

# Legacies

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FOUNDATION

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## INVESTMENT NEWS

The year 2009 has been one of recovery for the General Fund of the Foundation. As of June 30, the close of our fiscal year, the portfolio had a -21.2% return. As of 9/30/09 the total return for the calendar year was a gratifying 18.65% exceeding our benchmark, which was 17.7%. Our traditional equity managers led the way this period as equities of all sorts (large, small, domestic, and international) rallied strongly from their lows of early March. Our top performer was Lazard Emerging Markets Equities that earned 57.30% as of 9/30/09. The strong performance of 2009 also means that our trailing one year return (from 9/30/08 to 9/30/09) is positive 1.27% beating our benchmark of -2.64%. The best performing manager was Ivory Offshore Flagship, a long-short alternative fund with a 5.38% return. It is important to note that none of our investments were with any of the Madoff fund or feeder funds. Our current positioning is reflecting concerns about a coming inflationary period as well as the possibility of below average

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Mike and Ellen Flaherty

## 75th Anniversary Scholarship Program Inspires Couple to Establish Three New Funds

News of the Foundation's 75th Anniversary Scholarship program came just at the right time for Mike '72 and Ellen '71 Flaherty of Huntsville, Alabama. They had been thinking of establishing scholarship funds in memory of Mike's father, Virgil E. Flaherty, who died in 1990, and his mother, Beatrice P. Flaherty, who died this past May. They were motivated to act when they learned that the Foundation would complement a gift of \$15,000 with a match of \$5,000 to boost a new scholarship fund to the University of Maine's minimum level of \$20,000 for a named, endowed fund. They even decided to give a gift to start the fund in their own names that they have included in their wills.

"We are grateful that the Foundation's 75th Anniversary Scholarship Program made establishing three funds so easy," Mike said. "This opportunity allowed us to pay tribute to both of my parents, to help University of Maine physics students, and to start our own legacy."

For information about the 75th Anniversary Scholarship Program, please contact our planned giving staff. The matching gift offer will be in effect only until December 31, 2009.

◆ **Board Resolution Concerning UPMIFA**

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) was enacted by the Maine Legislature to apply to funds existing on or established after July 1, 2009. The new law permits expenditure from endowed funds even if the fund’s value is less than its historic dollar value. Most donors who created endowed funds with the Foundation signed fund descriptions or gift agreements indicating that the “principal shall be endowed and only the income, as established by the University of Maine Foundation Board of Directors, shall be used...”

At the August 18, 2009 meeting of the Foundation’s Board of Directors, the Board passed a resolution that says,

“At this time, the Board of Directors believes that the donors who established endowed funds with the Foundation intended to create funds according to the dictionary definition of endowment, meaning that the principal of the fund would not be invaded for distribution. Although donors who create new funds will have the option of creating a fund in which principal may be invaded, the funds endowed in the Foundation on or before July 1, 2009 will not be expended if the fund’s value is less than its historic dollar value, in accordance with the Foundation’s spending policy.”

If you have questions about UPMIFA, the Foundation’s policy, or how UPMIFA impacts a fund that you individually established, please contact Amos E. Orcutt, President/CEO of the Foundation at 207.581.5100.

◆ **IRA Rollover Extension Slated to End December 31, 2009**

Unless Congress acts soon, the IRA Rollover, extended as part of the Emergency Economic Stabilization Act (EESA) signed into law by former President Bush on October 3, 2008, is slated to end on December 31, 2009.

Donors have the ability to directly donate funds—free of income tax—from their individual retirement accounts (IRAs) to a qualified charity. Donors do not receive an income tax charitable deduction for the gift, but the money is excluded from taxable income when computing taxes.

A few things to remember about the IRA Rollover benefits are:

- Outright gifts of up to \$100,000 can be made directly to the charity in tax years 2008 and 2009;
- Individuals must be 70 1/2 at the time of distribution;
- Distributions can be made from an IRA or Roth IRA;
- Charitable distributions count toward minimum distribution requirements, which would usually be taxed;
- Charitable distributions to fund planned gifts—like a charitable gift annuity or a charitable remainder trust—are not permitted;
- Transfer must be made directly from the IRA to the charity.



◆ **Robert A. Strong, CFA  
Featured Speaker at  
Foundation Annual  
Luncheon**

Dr. Robert A. Strong, Professor of Investment Education and Professor of Finance at the University of Maine, was the featured speaker at the annual meeting and luncheon. His talk centered around SPIFFY, the Student Investment Portfolio Fund of the University of Maine Foundation. Born in 1993, the idea was to create opportunities for students to apply classroom knowledge to obtain real investment experience, and have the ability to make important financial management decisions. Since the initial investment of \$200,000, and with additional capital over time, the total value of the SPIFFY fund has increased to \$1.1 million. Nearly 1,000 UMaine students have participated to some extent in SPIFFY since its inception.

SPIFFY students





Patrice Krant, Karen Baldacci, Amos Orcutt, Lawrence Bender, Edward Keefe.  
Absent, Joline Godfrey, who was unable to attend due to illness

## Foundation Honors Five Alumni at 75th Anniversary Dinner

At the 75th Anniversary dinner held June 9, 2009, the Foundation honored five alumni who serve their professions and their communities at the highest level and who had not been honored previously by the University, the University of Maine Alumni Association or the Foundation. Honorees were:

- Karen W. Baldacci of Augusta and Bangor, a teacher, registered dietician and first lady of Maine;
- Lawrence K. Bender of Los Angeles, California, a renowned film producer and political activist;
- Joline D. Godfrey of Santa Barbara, California, CEO of Independent Means, Inc., an innovator in financial education for children and parents;
- Edward J. Keefe of Belmont, Massachusetts, chief financial officer for M/C Venture;
- Patrice M. Krant of Atlanta Georgia, director of global procurement in Coca Cola's Global Business Services organization.

Each of the honorees credited their educational experience at UMaine as instrumental in what they do and what they have become. Lawrence Bender, whose films have received 21 Academy Award nominations, said, "UMaine gave me the extraordinary opportunity to get a diverse education. I was an engineering major, but I also got into dance and performance at the university. Both things help me now. I have one foot in art and one foot in business."

### INVESTMENT NEWS

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growth in the US economy. We remain dedicated to an effectively diversified portfolio of 22 managers designed to perform well in a variety of economic scenarios.

The Investment Committee, headed by Ed Hennessey, Jr., takes its responsibilities very seriously during these difficult and volatile times meeting four times per year with our two investment consultants, Morgan Stanley Smith Barney and Convergent Wealth Advisors. For more information, please contact Amos E. Orcutt, President/CEO at 1-800-982-8503 or Orcutt@maine.edu.



Karl Suchecki '85, Chris Emmons '76,  
Corey Woodhead 2002, and Jason Straetz 2002

### ◆ Golf Tourney Scores for UMaine

The Fourth Annual Paul Baldacci Memorial Golf Classic was held on Tuesday, September 8th at Sable Oaks Golf Club in South Portland, Maine. Over 100 golfers participated in this annual charity event to benefit the Robert E. Baldacci, Sr. and Rosemary K. Baldacci Memorial Scholarship Fund and a new fund in support of a golf team at UMaine. The Tournament netted \$18,058.

## Patricia M. Dunn Elected as Board Chair



Patricia M. Dunn

**P**atricia M. Dunn, an attorney with Jensen Baird Gardner & Henry in Portland, Maine, was elected as chair of the Board of Directors at the Foundation Annual Meeting held October 7. Dunn concentrates her practice in the areas of employment law, administrative law, and municipal law. Prior to joining the firm, Dunn served as commissioner of labor for the state of Maine from 1984 to 1987, and as assistant attorney general from 1976 to 1980. She graduated from the University of Maine Phi Beta Kappa in 1973 and received her J.D. from the University of Maine Law School in 1976.

Other officers for 2009-2010 are Ellen K. Stinson, Westbrook, vice chair; Darryl N. Brown, Livermore Falls; secretary; Dennis P. King, Westbrook, treasurer; Brent R. Slater, Bangor, clerk; and Amos E. Orcutt, Bangor, president & assistant treasurer.

You can contact the  
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 by writing or calling  
 President/CEO Amos Orcutt:  
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 800-982-8503  
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 Suite 303, W. Building  
 South Portland, Maine 04106  
 207-253-5172 or  
 800-449-2629  
[www.umainefoundation.org](http://www.umainefoundation.org)

**Please send me more information on:**

<input type="checkbox"/> Establishing a Scholarship	<input type="checkbox"/> UMF Annual Report
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