Meeting Summary  
Faculty Women’s Club Endowment Fund  
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Participants:

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Purpose:

To explore mechanisms that would allow individuals to make contributions to a University-managed endowment with distributions to be used to support Faculty Women’s Club activities on behalf of the University.

Background:

The Faculty Women’s Club has long been a sustaining force for bonding together the University community. For many decades, it has provided community linkages across the University, providing opportunities for faculty families to develop important friendships and relationships. The Faculty Women’s Club has been particularly important in welcoming new faculty families into the University community. In addition to this community role, the Faculty Women’s Club has been involved from time to time in service activities benefiting the University. However, these activities have been limited since many University service needs of interest and importance require some level of financial support.

Experience with other organizations has indicated that an effective way to sustain such community service activities is to create a fund, managed by the organization, that can be dispersed for these purposes, along with volunteer participation. Within the University context, the appropriate mechanism would be to establish an endowment fund, managed as a part of the general University endowment. The annual distribution from this fund would be used both for support of ongoing Faculty Women’s Club activities as well as new community-service activities benefiting the University. Examples of service activities that might be undertaken with such financial support include the development of student child care organizations, campus beautification projects (gardens, landscaping, art, sculpture), and serving the needs of international students and faculty.

There are many faculty and faculty spouses who have been both extremely active in and supportive of the Faculty Women’s Club and who believe strongly in its role within the University. These individuals might well consider designating a significant gift or bequest for this purpose. As the FWC Endowment Fund increased over the years, it would not only provide the Faculty Women’s Club with a permanent base of support, but it would also enable significant community service activities that would have great impact on the University.
over time. This substantive community service role of the Faculty Women’s Club might also attract new members seeking to become involved in University service activities.

Challenge: Currently the Faculty Women’s Club is classified by the Internal Revenue Service as a 501 (c) 7 nonprofit “social” organization. As such it is limited in its ability to generate revenues or gifts beyond $35,000 per year. Furthermore, its current bylaws make it quite independent of the University, even though its membership is selected from the spouses or women members of the faculty of the University.

Approach 1: To modify the bylaws of the Faculty Women’s Club so that:

- It becomes a 501 (c) 3 nonprofit organization, capable of soliciting and receiving gifts for its support.

- It becomes directly associated with the University, similar to the University Musical Society or the University of Michigan Alumni Association (which would probably requiring having its executive board appointed by the Board of Regents), thereby allowing the University to manage its endowment.

Problems: This would be a complex task and could substantially change the character of the Faculty Women’s Club.

Approach 2: To encourage gifts to be made directly to the University of Michigan, for the benefit of activities of the Faculty Women’s Club, as managed by a FWC section that would function similarly to the “Friends” groups of other University organizations, with a focus on service to the University.

Advantages:

1. This approach would allow contributions to be made to the University on behalf of Faculty Women’s Club activities and managed as a component of its endowment.

2. Although the University would have final authority over such an endowment, the distribution of its income could be influenced by an advisory body of the Faculty Women’s Club (similar to the management of similar endowments for several other University units).

3. By creating a “FWC Friends of the University” section that would focus on University service, the Faculty Women’s Club could provide an outlet for those members who wished to serve the University while retaining its original social function of the broader organization. This “Friends section” could play a significant role in both managing the distribution of and utilization of the endowment income.
4. This approach would not require any formal legal action on the part either of the Faculty Women’s Club or the University. Rather it could be accomplished by creating a FWC section for this purpose, and then making it known to members that gifts to the University could be made for the support of service activities conducted by this “friends” section.

5. Note that like other “friends” groups in the University, the FWC Friends Section would have the capacity to organize fund-raising events on behalf of its service activities to the University (e.g., scholarships), although this would not be its primary function.

Next Steps:

1. To discuss with the broader Faculty Women’s Club executive board this particular approach and gain their support for the general concept.

2. To design the FWC “Friends of the University” Section, under the assumption that it will eventually have resources provided by an specific endowment account in the University.

3. To determine an appropriate point of interaction between the FWC Friends Section and the University, e.g., the Office of the Provost, the Office of the Secretary, or the Office of the President.

4. To make it generally know that contributions or bequests could be made to the University’s endowment for this purpose.