. The endowment template will encourage strategic management theory; however, the template will only illustrate the procedural format deemed most appropriate by the author.

Limitations

The following are limitations of this study:

1. This research only tests the decision-making process of the UNC Rams Club. Thus, the implementation of fundraising policies and procedures of other organizations will not be reviewed.
2. The endowment template that results from this study will be for the implementation of a manual specific to the UNC Rams Club. Because institutions have various means of fundraising, the results may not be transferable to other institutions.
3. Due to the intricacies of developing fundraising procedures, the organization of the endowment template will include some of the opinion of the author. Offices in the Athletic Department, other than the UNC Rams Club office, will have limited input into the development of the template.

Assumptions

1. It is assumed the information obtained regarding the UNC Rams Club's process for determining policies and procedures is comprehensive in nature in that it includes all necessary procedure for determining organizational changes in policies and procedures.
2. The endowment template will include information relevant to the UNC Rams Club at the time this research goes to print. As the UNC Rams Club is constantly evolving, however, some information in the template, if not updated, could become obsolete and other information will be missing.

Significance of the Study

Studies on other nonprofit fields have found mounting evidence in general-strategy literature that the relationships existing between the environment-strategy-structure-performance constructs are reciprocal, and that common configurations of these elements exist among high-performing organizations (Ginsberg, 1988). Many intercollegiate nonprofit fundraising organizations policies and procedures come from high performing organizations with similar constructs. Many times, the fundraising organizations will result in similar high achieving results; yet, there is a lack of theoretical framework or studies to answer what, if any, methodology is used for getting to the results. In addition, there is little to no existing research which applies a theoretical analysis to study the methodology for constructing intercollegiate nonprofit policies and procedures.

Athletic fundraising is necessary for helping Division I athletic departments have the availability and resources to offer an athletic grant-in-aid to student-athletes. Each staff member of a Division I fundraising organization should clearly understand the fundraising organization's processes for implementing goals and objectives. When clear decision making is implemented, and goals and objectives are formulated, a greater sense of involvement in ownership of the organization is created. Thus, having a clear decision making process promotes the implementation of goals and objectives and a greater sense of involvement among members of the fundraising organization (Lu, Lucas, Raines, & Yankey, 2001).

Strategic management theory stresses a concentration on how decisions are put into action and evaluated (Topping & Hernandez, 1991). Thus, performing a case study of the UNC Rams Club and analyzing whether the organization uses strategic management theory when adopting new policies and procedures will help determine whether organizational goals and

objectives are considered in every level of decision making. This research will determine what factors influence decisions and how the decisions to change are subsequently implemented into the organization's policies and procedures. The result and theory generated should be experientially credible, yet understandable, to sport managers.

This research will determine whether the UNC Rams Club is practicing strategic management theory to ensure the mission and goals of the organization are fully reflected in the policies and procedures. In addition, at the conclusion of this study the endowment policies and procedures will be reduced to a template for a fundraising manual. The endowment template, the research findings from this study, and the suggested policies and procedures will help guide the UNC Rams Club on how to organize and construct a final manual.

Chapter 2

Review of the Literature

This chapter will provide a review of literature on philanthropy, intercollegiate athletic fundraising, the importance of a case study, and the strategic management theory. The chapter is divided into six sections. The first section will examine the history of intercollegiate athletics and the NCAA. The analysis will detail the first intercollegiate competition, the founding of the NCAA, and the advent of the first known athletic fundraising organization. The second section furthers the discussion of fundraising by discussing the history of philanthropy, more specifically nonprofit philanthropy, and the future of donor contributions. The third section analyzes UNC Athletics, the UNC Athletic Department, and the UNC Rams Club. The fourth section includes academic research on the necessity of handbooks/manuals in organizational efficiency/management and the best recommended format. The fifth section discusses the strategic management theory. The final section discusses testing a case study using the strategic management theory.

Intercollegiate Athletics, the NCAA, and Intercollegiate Athletic Fundraising

Intercollegiate athletics in the United States has existed for more than 150 years. One of the earliest intercollegiate athletic events was a regatta in 1852 between Harvard and Yale Universities (Mitten, Davis, Smith, & Berry, 2009). Harvard University sought to gain an advantage over its academic rival by obtaining the services of a coxswain who was not a student (Mitten et al., 2009). This early example of intercollegiate athletic competition demonstrates that

some universities have attempted to use deceptive tactics to gain a competitive advantage over their competitors since college sports founding.

Initially, such concerns led institutions to move athletic teams away from being student controlled to teams with faculty oversight. Even with faculty oversight by the latter part of the 19th century, leading university presidents voiced fears intercollegiate athletics were out of control (Mitten et al., 2009). By 1880, sports on many college campuses had become professionalized (Shapiro, 1983). In college football, universities were engaging in hiring professional coaches, professional players, and recruiting athletes of all kinds (Shapiro, 1983).

> Recognizing the difficulty of overseeing intercollegiate athletics at the institutional level, whether by faculty or student governance, athletic conferences were created to facilitate the playing of a schedule of games and provide a modicum of regulation at a broader level (Mitten et al., 2009, p.100).

Thus, the athletic conferences were one of the earliest forms of joint institutional regulation of athletics. Some athletic conferences focused primarily upon establishing playing rules, others focused on protecting amateurism, and others developed a mixed approach. (Mitten et al., 2009).

Despite these regulatory efforts, interest existed in the formation of a national organization to gain control over intercollegiate athletics. Concerns regarding the need to control the excesses of intercollegiate athletics were compounded by the fact that, in 1905 alone, there were more than 18 deaths and 100 major injuries in intercollegiate football (Mitten et al., 2009). Tremendous national attention turned to intercollegiate athletics when, on October 9, 1905, President Theodore Roosevelt ordered that college football be reformed or it would be outlawed. (Hawes, 1999).

Shortly thereafter, Roosevelt invited officials from universities with major football programs to participate in a White House conference to review football rules (Mitten et al., 2009). After the White House meeting, the Rules Committee made a few changes. Despite these

changes, death and injuries persisted in football and there was still no national athletics organization that was capable of commanding the Rules Committee to completely transform football into a game that would be acceptable at higher education institutions (Hawes, 1999).

On December 9, 1905, Chancellor Henry M. MacCracken of New York University called a meeting of football-playing institutions to further discuss the idea of football reform. They met again on December 28, 1905. At the December 28 meeting, Captain Palmer E. Pierce of the U.S. Military Academy proposed the development of a formal association, the National Intercollegiate Football Conference, to govern intercollegiate football. The committee agreed, but they felt the word *football* should be left out of the association name, as the association would also govern other sports. A new football committee was established, and several changes were made to the rules of the game (Hawes, 1999).

On March 31, 1906, the association issued a formal constitution and bylaws, officially creating the Intercollegiate Athletic Association of the United States, with 39 charter member institutions from 13 states (Hawes, 1999). By 1909, the growth had reached 67 institutions, spanning 27 states from Maine to Texas. In 1910, in order to reflect the growing nation-wide membership, the association changed its name to the NCAA (Hawes, 1999).

Initially, the NCAA's primary task was merely to formulate playing rules that could be applied to various intercollegiate sports. As previously mentioned, students, with some faculty oversight, were the major force in managing intercollegiate athletics. However, by the 1920s, intercollegiate athletics were quickly becoming an integral part of higher education in the United States while operation and oversight began to shift away from the students (Mitten et al., 2009). Public interest in intercollegiate sports increased as successful and entertaining athletic programs developed.

With growing interest in intercollegiate sports and attendant increases in commercialization, outside attention focused on governance. In 1929, the highly respected Carnegie Foundation of the Advancement of Education issued a significant report regarding intercollegiate athletics and concluded:

> [A] change of values is needed in a field that is sodden with commercial and the material and the vested interests that these forces have created. Commercialism in college athletics must be diminished and college sport must rise to a point where it is esteemed primarily and sincerely for the opportunities it affords to mature youth (Mitten et al., 2009, p. 101-102).

The Carnegie Report, echoing themes that appear relevant today, concluded that college presidents should reclaim the integrity of the sport. To do so, the report suggested that college administrators "could change the policies permitting commercialized and professionalized athletics that boards of trustees had previously sanctioned" (Mitten et al., 2009, p. 102).

Although the NCAA made some minor attempts during this time period to restructure rules to increase integrity in the governance of intercollegiate athletics, their efforts were insufficient to keep pace with the growing commercialization of, and public interest in, intercollegiate athletics. These ever growing interests in collegiate athletic success undeniably lead to the founding of intercollegiate athletic fundraising organizations. The first such intercollegiate fundraising organization was founded at Clemson University in 1934. It still exists today under the original founding name of IPTAY. This organization coordinates the scholarships of 252 student-athletes (Berlin, 2007). Founded in 1934, just 5 years after the Carnegie Report, IPTAY (I Pay Ten A Year) became the nation's first scholarship-focused funding organization of its kind. (Berlin, 2007).

The Website for Clemson University Athletics provides a history of IPTAY (http://clemsontigers.cstv.com/iptay/clem-aboutiptay.html). The origination of the IPTAY

Scholarship Fund traces its roots to the 1930s. Dr. Rupert Fike is credited with being the originator of IPTAY, but Dr. Fike needed help starting the ogranization. That help was provided by then Head Football Coach Jess Neely. On October 16, 1931, Clemson suffered a surprising 6-0 loss against The Citadel in a game played in Florence, SC. After the game, Captain Frank J. Jervey, Head Coach Jess Neely, assistant coach Joe Davis, and Captain Pete Heffner of the university military staff met in a car outside the stadium to discuss ways Clemson administration could help its football program get back on track. The meeting quintessentially began the establishment of the IPTAY Foundation. Clemson would score just three touchdowns and win just one game during that 1931 season.

Soon Fike came entered the fray through correspondence with Jervey. Jervey wanted to form a "50 [$50] Club," but Fike wanted a smaller amount, which he thought, would mean more members and more money. Neely believed if he could get $10,000 a year then he could give the Clemson fans a winning football team. In 1934, Dr. Fike wrote a letter to Neely stating that he had a meeting with Jervey and organized the IPTAY club. So began Clemson's athletic support group, IPTAY, which in those days represented *I Pay Ten A Year*. At this time the purpose of IPTAY was "to provide annual financial support to the Athletic Department at Clemson, and to assist in every way possible to regain for Clemson the high athletic standing which rightfully belongs to her." (http://clemsontigers.cstv.com/iptay/clem-aboutiptay.html)

The organization was first established as a secret organization and initial membership dues were set at $10 a year. A little more than $1,600 was collected the first year of IPTAY, even in the heart of the Great Depression. Some payments were made in the form of barter. Milk, sweet potatoes, turnip greens, and the like were accepted in the initial efforts to build membership.

After the establishment of IPTAY, the 1934 Clemson football team achieved its first winning season since 1930. Clemson had gone 0-5-1 against Furman and South Carolina since 1930, but defeated both teams in the 1934 season. By 1938, Clemson went 8-1-1. The following season Neely coached Clemson to its first bowl game, the 1940 Cotton Bowl, where the Tigers capped a 9-1-0 season by beating Boston College and Hall of Fame Coach Frank Leahy 6-3. Clemson ended the 1940 season ranked 12th in the final Associated Press poll, its first top 20 season in history. Boston College was ranked 11th going into the game and it was Clemson's first win over a top 20 team in its history.

Shortly after the founding of IPTAY, the University of North Carolina at Chapel Hill started a fundraising organization very similar to the model established by IPTAY. The potential successes that could result from founding a fundraising organization were evident after seeing the success of Clemson University's football team. Thus, UNC and other universities who created athletic fundraising organizations similarly sought donations to provide assistance to support university programs and offer financial aid to athletic young men and women seeking higher education (D. S. Joyce, personal communication, November 13, 2008).

After World War II, with a dramatic increase in access to higher education on the part of all segments of society, public interest in college sports expanded even more dramatically than it had in the past. Increased interest and involvement in intercollegiate athletics, not surprisingly, led to even greater commercialization (Mitten et al., 2009). With the advent of television, the presence of radio in the vast majority of homes in the United States, and the broadcasting of major sporting events, the pressure for successful college athletic programs intensified. More colleges and universities started athletic programs, whereas others expanded existing programs in an effort to respond to increasing interest in intercollegiate athletics. The need for fundraising

became even more necessary than it was in the 1930s when IPTAY was founded. Thus, the establishment of philanthropic athletic fundraising organizations gradually became the norm.

Philanthropy

American philanthropy. It is not surprising that fundraising organizations are still successful today. Philanthropy from individuals to institutions of higher learning represents the oldest form of fundraising in America ("Abbreviated History," n.d.). The United States, more than any other nation in the world, is blessed with a volunteer spirit of helping others (Salamon, 2002). In other developed countries, volunteering or charitable giving (other than to the church) is much less the cultural norm (Salamon, 2002).

America's first known fundraising campaign occurred in 1643 when volunteers raised 500 pounds for Harvard University ("Abbreviated History," n.d.) The Civil War was America's next strong period of primitive fundraising. Throughout the war volunteers for the Confederacy and the Union sold bonds and gathered funds to finance the war effort. One of America's earliest philanthropists was Benjamin Franklin who advocated for the funding of local civic organizations. Fundraising, in a primitive form, continued until the modern notion of philanthropy was initiated by Andrew Carnegie ("Abbreviated History," n.d.)

In an 1889 essay by Andrew Carnegie he advocated for America's wealthy to use their capital for the public good through trusts rather than passing it down to their family members in death. Inspired by the Carnegie essay, John D. Rockefeller, Sr. chartered the Rockefeller Foundation in 1913. Under pressure from the public, Congress passed the first charity tax relief in 1921. This legislation helped spur increased charitable giving in the post war boom and the next century (Batt, 2006).

Although charitable, educational, and religious organizations are thousands of years old and some in the United States were founded in colonial times, the concept of nonprofit organizations as a unified and coherent sector dates back primarily to the 1950s. In fact, over 90% of nonprofit organizations currently in existence were created since 1950 (K. Hall, 2005). It is difficult to generalize about what nonprofit organizations are, what they do, and how they do it. They vary enormously in scope and scale, ranging from informal grassroots organizations with no assets and no employees to multibillion-dollar foundations, universities, religious bodies, and health-care complexes with thousands of employees or members. While some provide traditional charitable, educational (of which the UNC Rams Club has been founded), and religious services, U.S. law permits them to provide almost any kind of goods or service on a not-for-profit basis (K. Hall, 2005).

Sources of revenue vary: some nonprofits are supported by donations, others depend on income from sales of goods and services, and many receive most or all of their revenues from government (Brinckerhoff, 2009). UNC Rams Club provides for its mission by receiving donations and income from the sale of goods and services. Because of the complexity and diversity of nonprofit organizations, the term nonprofit has a variety of meanings. It can refer to entities classified by the Internal Revenue Code as a 501(c)(3) charitable tax-exempt organization or to a more inclusive universe of 501(c)(4) civic organizations, which are themselves exempt from taxation but do not allow donations to be deducted.

By the 1960s, government, particularly at the federal level, began to provide funding first in the form of grants, and later in the form of "purchase of service" contracts to thousands of locally based private nonprofits (Brinckerhoff, 2009). With this cascade of funding came an avalanche of red tape, bureaucracy, fast growth, reduced local control, and seemingly endless

series of priority changes and reversals (Brinckerhoff, 2009). This period (primarily 1964-1981) saw an enormous growth in the sheer number of 501(c)(3)s (many created specifically to tap funds authorized in a particular piece of federal legislation) and the concomitant development of a huge cadre of vested interests embodied in the emergence of large professional staffs (within the nonprofits; Brinckerhoff, 2009). Positive trends in American philanthropy continued through the twentieth century, even through priority changes and reversals caused by the federal government.

At the start of the 21st century the state of American philanthropy was strong. It was tested in 2001 after the tragedy of September 11th. The events of that horrific morning triggered a spirited response from the vast, unchartered network of private voluntary institutions that form the social infrastructure of American life. In small towns and large cities, from the Florida Keys to northernmost Alaska, people rushed to offer assistance. The responses were organized, orchestrated, and mobilized by the vast assortment of organizations and institutions that compose the nonprofit sector (Salamon, 2002). These efforts demonstrated Americans' willingness to give philanthropically at the beginning of this century. Within 2 months, over $1.3 billion in philanthropic giving was going towards relief and recovery efforts (Salamon, 2002).

Just nine years later, and months before the writing of this manual, on Tuesday, January 12, 2010, America's willingness to give was again tested after a 7.0 magnitude earthquake struck the country of Haiti. Again, Americans showed their willingness to give by setting up relief funds, putting together benefit concerts, and demonstrating their willingness to help in a multitude of other philanthropic gestures. Continuing in the 21st century, it seems the state of American philanthropy remains strong.

College athletic philanthropy. As noted in the discussion of the founding of the first college athletic fundraising organization, philanthropic giving to colleges and universities has progressed over the last 70 years. Athletically-motivated giving has continued to see positive trends since the beginning of this century. For example, Carter-Finley Stadium in Raleigh, NC, is a tribute to the earning power of big-time college athletics. Since 2000, the school has added over $100 million in improvements, including a four-story tower with luxury suites and a football-operations center that houses three swimming pools, a weight room and a 3,500-square-foot player lounge (Adams, 2008).

Remarkably, the facilities were not built off of the success of winning football. The tenant North Carolina State University, also a member institution of the Atlantic Coast Conference (ACC), has not finished higher than fourth in the ACC in over a decade. The facilities have been funded by a foundation of charitable fans, their faith in better seasons, and a fundraising organization that has cultivated both (Adams, 2008).

Bobby Purcell, the executive director of the school's fundraising organization, known as the Wolfpack Club, has constructed one of the most prolific fundraising operations in college sports history. Since he took over in 1997, the Wolfpack Club has raised over $200 million in donations for NC State athletics. The $27 million he raised in donations in 2008 was greater than several schools that were then ranked in college football's top 10. The Wolfpack Club recently surpassed 20,000 donors, which is almost 5,000 members more than the UNC Rams Club (Adams, 2008).

Purcell's strategy is lavishing attention on small donors. He oversees a network of nearly 600 volunteers who comb North Carolina for fans willing to give as little as $10 a month. He instructs his staff to treat all donors equally, reminding them that $300-dollar-a-year donors often

give a higher percentage of their income than million-dollar donors, and that some of those smaller donors will eventually get rich (Adams, 2008). Purcell is able to accomplish all of his successes through people's willingness to give a charitable donation to their alma mater, even without a high-profile team. The school's men's basketball team hasn't had significant success in the last decade. Even so, wealthy donors still believe their donations will make a difference.

In contrast to the Wolfpack Club's style of obtaining small donations from a multitude of individuals, many other fundraising organizations have been able to build significant gains from individuals willing to give large philanthropic donations. One such example of an alumnus willing to give to his alma mater is T. Boone Pickens and his charitable donations to Oklahoma State University.

On December 30, 2005, Pickens made a $165 million gift to Oklahoma State University. *The New York Times* reported that "the money spent less than an hour on December 30 in the account of the university's charity, O.S.U. Cowboy Golf Inc., before it was invested in a hedge fund controlled by Mr. Pickens, BP Capital Management" (Strom, 2006). Pickens' gifts remain the largest donations to a university's athletic program in collegiate history. Pickens, who is on the board of the OSU Cowboy Golf, waived any management fees for the OSU monies, however, and all profits of the fund go to increasing the OSU gift. The gift is intended to help fund an upgrade of the football stadium and construction of an athletic village (Strom, 2006).

It seems these enormous giving trends have led many other institutions of higher learning to take on larger fundraising campaigns in order to cover increasing costs, build new facilities, or improve their athletic program. Considering the tax benefits towards charitable giving, the future of philanthropic giving seems promising to universities and educational foundations.

The biggest threat to a decline in charitable giving could result from a poor economy. Brinckerhoff (2009) notes that when he made his prediction on charitable giving in a 2000 edition of his study, the U.S. economy seemed sound, federal deficits were low, and the United States thought it was headed towards a strong economic future. Currently,, however, federal debt is extremely high, and the U.S. economy is a part of a global recession.

Brinckerhoff (2009) now recognizes that no matter where an individual lives, or how large or small the organization, each organization is a part of the global economy, and what happens on the far side of the world today can affect how Americans operate tomorrow, not in weeks, months, or years, as in the past. Americans have been reminded by the recession that "old" rules are still valid: borrow very little, diversify your investments, and there is no free lunch. A much different, much more challenging environment may present itself over the next decade. Nonprofits are, of course, impacted by all of this (Brinckerhoff, 2009).

For example, in October 2008 it was reported in *The New York Times* that due to the recent financial recession, some of Pickens' gifts to the athletic department had seen a large decline in their market value while being managed in his hedge funds. The same *New York Times* article noted that due to the worldwide recession, most other schools and charitable organizations were also experiencing problems with investments (Drape & Evans, 2008). Thus, the economy may prove to be a hindrance to philanthropic giving. It is rational to believe that such could be the case, but it is difficult to know exactly to what effect. Nonetheless, the global recession did not significantly hinder donations to the UNC Rams Club.

UNC Athletics, UNC Athletic Department, UNC Rams Club

For many years, athletic departments relied mainly on ticket revenues, tuition fees, and state funds. But in recent years, athletic subsidies have shrunk while an increasing amount of

money from television networks has raised the incentive for schools to spend whatever it takes to build winning teams. About 25% of the revenue at Division I football schools now comes from donations, up from 15% a decade ago, according to the NCAA (Adams, 2008). That makes individuals like NC State's Bobby Purcell as valuable as top coaches or athletic directors, if not more so.

In the fiscal year 2008-2009, UNC's athletic department operated on a budget of approximately $70.1 million in revenues and $69.9 million in expenses. Men's basketball and football were the two largest sources of revenue and expenses. Basketball provided $19.8 million in revenue and consumed $7.4 million in expenses while football generated $24.1 million in revenue with slightly more than $15.3 million in expenses ("Equity in Athletics," 2009).

As is the case with seemingly all Division I universities, basketball and football finance a significant amount of the cost of other sports. However, the two sports are far from able to completely fulfill the budgetary needs for athletic departments. Thus, athletic fundraising must cover a significant portion of other expenses at each Division I member institution.

The mission of the UNC Rams Club is to offer financial aid to worthy young men and women seeking an education at the University of North Carolina at Chapel Hill, and to support University programs by providing services and funds for the construction of facilities or purchase of equipment ("The Rams Club," 2009). In 2009, the overall UNC budget was shared among 433 male student athletes and 354 female student athletes on 28 different varsity rosters ("Equity," 2009). The NCAA requirement for Division I sport sponsorship is 16 sports; however, many Atlantic Coast Conference members, as well as other large Division I institutions, sponsor far fewer sports than UNC. ACC member Florida State University sponsors 17 sports, and ACC member Clemson University sponsors the minimum amount of 16 sports. Broad-based programs

that sponsor a large amount of athletic teams, such as the UNC, are particularly strained as there is a greater demand for scholarship funding because of the many teams that carry expenses. Athletic grant-in-aid scholarship costs for UNC athletics are slightly more than $7.5 million (M. A. Terrell, personal communication, February 24, 2010). Covering the cost of athletic grant-in-aid is one of the many tasks of the UNC Rams Club. In the past 5 years, the UNC Rams Club has also embraced improving operating budgets as one of the responsibilities of the organization (Batt, 2006; Terrell, 2010).

John Montgomery is the current leader of the UNC Rams Club fundraising organization. Similar to Bobby Purcell at NC State, Montgomery has built a successful fundraising organization. Although the level of support can vary from year to year, in the past ten years the UNC Rams Club has developed into as high as a $50 million 501(c)(3) nonprofit public charity. Consistently, however, the UNC Rams Club is a $30 million a year 501(c)(3) nonprofit public charity (M. A. Terrell, personal communication, February 24, 2010). In 2008-2009, the UNC Rams Club had 15,881 donors, its highest total ever. Approximately 12,497 donors lived within the state of North Carolina, while membership extended to every state except North Dakota. In 2008-2009, the UNC Rams Club added 1,204 new members, while maintaining a retention rate of 94.0%. Each member of the UNC Rams Club is required to provide an annual donation that can span from a Student Ram level donation of $25 a year to a Coaches Circle level donation of a minimum of $5,000 per year to a full scholarship of $500,000 payable over 5 years (see Table 1).

Even in poor economic times, the UNC Rams Club acquired 332 new Tar Heels, 505 new Rams, 112 new Ramses, 154 new Big Rams, 15 new Super Rams and 25 new Coaches Circle level members ("The Rams Club," 2009, p.6). These members give annually at one of seven

levels, each requiring a specific monetary gift to receive specified benefits. These donations provide the member with benefits that, dependent upon giving level, may include season basketball tickets, season football tickets, game day parking, special events, media guides and golf tournaments. These new and existing members contributed to a year in which the UNC Rams Club raised more than $23 million in gifts and pledges ("Rams," 2009). In 2008-2009, the UNC Rams Club annual fund raised $11 million. UNC Rams Club fundraisers generated $5.2 million designated for capital projects. These gifts will be used to help with the funding of two capital projects, a renovation of UNC's football stadium and a sports medicine center. The football stadium project will renovate and revitalize UNC's Keenan Football Stadium to include the addition of student-athlete services, new premium seating options, and many other fan amenities ("Rams," 2009).

Since 2004, the UNC Rams Club has made a concerted effort to increase differed or planned giving. "Carolina Forever," the UNC Rams Club's planned giving society, was founded to offer planned giving options that exist for philanthropic giving. Carolina Forever offers members the option to utilize bequests, qualified retirement plan assets, charitable remainder trusts, charitable lead trusts, charitable gift annuities, life insurance gifts and gifts of real estate (Batt, 2006). Since 2004, Carolina Forever has generated more than $17 million in planned gifts ("Rams," 2009). Even in a global recession, there was not a significant decline in 2008-2009. Unlike the philanthropic giving that occurred at NC State, UNC can motivate donors with a superior tradition of athletic success. For example, the UNC men's basketball team has won two Division I National Championships since 2005.

As described in the mission statement, funding student-athlete grants-in-aid is one of the UNC Rams Club's primary responsibilities. In 2008-2009, the economy somewhat hindered the

ability of the Educational Foundation Scholarship Endowment Trust to earn additional interest on money it had invested. As previously noted, the bylaws of the trust state 5% of the interest earned from monies donated to the trust must be used to fund student-athlete grants-in-aid. To earn additional interest each year, the principal in the endowment trust is largely invested in the UNC Investment Fund (UNCIF).

Even when the economy is on a downswing and there is no interest earned from investments, the endowment still makes a 5% distribution. The difference a down year makes is that it erodes previous earnings and could possibly, if sustained over a long period of time, decrease the per share distribution. So, although in 2009 there was a down economy and therefore no additional interest earned from the investment in UNCIF, the scholarship endowment still made a 5% distribution on June, 30, 2009, in the amount of $8.7 million, which should more than cover the estimated athletic grant-in-aid scholarship expenses for fiscal year 2010 of $8 million (D. S. Joyce, personal communication, March 1, 2010). Entering 2010, the market value of the funds the endowment trust has invested with UNCIF for scholarship endowment is approximately $148 million (Joyce, 2010).

Operationally Efficient Handbooks/Manuals in Strategic Management

Academic research regarding the necessity and organization of a handbook or manual for the UNC Rams Club has never been completed. No published study has theoretically examined the process for making fundraising decisions and then suggested the best recommended format for policies and procedures. A review of relevant literature reveals that this investigation is one of the first studies of its kind that synthesizes transactions into a functional template for the creation of a manual.

Individuals have conducted studies that verify the importance of a strong policies and procedures manual as well as created manuals for other UNC organizations. Linzy (1997) conducted a multitude of donor preference studies and found that understanding donor needs is invaluable in eliminating constraints and planning for effective donor recognition. After conducting, and interpreting donor preference surveys, Linzy concluded that appropriate donor recognition is of such importance that it must be included in the development of gift recognition policies and procedures. Linzy deduced that a thoughtfully conceived, donor-focused recognition program is indispensable in any not-for-profit's development program (1997). The recognition of charitable gifts as an element of donor relations is vital to an organizations' ability to attract continuing support. It is of such importance that policies and procedures should be developed by staff and approved after thorough review. Understanding and knowledge of the program is essential for the development team (Linzy, 1997).

Schaeperkoetter (2001) created a compliance manual for the UNC Department of Athletics. In that study, she studied the various ways ACC institutions had chosen to document and monitor departmental compliance with the ACC and NCAA regulations. Similar to how this study was conducted, the researcher analyzed the institutions (monitoring) systems according to the research questions proposed by the author. At the conclusion of the assessment, the author determined which policies and procedures were appropriate for the UNC Department of Athletics into a fully functional and easily readable document (Schaeperkoetter, 2001).

A study conducted by Lu, Lucas, Raines, and Yankey (2001) discusses lessons in strategic plan implementation in a nonprofit organization. Upon completion of the research, they found that one of the critical steps in strategic plan implementation is to recognize that plan development and implementation are inextricably linked. Lu et al. concluded that their data

supports that a well-written plan will serve as a management tool that facilitates implementation (2001).

Similarly, respondents in the study indicated that a comprehensive planning process promotes sound strategy development and helps to ensure success (Lu et al., 2001). Thus, the researchers concluded that although a sound strategy (or plan, i.e., manual) does not guarantee successful implementation, difficulty is more certain without one. Interviews conducted by Lu et al. further revealed that an effective strategic planning process improved morale, promoted team building, and clarified the institution's mission. They noted that a structured planning process helped to create the internal focus and discipline for realistic goal setting (2001).

Most recently in December of 2009, the president of The Capital Coaching Group Inc. opined that at the heart of a systems-driven business is a company's operation manual (Lawson, 2009). Lawson concluded that an operations manual is the authoritative guidebook in a business. It gives a business an effective way of communicating policy and procedures and gives employees the independence and security they need to operate in their jobs for maximum results (Lawson, 2009). The author notes that the operations manual should serve as the single-point reference for all important company information. And when used properly, it is not just a place to go to look for "fixes," rather it is the first resource employees familiarize themselves with so they know how things work, right from the start (Lawson, 2009). The author suggests the following sections of an operations manual : Company History, Vision & Organization, Products & Services, Policies, Position Statements, and Systems (Lawson, 2009).

Strategic Management

Strategic management is traditionally partitioned into the three components: strategy formulation, content, and implementation (Shortell, Morrision, & Robbins, 1985; Shrivastava, 1987; Topping & Hernandez, 1991).

Researchers typically look at what strategies are more or less effective for organizations and whether the content can be influenced in important ways by (1) how strategy is formulated and (2) how strategy is implemented (Shortell et al., 1985). Shortell's strategy formulation research concludes that objectives are better implemented if recognition of the organization's mission, goals, and philosophy are included in the strategic formulation process. Thus, strategy formulation should be "the process that is used to assess or reassess the organization's mission, philosophy, and goals, and to develop plans to achieve the organization's goals and objectives consistent with its mission and philosophy" (Shortell et al., 1985, p. 223).

Strategy content encompasses the actions and tactics that compose an organization's strategy and includes corporate, business, or functional level strategies. Strategic management research in this area has typically focused on two relationships: the effect of environmental and organizational factors on strategy content, and the link between strategy content and desired outcomes or objectives. Many times, representative of this research is a typology that defines successful strategies (W. K. Hall, 1985).

For example, Bielefeld (1992) conducted a study that tested organizational factors to determine what strategies are important to nonprofit survival. After an 8-year longitudinal study of 228 nonprofits, he found that surviving nonprofits used multiple strategies with a particular emphasis on new revenue and legitimation strategies. Thus, after determining this information, he was able to conduct a more narrow study using the aforementioned factors. He determined

that nonprofits that ceased operation had far fewer operational strategies aimed at funders and funding diversification, yet more strategies focused on retrenchment (Bielefeld, 1992).

Research on strategy implementation typically "concentrates on how decisions are put into action and evaluated [and] includes the characteristics of the strategy, environmental characteristics, and organizational factors" (Topping, 1991, p. 71). For example, a conclusion of the studies on other nonprofit fields have found mounting evidence in general-strategy literature that the relationships existing between the environment-strategy-structure-performance constructs are reciprocal, and that common configurations of these elements exist among high-performing organizations (Topping, 1991). In addition, Topping found that research into strategy implementation suffers because the level of scientific rigor associated with the areas has been uneven [or even nonexistent in the field of intercollegiate fundraising] (1991).

Testing Case Study findings using the Strategic Management Theory

In this study, qualitative research was conducted on the process for changes to the UNC Rams Club's policies and procedures. The researcher made an empirical inquiry that investigates the phenomenon of the process for constructing the policies and procedures of the UNC Rams Club fundraising organization. The researcher then tested the social phenomena of the Rams Club by looking at the process for changes to endowment policies and procedures to uncover whether the organization incorporates traditional strategic management in the decision-making process for updates, additions, or changes to the fundraising policies and procedures.

The research on strategic management indicates a need for strong processes in strategic management because good strategic management inevitably leads to greater implementation and adherence to policies and procedures (Lu et al., 2001). Organizational efficiency research also

shows that employees believe it is easier to understand the organization's policies, as well as easier to implement them, when they are a part of a coherent plan in writing (Lu et al., 2001).

Thus, whether or not the research reveals if the UNC Rams Club is practicing strategic management principles, this research is important as it helps determine what type of strategic planning is done within the UNC Rams Club's organization. By using the strategic management theory to test the policies and procedures implementation, the researcher was able to determine what strategies currently help or hinder the organization's operational efficiency.

Chapter 3

Methodology

A case study was performed for this investigation. The following section discusses the importance of using case study methodology and a description of how this study was conducted on the UNC Rams Club.

Data Collection. Data was collected for this study from archived records and online materials in addition to interviews with individuals involved in the UNC Rams Club. Archived records included older marketing brochures and previous Endowment Program brochures that have been archived in the Rams Club's offices. In addition to the archived data, interviews served as the primary data for the results of this study.

Subjects. Three individuals involved in UNC Rams Club's fundraising organizations decision-making process participated in this case study. The chosen individuals have key roles in the fundraising organization. Each participant represented a different position and provided a first-hand account of prior circumstances, changes, and subsequent events. The following individuals served as subjects in this study:

1. Dawn McPherson, UNC Rams Club Director Administration
2. Sue Walsh, UNC Rams Club Director of Endowment and Stewardship
3. Matt Terrell, UNC Rams Club Director of External Operations

Instrumentation. Interviews served as the primary method of data collection for this study. Questions for each subject were prepared in advance and administered during an in-person interview. A set number of uniform questions were posed to each subject, each participant was asked to answer the questions relative to the operation of the organization as a whole. Since the study is an explanatory case study, the questions and interview technique were exempted by the Institutional Review Board of the University of North Carolina at Chapel Hill prior to the interviews.

Procedures. The first step was to collect the history and operating guidelines of the UNC Rams Club. Written materials related to the endowment program, changes in the minimum requirements for becoming a member of the UNC Rams Club, and policies and procedures documenting the aforementioned are collected. Some of the aforementioned materials may not have been documented since the founding of the UNC Rams Club. If needed, additional questions will be asked of the research participants and the Director of Finance/General Counsel to find the necessary information. Then, the information will be arranged and transcribed into an organized document.

After the completion of data collection, the UNC Rams Club Director of Administration Dawn McPherson, UNC Rams Club Director of Endowment and Stewardship Sue Walsh, and the UNC Rams Club Director of External Operations Matt Terrell were interviewed to determine the answers to the research questions proposed by the author. The results of the interview questions were then analyzed to determine if the UNC Rams Club adopts the strategic management theory when implementing policies and procedures.

In conclusion, by reviewing the UNC Rams Club's methodology for making changes to policies and procedures, the study revealed whether the UNC Rams Club uses strategic

management theory when creating policies and procedures. In addition, the research concludes with the suggestion of a fundraising manual template which details how policies and procedures can be organized for a final manual to be drafted by the UNC Rams Club. This research assists the UNC Rams Club in its organization and the initiation of the compilation and writing of a final document for distribution to all staff members.

Chapter 4

Results

The purpose of this research study was to draft an endowment policies and procedures document using previous and current UNC Rams Club policies and procedures. An exploratory case study model was used to determine what formulative process(es) determine goals and objectives, identify whether the UNC Rams Club uses strategic management principles when implementing desired goals and objectives into policies and procedures, and suggest a fundraising manual template for the UNC Rams Club based on the completed endowment document and extant literature in organizational efficiency and policies and procedures.

The primary data for this study was collected through a series of interviews with UNC Ram's Club Directors who have an administrative role within the organization and have been employed with the organization for at least ten years. They were asked various questions pertaining to strategic management. The interviews excluded questions regarding routine implementation of programs or troubleshooting of day-by-day crises. In contrast, the questions were asked to determine how the organization decides a particular policy or benefit structure should be changed. The participants were asked to detail the factors that influence the need for

change. Organizational and procedural questions were specified, and the Directors were asked to speak for the organization as a whole.

In order not to bias responses, Directors were not told whether questions were categorized to elicit any type of response. The format of the questions encouraged over-reporting of the planning and implementation process. (It was not feasible in this study to obtain validation from external participants such as the executive board members in the decision making process. Their availability was extremely limited).

All of the primary subjects identified for the study were able to participate. Collectively, the individuals share over 55 years of experience with the UNC Rams Club. Each participant has been a Director within the organization while distinct changes have been made to the policies and procedures, and at the time of the printing of this thesis, all individuals are still presently working for the UNC Ram's Club. The three primary subjects identified for this study were: Sue Walsh, UNC Rams Club Director of Endowment and Stewardship; Dawn McPherson, UNC Rams Club Director of Administration; and Matthew Terrell, UNC Rams Club Director of External Operations. Sue Walsh and Dawn McPherson were interviewed on the same day, one immediately after the other. Matthew Terrell was interviewed the following day. The interviews were done within a day of one another to prevent discussion about the interview questions among the participants.

Access to past and present fundraising policies and procedures of the UNC Rams Club was allowed by senior administration and the general counsel of the UNC Rams Club. In addition, the UNC Rams Club's website was used to obtain the most recent information in this study. The tangible data was primarily all that was needed to complete the endowment policies and procedures document. However, the Director of Endowment also assisted in the researcher

finding historical information regarding the endowment fund. The interviews were conducted to determine whether the UNC Rams Club's decision making process is consistent with strategic management principles. Additionally, the interview questions were critical in determining the UNC Rams Club's primary process for developing strategic plans, as well as tactics for assessing or reassessing the organization's goals.

Both the UNC Rams Club's processes for developing strategic plans and their strategies and tactics for assessing or reassessing the organization's goals are concomitantly analyzed in the findings of this chapter. Analyzed together, those two research questions determine whether the mission, goals, and objectives are carefully considered in the decision-making process. The suggested manual template and the analysis of whether the UNC Rams Club's changes to policies and procedures are consistent with strategic management theory are analyzed in the conclusion analysis of Chapter 5. The rest of the data is thematically categorized as it applies to each research question.

Policies and Procedures: Endowment Giving and Related Benefits

The Scholarship Endowment is the charitable trust established through gifts of endowed scholarships and investment performance returns. The money from the endowment provides for the cost of education for more than 450 scholarship student-athletes at the University of North Carolina at Chapel Hill. A study of the endowment policies and procedures data reveals that the UNC Rams Club's endowment policies and procedures have consistently undergone changes since the founding of the endowment scholarship program. Table 2 demonstrates the monetary changes that have occurred.

As detailed in Table 2, since the initiation of the UNC Rams Club scholarship endowment fund the historical requirements for being an endowment donor have variously

changed. In 1968 a donor was required to give a $35,000 or $50,000 endowment donation to qualify as a Full Scholarship donor. Then, in 1988 the UNC Rams Club adopted a policy which de-categorized the two option Full Scholarship giving level. The organization created a new single-option Half Scholarship giving level along with a single-option Full Scholarship giving level (see Table 2).

Table 2

UNC Rams Club Endowment Giving Requirements (2010):

Endowment Era	Half Scholarship	Full Scholarship
Jan. 1968 – Dec. 1988*	$35,000 (Full)	$50,000 (Full)
Jan. 1989 – Dec. 1995	$40,000	$75,000
Jan. 1996 – July 2001	$50,000	$100,000
Aug. 2001 – June 2005	$75,000	$150,000
July 2005 – Dec. 2008	$100,000	$200,000
Jan. 2009 – Present	(No longer exist)	$500,000

*During this time period, both donation levels were considered Full Scholarships.

("Rams," 2009, p. 7; S. Walsh, personal communication, January 28, 2009).

After the 1988 change was implemented, the UNC Rams Club Endowment giving level remained unchanged for six years. As Table 2 details, subsequent changes began in 1992 and have continued to occur until as recently as December of 2008. As of the printing of this document, to qualify as an Endowment donor the available option is a single level Full Scholarship giving level with a minimum donation of $500,000 (see Table 2). Donor supply and demand for UNC season tickets necessitated the change to a single level Full Scholarship requirement. Donor factors are discussed in further detail in the research findings of this chapter.

Various benefits are included with giving at every level of the UNC Rams Club. Historically, uniform requirements and good record keeping had not been established for every giving level (S. Walsh, personal communication, January 28, 2009) As time has passed, benefits given and donation requirements have changed.

Appendix A details the policies and procedures for the first scholarship endowment created in 1968. Appendix B details the policies and procedures presently associated with a 2010 endowment. Currently, data of this type is primarily kept on file as a part of the contract with each donor and in the internal database overseen by the Director of Endowment. The streamline templates detailed in Appendix A and Appendix B can be used and adopted to record previous and future transactions. Conclusions on the use and implication of the endowment templates are in the conclusion analysis of the next chapter.

UNC Rams Club's Planning Process; Strategies & Tactics to Assess or Reassess Goals

To assess the UNC Rams Club's primary planning process for determining whether policy and procedures should be changed, the three participants were asked two questions: (1) how does the organization decide to change or adopt a policy or benefit and (2) what is the process of deciding, or assessing, whether to implement changes into the policies and procedures? All of the participants' similarly responded by discussing the existence of an internal executive team which meets to discuss potential changes to policies and procedures. Staff members of the UNC Rams Club refer to the executive team as the 'lead team' (D. D. McPherson, personal communication, April 28, 2010; M. A. Terrell, personal communication, April 29, 2010; S. Walsh, personal communication, April 28, 2010).

The Director of Administration noted that the planning process comes from this team. The lead team consists of seven senior Directors and the Executive Director of the organization.

The lead team meets every other week and discusses internal day to day operations and general membership options. The lead team collectively makes decisions on anything within the organization that pertains to servicing donors. “If things come out of that meeting that will impact the fundraising policies as a whole then, and only then, those potential changes are taken to an external executive board for their approval”. Within the executive board there are several subcommittees that deal with specific functional areas of the UNC Rams Club: personnel, membership, endowment, budgeting, finance, investment, accounting, and building projects. Upon receiving a potential change to a policy or procedure, the executive board will review the proposal. After review, they will send the proposal to a subcommittee who specializes in the functional area most affected by the potential change (D. D. McPherson, personal communication, April 28 2010).

The Director of Administration additionally stated that amongst those subcommittees “discussions take place, so it is not just the staff and executive board making the decision.” . After the respective subcommittee reviews the potential change, the potential change is resubmitted to the executive board. The executive board discusses the proposal and grants final approval or disapproval. If a policy is approved, the approval is sent back to the fundraising organization for adoption. None of the UNC Rams Club staff members serve on the executive board. However, the Director of Administration stressed that the UNC Rams Club Executive Director is in constant communication with the Athletic Director. The Athletic Director serves as a member of the Executive Board. Thus, the Director of Administration feels that the opinion of the UNC Rams Club’s Directors and constituents is represented (D. D. McPherson, personal communication, April 28, 2010).

The Director of External Operations similarly mentioned the use of the lead team which, he said, "debates, discusses, and analyzes" whether changes are needed (M. A. Terrell, personal communications, April 29, 2010). He reiterated the process described by the Director of Administration. The Director of External Operations also stated that the 'lead team' looks at what changes may be necessary, discusses them in depth as a staff, and then takes those changes to the external executive board for review (M. A. Terrell, personal communications, April 29, 2010).

The Director of Endowment did not focus on the lead team; rather, she stated that at the beginning of the fiscal year her internal endowment staff looks at the goals for the year, and a number of years looking forward. Based upon their assessment they determine whether the current policies will facilitate their goals or allow for the reaching of those goals. She expresses those considerations to the lead team when deciding whether to make policy changes (S. Walsh, personal communication, April 28, 2010).

Besides the Director of Endowment mentioning her Endowment team reviewing goals for the fiscal year, none of the interviewees specifically mentioned assessing or reassessing the organization's mission, philosophy, or goals when developing plans or deciding a policy or benefit structure needs to be changed. In addition, there was no mentioning of achieving goals and objectives that are consistent with the mission or support the mission

Based on the interview responses, it seems the mission, philosophy, goals and objectives are only a brief consideration or, if they are considered at all, none of the Directors acknowledge their consideration. It is worth noting that the chapter 5 analysis of the interview questions is based on the decision making process that the Directors noted in response to the interview questions. After the interview was conducted, it was pointed out to each participant that the

mission was not mentioned when asked about strategy formulation and implementation. The Directors were then asked whether each of them considered the mission of the organization as a primary consideration for decision making. All of the participants unequivocally stated that the mission is the primary consideration for decisions made in the Rams Club (D. D. McPherson, personal communication, April 28, 2010; M. A. Terrell, personal communication, April 29, 2010; S. Walsh, personal communication, April 28, 2010). Although the Directors subsequently noted that the mission is recognized as a primary consideration, it was not mentioned during the interview process. Thus, the researcher did not use the response from the question asked after Rams Club members were informed about not recognizing the mission. The decision not to include the question into the analysis was to keep the study from being biased.

Indeed, the UNC Rams Club does have a primary process for developing strategic plans. Every Director acknowledges that procedurally a process exists for making decisions on whether or not a change should be recommended (D. D. McPherson, personal communication, April 28, 2010; M. A. Terrell, personal communication, April 29, 2010; S. Walsh, personal communication, April 28, 2010). All of the responses reflect that the Directors of the organization, as well as the staff members, put in a lot of thought before any strategy is put into action. However, strategic management principles do not seem to result from this process.

The only consensus consideration amongst the Directors is meeting financial goals for the year and pleasing donors (D. D. McPherson, personal communication, April 28, 2010; M. A. Terrell, personal communication, April 29, 2010; S. Walsh, personal communication, April 28, 2010). The UNC Rams Club's decision-making process is one of operational planning, or the use of some elements of long range planning and informal planning rather than strategic

management. An analysis of the difference will be provided in greater detail in the upcoming chapter.

Factors Influencing Strategy Content; Strategy Content and Desired Objectives

To determine what factors influence strategy content, the participants were asked to discuss the typical factors that influence a change in policies and procedures. Each participant's responses were followed up with more detailed questions requiring the participant to clarify whether they consider the factors internal, external, or both. Varying themes resulted from the questions. The participant's answers reveal that the factors affecting content are both internal and external, with external factors having a greater impact on content.

The Director of External Operations immediately responded that every decision in the organization is guided by what "generates revenue and improves member experience." He believes the factors are internal and external, but more external because the UNC Rams Club has to be more cognizant of external factors outside of their control. Those include factors such as cost of scholarships and facility cost. "The uncontrollable cost of construction, facilities, and other environmental factors result in content having to be adopted to meet those outside environmental factors." Thus, it seems the UNC Rams Club is an organization that must constantly react to external environmental factors ((M. A. Terrell, personal communication, April 29, 2010).

Upon hearing the Director of External Operations articulate such a comment, a follow up question was asked. The Director was asked whether he believes the organization has to constantly be reactive to external factors. In contrast to his previous answer, he believes the organization does a good job in balancing the factors that influence content. Therefore, he does not believe the organization is solely reactive. Rather, he believes the organization is proactive

and reactive. The UNC Rams Club uses quantifiably measurable factors such as debt/service ratio and financial projections to measure how internal revenue factors will influence content. "The purpose of the organizational initiatives is to be as proactive to address internal factors like generating revenue as the organization has to be reactive to external factors such as improving member experience" (M. A. Terrell, personal communication, April 29, 2010).

The Director of Endowment similarly stressed that external environmental factors have a strong influence on the decision making of the organization. She went into detail about external environmental factors such as the state legislature adopting a tuition remission bill. According to the Director of Endowment, the state legislatures' decision resulted in a decrease in the need to continue to raise revenues at previous paces (S. Walsh, personal communication, April 28, 2010). The aforementioned example demonstrates that differing external factors can constantly affect planning while internal factors are predictably dictating strategy content.

To elaborate even further, the Director of Endowment described the recent decision to change the UNC Rams Club's Full Scholarship Endowment giving level from $250,000 to $500,000. The decision to increase the full scholarship level to $500,000 was based on the diminishing availability of season tickets for Full Scholarship donors (S. Walsh, personal communication, April 28, 2010). At the previous Full Scholarship donor level, UNC Rams Club was unable to steward new individuals interested in becoming Full Scholarship donors because the organization could not continue to guarantee the benefits that are associated with a Full Scholarship Endowment. The athletic department was running out of tickets to give new Full Scholarship donors. In addition, heavily invested donors were losing their seating priority [location] for athletic events because new Full Scholarship donors were acquiring more priority points (S. Walsh, personal communication, April 28, 2010).

Thus, “there was a need to balance the amount of scholarship donors coming in and putting a further drain on the inventory while being able to still add to the endowment” (S. Walsh, personal communication, April 28, 2010). Since demands for tickets controlled the decision-making, it seems that the external factor of demand needed to be balanced with the internal factor of supply. Based on the Director of Endowment’s tone, and the answers of previous Directors, it seemed that the consideration of ticket supply, however, was supplemental to the external factor of ‘member experience’((D. D. McPherson, personal communication, April 28, 2010; M. A. Terrell, personal communication, April 29, 2010; S. Walsh, personal communication, April 28, 2010). Again, this is an example of predictable internal factors such as supply influencing content, along with uncontrollable external factors, such as member experience, affecting content. When the Director of Administration was asked to qualify whether she believed the factors were more internally or externally motivated, she stated that the factors can and will be both (D. D. McPherson, personal communication, April 28, 2010). In addition, similar to the answers given by the Director of External Operations and the Director of Endowment, the Director of Administration believes external factors have a slightly greater effect on content. “The Club has to make decisions internally”, she said, “in order to make sure they are doing things the right way.” These internal decisions are necessary to make sure the organization meets the non-profit standards, properly represents the NCAA and the ACC, and indentifies other standards that have to be measured up to . At the same time, “the donor is the most important external factor of all. The UNC Rams Club has had good fortune, so as long as the donor feels they are being treated fairly and things are being done in a transparent way, it makes them feel good about where they are sending their money” (D. D. McPherson, personal communication, April 28, 2010).

Strategic Decision Implementation

Each participant was asked how changes to policies and procedures are implemented. All of the participants responded differently. Their responses certified that there is no uniform method of strategic implementation. The Director of Endowment noted that the UNC Rams Club has never had a uniform way of recording decisions that do not pertain to the by-laws of the organization (S. Walsh, personal communication, April 28, 2010). She said the organization is attempting to construct a policy manual. Currently, if the lead team makes a policy change then the change is always noted in the meeting minutes kept during every lead team meeting. Sometimes, she noted, implementation of changes depends on the policy change. Usually, if the change goes into existence and is implemented, it will be distributed and recorded into the monthly newsletter, direct mail, and mass email distribution, In addition, any membership brochures or endowment brochures will be reprinted to reflect the current information (S. Walsh, personal communication, April 28, 2010).

The Director of External Operations distinguished between organizational changes and policy changes. He noted that organizational changes will be reflected in the by-laws, but the policies and procedures changes are kept on file for the Director and staff in the functional area most affected by the change. The organization will also utilize a publication or a specific website to incorporate the change. However, he acknowledged that there is not an official place or method of record keeping if the change to the policy and procedure is not an actual by law change (M.A. Terrell, personal communication, April 29, 2010).

The Director also acknowledged that the information sharing amongst individuals in the organization has to be effective. Staff members occasionally have to rely on institutional memory and/or good communication amongst one another to be aware of some policies. Even with the

lack of a uniform system of strategy implementation, the Director of External Operations articulated that there is never a need for retroactive implementation of a policy. Nonetheless, he acknowledges that "any organization" can benefit by housing all of its changes in a specific location (M.A. Terrell, personal communication, April 29, 2010).

Similar to the Director of Endowment, the Director of Administration noted that if there is anything that is a beneficial change or addition to the donor, the Rams Club makes it a priority to communicate it to the membership (donors) through email, print, website, or any other sort of mailing piece that pertains to the issue (D.D. McPherson, personal communication, April 28, 2010). Internally, a change is communicated from the lead team, to the Director, to the staff through via each team meeting that is held in the office every other week or as needed. The major decisions regarding the structure and set up of elections are recorded in the by-laws. She also reiterated that minutes are kept from every lead team meeting and executive board meetings. The minutes are distributed to members of the committees and the board. Just as the Director of External Operations noted, the Director of Administration also mentioned that retroactive changes have never occurred and that the majority of changes are intended to be future changes. A set date for the implementation of the change is established. From that date forward, changes are implemented (D.D. McPherson, personal communication, April 28, 2010).

Evaluative Process

Each participant was asked how the organization determines and evaluates whether or not a change in the policies and procedures has an effect on the overall success of the organization. All of the participants acknowledged that there is no standard evaluation method in place at the organization (D. D. McPherson, personal communication, April 28, 2010; M. A. Terrell, personal communication, April 29, 2010; S. Walsh, personal communication, April 28, 2010).

However, all of the participants also noticeably remarked that their performance is indirectly measured by the feedback they receive from the donors (McPherson, 2010; Terrell, 2010, Walsh, 2010).

The Director of Endowment focused on quantifiable variables being used to measure whether a change has been successfully implemented. The organization records quarterly or monthly financial results allow for a determination of whether the decisions have positively or negatively impacted the organization. In addition, she noted that there is constant donor feedback to changes in policy, particularly if the policy change is disliked. Although the organization has over 15,000 donors, she noted that "a lot of donors" are comfortable with letting the organization staff members know how they feel about the newly implemented changes. Lastly, she noted that self-performance review influences her and other staff Directors to remain cognizant of the overall financial success of the organization (S. Walsh, personal communication, April 28, 2010).

The Director of Administration answered similarly. She noted that changes, particularly in the amount of giving levels, will be seen in the annual fund fundraising reports. "Any types of financial changes to dues, membership, etc . . . will be seen through the financial picture." "If there is a benefit or a change that does not seem to be working fairly from amongst the membership, then the Rams Club will hear about it.". Accordingly, the members of the UNC Rams Club will many times occupy their time based on hearing from members (D. D. McPherson, personal communication, April 28, 2010).

McPherson said that the Club closely watches the emotional and financial impact that decision-making has on the donors. She noted that the only specific monitoring systems available, however, are accounting and fundraising databases where any internal staff member

can conduct reports from the information provided in both of those systems. By looking at the reports, staff members can see things like who is still an active donor and how they are giving. Another evaluation method utilized by the organization involves sending donor surveys from time to time to see what the general feeling is about things or areas that the donors believe can be improved.. The Director of Endowment also acknowledged that there is not an official evaluative system in place (D. D. McPherson, personal communication, April 28, 2010).

The Director of External Operations also stated that there is no official monitoring system in place. He noted that "the advantage of being in the fundraising industry is that if it is a financial change then the industry will tell the organization" whether the change was good or bad. If it is a change that affects membership, then he similarly noted that the organization will get feedback or correspondence from the donors. He emphasized that it is up to the staff member in charge of the area most affected by the policy change to monitor whether the changes went well (M. A. Terrell, personal communication, April 28, 2010)

Appropriate Fundraising Manual Template

"To be successful, nonprofits must understand the relationship among institutional decisions, as guided by their mission, purposes, goals, and objectives, the quality of the programs and services they offer, and the public's interest and willingness to support their current and future endeavors" (Greenfield, 2001, pg 387). James Greenfield is a longtime member of the Association of Fundraising Professionals and has been considered a pioneer and scholar in strategic management, strategic planning, managing fund development, and creating policies and procedures for non-profit organizations (Connors, 2001).

Greenfield notes that the most essential ingredient to successful fund development is a well-founded and well-documented master plan for the non-profit organization (2001). "The

organization that has carefully evaluated its present ability . . . and defined how it can address these needs successfully provides the best reason for the public to join the effort—because it (the non-profit) knows and can document its purpose and can explain exactly how . . .” (Greenfield, 2001, p.387).

Many non-profit organizations subscribe to the “Nonprofit Handbook on Management” and the principles that result from its guidance on non-profit organizations (Connors, 2001). James Greenfield is a contributing member of the “Nonprofit Handbook.” After careful analysis of what determines successful implementation of mission, philosophy, values, goals, and objectives into policies and procedures, Greenfield established the fundamental criteria for drafting policies and procedures. He explains how to document this information, why each area should be documented, the purpose of documenting each area or function, and how to organize the material logically. His policies and procedures are fully detailed inside the Nonprofit Handbook, Third Edition. (Greenfield, 2001, pp. 406—27)

An appropriate fundraising manual template for the UNC Rams Club should include: 1.) the Appendix A and Appendix B endowment documents from this study; and 2.) the policies and procedures template in the Greenfield study. The next chapter concludes with how the UNC Rams Club can use the endowment template created from this study, strategic management principles, and the Greenfield policies and procedures template for the eventual formulation of a comprehensive policies and procedures manual.

Chapter 5

Discussion

This chapter begins with an analysis of whether the UNC Rams Club's processes for changing policies and procedures are consistent with the strategic management theory. Then, the researcher discusses how the endowment document, extant literature, and strategic management principles can be practically applied for the creation of a policies and procedures manual. Lastly, this chapter concludes with suggestions for future research.

Are Changes to Policies and Procedures Consistent With Strategic Management Theory

Given the elasticity of the term "strategic management," the researcher decided not to arbitrarily impose any type of definition upon the Directors who participated in the study; rather, the researcher only sought information by asking questions that could reasonably be included within most definitions of strategic management. After careful analysis of the participants' responses to the interview questions, the research concludes that the UNC Rams Club's process for changing policies and procedures is inconsistent with strategic management theory. The planning and implementation process of the UNC Rams Club is most similar to an operational planning model. Nonetheless, the UNC Rams Club is able to operate successfully and generate strong revenue. If the UNC Rams Club continues good business practices while incorporating

strategic management principles, the Rams Club's implementation of policies and procedures should benefit.

Planning and Implementation. The research analysis of the UNC Rams Club's planning and implementation process reviews the strategy planning and formulation process, strategy content and factors affecting content, and lastly strategic implementation. Previous research suggests that many nonprofit organizations with a similar internal structure as the UNC Rams Club will not practice strategic planning (Odom & Boxx, 1988; Stone, 1989). Nonprofits are more likely to rely on a variety of planning methods (Nutt, 1984), such as operational planning (i.e., annual financial goal-setting), and the use of some elements of long-range planning, and informal planning (Odom & Boxx, 1988; Stone, 1989). As evidenced by the response to the questions, the UNC Rams Club relies on operational, long-range, and informal planning. The organization bases performance primarily off of quantitative goal-setting (D. D. McPherson, personal communication, April 28, 2010; M. A. Terrell, personal communication, April 29, 2010, S. Walsh, personal communication, April 28, 2010).

For organizations who adopt strategic planning, major organizational determinants are typically organizational size, board and management characteristics, and prior agreements on organizational goals (Odom & Boxx 1988; Stone, 1989). The UNC Rams Club consists of seven directors and thirteen additional staff members. The organization is neither large nor complex. Larger, but not necessarily older, nonprofits are more likely to plan than smaller ones (Odom & Boxx 1988; Stone, 1989). Thus, the small size of the organization could be a contributing factor to the lack of incorporating strategic management principles. The age of the organization likely has no effect. Other possible explanations for the positive relationship between size and formal planning include: increased coordination needs (Odom & Boxx, 1988), availability of more

resources and staff time to devote to planning (Lu et al., 2001), more managerially sophisticated executive directors (Lu et al., 2001), and requirements of specific funders (Stone, 1989). Thus, the small size of the UNC Rams Club may contribute to a lack of resources and staff time to devote to strategic planning.

A lack of sophisticated managerial experiences may also have an effect on the lack of strategic management principles. Many of the individuals working for the UNC Rams Club have been long time staff members and have limited experience outside of the corporate veil of the UNC Rams Club (Rams Club, 2010). For example, two of the three directors interviewed have been working with the UNC Rams Club for over twenty years and both started working for the organization within five years after graduating from the University of North Carolina (Rams Club, 2010). Thus, many staff members' experiences are primarily limited to the exposure they have received while working at the UNC Rams Club. None of the research reviewed for this study defines a 'sophisticated executive'. Yet, the success of the organization is indicative of strong business practices, and based on the success it is reasonable to conclude these directors are effective business people (Jenster & Overstreet, 1990; Unterman & Davis, 1982; Wolch, 1993). Sophistication, however, typically comes from exposure to varying fields and experiences. Such experiences are unlikely when most of an individual's career is spent with one organization (Jenster, 1990; Unterman, 1982; Wolch, 1993).

More managerially sophisticated nonprofit managers have been associated with greater use of formal planning processes (Jenster, 1990; Unterman, 1982; Wolch, 1993). Contrary to popular opinion, boards that included business people were not associated with the use of formal planning (Stone, 1991). The lack of formal planning may be because many business people on boards started as lower level managers without sophisticated planning experience (Stone, 1991).

Previous research also has found that boards focused on policy decisions, and not daily administrative matters, are more likely to use formal planning (Stone, 1991). Each participant in this research study conveyed that the internal 'lead team' deals with day to day administrative issues routinely and policy considerations only when necessary (D. D. McPherson, personal communication, April 28, 2010; M.A. Terrell, personal communication, April 29, 2010; S. Walsh, personal communication, April 28, 2010). Any of the aforementioned factors likely contributes to why the strategic planners of the UNC Rams Club may have an in an unintended separation from strategic management principles.

Content. Strategic management research in content has focused on two relationships: the effect of environmental and organizational factors on strategy content and the link between strategy content and desired outcomes or objectives (W. K. Hall, 1985). As this research study has revealed, the UNC Rams Club's strategy formulation is similar to an operational planning model (annual financial goal-setting). Strategy content should encompass the actions and tactics that compose an organization's strategy formulation (W.K. Hall, 1985). Therefore, the strategy content that results from the UNC Rams Club's planning processes should be indicative of operational planning.

A careful recognition of the effect of environmental and organizational factors on strategy content reveals a link between content and desired outcomes and objectives. For example, during the interviews each director addressed two primary factors influencing the UNC Rams Clubs decision-making process. The Director of Administration viewed financial needs as one of the primary factors (McPherson, personal communication, April 28, 2010). The Director of Endowment stated that donor consideration was the most important factor (S. Walsh, personal communication, April 28, 2010). The Director of External Operations stated that generating

revenue and member experience are the two most important factors (M. A. Terrell, personal communication, 2010). Thus, all of the directors' explanations resulted in a uniform theme. Strategic formulation of the UNC Rams Club is based on the factors of revenue generation and donor satisfaction.

Indeed, as Shortell et al. (1985) describes there is an existing link between the UNC Rams Club's strategy content and the internal and external factors influencing such content. Everything should "generate revenue and improve member experience." (M. A. Terrell, personal communication, April 29, 2010). Content that results from the 'lead team' decisions indicates a weighing of the aforementioned factors. The previously discussed change from $250,000 Full Scholarship level to a $500,000 Full Scholarship is a perfect example of such successful considerations. Weighing revenue generation with member experience were the primary considerations.

It is important the UNC Rams Club's organizational goals are implemented in the content. Many times, content research results in a typology that defines successful strategies (W. K. Hall, 1985). Indeed, successful strategies have resulted from the content of the UNC Rams Club. The donor happiness with the content, or absence of frustration, is likely a result of the organization considering the donor's external influence when decisions are made. Successful revenue can be due to numerous factors, but success can result from the consideration of internal factors when determining content (W. K. Hall, 1985). From a content standpoint, the UNC Rams Club is functioning well. Incorporating strategic management theory would only slightly change the content because the factors affecting the content will not change.

Implementation. Research on good strategy implementation typically "concentrates on how decisions are put into action and evaluated [and] includes the characteristics of the strategy,

environmental characteristics, and organizational factors" (Topping & Hernandez, 1991, p. 71). After discussing the strategy formulation and content analysis, nonrecognition of the mission and philosophy throughout strategy formulation, content, and subsequent implementation could largely contribute to why the UNC Rams Club has unsuccessfully implemented strategic management principles into policies and procedures (J. M. Greenfield, 2001). In addition, it is likely the lack of an evaluation method for measuring strategic changes is a part of why the UNC Rams Club currently has poor recording methods. The lack of any formal evaluative process to review the effects of strategy implementation could frustrate any organization's enthusiasm to record information into a policy and procedures manual (Odom & Boxx, 1988).

Application

As with any case study, the immediate application of this study is most applicable to the organization being studied. The suggestions that stem from this research will be unique to the UNC Rams Club. However, non-profit intercollegiate athletic fundraising organizations that incorporate strategic management theory based on the suggestions of this study will likely clarify their mission, as well as provide insight into what factors contribute to the success or difficulty of plan implementation into policies and procedures.

There is a lack of information and studies on strategic management in intercollegiate athletic fundraising because there is a common assumption among scholars and practitioners that strategic planning will lead to good strategic implementation (Thompson & Strickland, 1989). However, as this study and other research studies have revealed, strategic planning does not necessarily lead to good implementation. Indeed, "practitioners are emphatic in saying that it is a whole lot easier to develop a sound strategic plan than it is to 'make it happen'" (Thompson & Strickland, 1989).

Crafting strategy should be a visionary, creative process, whereas implementing strategy should be an internal administrative activity. Thompson and Strickland observe:

> Whereas strategy formulation entails heavy doses of vision, analysis, and entrepreneurial judgment, successful strategy implementation depends upon the skills of working through others, organizing, motivating, culture-building, and creating strong fits between strategy and how the organization does things. Ingrained behavior does not change just because a new strategy has been announced. In comparison, implementing strategy poses the tougher, more time-consuming management challenge (Thompson, 1989, p. 263).

Thompson and Strickland (1989) are arguing that strategic management principles should be designed to fit the organization's conditions, culture, and environmental setting. Otherwise, the implementation of strategic management principles could fail. Nonprofit fundraising leaders should not only understand how much culture change is required for goal attainment, but also how to manage this change.

The UNC Rams Club's 'lead team' should reassess the process for formulating and implementing strategies. "Policy and procedures for fund raising begin with the board and flow to guidelines and operating rules for all elements of the fund-raising enterprise" (Greenfield, 2001, p. 397). The organization should seek to ensure that future processes maintain a mission, philosophy, and objectives-based dialogue. Doing so will incorporate a process that will allow for strong implementation of policies and procedures. As Thompson and Strickland (1989) note, strategic management principles should be designed to fit the organization's conditions, culture, and environmental setting (1989). Thus, an incorporation of a new planning process needs to be carefully considered by the board before implementation. The 'lead team' will need to tailor the new process to the environment of the UNC Rams Club.

The UNC Rams Club should not stop planning based on an organizational or long term planning model. The current model is successful for achieving annual fundraising goals; yet, organizational planning is less likely to result in the implementation of changes into recordable

policies and procedures (Odom, 1988). So, the UNC Rams Club should incorporate strategic management theory with the already successful organizational model being practiced. The incorporation of strategic management theory will primarily affect strategy formulation. As this study has revealed, the factors stimulating the decision-making will still be considered and reflected in the outcomes of the organization. The primary difference will be that the mission, philosophy, and objectives will become a part of the decision-making process. Required recognition of the mission at the implementation stage, and an evaluative process to ensure the mission has been met should result in policies and procedures being documented (Shortell, et al., 1985)

The appendices, are summations from endowment scholarship information from the UNC Rams Club. Rather than create only one template, the researcher chose to create two templates: Appendix A details the policies and procedures from the first year the endowment fund was created; Appendix B details the policies and procedures for the current endowment donation. The data is organized to state what each endowment donor's policies and procedures are for the respective endowment era noted in the Appendix.

The purpose of creating two templates is not only to demonstrate how the requirements have changed but also to provide a template that will help the UNC Rams Club document previously undocumented transactions (see Appendix A). Both the current template and the older template can also be easily adapted to record information from other functional areas. Since institutional memory is the only form of guidance on how to proceed with some older donors, establishing a comprehensive endowment [functional] document for each donor in each endowment [functional] era of the UNC Rams Club is essential. Doing so can ensure donor

policies and procedures are understood regardless of whether institutional memory is ever lost or forgotten.

Implementing new strategy will pose the tougher, more time consuming management challenge (Thompson,] & Strickland, 2001). Thus, the responsibility of leading strategic management should be guided by the best leader in the organization, the Executive Director. It will be important for the Executive Director to guide any process or change in strategy formulation and implementation. The Executive Director should oversee the implementation of mission, goals, and philosophy into action. Most of the literature available on implementation affirms that the Executive Director should be accountable for translating the strategic plan into reality (Thompson, 2001).

In previous research studies, the most critical external factor affecting the use of formal planning was a funding source requirement to submit a plan of action (Stone, 1989), which could mean that nonprofits only plan when they have to plan. Although most managers recognized that the environment was competitive and rapidly changing, this recognition was not related to formal planning (Odom & Boxx, 1988). Specific and direct demands from funders to plan, therefore, are more significant stimuli than general characteristics of environments.

Thus, even though the UNC Rams Club has always done well in a rapidly changing environment, the results suggest that the UNC Rams Club would benefit if the Executive Director required the management team to submit a mission-based plan of action at the beginning of each year. He should require any changes to policies and procedures in furtherance of the goals be recorded into a manual. Thus, if the organization is practicing strategic management, all changes will be recorded. The change will create accountability and should improve the implementation of policies and procedures.

The table of contents in Greenfield's non-profit policies and procedures manual is a useful baseline template for how to organize a policies and procedures manual (Greenfield, 2001 pp. 406-427). Greenfield's document gives examples of guidelines, operating rules, and procedures that should be prepared by an organization to cover all aspects of the fund development program (Greenfield, 2001). Many of the policies for the UNC Rams Club will be different than the detailed policy explanations Greenfield provides in his manual. Nonetheless, the Executive Director or the group in charge of overseeing the implementation of strategic management should use the table of contents as a starting point.

The Appendix A and Appendix B endowment [functional] documents should guide the Directors on how to document and gather information. After information is gathered, the endowment template (or [functional] template) should be categorized into the table of contents based on its function. After categorizing the document into a functional area, the Greenfield model provides helpful explanations regarding what additional considerations should be made. The Greenfield explanations should be followed, or adapted to meet the standards of the UNC Rams Club. Most importantly, throughout the whole process, the furtherance of the mission must guide the recordation of newly implemented policies and procedures.

Since boards focused on policy decisions and not daily administrative matters are more likely to use formal planning (Stone, 1991), the Executive Director must make sure to continuously lead the group to ensure that the mission, philosophy, goals, and objectives are a consideration in every decision. Alternatively, a strategic planning committee could be formed or a strategic planning Director position could be created. Trying to create a policies and procedures manual is not enough without sound strategic management guiding its creation (Greenfield, 2001).

Recommendations for further research

The research will hopefully result in the strategic management process being used for the preparation of a policy and procedures manual for the UNC Rams Club. Thus, further research testing and comparing how the UNC Rams Club and other nonprofits move from plan development to implementation would be beneficial to sport administrators. A more detailed examination of the Rams Club through more internal interviews internally, particularly interviews from the private executive board, would also benefit the Rams Club in determining how strategies are developed and implemented.

A follow up study in five to ten years to determine if the UNC Rams Club has adopted any of the suggestions or recommendations for incorporating strategic management would be beneficial. In addition, it would be interesting to not only analyze the UNC Rams Club's strategic management processes, but also to analyze whether intercollegiate athletic nonprofit fundraising organizations are successful in implementing strategic plans once developed or if they are doing a better job in the future. It would also be a valuable study to examine the differing results of fundraising organizations that knowingly incorporate strategic management principles in their organization. Do they have similar constructs that result in their policies and procedures to fundraising organizations that use a different type of planning theory?

This study discussed the factors that contribute to content in strategic management. A study of what factors and tactics contribute to success or difficulty in implementing strategic goals would also be relevant to future athletic administrators and researchers. Researchers interested in learning and developing management theories may also want to do similar research with other areas in an athletic department to examine whether the methods are similar to the fundraising organization, whether leadership styles differ, whether a departmental philosophy

exists, and whether similar strategic management principles are incorporated by the entire department.

APPENDIX A: **January 1968, Endowed Funding Scholarship Guidelines**

TITLE OF FUND: Endowment Scholarship

NAME OF DONOR [ENTITY]: John Doe I

Available Levels of Fund: Two Levels

Categorization of Funds: (1) In-State Endowment **OR** (2) Out-of-State Endowment

Distinction of Rights for Categorization (if yes, then fill specific rights. if no, then fill in general rights for time period): NO

- **MISSION OF THE ENDOWMENT FUND:** The Educational Foundation has established the Endowment Trust in an effort to one day fund the entire athletic scholarship program at The University of North Carolina. Today, through this endowment program as well as general fund gifts, the Foundation provides the large majority of scholarship support for 26 of Carolina's varsity sports.

General Policies and Procedures Information

BACKGROUND TO FUNDING:

- **Amount [yrs payable]:** ($35,000 in-state); ($50,000 out of state) [no set years payable]
- **Initial Funding/Annual Minimum:** $0 initial funding; None annually
- **Time period for payment:** N/A
- **Time period with which to fund:** Over 10 years with an exception if necessary
- **Minimum Giving Level after <u>completion</u> of Endowment Commitment (list):**
  - NONE
- **Procedure for Default (list):**
  - If Contract Available, Insert Contact Terms
  - No procedure for Default
  - Payments at the time were made on a Cash Basis
- **Funding Guidelines:**
  - **Scholarship benefits**: N/A; Set on case by case basis; will have to record institutional memory, seek contract, or seek both negotiating parties
  - **Point Passing Privilege:** If member before January 1, 1980, and over 60 at that date then points could pass to anyone. If after 1980, only to heirs.
  - **The donor/spouse**: Right to pass down one generation removed. Some rights were granted to spouse on case by case basis. Could pass down to heirs, or heirs one generation removed; some donors given pass down rights in perpetuity. No obligation for future commitments:

- **BENEFITS**
    - **Tickets are granted**
        - Four complimentary season football tickets
        - Four complimentary season basketball tickets
    - Parking at Home Football and Basketball games
    - Other information N/A
    -
    -
    -
    -
    -

- **GUIDELINES THAT MUST BE MET AT THE COMPLETION OF THE AGREEMENT:**
    - Typically no set rights established

APPENDIX B: January 2010, Endowed Funding Scholarship Guidelines

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TITLE OF FUND: Endowment Scholarship

NAME OF DONOR [ENTITY]: John Doe II

Available Level of Funds: One Level

Number of Categorization of Funds: Endowment

Distinction of Rights for Categorization of Funds: (if yes, fill in specific rights. If no, fill in general rights for time period): NO

- **MISSION OF THE ENDOWMENT FUND:** In 1968 The Educational Foundation established the Endowment Trust in an effort to one day fund the entire athletic scholarship program at The University of North Carolina. Today, through this endowment program as well as general fund gifts, the Foundation provides the large majority of scholarship support for 26 of Carolina's varsity sports.

General Policies and Procedures Information:

BACKGROUND TO FUNDING:

- **Amount [yrs payable]:** $500,000 [payable over 5 years]
- **Initial Funding/Annual Minimum:** $50,000 initial fund, Min $50,000 annually
- **Time period for payment:** Up to 5 years
- **Time period with which to fund:** The beginning of the fiscal year the contract goes into effect through 5 years following the end of the fiscal year contract ends.
- **Minimum Giving Level after <u>completion</u> of Endowment Commitment (list):**
    - Annual Coaches Circle Contribution required (amount of Coaching Circle Contribution is subject to change without donor's consent)
- **Procedure for Default (list):**
    - Contract Language Adopted
    - Payment to be invested received by Endowment fund by end of fiscal term established by the UNC Rams Club and donor.
    - Parties Rights fully revocable upon default
- **Funding Guidelines:**
    - **Scholarship benefits**: In place for 20 years; donor can designate an immediate family member in addition to his/her spouse to have access to the benefits to finish out the 20 years as long as the annual giving requirement is maintained
    - **Point Passing Privilege:** Points do not pass beyond spouse.
    - **The donor/spouse**: Should they live beyond the 20 years, have the first right of refusal to enter into additional endowment commitments under the <u>then current</u> endowment giving guidelines

- **BENEFITS**
    - **Tickets Granted**
        - Right to purchase four season football tickets at Keenan Stadium
            - Location based on point system
        - Ability to purchase eight additional season football tickets
        - Right to purchase fours season basketball tickets at Dean E. Smith Center
            - Location based on point system
    - All privileges available at the Coaches Circle giving level*
    - Parking for home football and basketball games if tickets purchased through The Educational Foundation
    - Invitations to annual scholarship donor dinners upon completion of endowment commitment
    - Individual scholarship appreciation dinner with athletic department personnel upon completion of endowment commitment
    - Carolina note cards upon completion of endowment commitment
    - Recognition at a home football or basketball game and in an issue of the Tar Heel Monthly publication upon execution of the donor agreement
    - Exclusive scholarship donor car magnet upon execution of donor agreement

- **GUIDELINES THAT MUST BE MET AT THE COMPLETION OF THE AGREEMENT:**
    - Donors have the right to renew at the **future** terms requirement for renewal at the time of the subsequent renewal.

* An attached Item will disclose the extra benefits

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