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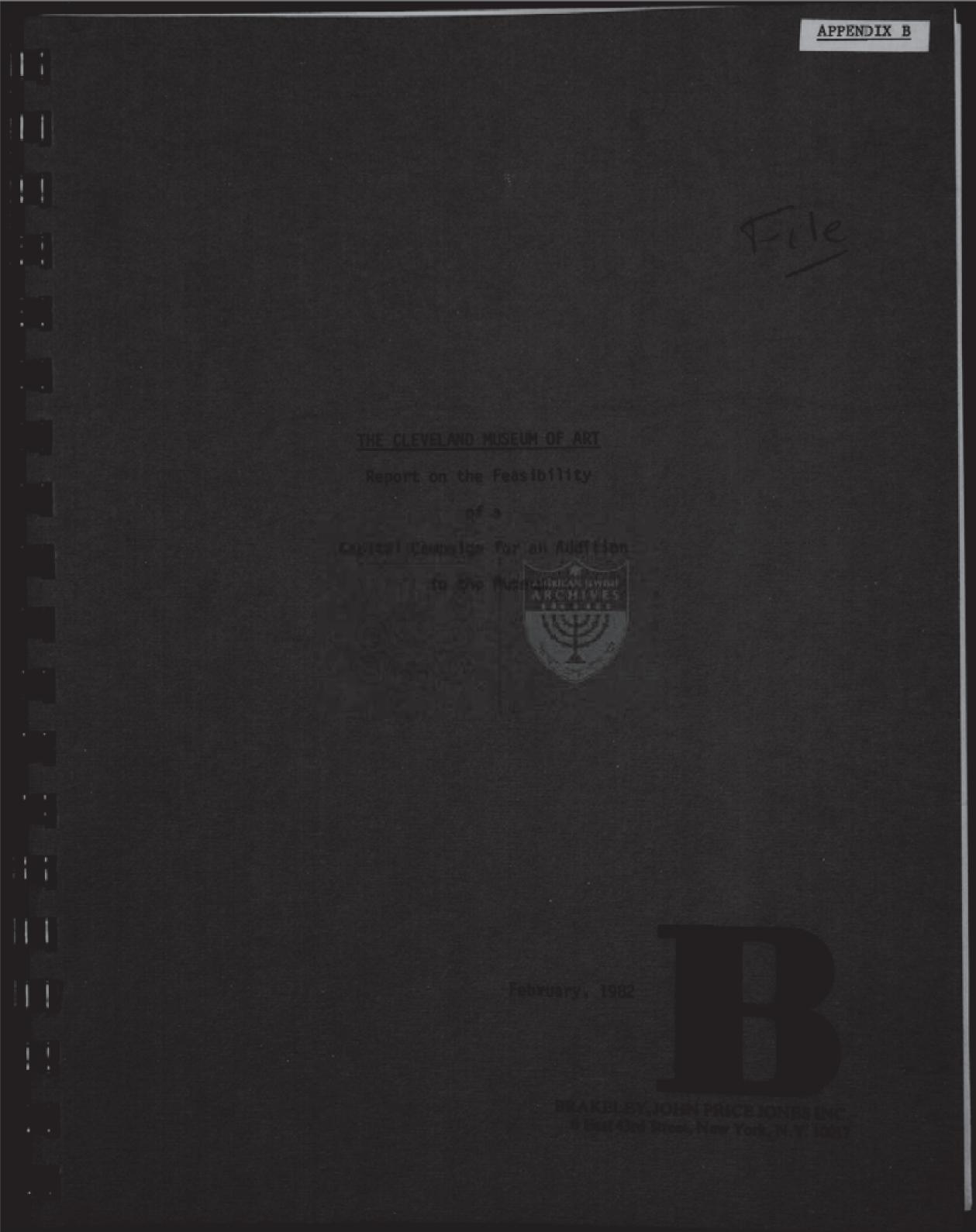
MS-4850: Daniel Jeremy Silver Papers, 1972-1993.

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Cleveland Museum of Art, financial statements, 1982-1984.

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BRAKELEY, JOHN PRICE JONES INC.

Six East 43rd Street New York, N.Y. 10017 212-697-7120

Vice Chairman

February 16, 1982

Mr. James H. Dempsey, Jr. Squire, Sanders & Dempsey 1800 Union Commerce Building Cleveland, Ohio 44115

Dear Mr. Dempsey:

It is with pleasure that we submit to you our final report on the feasibility of a capital campaign for a new addition to The Cleveland Museum of Art.

We are most appreciative of the very fine cooperation received throughout our work from you and Mr. Oliva and Mrs. Kilroy, as well as Dr. Lee and his staff. We are also grateful for the cooperation of the Board and the many people we interviewed in Cleveland.

On behalf of myself and my associates, James Kraft, Daniel Feinstein, and Elizabeth Scarlatos, we thank you for the opportunity of working for The Cleveland Museum of Art.

We look forward to discussing our report with you and your colleagues at the earliest convenient time and to serving The Cleveland Museum of Art in what will undoubtedly be a challenging and promising effort for the Museum.

With every good wish to you and all others with whom we worked, I am,

Most sincerely,

1 Lemp Bessine

1110 17th Street, N.W. Washington, D.C. 20036 202-785-4810

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#### INTRODUCTION

The Cleveland Museum of Art (CMA) retained Brakeley, John Price Jones fund-raising consultants to conduct a feasibility study as a first as step in a proposed capital campaign to construct and endow an addition to house the Museum's library and additional gallery space for the 19th and 20th-Century collections. The Museum specified that ideally it would like to break ground for the addition in late May or June, 1982, and advised us that half of the proposed goal of \$8 million was required to be in hand before the project was undertaken. Brakeley, John Price Jones was directed to focus its study upon the availability of private contributions for the project, to gauge the philanthropic community's impressions of the Museum, and to recommend a plan of action for the capital campaign. Counsel also agreed to provide assistance and advice on the creation of a permanent Development Office and a system of donor research, records and files, to aid in defining a job description for the Director of such an office, and to assist in screening some of the applications for the job.

In the preparation of this report, some thirty in-depth, confidential interviews were conducted with Trustees, key supporters, and civic and business leaders chosen by agreement between members of the Board and counsel (See Appendix A). Respondents were selected for their position in the Museum community or in Cleveland and for the quality of insights that they cculd bring to the interviews; these individuals were thought capable of providing information in the best interests of the Museum and on the most effective actions that could be taken to meet CMA's capital needs.

An important factor in CMA's situation is that the proposed campaign will constitute the Museum's first attempt to raise funds from the public in a concerted, broadbased fashion. Throughout its history, CMA has enjoyed high levels of support and generous endowment from a small, dedicated group and this has allowed it to pursue its goals independently, responsible only to its own aesthetic standards. Based upon present capital needs and future operating requirements, the Museum has determined that it must expand its sources of income. In deciding to solicit funds from the public, CMA realizes that it will be subject to scrutiny from the philanthropic community and will, to a greater degree, have to present itself as accountable to its constituents. Some adjustments in the operation and community relations of the Museum may be necessary. It must be stressed that what we say in this study is not in any way a judgment of former or present practices and maragement, but a report of significant opinions and suggested ways of positioning the Museum for optimal fund-raising. This study serves as an evaluation of the strengths necessary to best achieve the Museum's objectives as it enters the highly competitive philanthropic marketplace.

#### PART ONE

## Summary of Recommendations.

Γ

Brakeley, John Price Jones believes that The Cleveland Museum of Art is in a position of sufficient strength to move aggressively into a sophisticated and far-reaching program of development, and to do so without distorting or spoiling the present identity and integrity of the Museum. To produce an effective campaign, we recommend the following steps:

 CMA's Board of Trustees should vote to undertake a capital campaign with a preliminary goal of \$8 million; a final goal should be determined sometime before the public announcement of the campaign.

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CMA should retain a full-time Campaign Manager as soon as possible and establish a campaign office.

CMA should identify and recruit the best possible persons for campaign leadership positions.

4. CMA should analyze its Board of Trustees to determine whether it currently has optimal composition and size to compete effectively for philanthropic funds. It should consider making appointments which correct any perceived deficiencies.

5. CMA should develop more meaningful and active roles for the Adwisory and Junior Councils and its Members and employ these pools of volunteers effectively in the campaign.

6. In order to attract new sources of support for CMA, the Trustees and closest friends of the Museum should give generously and provide a sizeable nucleus fund for the campaign.

 CMA should undertake an extensive program of cultivation and solicitation of prospective donors. Gift opportunities should be designed to attract donor interest.

8. CMA should initiate a broad public relations campaign to correct misconceptions about the Museum and establish greater appreciation of its contributions to life in Cleveland. The community must feel involved with the Museum and become convinced that its participation is both necessary and desired.

9. CMA should present its campaign as necessary to maintain CMA's levels of service and excellence. The project should be discussed not as a library addition but as an emlargement of the Museum's space and resources for conservation; as an important addition to the gallery space; as the expansion and consolidation of the highly valued library holdings; and as a meams to strengthen the educational programs and exhibitions.

#### FART TWO

## A Perspective on Philanthropy.

Thanks to far-sighted planning on the part of its founders, the prudent management of its Trustees, and the dedicated support of a small group of patrons over the years, The Cleveland Museum of Art has until now been largely free of the need for a constant, concentrated fund-raising function. Since CMA is considering entering the philanthropic market in an organized campaign, a brief summary of certain philanthropic principles might prove useful before turning to the discussion of how to develop the Museum's fund-raising potential.

Some \$48 billion was given to United States not-for-profit institutions in 1980. Achieving this level required a series of time-consuming and complicated, though essential, processes. Due to wide-spread needs and intense competition for support, fund raising must today be a central and continuous element of every not-for-profit institution's management and operation. Experience indicates that an organization's success in attracting funds bears a very close relationship to the consistent skill, energy and expertise with which it tells the story of its case for support and presents that story to a carefully identified constituency. Doing this well is a complicated undertaking that requires attention from the institution's top board and administrative leadership, professionalism at the staff level, and the thoughtful application of basic, time-proven fund-raising techniques.

The issue of donor motivation - that is, why people give - deserves some discussion. Practically every fund-raising program depends, to some degree, on meeting most of the following requirements:

Prospects are asked by the right person, at the right time, 1. and under the right circumstances.

Giving creates a bond and makes the benefactor feel part of 2. a group or organization.

Giving produces recognition, thus providing a sense of prestige 3. to the donor.

Giving allows a donor to show gratitude for the services 4. provided by an institution.

A donor gains income and estate tax benefits. 5.

The obvious point is that most positive human behavior is motivated to some degree by enlightened self-interest, and the human need to "get something out of giving" should always be kept in mind in fund-raising.

Although some of these concepts may seem basic or self-evident, the importance cannot be overstated of giving them serious consideration and treating them as guiding principles rather than ethereal abstractions. This is particularly true now that there is increasingly intense competition for private support. While the volume of contributions continues to grow, so do the number of requests. Non-profit institutions are devoting more of their staff and resources to this search for financial stability. Cleveland provides a perfect example of this phenomenon: our study revealed a large number of major campaigns in progress and a tendency on the part of institutions to treat fund-raising responsibilities very seriously. Indeed, CMA's decision to undertake a major capital campaign and to establish a Development Office both fits into this trend and represents the Museum's recognition of the need for extreme sophistication as it attempts to anticipate its future funding requirements

The wide variety of giving opportunities available to philanthropists and the ever-greater sensitivity in the approaches of not-for-profit orgamizations will lead donors to scrutinize carefully all appeals received. The institutions which fare best will be those which 1) provide a clear, forceful presentation of their case and needs; 2) establish themselves as dedicated to the service of their constituents; and 3) provide the best opportunities for the involvement of supporters and the most effective recognition of their support. The key concepts of building bridges to the public through a fund-raising operation should be kept in mind at all times, both in reading the rest of this report and while initiating CMA's capital campaign.

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to excellence fully appreciated Respondents considered is one of the finest muscules in the mation and credited it with having avoided the "circus-like" stmoothere created at some festitutions. Indeed the Museum's traditions of stability and strict adherence to standards of quality were ciles as the Museum's createst strengths. Respondents also praises the collections and their display. Respondent familiar with the Museum's free accessions policy and education programs considered them important services to the community, although they often thought that not enough individuals and institutions in Cleveland took edwantage of them. Few respondents realized fully the breadth and death of the education program.

#### PART THREE

## The Analysis.

This section details the results of the interview process. Findings are expressed as an amalgam of comments most often voiced by respondents, weighed against the general philanthropic knowledge and professional experience of Brakeley, John Price Jones.

It should be noted that the respondent pool for a fund-raising feasibility study differs markedly from that of a usual "survey" or "public opinion poll." It was neither the mission nor the intention of Brakeley, John Price Jones to sample, at random, community attitudes or opinions; rather, we targeted and intensively questioned particular individuals who it was believed could provide the most vital viewpoints, information and useful data, which in turn could indicate the most advantageous path for CMA.

At the outset, we would observe that respondents exhibited a uniformly high level of attention and respect towards CMA. Even in those interviews which offered substantial criticism of the Museum, we detected a high level of concern. This could serve the campaign well if CMA takes the steps needed to transform this interest and concern into active involvement.

I. The Case for Support. In fund-raising, the "case" is the compilation of the most compelling reasons that an institution can offer to convince contributors to provide major financial support and volunteer leaders to lend their time. In order to establish the case for CMA, it is necessary to evaluate the Museum's services and characteristics in light of the factors affecting decisions to give. Respondents' impressions and knowledge of the Museum play a central role in the delineation of a convincing case; likewise, it is crucial that their criticism and questions receive full attention. The success of CMA's fund-raising efforts will depend largely on the degree to which the Museum both mobilizes the goodwill expressed by respondents and reacts constructively to their concerns.

Findings. The Cleveland Museum of Art has a prominent place in the minds of the Clevelanders interviewed. Its importance as a caltural institution is universally recognized and its devotion

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to excellence fully appreciated. Respondents considered it one of the finest museums in the nation and credited it with having avoided the "circus-like" atmosphere created at some institutions. Indeed the Museum's traditions of stability and strict adherence to standards of quality were cited as the Museum's greatest strengths. Respondents also praised the collections and their display. Respondents familiar with the Museum's free admissions policy and education programs considered them important services to the community, although they often thought that mot enough individuals and institutions in Cleveland took adwantage of them. Few respondents realized fully the breadth and depth of the education program.

In contrast to these intellectual descriptions of the Museum, respondents displayed a strong emotional response toward CMA which strongly undercuts their positive comments. A substantial majority of respondents indicated feelings of dissatisfaction and distance from the Museum. The startling consistency and conviction with which these negative comments were expressed raises serious obstacles to successful fund raising. Om a surface level, these negative comments referred to the Museum as lacking an inviting atmosphere. Respondents spoke of a lack of warmth, a sense of formality and austerity that diminished their enjoyment of the Museum. Considering that the people interviewed were carefully chosen, it is interesting to note that a number spoke of visiting the Museum omly rarely and of finding museums in other cities more attractive.

At heart, the expressed dissatisfaction with the Museum has little to do with the physical plant or programs, but reflects rather deep resentment of perceived CMA attitudes towards its public. Respondents felt that the Museum has consciously decided not to be concerned with the community, has chosen to remain remote, and has perpetuated an air of exclusivity. Even close friends of the Museum agreed that the public is likely to see the Museum as the province of a small, elite, and wealthy group rather than as an "open, public place." A number of people observed that the Museum has not been concerned with or attempted to involve the interests of the community at large or even particular individuals whose attention and support would be useful. They contrasted this lack of out-reach with the Cleveland Orchestra's high level of community concern and of volunteer activity, and one respondent claimed that the community at present thinks in terms of "our Orchestra" and "the Museum."

Respondents felt that CMA's sizable endowment has both positive and megative effects upon its claim for support. On one hand, it has put the Museum in the enviable position of never having had to approach the public for money before, a history which underscores its responsible management. On the other, this very self-sufficiency may have kept the public at a distance and may create obstacles in any attempt to engage support. CMA appears wealthy, and indeed continues to produce an operating surplus. Potential supporters may find it difficult to develop a rationale for giving. Also, potential contributors do not presently perceive opportunities for involvement or for appreciation of their efforts. Typically, respondents questioned why, given its current assets and the attention to public opinion that fund raising necessitates, the Museum would consider a capital campaign. Under these circustances, it was felt that CMA would have to make a strong, carefully detailed explanation of its need for new money.

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Many respondents did not initially understand the function of a Museum library, its role in curatorial work, or CMA's need to consolidate its research collections. However, when the comprehensive nature of the library's services was defined and the components of the proposed addition detailed, most of the people interviewed voiced general approval and acceptance of the plan. A number remained skeptical of the program's attractiveness for a public campaign and felt that its presentation and marketing would play a major role in the results accomplished.

Implications for the Campaign. Clearly, the Museum must correct Β. misconceptions and establish a more favorable public image if it wants to broaden its base of support. CMA has never made a sustained attempt to attract and maintain the interest of supporters, but its future financial stability may depend on its beginning to do so now. If CMA promoted itself more actively, the community perception of exclusivity and aloofness could be reversed. Respondents felt that while the Museum offers many services to the community, it does not advertise them effectively. The public needs to realize just how much the Museum really does, to understand how unique its education programs are, and to appreciate how rare and special the gift of free admission is among private museums. The campaign must focus not on a particular capital project proposed by CMA, but on CMA itself. CMA's appeal will be enhanced if it is presented first as a request the Museum and only secondarily as a building program, to support albeit one which will affect every aspect of Museum operation and service. The Museum has a great responsibility to prepare its case carefully and in doing so it has an opportunity to be seen as reaching out to Cleveland and inviting the community to participate in the Museum's future. As one respondent put it, "The picture is much better than the people appreciate or understand. CMA has a highly defensible public position. It doesn't have to be defended." Put simply, the Museum must tell its story clearly and show great sensitivity to its public.

II. Leadership. The quality and characteristics of available leadership play a critical role in any effort to establish community support for a non-profit institution. An organization's leaders and representatives serve as a bridge to the general public, telling its story, expressing its needs, cultivating prospects and soliciting their support. Inevitably, the attitudes of this leadership group will leave an impact on the organization's image, both in the direct policy decisions made and through the public's possible confusion of individual personalities with institutional characteristics. To the extent that the governing body is seen as commited, attentive to the needs of all of an organization's constituencies, and able to attract support from diverse sources, it may be judged effective; if viewed as insular, limited or indifferent, it must seek ways better to advance its cause.

As applied to capital fund-raising, the term powerful leadership takes on some additional and special meaning. "Big gifts" are negotiated on a person-to-person basis and experience indicates certain

necessary criteria for effective leaders:

- the ability to give and attract substantial funds;
- the willingness to devote the required time;
- subtle, persuasive salesmanship in presenting the institution's case and needs;
- the ability to "close" a solicitation; and
- commitment to and belief in the institution for which the individual is soliciting.

A. Findings. Opinions expressed about CMA's leaders closely parallel those offered about the Museum itself. On one hand, the Director is viewed as extremely able. He is greatly respected for his administration and for his development of the Museum. Likewise, the Trustees are considered staunch guardians of CMA and receive credit for their unity and efficiency. Respondents believe that the Board has a number of very able people and feel that they have great resources both for giving and getting major contributions.

At the same time, the people interviewed attributed to CMA leaders certain attitudes and tendencies which may not serve in the best interests of the Museum if it truly wishes to tap additional sources of support. Typified as "a private club," the Board was seen as reflective of a limited viewpoint and as not representing a broad cross-section of the Museum's diverse constituency. Respondents viewed the Board of Trustees as not adequately representing the professional, geographical, financial, social or religious communities of Cleveland. Some of the people interviewed felt that segments of the population required for a successful campaign had no voice in the Museum's governance. Others believed that more individuals with a deeply-felt interest in art should have seats on the Board and many suggested the importance of introducing young leaders to the moverning body.

People familiar with the demands of fund raising, while admitting the CMA had a powerful Board, wondered whether it contained enough people of substantial wealth, influence, and community recognition to fill all the major leadership positions for the campaign. Some suggested that the governance of the Museum, and particularly the conduct of fund raising, might be enhanced by a moderate expansion in the size of the Board. Some of the benefits suggested by such growth included the opportunity for greater inclusiveness, the involvement of additional arts leaders and key prospects and broadened access to resources for CMA.

Respondents saw the Advisory and Junior Councils as having potentially important roles in increasing public appreciation for the Museum, but felt that neither has achieved its potential. They cited the need for more representative composition of both bodies, and felt that at present both were more nominal than charged with any real purposes. Indeed, some respondents suggested the creation of such groups, unaware that they already existed. There was also an opinion that the Membership program could be strengthened to increase its size and the contributions of Members.

3. Implications for the Campaign. Brakeley, John Price Jones' substantial experience in institutional development and capital fund-raising indicates that non-profit organizations are judged by the quality of their leadership. The most successful institutions are those which achieve Board composition that reflects the quality of community leadership and that strives to create interesting opportunities for involvement throughout the organization. The best Boards seek quality and diversity in such characteristics as age, ethnicity, geographic background, sources of wealth, and in the professional talents and personal contacts that a board needs to be effective.

The respondents interviewed in this study felt that CMA has not yet established an optimal leadership group to compete effectively for philanthropic gifts. The Museum should consider possible responses to these concerns at the outset of its campaign. First, it should conduct a thorough analysis of the Board and its appointments to determine whether any deficiencies truly exist. Current vacancies of two seats provide an opportunity to bring new and commited members who can augment and work with the present Board; these appointments also offer the chance to send a strong signal of the Museum's commitment to the entire Cleveland community. Also, an increase of three to six new members would augment the strengths of the Board while keeping the total membership at a manageable level. Second, CMA must identify and recruit the best possible leadership for the campaign and install both Trustee and non-Trustees in the top positions. Third, consideration should be given to more meaningful roles for the Advisory and Junior Councils and for the Mempers. These bodies provide a large pool of potential volunteer power for the Museum and it will be advisable to tap this for the demands of the capital campaign. Judicious expansion of the two Councils should be undertaken to involve a number of important prospects and potential supporters. More importantly, the duties and responsibilities of both groups must be examined and developed to make membership more satisfying. The membership program should be carefully studied to consider how to make it as effective as possible for Members and for the Museum.

III. Sources of Support. As one might expect, the findings reported above have some impact upon respondents 'estimates of how much CMA can expect to raise from various sources. The failure to involve important prospects in Museum activities was viewed as increasing the difficulties involved in fund-raising. A very substantial program of cultivation will be necessary

to make potential supporters feel that they have a real stake in CMA. The public will have to see the Museum in a new light before it will give freely to it. As one respondent expressed it, "CMA says it needs the public's money, but it hasn't said it wants the public." Most respondents felt that if the perceived exclusivity of CMA changed, and changed on more than simply a one-time basis, an immemse amount of public goodwill could be created and tapped.

Findings. The Cleveland community appears to have sufficient Α. pools of wealth to fund a campaign for CMA. Substantial potential for individual, corporate and foundation support was cited. One respondent indicated that the Museum's "ability to do this is quite separate from what the community thinks of it. They can do this." The key question remains how to mobilize the resources available in order to maximize the potential for the campaign. Most respondents felt that the Board of Trustees had the capacity to provide a significant amount of money and the personal and professional contacts to attract giving from many sources. It was felt that the example of the Board will be extremely important to the campaign, and that every member will have to give generously before sources not intimately involved with the Museum will respond. Some respondents indicated that any campaign undertaken should focus on the entire community, attracting small gifts and memberships as well as major pledges; they felt that a campaign exclusively for big gifts would only perpetuate the mystique of the Museum as being for the wealthy and elite.

Respondents questioned whether the current project lends itself well to a campaign for private gifts. Many felt that the library satisfies largely an internal, functional need, and as such will be difficult to sell to the public. Competition for philanthropic support from other institutions also received substantial discussion. Respondents pointed out that many other Clevelanc organizations have campaigns underway, felt that they had more pressing needs, and believed that, umlike CMA, these other institutions had successfully cultivated devoted constituencies. One respondent, talking about foundation and corporate giving, said, "Others are supported politically and socially for the greater good of the city. CNA won't be seen that way." The economy and the need to make up for government cutbacks were also mentioned as potential obstacles to a campaign for CMA.

B. Implications for the Campaign. To attract support for its campaign, CMA will have to explain carefully its needs to the public. The community must understand that, despite its substantial wealth in endowments, the Museum must have additional funds in order to maintain its high standards of operation and service. CMA must place this project in a larger perspective than a library addition; rather, the public must see a gift to this campaign as affecting <u>every</u> level of Museum operation. To create a compelling appeal, the public must also feel involved in the Museum and become convinced that their participation is both necessary and desired.

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On the basis of the study interviews, Brakeley, John Price Jones believes that as much as two thirds of the campaign monies will have to come from individuals, both personally and in grants channeled through family foundations. The remainder will be split between other founcation grants and corporate gifts.

The level of giving by Trustees and the closest friends of the Museum will greatly affect the ability of CMA to reach out to new sources of funds. Extremely generous donations will be required to maintain the currently proposed schedule; most of the pledges solicited prior to the planned groundbreaking in May or June will have to come from the Museum's present "family." Notwithstanding unselfish support provided by many of these people over the years, and admitting the limits to their resources, the fact remains that they must fully engage themselves if CMA wants to gain access to additional sources of wealth for this and future efforts. They must set an example for the new sources. As indicated earlier, philanthropists will largely measure their own giving in comparison to that of the institution's insiders.

The Board's current composite level of willingness to contribute remains a concern; sights will need to be raised considerably to ensure success.

Careful work and cultivation will have to precede attempts to gain commitments from many new individuals. This effort is essential, time-consuming and long-range in results. Cultivation requires great attentiveness toward individual needs and interests. The Museum must demonstrate a greater willingness to address the concerns of prospects if it expects to generate new and large sources of funding.

Someone close to the Museum suggested that, ideally, major prospects should have been given some significant participatory role at the Museum much earlier to secure gifts in this campaign. CMA must compensate for this by involving new people row, not rushing solicitations, and realizing that any bonds created will benefit the Museum, if not now then in future years.

CMA should undertake an exhaustive solicitation for corporate and foundation funds. Cleveland has a generous philanthropic base in

those areas. Many of these sources, however, lack a tradition of involvement with CMA, in many cases because the Museum has not approached them. A well argued, systematic approach could unleash a substantial amount of money. The campaign provides CMA an opportunity to establish ties to those sources not only for this project, but also for future operating and program support.

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Philanthropic competition in Cleveland should not deter the Museum. The Museum Trustees and Staff should keep up to date on other campaigns and through them increase awareness of how best to cultivate funds for the Museum. CMA cannot refuse to seek the funds it requires simply because other groups are also asking for money.

Economic conditions will require sensitivity to the financial situations and considerations of specific prospects. The campaign must attempt to recognize the difference between temporary economic influences and permanent alterations in conditions of wealth. Documented experience in scores of capital campaigns reveals that the state of the economy rarely affects the giving of larger donors and an extended multi-year campaign and pledge payment period should bridge fiscal ups and downs. However, there remains a right time and a wrong time to ask for a major commitment and CMA should be careful to solicit under circumstances most likely to result in a positive response and a significant pledge.

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#### PART FOUR

## A Plan of Action.

On the basis of information collected during the study process, Brakeley, John Price Jones believes that CMA is in a position of sufficient strength to move aggressively into a sophisticated and far-reaching program of development. Furthermore, it is our judgment that such a program can be initiated and conducted without distorting the present identity and integrity of the Museum. The effort will not, however, be easy: a great deal of preparation, hard work and public education will be required to create a strong case for support. Moreover, the Museum will have to broaden its base of volunteer advocates. Success in this program will require a sizeable amount of time, deliberate and careful pursuit of campaign goals and great dedication, but we feel that the potential benefits make this expenditure of effort worthwhile. This campaign can serve as a turning point for the Museum, creating a substantially larger support constituency and assuring the ability to maintain its levels of excellent service for years to come.

I. Campaign Specifications. The following policies, procedures and actions are recommended:

A. Philosophy and Character of the Campaign. As the first public fund raising attempted by CMA, this campaign will have substantial impact upon the way the Museum is viewed, and can either enhance or impede CMA's future operation. The public must see the campaign as an opening door, the presentation of the Museum to its community. CMA must delineate its tradition of service to Cleveland and convince the community in compelling and personal terms that its involvement in Museum programs and activities is both welcome and indispensable.

The campaign will, in effect, be directed at two somewhat distinct "communities." First, it will appeal to a relatively limited philanthropic community. Our study indicates that most of the money raised in the campaign will have to come from sources already known to the Museum; CMA will have to shape certain materials to this group of known donors and identified decision-makers. To best serve CMA's long-term goals, however, the campaign must also address a second, larger constituency. Respondents' comments clearly showed a need to establish stronger connections between the Museum, a new group of donors, and the total Cleveland area population. The campaign provides a unique opportunity to create these bonds, acquire new and significant donors and make the public feel that it has an important stake in the future of CMA. It can thus generate some immediate new support and pave the way for greatly increased giving in the future. The Museum should aim at maximum penetration of its campaign message and take care to show full recognition and appreciation of all forms of assistance received.

Goal of the Campaign. On the basis of information received during the study, a capital campaign for \$8 million by CMA appears feasible. Under certain circumstances, a significantly higher campaign total is conceivable. We would, therefore, recommend using the \$8 million figure only as an interim campaign goal, deferring the establishment of an official goal until some time nearer the May or June ground-breaking when the campaign might be publicly announced. The needs and accomplishments of CMA are not yet sufficiently articulated in the minds of the philanthropic community, and developments over the course of the next few months could have great impact upon the amount of money that can be raised. The size of the nucleus fund provided by Trustees and the Museum's family, for example, will have substantial influence upon the conduct of the campaign, as will decisions on how to markes specific endowment opportunities and whether or not to include certain Museum funds currently avefigble as part of a higher campaign goal.

Time Frame. At the outset of this study, the Trustees of the  $\mathbb{G}_{2} \cong \mathbb{C}$ Che indicated that ideally they would like to have half of the \$8 million total in hand by the desired ground-breaking in May or June, with the remainder of the money raised by June, 1983. In this report, we provide an operating schedule that takes these desires into account. Under the best of circumstances, with successful solicitations at the highest levels and with sights raised to the necessary levels of giving, this may be a realistic ;ime frame. This schedule will necessitate immediate decisions about the conduct of the campaign and firm adherence to a plan.

Given the enormity of the task ahead, the current timetable may not allow sufficient time for preparation or solicitation. CMA must be aware of the potential need for a longer campaign period. Events during the period preceding the ground-breaking will provide indications of the time required for the overall campaign. Some of the factors affecting this final length are: the efficiency with which decisions on the campaign are made and carried out by the Trustees and staff; the level of commitment by the Trustees and immediate friends in giving; the response of prospects to CMA's appeal and their involvement in the campaign. Appendix B details the chronology of major campaign activities.

Pledge Period. Since a capital campaign demands sizable ). commitments from donors, allowing them to pay out their gifts over an extended period of time usually leads to the best results. Given the Museum's income needs and the philanthropic community to which it will appeal, a three year pledge period should be sufficient for this campaign. Of course, special arrangements can and should be made for donors who request them.

BRAKELEY, JOHN PRICE JONES INC.



The Office of Development and Membership. CMA's capital campaign should operate cooperatively with the newly established. Office of Development and Membership. Though the Manager of the Office will be heavily involved in the campaign, the demands of capital and ongoing fund-raising are too great to combine them together in one office. During the time in which the capital campaign will occur, the permanent Office of Development and Membership should focus on four areas; first, the creation of office organization and procedures, including a sophisticated research system of files, receipts and records which can be shared with the campaign; second, the development of new memberships and the upgrading of existing memberships to higher levels, in concert with the institutional public relations effort that should be designed for the campaign; third, the establishment of an organized broad-based annual fund, to be implemented immediately upon the conclusion of the capital effort; and fourth, the development of a bequest and deferred gifts program.

While CMA has traditionally benefited from yearly donations from some patrons, it has never sought these sustaining funds in a directed and concentrated program of activity. The future financial stability of the Museum may depend upon the institution of such a systematic approach. An Annual Fund will also increase the likelihood of attracting major gifts in the future, since an institution has no better prospects than those who have already given to it.

F. Prospect Research. Identifying prospects who will support an institution in a significant fashion is one of the major tasks that faces any fund-raising effort, and the compiling of complete, organized prospect files in a professional manner is the first step in this process. The more that can be learned about sources of suspected affluence or potential, the greater the opportunity for securing substantial contributions.

For CMA's campaign, donor information should be gathered from all available sources and maintained in the Campaign Office. Complete records on key individuals are essential. Basic information on corporations and businesses, their number of employees, their profitability, their sales and corporate connections will have to be collated to insure that no prospect is overlooked. Newspaper and magazine clipping files about prospects meed to be maintained. These research materials will be crucial in providing data to volunteers in prospect evaluation sessions; they will also be important in preparing solicitors, and in justifying gift requests.

It must be re-emphasized that information, intelligence and research on who knows whom, who works with whom, who sits on which boards, and who associates with whom are necessary to identify appropriate prospects and to assign the right solicitors to them. Without such information, and a free flow of information, a successful campaign is impossible. This, of course, cannot be

done in a month or two, but must be an ongoing process, and one aided by the Board and key volunteers.

The comprehensive and extensive research for the capital campaign has already commenced, under our direction. A research library has been established and a member of CMA's staff has been working on this critical endeavor. This material will provide a foundation for the Office of Development and Membership's permanent files.

Cultivation and Donor Recognition. The cultivation of major G., prospects involves combining an institution's case with its research to produce compelling personal appeals. The process is both informational, in its effort to familiarize potential supporters with the institution, and persuasive as it attempts to create a connection between the institution's needs and the donor's greater personal interests. CMA must make every effort possible to make prospects feel engaged and committed to the Museum. Detailed strategies for stimulating their interest and involvement should be designed.

Prior to any solicitation, careful consideration should be given to the requirements and opportunities for the recognition of gifts. Commemorative possibilities should be evaluated and delineated clearly for key solicitations. These considerations may raise sights and result in the receipt of pledges for the campaign at desired levels. In general, campaigns are most successful when tenefactors have the opportunity, as they support an institution, to endow something of specific personal importance and interest. Certain donors, for example, might find an opportunity to name the library or a gallery extremely attractive, and others might like the idea of named endowments for the education and conservation programs or curatorial positions.

Importance of Big Gifts. Success in a capital campaign depends to a very great extent upon identifying viable prospects for sixand seven-figure gifts, and devising strateges for transforming this potential into commitments. Typically, as much as 50% of a coal must be provided by ten or twelve donors; the next 100 gifts comprise 35-40%, and all the rest 10-20% (See Appendix C).

A key factor in big-gift solicitation is patence. Due to the enormity of the donor's decision, the complexity of giving mechanisms sometimes required, and the essential care and planning, these pledges ofter take a substantial amount of time to mature. Under no circumstances should such a gift be solic ted prematurely; rather. every large gift should be treated as a campaign unto itself, with all that the term implies with regard to time and effort. The campaign leadership and professional counsel have a serious responsibility to identify, develop and obtain big gifts.

I. Sequential Solicitation. Brakeley, John Price Jones takes the professional position that solicitation in a capital campaign must be done on a sequential basis. This means that once prospects' giving potential has been evaluated, a campaign approaches them from "the top downwards and the inside out." Commitments from the most important prospects and from figures associated with CMA must precede solicitations at lower levels of giving. The principle of sequential fund-raising is grounded on insights gained during scores of capital campaigns:

 The five or ten largest gifts establish the standard of giving for the entire effort;

Fatterns to achere to sequential patterns lowers sights on all fronts;

Commitments at lower levels usually do not offset major gaps in the upper gift ranges; and

4. Once the big-gift sequence is violated the entire program is in jeopardy. Additional volunteer manpower becomes necessary, more prospects must be rated, costs go up and the solicitation period must be extended.

Regardless of prearranged timetables, solicitations should never launch into the broad general phases until success has been achieved at the highest levels. Similarly, specific uncompleted major approaches should not be discontinued because the campaign has moved into another phase. These observations re-emphasize the need for flexibility in planning and operations.

J. Personal (Face-to-Face) Solicitation. The importance of person-to-person contact in solicitation cannot be stressed enough. Direct, face-to-face meetings are vital to the success of any major gifts effort. The telephone and mails should be used only as follow-ups to personal contacts. More time is required for this type of solicitation, but the rewards are concomitantly greater.

Campaign leadership, in conjunction with professional counsel, will determine the most effective timing, strategies, and solicitor or solicitation team. Experience proves that when the right person, with the right preparation, asks in the right way, at the right time, gifts are usually received at or close to expected levels.

II. Public Relations for the Campaign. As stressed throughout the study findings, CMA must prepare for fund-raising by correcting public misconceptions about the Museum and establishing greater appreciation of its contributions to life in Cleveland. This will require a vigorous and far-reaching program of communication. The necessary public relations effort will, of course, involve the dissemination of information to the community through the media, but it will also require approaches targeted and tailored specifically

BRAKELEY, JOHN PRICE JONES INC.

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to community leaders and top prospects. In this sense, a one-on-one meeting becomes as much of a public relations activity as a newspaper interview or civic association presentation.

A. Orientation. Public relations should be geared towards promoting the entire Museum, picturing gifts for this project as a way of supporting the institution as a whole. To this end, Brakeley, John Price Jones recommends three broad public relations goals: 1) raising community awareness of the Museum, its history, record of service and existing programs; 2) promoting an image of the Museum as an integral part of Cleveland, deeply involved with and concerned about all of its constituents; and 3) presenting the building project as a way of preserving this role and maintaining current levels of service. CMA should describe its fund-raising as a campaign to assure future excellence.

To the extent that materials discuss the building program apart from the case for CMA, these materials should stress aspects likely to spark the interest of donors. Additional gallery and education program space should be emphasized over the library, which is less easily understood by and justified to the public. The Museum should present its expansion as affecting every aspect of its operation: the proposed expansion will augment the Museum's available space and resources for conservation; add galleries for the permanent collection of 19th- and 20th-century art; allow for the consolidation of the valued library collection, its photography files and extensively employed slide holdings; and enrich the educational programs and exhibitions that engage the Museum in the city's life.

3. Case Statement. The preparation of a case statement will constitute a major step in the formulation of a cohesive strategy for CMA's public relations. The case statement brings together all the reasons that the Museum can provide to demonstrate its capacity to serve its constituencies. It is a fundamental document designed to serve as a unifying force for the fund-raising drive, providing central information to the campaign organization, enlisted leadership and key prospects, as well as acting as a source of copy from which brochures and other printed materials are produced.

2. Printed Materials. A set of campaign materials should be prepared,

using the case statement as an initial text. A major campaign brochure will be required, appealing to the emotions as well as reason, and setting forth both pictorially and in text the character of the Museum and the project as well as the clear, urgent need to accomplish it. A format for corporate and personal proposals will have to be developed, as will solicitor kits, training manuals, and campaign stationery.

D. Distribution of Campaign News. In addition, CMA should disperse information to a wide variety of sources to ensure that its message

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gets coverage. Local papers should be supplied with campaign press releases. Corporations' internal newsletters should be employed to announce gifts and membership on committees and to give recognition to volunteers at all levels. A regularly scheduled campaign newsletter might be planned, and articles and pictures referring to the campaign should receive prominent attention in all existing Museum publications. The Museum must employ all publicity avenues to gain coverage of special events, announcements, committees and major gifts. Assuring proper recognition for donors must always remain a high campaign priority.

Special Events. Special events will play an especially central E. role in this campaign as they will provide useful ways of welcoming the interest of the community and crediting its involvement. These events will affect donor cultivation as well as volunteer motivation. The campaign should consider the following suggestions:

A ground-breaking ceremony and "kick-off" dinner to 1. announce the campaign.

Special breakfasts, luncheons, and dinners for the 2. cultivation of certain groups and the training of solicitors.

Intimate dinners or coffees hosted by prominent Cleveland 3. residents and geared towards a small number of specific prospects.

A program conducted at CMA to introduce corporate and 4. foundation representatives to the Museum's collection and programs.

5. A campaign finale and "Victory" celebration.

III. Campaign Organization. As it reaches out to Cleveland for support, the structure and administration of CMA's campaign must serve as a symbol of its concern for the community. Attempts must be made to provide meaningful positions for representatives from all of the Museum's constituencies, and to involve recognized business and community leaders who have not been previously active with the Museum in addition to Trustees and Advisory and Junior Council Members.

CMA must recruit leaders who have the prominence and ability to achieve the Museum's campaign goals. Top positions in the organization will require great skill and, equally important, considerable amounts of time and effort. This point cannot be emphasized enough; the campaign work will not be accomplished if leaders see it as a light burden They must be available and engaged, particularly during the next five months when preparations and advance solicitations will be undertaken.

The proposed organ-zational chart (Appendix D) outlines the recommended campaign structure. This section defines the responsibilities listed in this chart.

BRAKELEY, JOHN PRICE JONES INC.

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A. The Board of Trustees. The Board constitutes the advance guard of all the forces that must become involved in CMA's campaign. Ultimate authority and responsibility for the campaign resides in the Board. The example offered at this level will set and maintain the tone for the entire effort, and every Trustee must be aware of his or her part in its success.

The Trustees are obviously a source of potential top leadership for the campaign and for other responsibilities in the campaign organization. Wholehearted financial support to the campaign, with an 100% participation goal, is imperative to the creation of the "united front" atmosphere required. Finally, the Trustees represent the sponsorship of the campaign. Their enthusiasm and commitment exemplify confidence in the Museum's future and its worthiness of support to the public and prospective donors.

B. Leadership Selection Committee. The formation of this small group, composed of five to eight members, including a few non-Trustees, should take place immediately. This committee, with the advice of counsel, will screen names of appropriate candidates for the campaign's leadership, and complete their recruitment. Besides appointing a Campaign Treasurer and identifying Committee Chairmen, the Committee should develop an ever-expanding roster of potential candidates who might serve on the committees or take on solicitation assignments. It should begin organizing the Trustees toward a stated Nucleus Fund objective, determining and soliciting necessary pace-setting gifts from the Board. Once high quality campaign leadership is positioned and the Committee for The Cleveland Museum of Art (described below) is operational, the Leadership Selection Committee can be dismantled and its members can take on other essential roles in the campaign.

C. Campaign Chairman. CMA's campaign will require a Chairman with credibility, conviction and commitment to ensure its success. The Chairman must be highly respected within the Cleveland community and willing to devote considerable amounts of time to what will be an extremely denanding process. Indeed, CMA would be best served by supporting the Chairman with three or four V ce-Chairmen representing the Museum's councils and key prospect groups. The Chairman will provide overall leadership and direction for the campaign, act as the principal policy maker, coordinating activity at all levels, head the Committee for the Cleveland Museum of Art, and work closely with the Campaign Manager and Museum administration.

D. Committee for The Cleveland Museum of Art. This committee, composed of twelve to fifteen Trustees and other community leaders, will act as the Executive Committee for the campaign, and will replace the Leadership Selection Committee at as early a point as possible. While ultimate authority and responsibility for the campaign rests with the Board of Trustees, this Committee will determine strategy and policies for the campaign. It will not be involved as a committee in day-to-day operations, although individual members will surely find

themselves engaged in these areas. It will have a major effect on producing the top dozen or so gifts central to the campaign.

Campaign Treasurer. The Campaign Treasurer will be responsible for overseeing the campaign budget and expenses, determining the validity of pledges and insuring the complete integrity of all achieved campaign totals. The Treasurer's duties do not demand as much time as some of the other leadership jobs, but it has central importance to the effort. An admired citizen of Cleveland should hold this position.

F. Nucleus Fund. The Leadership Selection Committee and later the Committee for the Cleveland Museum will have the responsibility of developing the Nucleus Fund, achieving the widest possible participation on the part of the Board, and soliciting crucial pace-setting gifts from the entire community.

G. Solicitation Committees. In keeping with the principles of sequential giving, it is recommended that solicitation committees te structured by levels of giving, rather than sources of support. Leadership Gifts will solicit pledges of \$100,000 and above from individual, business and foundation prospects. Key Gifts is concerned with prospects capable of giving in the \$10,000-\$99,999 range. This Committee does not become active in its solicitation until the Leadership Gifts Committee has established a significant level cf giving among its prospects. Special Gifts deals with potential conors in the \$5,000-\$10,000 range, and Community Gifts all others. In a community-wide campaign like CMA's other Committees and specialized task forces may evolve as the pace and timing of giving at different levels require. Two support committees will be required to work with staff: a Research and Evaluation Committee to assign prospects to the proper solicitation committees and a Public Relations Committee to develop and execute the public relations plan.

Campaign Manager. CMA will require an experienced and extremely F., able Campaign Manager to direct the conduct of the campaign. Fesponsibilities of the Campaign Manager include:

Establishing and equipping the Campaign Office, hiring and supervising staff.

Assisting in the articulation of the case, the projection 2. of financial needs, the fund-raising pace, and the procedural strategy for the program.

Assisting campaign leadership in the selection, enlistment 3. and cultivation of volunteers for the organization.

Developing a campaign budget and after approval maintaining strict adherence to it.

BRAKELEY, JOHN PRICE JONES INC.

 Identifying and conducting research initially on pace-setting prospects, and eventually on all prospects.

 Establishing controls to insure that the institution's policies, as related to the campaign, are adhered to by the volunteer organization.

 In consultation with the Trustees, organizing and establishing compatible record-keeping procedures, acknowledgment systems, and all campaign gift reporting functions.

8. Preparing, revising, and maintaining the campaign schedule.

 Organizing and conducting solicitation training for all volunteers.

10. Planning and coordinating the gift ratings of prospects and then their assignment to the best person or persons to achieve successful solicitation.

 Transcribing and distributing reports on meetings to committee members and campaign leadership.

 Providing assistance to volunteers throughout the solicitation process.

13. Planning, directing, and implementing the campaign's communications support program and supervising of all campaign printed materials.

14. Acting as principal staff to the Committee for the Cleveland Museum, coordinating all committee activities, and acting as their liaison.

We recommend that CMA retain Brakeley, John Price Jones to provide professional management services for the campaign. Under this arrangement, a full-time Campaign Manager, whose special skills match the Museum's needs, will be assigned. Senior Officers of the firm will supervise the Campaign Manager and consult with Museum leadership. Additional assistance will be available to the Museum through the expertise and knowledge of B/JPJ executives in the corporate headquarters and offices around the country. E/JPJ can also provide specialists in deferred giving, public relations, direct mail solicitation and government grantsmanship.

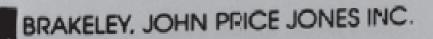
1. Campaign Staffing. Efficient and organized staff support is vital to the success of a capital campaign. CMA is fortunate to have a highly capable staff, and this will allow the campaign to proceed with only a few new positions required. The Manager of Development and Membership should serve as an Associate Campaign

BRAKELEY, JOHN PRICE JONES INC.

Manager. Devoting time to the capital campaign will provide a good introduction to the Museum for the new Director, and will also improve his or her fund-raising expertise. Capital fund-raising provides unparalleled development experience and education.

Research for the campaign can be conducted by the current Museum staff member now assigned to that task, in cooperation with the Campaign Manager and the permanent Manager of Development. Two new employees will be required: an Executive Secretary who can manage the Campaign Office and a Communications Associate who will have responsibility for working on the campaign with the Museum's Public Relations staff, coordinating special events and proposal writing. Staffing and a one year Campaign budget are detailed in Appendix E.





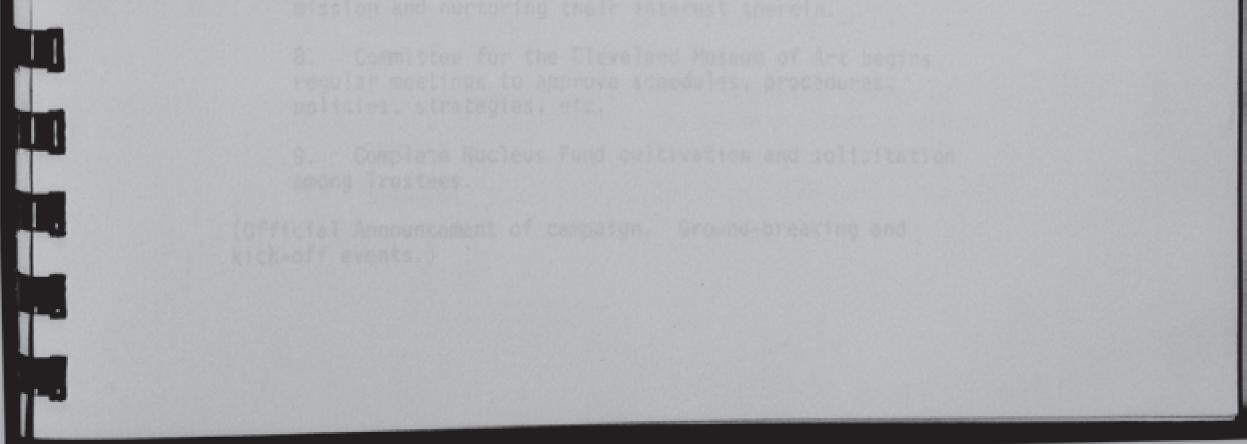
### Appendix A

## Cleveland Museum of Art

## Study Respondents

Melvin Arnold Albert Borowitz John G. Breen David Davis John J. Dwyer George L. Forbes Mrs. Montgomery L. Frazier Allan J. Goodfellow Mrs. Shattuck W. Hartwell, Jr. Allan C. Holmes George M. Humphrey, II Raymond W. Hussey E. Bradley Jones Mr. & Mrs. David Kangesser Jack W. Lamp1 Peter Lewis

James S. Lipscomb Frank H. Porter Mr. & Mrs. Alfred M. Rankin, Jr. Mr. & Mrs. Max Ratner Mrs. Agnes Gund Saalfield Samuel K. Scovil John Sherwin Michael Sherwin Daniel Jeremy Silver Thomas V. H. Vail Paul J. Vignos, Jr., M.D. Homer C. Wadsworth M. Brock Weir Alton W. Whitehouse, Jr. Norman W. Zaworski, M.D.



#### Appendix B

## Cleveland Museum of Art

# Tentative Campaign Operating Schedule

This tentative operating schedule is meant to explain the way different campaign functions overlap and need to be timed. In any event, a campaign schedule is only a guide, never a rigid timetable. The unforeseen will require changes and adaptations; plans will be reviewed by the Committee for the Cleveland Museum of Art in consultation with staff.

## A. March-June, 1982.

Trustees authorize campaign, retain professional counsel.

2. Appoint Leadership Selection Committee. Identify and recruit Campaign Chairman, Committee for the Cleveland Museum of Art, Treasurer, and heads of the following committees: Leadership Gifts, Research and Evaluation, and Public Relations. Recruit committee members and hold orientation meetings. Begin work.

3. Recruit staff and organize campaign office.

 Defire specifications for campaign both as to budget and program.

Continue prospect research and organization of information.

Plan initial campaign printed materials;
 prepare Case Statement. Plan CMA public relations program.

 Begin program of informing major prospects of CMA mission and nurturing their interest therein.

 Committee for the Cleveland Museum of Art begins regular meetings to approve schedules, procedures, policies, strategies, etc.

Complete Nucleus Fund cultivation and solicitation among Trustees.

(Official Announcement of campaign. Ground-breaking and kick-off events.)

#### July-October, 1982. Β.

Research and Evaluation Committee meets as necessary. 1.

2. Complete Leadership Gift cultivation and solicitation.

3. Select and recruit Chairman of Key Gifts Committee; recruit membership, hold orientation meetings, begin work.

Review campaign progress in depth with Committee for 4. the Cleveland Museum of Art.

Select and recruit Chairmen of Special Gifts, Community 5. Gifts Committees; recruit membership, hold orientation meetings. Begin cultivation and solicitation.

#### November, 1982-February, 1983. С.

Continue Research and Evaluation as needed. 1.

Complete Key Gifts cultivation and solicitation; 2. continue Special and Community Gifts efforts.

3. Review campaign activity monthly.

Review campaign progress in depth with Committee for 4. the Cleveland Museum of Art to determine future activity, new committees needed, etc.

#### February-July, 1983. D.

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Complete solicitation of Special Gifts. 1.

Review campaign progress with Committee for the Cleveland 2. Museum of Art to determine future activity and needs.

Conclude Community campaign. 3.

Counsel formulates a comprehensive report and plan 4. of action to complete campaign.

Transfer responsibility for campaign to Office of 5. Development and Membership; institute program of ongoing fund raising.

Announce completion of campaign, with goal achieved. 6.

## Appendix C

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## TENTATIVE

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## GIFT RANGE TABLE

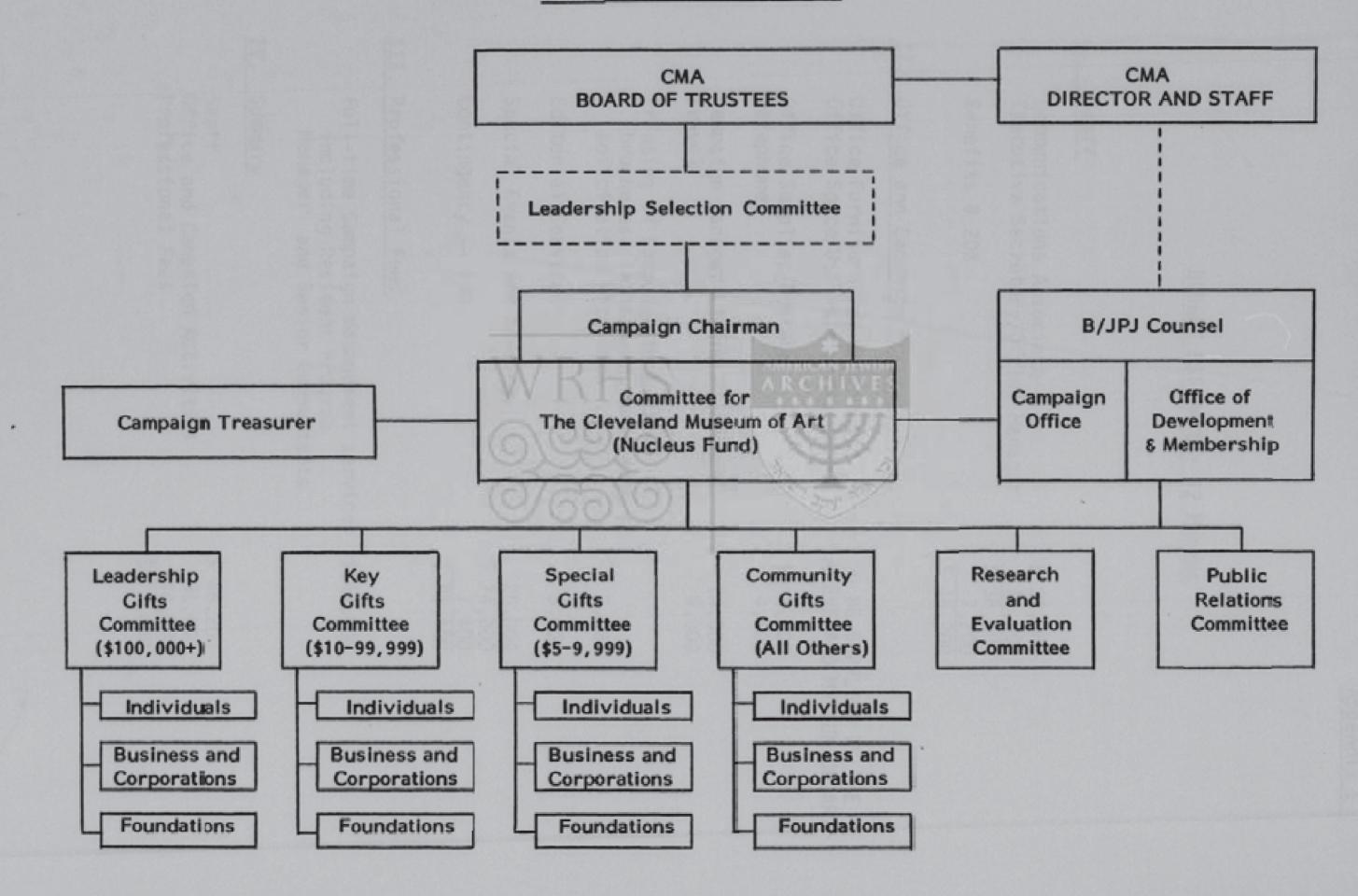
## \$8,000,000 OBJECTIVE

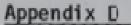
Gift Range	Pledge Number	Range Total	Cumulative Total
\$1,000,000+	1	\$1,000,000	\$1,000,000
500,000+	3	1,500,000	2,500,000
250,000+	4	1,000,000	3,500,000
100,000+	8	1,000,000	4,500,000
50,000+	15	900,000	5,400,000
25,000+	30	850,000	6,250,000
10,000+	100 HS	1,150,000	7,400,000
Other Gifts	0,920	600,000	8,000,000
TOTAL		\$8,000,000	\$8,000,000



### Proposed Campaign Organization Chart for

### The Cleveland Museum of Art





Appendix E

## BUDGET ESTIMATES: 12 Months

## I. Staff

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Communications Associate		\$ 22,000
Executive Secretary/Office Manager		<u>16,500</u>
Benefits @ 20%		\$ 38,500 7,700 \$ 46,200

#### Office and Campaign Activities II.

Office Furniture and Equipment/ Office Space/Utilities/Insurance <sup>1</sup>	TO BE SUPPLIED BY THE CLEVELAND MUSEUM OF ART
Office Supplies/Postage Telephones	\$ 8,500 4,500
Campaign Manager Living Allowance <sup>2</sup> Travel	14,000 9,000
Printing of Campaign Materials: brochures, letterhead, newsletters, solicitation kit, etc.	8,000
Editorial Services	5,000
Special Events and Meetings	25,000
Contingency — 10%	\$ 74,000 7,400 \$ 81,400

## III. Professional Fees

Full-time Campaign management services \$144,000 including Resident Program Manager and Senior Consultants

IV. Summary

Staff Office and Campaign Activities Professional Fees

\$ 46,200 81,400 144,000 \$271,500

### Notes

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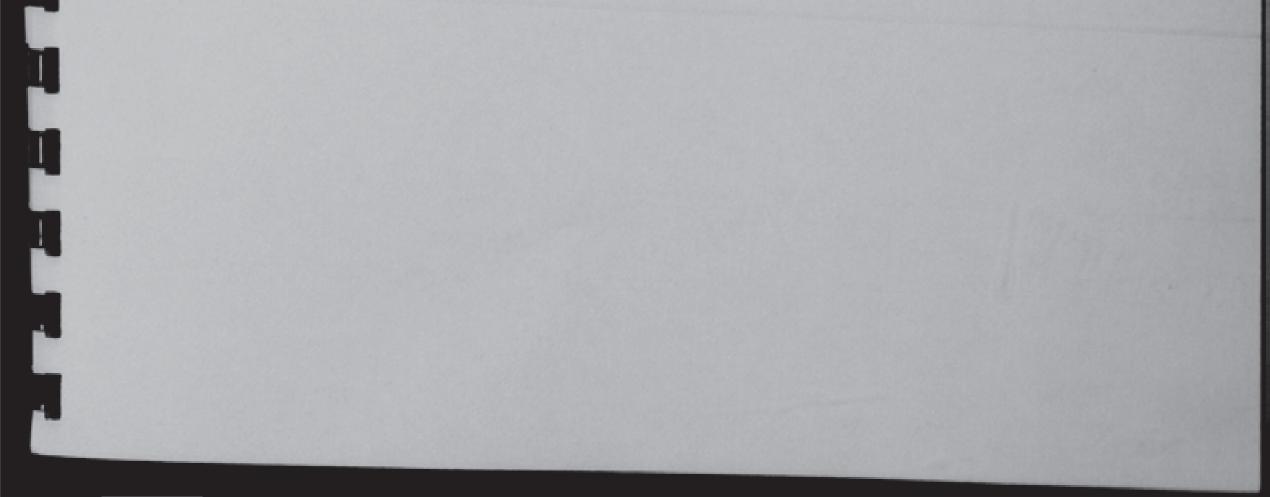
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 We have assumed that office space, necessary typewriters, photocopiers, furniture, etc. will be supplied by the Museum. If any of these must be purchased or rented, the budget would naturally have to be adjusted. E-11

 This figure includes residence and sustenance while the Campaign Manager is in Cleveland and moving expenses to and from Cleveland at the beginning and end of the assignment.

3. This figure is derived from 1) the cost of 11 on-site visits by senior consultants, including airfare, hotel, ground transportation, and meals; 2) 16 weekend trips home for the Campaign Manager, including airfare to and from New York, and ground transportation, and a contingency allowance for any travel outside the Cleveland area required for campaign activity.



1800 Union Commerce Building Cloveland, Chio 44115 May 21, 1982

Rabbi Daniel Jeremy Silver The Temple 26000 Shaker Boulevard Beachwood, Ohio 44124

Dear Dan:

Probably this is somewhat superfluous but I do want you to know how much I have appreciated your recent efforts cn behalf of the Board on your special assignment. I think we are all in agreement that we made the best decision for Cleveland.

Also, please tell Adele how much I have appreciated her counsel and help in bringing the thing to a conclusion. As far as I can see, she did everything just right.

As ever, James H. Dempsey, Jr.

March 9, 1984

Mr. James Dempsey Jr. River Road Chagrin Falls, Ohio 44022

Dear Jim:

We had an excellent first meeting. We have decided to engage Ernst & Winney to do a preliminary study of those nonprofessional areas at the Museum whose budgets and efficiency should be reviewed. It will cost \$7,000 and is to be accomplished in six weeks. It will indicate to us what areas ought to be gone into depth. We had the authorization at the last meeting, but I wanted you to know this is in the works.

Our next meeting will be on March 29 at 4 P.M.

As always,

Daniel Jeremy Silver

DJS:mp

Mr. Evan Turner, Director Cleveland Museum of Art 11150 East Boulevard Cleveland, Ohio 44106

Dear Evan:

There is no rush on this, but it seems clear to me that the restaurant is an area where we can effect savings. I am sure the Board believes that policy requires that the food deficit be entirely the result of the employee subsidy. In order to save time later, it would be helpful if Al would draw together **eh**e necessary figures and documents. Since he knows the numbers of employees who use the lunch privilege he surely could estimate the cost of the **sbhsidy** and we can begin to wrestle with the question of management, price and policy etc. It would be useful also to have figures on the deficits incurred from kitchen operation for the last few years and the outline of pricing policy currently being followed.

Thursday's was a fine meeting and the essential ingredient in its success was the depth and quality of your preparation. See you when I get back.

As always,

Danial jeremy Silver

DJS:mp

November 20, 1904

Dr. Evan Turner The Cleveland Museum of Art 11150 East Boulevard Cleveland, Ohio 44106

Dear Evan:

We are going to make no progress if we keep reviewing every decision. Arielle raises no issues which haven't been thought of. Incidentally, I assume that the charge is already in place. It was passed by the Board at least four or five months ago. Could you confirm that to me?

I hope you had a pleasant Thanksgiving. See you soon.

Sincerely,

Damiel Jeremy Silver

DJS:mp

# THE GLEVELAND MUSEUM OF ART

III50 EAST BOULEVARD AT UNIVERSITY CIRCLE CLEVELAND, OHIO 44106 CABLE ADDRESS: MUSART CLEVELAND EVAN H. TURNER, DIRECTOR TELEPHONE. (216) 421-7340

November 21, 1984

Rabbi Daniel Silver The Tenple 26000 Shaker Boulevard Beachwood, OH 44122

Dear Daniel:

It seens to me only appropriate that if I encounter a strong and thoughtful reaction from a member of the staff to the decisions of the Planning Committee, it is not a bad idea to pass it on to you. Thus I send Arielle Kozloff's recent concerned memo.

Best cheers,

And Happy Thanks giving .

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Enclosure

MEMORANDUM

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DATE: November 14, 1984

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TO: The Director

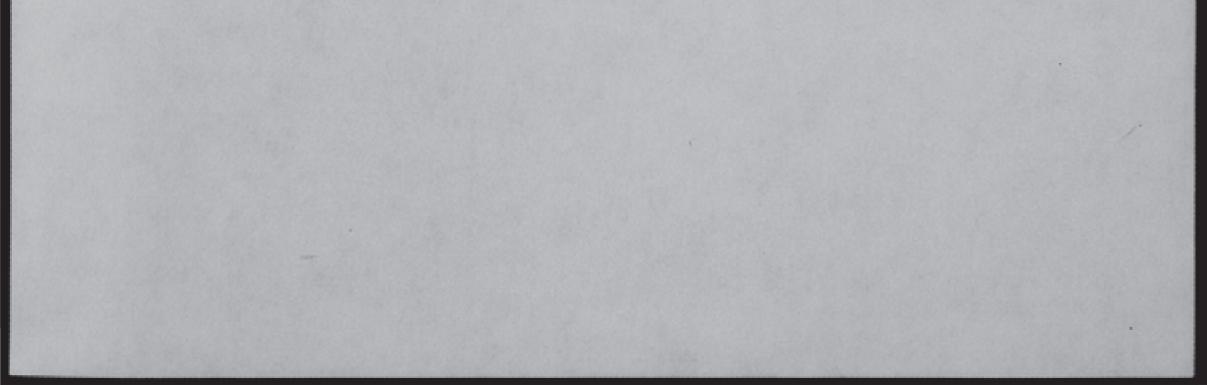
FROM: Arielle P. Kozloff of

SUBJECT: \$25.00 receipt charge on private collectors

I wonder if it would be possible to ask the Trustees to re-consider charging collectors for objects brought into or sent to this Museum on temporary receipt. I feel that this is one area in which the Museum can be generous to prospective donors with the hope that they will be generous to us in the future. This was very much the case with the Ratners who became involved with this Museum because of our professional generosity and courtesy toward them. They have more than repaid our efforts in a monetary sense as well as in their moral support of the Museum both inside the Cleveland community and beyond it.

Secondly, I am in the process of nurturing a few more collectors and find that it is far more effective and efficient for me to be able to have them ship objects here before buying them so that I may check them over. It is far more embarassing for both the collector and me to have to confront the problem of authenticity after the deal has been made.

I would not ask the Museum to undertake responsibility for the works of art of a collector who showed no interest in supporting the Museum. I wonder if the parties who make significant use of the Registrar's Office and did not contribute to the building fund might have done so if approached individually by the Curators with whom they work.



## From the desk of

#### MORRIS EVERETT

November 4, 1982

TO: Members of the Cleveland Museum of Art Trustees Investment Committee.

SUBJECT: Summary of Statistics Relative to Purchase and Sales Recommended by National City Bank and Alliance Capital between July 1980 and May 1982

As you will see by the copies of the two coverir letters sent to Al Whitehouse on September 28t and October 29th, summary statistics were made a of the earlier date covering recommendations made by the two advisors to the Cleveland Museum of Art Investment portfolic. A further statistic has been added showing net results without sales of BM which was basically initiated by the Museum Trustees.

This is forwarded for information prior the upcoming meeting or November 15th. P' the call me (861-0777) if there are any question

linus

Morris Everett

## THE CLEVELAND MUSEUM OF ART

IIISO EAST BOULEVARD AT UNIVERSITY CIRCLE CLEVELAND, OHIO 44106 CABLE ADDRESS, MUSART CLEVELAND SHERMAN E. LEE. DIRECTOR TELEPHONE, (316) 431-7340

September 28, 1982

Mr. Alton Whitehouse 1750 Midland Building Cleveland, Ohio 44115

Dear Al:

Before he left the country, Jim Dempsey asked me to check on the trades, both buys and sells, that had been recommended by the National City Bank and Alliance Capital (and, of course, approved by the Museum Trustees) for the two halves of the Museum Endowment fund. Here are the results based on Al Grossman's records.

It should be noted, of course, that IBM is the most important factor in all the changes. As I was not on hand when instructions were given to the advisors I don't know how much of the sales of this stock was their advice.

I will be joining Jim in a couple of days so I'll take a copy of this report with me for him to think about. I'm also sending a copy to Al Grossman. If you should want copies sent to the others on the Investment Committee, please have your secretary call Mrs. Inks in my office and she can send them out.

THE NAT'I City BANK purchase Recommentions were Not Complete.

I'll have to send them to you AFTER I return From VARATION.

Morris Everett

Best,

Copies to: Mr. James Dempsey

## Mr. Albert Grossman

## THE ELAND MUSEUM OF

11150 EAST BOULEVARD A T UNIVERSITY CLEVELAND, OHIO 44106 CABLE ADDRESS, MUSAR SHERMAN E. LEE. DIRECTOR TELEPHONE. (216) 421-7240

October 29, 1982

Mr. Alton Whitehouse 1750 Midland Building Cleveland, Chio 44115

Dear Al:

This supplements and completes the record I sent you on September 28th relative to the National City Bank and Alliance Capital purchases and sales made during the years span from July 1980 to May 1982 based on the figures supplied by Al Grossman's office.

I took copies of the first three sheets to Jim Dempsey when I met him in Japan and I am sending him here the final sheet along with Al Grossman. I believe that you will find the statistics clear.

Jim has asked me to send a copy of the whole set to Ted McMillan in preparation for a meeting that Jim, Ted and I will be holding on November 3 prior to the Museum Investment Committee meeting on the 5th.

Since I have not received any word from you relative to forwarding copies to any one else, I have not taken any action. If you now wish me to do so I will be happy to so act.

Best,

Morris Evereis

### Copies to: Mr. James Dempsey Mr. Al Grossman

INITIALS DATE PREPARED APPROVED

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Nat'l City Back

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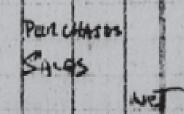
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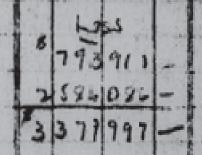
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#### THE HARRY K. FOX and EMMA R. FOX CHARITABLE FOUNDATION

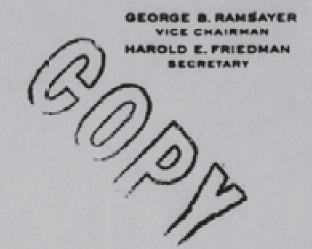
NATIONAL CITY BANK-TRUST DEPARTMENT

CLEVELAND, OHIO 44101

MRS. EDWARD J. SCHWEID CHAIRMAN GEORGE ROSENFELD VICE CHAIRMAN

December 23, 1983

Mr. Evan H. Turner Director The Cleveland Museum of Art 11150 East Boulevard Cleveland, Ohio 44106



Dear Mr. Turner:

Date:

cc: James H. Dempsey, Jr. cc: Rabbi David J. Silver

I am pleased to advise you that the Trustees of The Harry K. and Emma R. Fox Charitable Foundation (hereafter referred to as "Foundation") have approved a Grant to The Cleveland Museum of Art (hereafter referred to as "Grantee"), pursuant to your proposal of October 25, 1983 in the sum of \$10,000. The purpose of this Grant is to support the current capital fund drive for a new library-gallery addition as described in your proposal.

The terms of the Grant are set forth in accompanying Schedule A, the provisions of which (except as otherwise may be provided) are standard terms for Foundation Grants and are made an integral part of this Grant Letter by reference.

The Grant will be paid through the office of the Trust Department of National City Bank, subject to acceptance of the terms of this Grant Letter (subject to meeting the conditions set forth herein), when funds become available for distribution.

Please read this Grant Letter (including the accompanying Schedule A) carefully to assure that there is mutual understanding as to the purpose of the Grant and all the terms thereof. If there are any questions, please contact the undersigned.

To evidence acceptance of the Grant on the terms stated, please return a signed copy of this Grant Letter in the enclosed envelope.

Sincerely yours,

THE HARRY K. AND EMMA R. FOX

#### CHARITABLE FOUNDATION

By: Harold E. Friedman, Secretary

The above Grant is accepted in accordance with the terms of this Grant Letter (including accompanying Schedule A):

(

By:

Mr. Harold E. Friedman, Secretary The Harry K.Fox and Emma R.Fcx Charitable Foundation National City Bank, Trust Department Cleveland, Ohio 44101

Dear Harold:

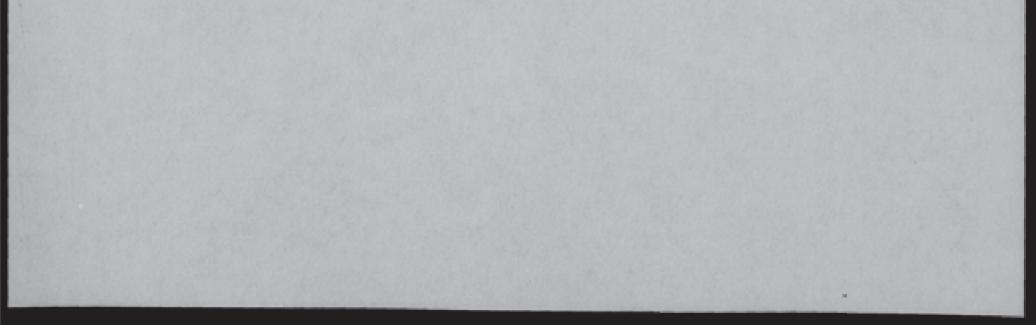
I received a copy of the transmittal letter of the generous grant made by The Harry K. Fox and Emma R. Fox Charitable Foundation to The Cleveland Museum of Art. I am grateful that our breakfast **ah**d such a fruitful conclusion and I hope that I will have a chance to introduce you in the near future to our new director, Evan Turner.

You would have heard from me earlier, but Adele and I are just back from a trip in the sun at St. Maarten. Hope to see you soon. Thanks again.

Sincerely,

Daniel Jeremy Silver

DJS:mp CCE van Turner James H. Campray gr



# THE CLEVELAND MUSEUM OF ART

III50 EAST BOULEVARD AT UNIVERSITY CIRCLE CLEVELAND, OHIO-44106 CABLE ADDRESS, MUSART CLEVELAND EVAN H. TURNER, DIRECTOR TELEPHONE, (216) 421-7340

March 6, 1984

#### TO: MEMBERS OF THE FINANCE COMMITTEE

Alton W. Whitehouse, Jr., <u>Chairman</u> S. Sterling McMillan III, <u>Vice Chairman</u> Morris Everett George M. Humphrey II James D. Ireland Daniel J. Silver Paul J. Vignos, Jr. Lewis C. Williams James H. Dempsey, Jr., ex officio

cc: Robert Busse Alliance Capital Management Corp.

> William Roe National City Bank - Trust Div.

### The Finance Committee will meet on a regular basis in 1984. The dates established for

these meetings to be held at The Cleveland Museum of Art at 4:00 p.m. are:

Monday - March 19

Monday - June 18

Monday - September 17

Monday - December 17

A reply card re the March 19 meeting is enclosed.

kc enclosure ALTON W. WHITEHOUSE, JR. Chairman

March 9, 1984

Mr. George Bickford 2247 Chestnut Hills Drive Cleveland, Ohio 44106

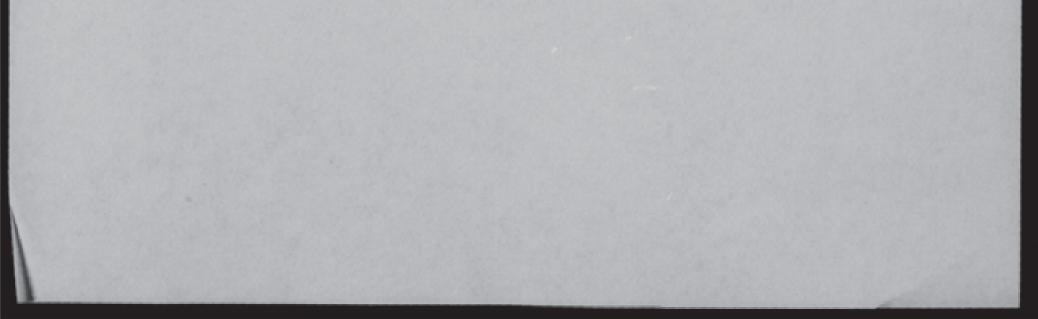
Dear George:

Here is a report of our '73 survey as a background for the kind of work we are going to do. The Museum will send out the other material.

Sincerely, Daniel Jaremy Silver

DJS:mp

Encl.



## THE CLAEVELAND MUSEUM OF ART

THESO FAST BOULEVARD AT UNIVERSITY CIRCLE CLEVELAND, OHIO 44106 CABLE ADDRESS, MUSARI CLEVELAND . SHERMAN L. LEE, DIRECTOR TELEPHONE, (216) 421-7340

October 19, 1984

Mr. James Dempsey 1800 Huntington Bldg. Cleveland, Ohio 44115

Dear Jim:

Following the procedure of the past three quarters I am here sending you the comparative capital performance figures of the various most important pools of money which supply both operating and acquisition monies to the Cleveland Museum of Art. Since these figures do not include yields which are important I am listing them on a separate part of the report. All figures are based on bank statements.

I can finally give you and other Trustees a yearly report as well as a quarterly one. Please let me know if you want this to be sent to anyone besides yourself, Al Whitehouse, Ted McMillan and Al Grossman (present instructions).

HO INCOME	<u>June 29, 198</u>	4 to September 21	8, 1984 Quarter	
Portfolios GENERAL FUND	6/29/84	9/28/84	Gain	<u>%</u>
CMA-Alliance	\$51,350,674	\$54,490,384	\$3,139,710	+6.10%
CMA-Nat'l City	57,026,822	61,816,756	4,789,934	+8.40%
AMERITRUST HELD FU	INDS			
Gen'l Endowment #2	\$ 920,701	\$ 979,752	\$ 59,051	+6.41%
J.F. Severance	15,999,907	16,991,751	991,844	+6.19%
J.H. Wade	7,259,154	7,788,046	528,892	+7.28%
NATIONAL CITY BANK	HELD			
Elizabeth Prentiss	\$10,924,302	\$11,809,024	\$ 884,722	+8.12%
Wm. E. Ward	1,122,054	1,212,878	90,824	+8.10%

## <u>NON BANK</u> Horace Kelley Art \$ 2,488,981 \$ 2,635,181 \$ 146,200 +5.87%

#### <u>SPECIAL HANDLING</u> Huntington A & P \$32,820,975 \$34,538,016 \$1,717,041 +5.24%

Since the last quarter report of this type three investment managers have been asked to increase yield returns from the three largest funds. Yield change comparisons are not valid since all the other funds were not operating under such instructions.

Present figures follow:

		October 19, 1984 Page 2
Portfolio	Yield 6/29/84	Yield 9/28/84
GENERAL FUNDS CMA-Alliance	7.41%	7.09%
CMA-Nat'l City Bank	7.24%	6.81%
	est. A	
AMERITRUST HELD FUNDS Gen'l Endowment #2	7.39%	7.44%
J.L. Severance	7.32%	6.90%
J.H. Wade	8.09%	7,97%
NAT'L CITY BANK HELD FUNI		
Elizabeth Prentiss	7.89%	7.33%
Wm. E. Ward	7.43%	6,91%
NON BANK		
Horace Kelley Art	7.68%	7.61%
SPECIAL HANDLING	. 0 249/	7.94%
Huntington A & P	8.34%	1.94%

As mentioned above, it is now possible to show performance figures for a gull four quarters. Here again these are capital value figures alone with <u>no income factored in</u>. This is dissimilar to bank statements which do add in income return.

Portfolios	9/30/83	9/28/84	Gain	Loss	<u>%</u>
GENERAL FUNDS CMA-Alliance	\$54,179,015	\$54,490,384	\$ 311,367		+0.57%
CMA-Nat'l City	60,460,124	61,816,756	1,356,632		+2.24%
AMERITRUST HELD FU	JNDS				
Gen'l Endowment #2	\$ 958,975	\$ 979,752	\$ 20,773		+2,16%
J.L. Severance	17,002,097	16,991,751		\$10,346	-0.06%
J.H. Wade *	7,939,103	7,788,046		151,057	-1.90%
NAT'L CITY BANK HEI	D				
Elizabeth Prentiss	\$11,850,339	\$11,809,024		\$ 41,315	-0.35%
Wm. E. Ward	not available	1,212,878	NA	NA	NA
NON BANK	\$ 2 634 980	\$ 2,635,181	\$ 201		+0.008%

#### Horace Kelley Art \$ 2,634,980 \$ 2,635,181 \$ 201 40.000%

## SPECIAL HANDLING Huntington A & P \$33,520,663 \$34,538,016 \$1,017,353 +3.04%

\*It should be noted that the Wade Trust was penalized by a large holding of Cleveland Cliffs stock. This has since been reduced. This make is clearly reflected in the June/ September quarter figures.

October 19, 1984 Page 2

I am not including comparative income yield percentages because not all the Trusts received the same instructions.

Best, Iums

Morris Everett

Copies to: Mr. Alton Whitehouse Mr. Sterling McMillan Mr. Albert Grossman



