As long as the financial outlook in New Jersey was rosy, The College of New Jersey Foundation was content to raise a modest sum of money each year to supplement the annual state appropriation and tuition income for scholarship purposes.

But as levels of state support began to show troubling trends in the 1990s, and mandatory budget cuts signaled seriously lean times ahead for all state institutions as well as higher tuition for students, the need grew for a more effective independent fundraising effort.

TCNJ President R. Barbara Gitenstein said that when she assumed the College presidency in 1999, the Office of Development and Alumni Affairs was spending more money than the foundation was taking in. Solving that problem became a priority, and as the accompanying charts reveal, the situation today is far more encouraging.

Part of the reason for the change has been a complete restructuring of the foundation, with three main goals in mind: to establish a strong, effective committee structure within the foundation board; to raise essential new revenue immediately; and to build a base for major endowment growth in the future.

Connie Calisti ’78, who has headed the foundation’s annual Spring Gala, which raises money for scholarship aid, since its inception in 2001, now chairs the foundation board. She says TCNJ is “behind” colleges in its academic peer group when it comes to fundraising and that “we need to behave more like private colleges” to make up for the decline in state aid and federal scholarship support.

The foundation’s new structure went into place at the end of 2004. It created a board of up to 30 members (there are now 25) with voting power and an honorary board of former members, with no voting power. Board membership is weighted to ensure control by outside community leaders who are not TCNJ employees. Members by virtue of their offices are the chair of the College’s Board of Trustees, a member of TCNJ’s Alumni Association Executive Board, the College president, and the vice president for development and alumni affairs of TCNJ. At least one-quarter of the board must be alumni.

Symptomatic of the whole approach to restructuring is a new bylaw requiring all foundation board members to be active money raisers. The key section reads: “Each member is expected to attend and actively participate in the work of the board and its committees. Each member ... is expected to raise at a minimum $10,000 annually, either through personal contributions, through their employer, or by active leadership and participation in successful donor identification, cultivation, and solicitation.

TCNJ Foundation
Is in Transition
Each member is expected to make a personal annual financial donation. To ensure these requirements are met, a standing membership committee of the board will monitor each member’s participation and contribution record to see that they are “appropriate.”

Present members of the foundation board and their business associations accompany the group photograph to the right. (The position of vice chairman is vacant and soon will be filled by Vice President for Development and Alumni Affairs John Marcy.)

President Gitenstein said the College recognizes that the money given to higher education comes, by far, mostly from individuals, and mostly from alumni. She is fully aware that at TCNJ, while “we have all these extraordinary stories to tell about what we’re doing with our students, faculty, curriculum, facilities and so on—stories that put us on a par with the best schools—we ought to be able to do the same things with our development and alumni programs.” She expects the arrival this year of John Marcy to manage that part of the educational enterprise will provide the leadership needed to involve far more alumni in the future and to energize the foundation to fulfill its potential.

Virtually all money donated to the College—whether from alumni giving, corporate gifts, bequests, individual gifts, fundraising events, or income from investments—is received by the foundation. Because it is what federal tax authorities know as a 501(c)3 nonprofit corporation, it may solicit and receive donations on behalf of the College and issue receipts that serve as proof of the contribution is tax-deductible. As an agency of the state, the College itself may not directly solicit contributions.

Annual financial reports of the foundation reveal a modest growth of the endowment in the past decade and very little increase in annual giving. That pattern was broken last year, with substantial increases in both for fiscal 2004.

Money raised by the foundation is invested by a number of money management firms under the direction of the foundation’s development committee. In 2004, those firms were: UBS, Wachovia, Commonfund, Smith Barney, and Merrill Lynch.

Distribution of the money to various College purposes is under control of the foundation board, with most of it going to support a variety of scholarship aid programs. In practice, the needs of the College vary from year to year, so the foundation’s board seeks to allocate its available resources in keeping with the administration’s priorities, as approved by the Board of Trustees.

Bruce VanDusen