



Foundation Fundamentals

► by *Milford Jenkins, president, Angus Foundation*

Lead the way

Since publicly announcing the Vision of Value: Campaign for Angus goal of raising \$11 million by Dec. 31, 2011, in Louisville, Ky., last November, I have frequently been asked by Angus breeders, allied industry corporate executives and interested supporters as to both the level of charitable gifts and quantity of gifts that will be required to successfully achieve our goal.

A welcome question

I'm always pleased to have the opportunity to respond to this question, and in recognition that we are in the early stages of this monumental first-ever fundraising campaign for the Angus breed, the topic is very timely and one I believe important enough to deserve an expanded "Foundation Fundamentals" column.

Even to a seasoned fundraiser like me, an \$11 million campaign goal can, at times, seem almost insurmountable. However, by working together and pooling our charitable resources toward the shared vision of significantly transforming our education,

youth and research activities for the benefit of every Angus breeder and the advancement of the Angus breed, I'm confident that we will reach our \$11 million goal well before 2011.

So, how will we raise \$11 million?

The answer is simple — we will "ask" for it in a number of ways.

Accept the challenge

It must be recognized up front that not all Angus breeders, allied industry interests and friends of the Angus breed can contribute at the same gift level(s). We obviously want to provide the means for all

who share the vision to be able to contribute to its advancement, and thus the future of the breed.

Hence, your Angus Foundation will provide a multitude of engagement opportunities to support the campaign, including a number of existing avenues like "The Power of One Campaign" Annual Fund drive, silent auction and golf tournament at the National Junior Angus Show (NJAS), special fundraising benefits and activities like Magic of the Vine, and other related fundraising activities and events during the five-year life of the campaign. Such venues have and will continue to give members the opportunity to donate anything from \$1 to hundreds of thousands.

Never before has each member gift meant so much. As we pool the contributions, we can start to see more results — such as sponsorship of Cattlemen's Boot Camps, Leaders Engaged in Angus Development (LEAD) conferences, or the progressive feed efficiency and carcass trait research currently being funded, not to mention an ever-expanding list of scholarship opportunities for our NJAA members.

But your contributions do something else you may not be aware of. They show others outside the Angus family that you take ownership in the future of the breed and that you believe in what can be accomplished through the Foundation on its behalf. And they just may be willing to help you. But *you* start the ball rolling. *You* keep it rolling.

Each of us is capable of stepping it up and committing to a gift amounting to more than we realized we were capable of giving to our beloved Angus breed, a cause we unabashedly allege to be near and dear to each of our hearts.

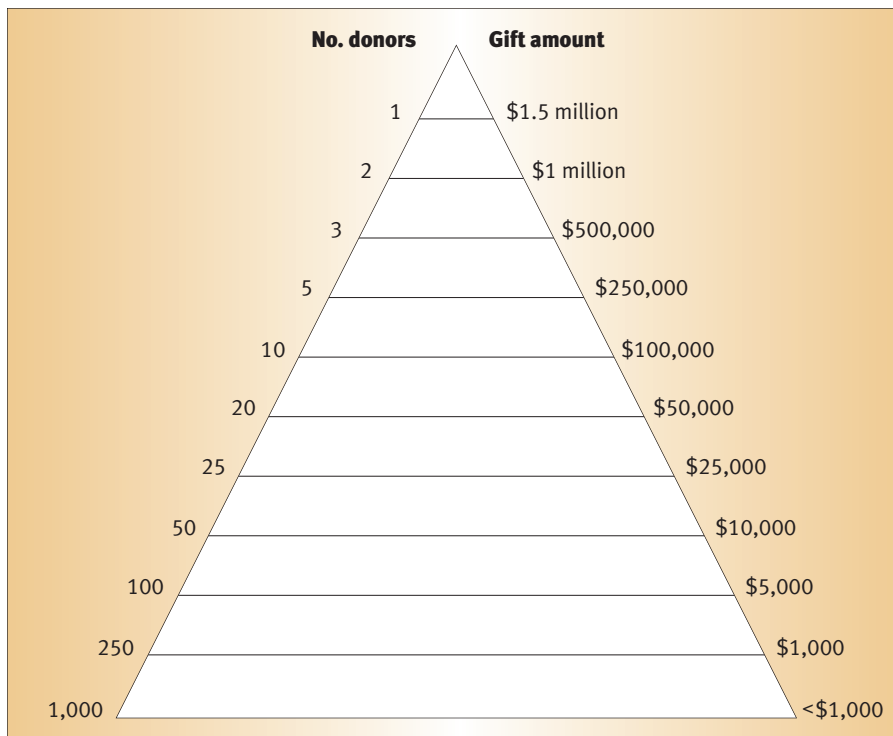
In that vein, the Vision of Value: Campaign for Angus was intentionally designed and developed to challenge each of us as Angus breeders in the context of charitable giving like we've never been challenged before.

A scale of gifts model is an important way for us to maintain focus throughout the duration of the campaign and impress upon us the need to both individually and collectively set our sights high and think big

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Fig. 1: Scale of gifts

Achieving the \$11 million fundraising goal will require gifts of various sizes from a multitude of Angus supporters, with gifts distributed in the pyramid below.



relative to our charitable giving to the Angus Foundation.

This scale helps to illustrate both the number and size of gifts imperative to achieve campaign success. As you review the scale shown in Fig. 1, constructed and designed specifically for our campaign, I challenge you to picture yourself among the donors at a level higher than you may have previously thought possible.

The 80:20 rule

Upon closer analysis of this scale of gifts, one will find that 80% of the funds will come from 20% or less of the donors to the campaign. Typically, we think of this 80:20 rule only in the context of operating a business, with 80% of the revenue being generated by 20% of the business' customers. Oftentimes that ratio is even higher, at 90:10. It may seem hard to believe, but, ironically,

this tried and true business axiom has been proven time and time again to have a very high degree of application when raising money, regardless of the campaign goal.

With more than 25,000 proud members of the American Angus Association, how wonderful it would be if each would take a leadership role by supporting the Vision of Value: Campaign for Angus. That would lay the foundation for possibilities far exceeding our initial expectations.

Experience tells us that won't be reality. Then again, the Angus breed has always made its own reality.

Regardless, I'll hold up my end of the deal fellow Angus breeders, if you'll hold up yours. Our combined endorsement and generous gifts to the Angus Foundation's campaign will quite possibly be the encouragement needed and motivating factor to compel our neighbors and network of fellow Angus friends across the country to likewise get involved and contribute financially.

Giving options

Successful achievement of our \$11 million goal by Dec. 31, 2011, as the scale of gifts clearly illustrates, will require an influx of unprecedented gifts and pledges from a number of Angus breeders, allied industry interests and Angus friends.

Gifts and pledges can be made in a variety of ways, even online by credit card at www.angusfoundation.org. Outright cash, appreciated securities, appreciated real estate, livestock, life insurance and planned gifts (bequests) are a few examples of the ways donors can support the Angus Foundation.

Take, for instance, appreciated securities. Given that the stock market remains strong, owners of highly appreciated securities might find the combined tax savings of the charitable deduction and avoidance of capital gains tax to be a very attractive way to make a gift to the Angus Foundation.

One nice window of opportunity for those Angus breeders and supporters of the Angus Foundation who are age 70 and a half or older is the Pension Protection Act of 2006 that provides individuals the opportunity to make tax-free charitable gifts *directly* from their individual retirement account (IRA) to charities until the end of 2007. IRA gifts up to \$100,000 offer such tax advantages, but remember, this will phase out at the close of this year.

Gifts of sufficient size can lend themselves nicely to leave your Angus legacy by establishing an endowment that secures permanent naming rights to an Angus

Fig. 2: The 80:20 rule

Generally in fundraising campaigns, 20% of the donors give 80% of the dollars, and 80% of the donors give 20% of the dollars.

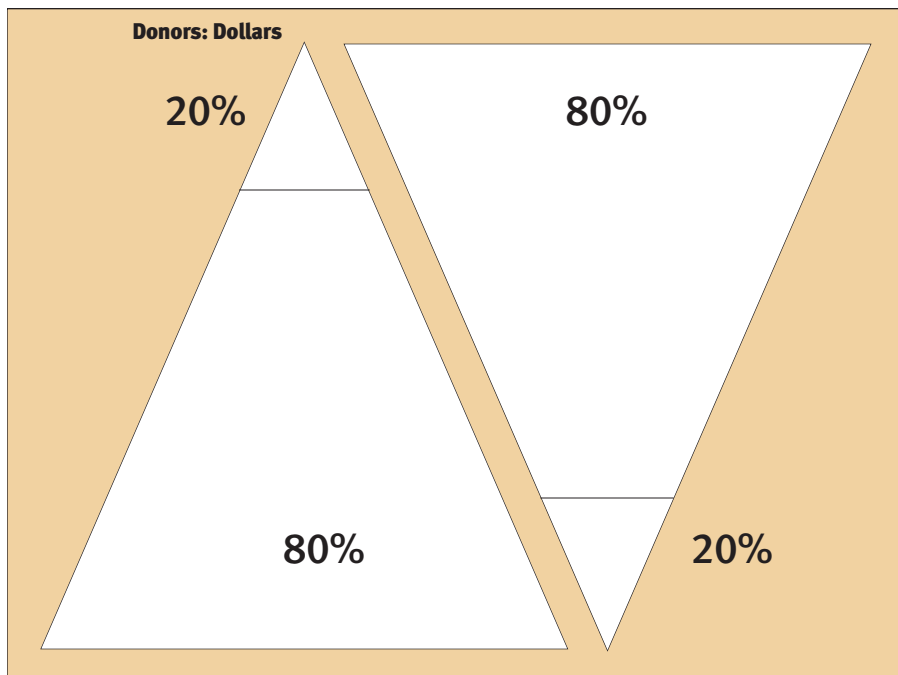


Table 1: Naming opportunities and endowed amounts

Donors can leave their Angus legacy by establishing an endowment that secures permanent naming rights to an Angus Foundation program. By expending only the annually accrued interest from the initial gift amount, endowments create a source of permanent funding.

Annual revenue generated*	Naming opportunities	Endowment level
\$250,000	National Junior Angus Show**	\$5 million
\$50,000	Young Angus Breeders Leadership Development Program	\$1 million
\$50,000	NJAA Board of Directors	\$1 million
\$50,000	National LEAD Conference	\$1 million
\$25,000	Angus Leadership Boot Camp	\$500,000
\$25,000	Regional LEAD Conference	\$500,000
\$6,250	Academic All-Star Scholarship	\$125,000
\$2,500	NJAA Board of Directors Scholarship	\$50,000
\$1,250	Angus Achievement Scholarship	\$25,000
\$500	Named Endowed Scholarship Fund	\$10,000

*Projected annual revenue amounts are based on a spending policy rate of 5% of the endowment's three-year moving average market value. The spending policy rate is reviewed annually by the Angus Foundation Board of Directors and can be adjusted.
 **Pending approval from both American Angus Association and Angus Foundation Boards of Directors.

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Foundation program. With a \$10,000 minimum gift, endowments offer you a way to make a gift that “keeps on giving,” since only the annually accrued interest generated by the endowment is expended. What better way to leave your legacy; your ranch’s legacy; or memorialize, honor or pay tribute to a loved one in perpetuity in the Angus family than a permanent named endowment in the Angus Foundation.

Vision of Value: Campaign for Angus status toward reaching fundraising goal of \$11 million by Dec. 31, 2011^a

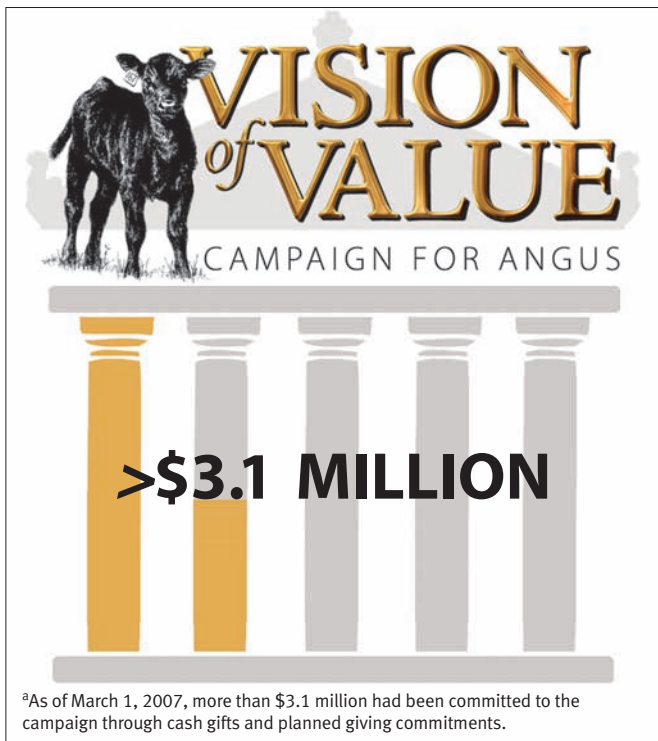


Table 1 (page 58) helps illustrate a sample of the naming opportunities available to donors wishing to leave their mark on the Angus breed through the Vision of Value: Campaign for Angus.

Take action

Your Angus Foundation welcomes restricted gifts at all levels of giving, which empowers you to direct the use of your gifts for education, youth or research.

Unrestricted gifts are also appreciatively accepted and allow your donation to be directed to the area in most need of support.

Momentum is rapidly building surrounding Vision of Value: Campaign for Angus and to help achieve our lofty, yet attainable, dream of successfully raising \$11 million by Dec. 31, 2011. Let each of us make a personal commitment to more fully endow our organization or a specific area of interest to you. I invite you to take these steps to help us do so:

- ▶ Give serious thought to making a personal three- to five-year outright cash pledge at an endowment-naming level.
- ▶ Consider a planned (bequest) gift naming the Angus Foundation as the charitable beneficiary to be directed to a specific area (i.e., education, youth or research) of your choice or our general endowment.
- ▶ Continue to make a concerted effort to serve as an ambassador for Vision of Value: Campaign for Angus and for the Angus Foundation, using every opportunity that arises in your circle of influence to encourage other Angus breeders and friends to likewise invest in the campaign.

What we do now, as individuals and collectively, will convincingly establish a precedent for allied industry interests, friends and others who may consider making endowment investments and supporting our Angus breed that we believe in our own cause, and we’re willing to financially support it with our charitable gifts.

What will be your charitable gift to Vision of Value: Campaign for Angus?

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Author’s Note: For more information about ways to support the campaign, please contact the Angus Foundation staff at (816) 383-5100, or visit www.angusfoundation.org. This editorial is not intended as legal or tax advice. Please consult your attorney, accountant or other professional advisor to determine how these examples apply to your specific situation.