

*For 75 years donors
have trusted the
OU Foundation
with their dreams for
the future of the university
and its students.*



By ANNE BARAJAS HARP

OU Western History Collections



Building a Strong



President George L. Cross made the OU Foundation a reality and served as a longtime ex-officio trustee. He kept the foundation's documents in a desk drawer until a full-time director was named in 1948.

Foundation



Most people who give to the University of Oklahoma do so because they have strong emotional ties to the university and want to see it flourish for generations to come. The OU Chant doesn't end with "*Live On, University*" for nothing. What many people may not realize is just how crucial these gifts are to OU's future.

"We say it often enough that it might sound like a tagline, but the most genuine truth is that private funding is a critical source of excellence at OU," says Guy L. Patton, president and CEO of the OU Foundation, which celebrates its 75th anniversary this year.

"If excellence is achieved at OU, it comes in large part from private funding – without private funding, excellence will be increasingly difficult to achieve. All of us at the foundation understand the critical role we play, sitting at the center of that process," Patton says.

The OU Foundation is the not-for-profit organization through which donors make gifts to the university. The need for such an entity began during OU President William Bennett Bizzell's tenure in response to donors' concerns that money given directly to the university, a state agency, might be diverted to the state treasury and repurposed. Bizzell sought an independent organization, controlled by donors, that would manage these philanthropic funds. He envisioned this foundation's sole mission as benefitting the university and serving its donors.

"The fundraisers in the Office of Advancement work hard to connect alumni and friends with projects that have special meaning for them. We want donors to know they have special meaning for us, as well," says Patton. "We scrupulously honor donor intent and work to maximize the positive impact each gift has on the university."

Throughout its 75 years, the foundation's mission of serving the university and its donors has not changed, but its inner workings have. Once officed in Evans Hall and then Oklahoma Memorial Union, the current foundation building opened its doors in 1984 and sits east of the OU Law Center on Timberdell Road. From an original staff of three, there are now 32 employees representing departments in accounting, IT, legal, investments, donor relations and publications.

Patton is only the third person to lead the OU Foundation.

Although President Bizzell advocated establishing a foundation in 1938, the idea wasn't fulfilled until Dec. 1, 1944, with \$160 in gifts from three alumni. Ex-officio trustee and OU President George Lynn Cross famously kept the foundation's documents in his Evans Hall desk drawer; he handed over the reins to the foundation's first full-time director, R. Boyd Gunning, in 1948.

Gunning headed the foundation for 30 years, collaborating with trustees who represented a Who's Who of OU history. He helped the foundation's assets grow from \$49,000 in 1948 to \$17.5 million in 1978, including proceeds from OU's first comprehensive private giving campaign in 1961.

Gunning also mentored Ron L. Burton, who became the foundation's second director in 1978. During Burton's tenure, alumni gifts helped increase the foundation's assets to \$881 million. An essential part of the growth came from a multi-year OU campaign for endowed chairs and professorships, which served OU students by attracting top faculty from throughout the world. There were only 24 such positions at OU in 1985. Utilizing matching funds from the Oklahoma State Regents for Higher Education,

OU established or upgraded 187 endowed positions from 1995 to 2000. Today, that number stands at 511.

Burton's tenure saw the foundation employ assets in new ways to provide growth for OU and its students. In 1999, OU was presented with a rapidly unfolding opportunity to purchase the former BP Amoco Technology Center as a home for the university's Tulsa programs. A \$10 million grant from Tulsa's Schusterman Family Foundation was paired with a \$17 million commitment from the foundation until additional private dollars could be raised for what is now OU-Tulsa.

"We wouldn't have a Tulsa campus without the foundation using its balance sheet," Patton says. "The opportunity existed, the university needed to act on it, and the foundation stepped



Guy L. Patton



Investment results have added \$562 million to the OU Foundation's endowment in just 11 years. The foundation's investment team includes (from left) Operations Manager Jamie Vaughn, Vice President and Chief Investment Officer Brad Johnson and Director of Investments Gene Lohmeyer.

in to make that happen.”

“The acquisition gave OU a presence in the Tulsa community and the eastern part of the state,” says Linda Rodgers, who served on the foundation's Board of Trustees from 1996 to 2005. “That was of huge significance for OU and for education in Oklahoma.”

Equally significant, Rodgers says, was the foundation's 2002 purchase of 550 acres from the former U.S. Naval Air Station in north Norman. OU sold the land to the foundation in a competitive process to obtain crucial capital for the new National Weather Center, which became an economic engine for Oklahoma's weather-related research. In turn, the foundation partnered with a development company that created a thriving retail and housing area producing millions in annual tax revenue for the City of Norman.

Burton's 2007 retirement after nearly 30 years as president coincided with an increasingly prominent role for university foundations nationwide. Patton, a two-time OU graduate, was enlisted to join the foundation after a 22-year career with Fidelity Investments, one of the world's largest asset managers. He brought with him a unique perspective on technological innovation, entrepreneurship and calculated risk as the source of value creation.

“Fifty years ago, private funding was not the margin of ex-

cellence at public universities,” he says. “Excellence came from state funding, which has declined over time – not just at OU, but at every public university. That made the process of stewarding investments even more important.”

Together, the OU Foundation Board of Trustees and Patton, all of whom are OU alumni and donors, developed a strategic plan in 2008. “We came out of that with the board saying, ‘The single greatest opportunity for the OU Foundation to add value to the university is through outstanding investment management,’” he recalls.

The foundation was charged with building a professional investment team to work in concert with the nation's top financial managers and to develop a modern and sophisticated investment strategy. The plan's rollout came in midst of the 2008 global financial crisis.

On the surface, it may have seemed like a challenging time for such a big change, Patton says, and some wondered if the foundation should delay implementing the investment strategy. “They were shocked by my answer, which was, ‘There's no better time to do it.’”

Chief Investment Officer Brad Johnson, who left Boston investment consulting firm Cambridge Associates to join the foundation, says such strategies were unusual among universities even a decade ago.

continued



“OU got a head start and stuck with it. Investing is a long game,” he says. “Over time, the OU Foundation has been able to establish itself as a trusted and valuable partner in the investment space, and that’s not easy to do.

“We compete with institutions, public and private, to invest capital with some of the best managers in the world. The foundation has a brand and a reputation among hard-to-access investments that continues to grow.”

OU Foundation Board of Trustees Chairman David M. Moffett served as CEO of Freddie Mac under Presidents George W. Bush and Barack Obama and was vice chairman and CFO of U.S. Bancorp, as well as senior adviser to The Carlyle Group and Bridgewater Associates, the world’s largest hedge fund. He believes the OU Foundation’s reputation among investment managers is well deserved.

“The thing that attracted me to serving is the foundation’s continuous mission,” he says. “Our goal is to sustain the purchasing power and the value of the assets that the donors have entrusted to us over generations. We have been able to in-

“Without hesitation, we can say that the OU Foundation stewards the resources entrusted to it for our students and faculty as well as any charitable organization.”

crease the value of those assets and ensure that the intent of the donors is fulfilled to benefit OU and its students into the future.”

In fact, investment results have added \$562 million to the endowment since 2009. When compared to 164 university foundation peers, the OU Foundation’s 2019 investment results rank in the top quartile nationwide of public and private schools.

“Without hesitation, we can say that the OU Foundation stewards the resources entrusted to it for our students and faculty as well as any charitable organization,” Patton says. “The most important thing is we represent the donor’s interests throughout the life cycle of the gift. In many cases, it is a permanent commitment. I often describe the foundation as a ‘fiercely independent entity.’ That fierceness stems from a responsibility to our donors.”

Such responsibility frequently comes through an estate gift managed by the foundation’s legal department. Many estates include “legacy energy” gifts, as seen in a 1980s mineral rights bequest from Henry and Ida Mosier. The Mosiers’ estate has



The OU Foundation works directly with donors and the Office of Advancement to help OU students achieve their dreams.

since provided millions of dollars in scholarships, supporting roughly a third of OU College of Pharmacy students and 20 members of the OU track team each year.

“The foundation’s commitment lasts long after our donors are gone,” Patton says.

Private gifts – both large and small – have fostered OU programs and facilities that impact countless lives, from the Stephenson Cancer Center and Harold Hamm Diabetes Center to the new Lin Hall, where a revolution in quantum physics may produce exponential growth in applied technology. (See related story on page 18.)

Patton says another of the foundation’s responsibilities is to constantly improve quality for the donors and university it serves, and that means a serious investment in technology.

“There’s a commitment on our part to make everything we do better every single day,” he says. “We describe it as ‘process improvement,’ which often includes using technology to automate key parts of a process. To effectively do that, you must develop talent and skills in software development.”

The foundation created an information technology team skilled in building software. “We made a decision not to solely rely on outside or ‘packaged’ software built and managed by others. That single decision had a monumental impact on our future,” says Vice President and Treasurer Trent Wells.

Online financial reporting for the foundation’s funds, gift processing, and matching-gift processing were among the first processes to be significantly automated, giving foundation staff, university users and donors the power of instantaneous, always-available access to financial records.

The IT team also designed fund-accounting software tailored to the foundation’s specific needs far beyond what could have been purchased from a vendor. “Whatever we wanted was at our fingertips,” Wells says. “Wherever we saw oppor-

tunities to improve processes through automation, we could.”

Previously, he says, the foundation manually processed as many as 120,000 transactions per year, including 70,000 gifts and more than 30,000 payments. An electronic “lock box” integrated with the foundation’s internal accounting system now processes gifts digitally and updates donor and accounting records automatically. Such changes reduce errors in reporting to donors and speed the availability of funds to departments and students.

“Scholarships are a microcosm of what’s happened,” Wells explains. In 2018-19, the foundation processed scholarship awards for more than 9,300 students, many of whom receive several scholarships. In the past, staff members had tackled towering stacks of paper to manually cross-reference each stu-

dent the previous time, easing stress and financial hardship for OU students.

In addition to the IT and investment staff, a donor relations team was built during Patton’s tenure. The team works to make giving easier for donors and keeps them updated through regular stewardship reports on scholarships, endowed chairs and endowed professorships.

“I mulled over the idea of how to set up a scholarship, agonizing about what I could only imagine would be a complex process,” says Jim Yates, a 1982 OU alum who established the Douglas E. Nix “Pay-it-Forward” Endowed Scholarship to honor a beloved mentor from his hometown of Duncan, Okla.

“The foundation staff was amazing. They wanted to hear our family’s story and what we hoped to accomplish, and first and foremost, they made it clear that this would be ‘our’ scholarship and that our decisions would be honored. They asked probing questions and shared a wealth of knowledge.

“The resulting scholarship has achieved exactly what we wanted,” Yates says. “We have met three amazing young OU students who are excelling and achieving their dreams, helped in a small way by our scholarship.”

Technological advancements aside, Patton says it is people like Yates – along with the foundation’s staff and board of trustees – who have made the real difference to its mission, both in the past and the present.

“If you assess the OU Foundation as having had a successful impact over the past 75 years, it’s a direct function of our donors, the staff who have served and the quality of the governance of this institution,” he says.

“The university does live on, and the expectation is that it will live for centuries,” Patton adds.

“The OU Foundation understands that our job is not just to support the university and its students next year or five years from now, but 500 years from now. There aren’t many institutions asked to think in that kind of time frame. We are, and we do.”

Anne Barajas Harp is associate editor of Sooner Magazine.



The Peggy and Charles Stephenson Cancer Center on OU’s Health Sciences Center campus is a shining example of the margin of excellence provided by generous donors. The facility is Oklahoma’s only National Cancer Institute-Designated Cancer Center and offers patients accessibility to clinical trials not found anywhere else in the state.

dent with a fund and check against multiple criteria to ensure qualification and that donor intent was being honored.

“Now, the software automatically checks those questions. We went from being able to process 200 scholarships a day to 1,000 with an even smaller staff,” Wells says. Scholarship funds are deposited in bursar’s accounts within a fraction of