

**BOARD OF VISITORS AND NORFOLK STATE UNIVERSITY FOUNDATION  
LIAISON COMMITTEE MEETING**

September 21, 2021

**MINUTES**

**1. Call to Order**

Dr. Harold L. Watkins, II, Chair, called the meeting to order at approximately 4:16 p.m. A quorum of the Committee was established with three members of the Board of Visitors and three members from the NSU Foundation Board.

Board of Visitors Members Present

Dr. Harold L. Watkins, II, Chair  
Ms. Heidi W. Abbott  
Mr. Delbert Parks

Board of Visitor Member Absent

Mr. Larry A. Griffith

Norfolk State University Foundation Board Members Present

Dr. Keith Jones, Secretary (*on behalf of President Ames*)  
Ms. Carla Bailey, Vice President  
Mr. David R. Kenerson, Jr., Treasurer

Norfolk State University Foundation Board Member Absent

Mr. Travis Ames, Sr., President

Norfolk State University Foundation Staff Present

Ms. Crystal D. Jenkins, Executive Director

NSU Administrators and Staff Present

Dr. Javaune Adams-Gaston, President  
Mr. Clifford Porter, Vice President, University Advancement  
Ms. Tanya S. White, Chief of Staff  
Ms. Inda B. Walker, Clerk to the University President and Liaison to the Board of Visitors  
Mr. Rasool A. Shabazz, Project Engineer, Office of Information Technology  
Mr. Christopher Gregory, Technician, Office of Information Technology

Counsel Present

Ms. Pamela F. Boston, University Counsel and Senior Assistant Attorney General  
Mr. Cory J. Wolfe, Assistant University Counsel

**2. Review and Acceptance of the Agenda**

Dr. Watkins asked if there were any comments or additions to the agenda. There being none, the following motion was made to approve the agenda.

Ms. Abbott motioned, seconded by Mr. Parks, the Committee unanimously voted to accept the agenda as presented.

### 3. Approval of the Minutes

Dr. Watkins asked if there were any questions or comments on the minutes from last year's meeting. There being none, he asked for a motion to approve the minutes.

Mr. Parks motioned, seconded by Ms. Abbott, the Committee unanimously voted to approve the minutes for the November 24, 2020 meeting.

### 4. Compliance Report/Annual Certification Letter

Ms. Jenkins provided the following responses to the Annual Certification Letter, which are required to annually comply with the university's policy on affiliated foundations.

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| 1. Copies of the Policy (51-001) and BOV Policy #13 (2015) have been circulated among all members of the Foundation staff and its governing board.<br><b>The policies were provided as required.</b>  |
| 2. Compensation of any kind which the Foundation has provided to any University employees has been approved by the Rector, President, or their designees prior to payment. A listing of total payments to specific individuals should be attached to the certification letter.<br><b>No compensation to report in 2020. The NSUF is continuing to follow the policy that any employees must be paid through the university's HR-1 policy.</b>   |
| 3. An audit by an independent certified public accountant has been completed, and the Audit Committee of the Foundation has met and reviewed the management letter and response with the auditor.<br><b>The audit was completed and the NSUF Audit Committee met on August 12, 2021 with the auditors to review the management letter and draft 2020 financials. The University Controller, Ms. Karla Amaya Gordon, attended this meeting on behalf of the university. The NSUF Board received and approved the final draft audit at its board meeting on September 9, 2021.</b><br><b>The final financials as of December 31, 2020 were provided to the University Controller on September 10, 2021.</b> |
| 4. The annual budget of the Foundation has been approved by the Foundation governing board and has been provided to the Rector or his/her designee.<br><b>Yes.</b>  |
| 5. Written approval has been obtained for any funds the University borrowed from the Foundation.<br><b>N/A</b>  |

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| 6. Written approval has been obtained from the Board of Visitors and the Rector for any substantial proposed business ventures or changes in the nature, scope, or purpose of the Foundation.<br><b>N/A</b> |
| 7. Other specific requirements as mutually agreed upon by the Foundation governing board and the President or his/her designee.<br><b>N/A</b>   |

## 5. Audit Report Update

Ms. Jenkins discussed the 2020 NSUF Consolidated Financial Report included on pages 16 to 20 of the Committee meeting package. Her remarks included the following:

- Statement of Financial Position
  - Cash equivalents for 2020 is \$43 M, which is up from \$2.6 M from the 2019 figure. The large increase in cash is due to the Scott gift received in November 2020.
  - Investments increased to \$39.5 M due to an increase in unrealized and realized gains over the year.
  - Promises to Give net is \$4.5 M. The biggest portion of our pledges for year 2020 was a gift from Dominion Energy for \$2.75 M.
  - Total net assets are \$87.6 M. This is also attributed to the Scott gift.
  - Liabilities reduced to \$142,000.
  - Net assets without donor restrictions are \$40.6 M in 2020, which is a significant improvement from 2019.
  - The amount of endowment funds with restrictions is \$41.8 M.
- Statement of Activities Report
  - Revenue without donor restrictions is \$40.6 M. A large portion of this being the Scott gift. Revenue with donor restrictions is \$6 M for a total of \$46.6 M.
  - The net realized and unrealized gains and losses are \$3.4 M for 2020., slightly up for the year.
  - The Foundation's administrative fee decreased from 1.5% to 1.25% in 2020 and total administrative expenses were \$408,206 for the year.
  - The fundraising expenses are \$119,022.
  - The year ended with a change in net assets of \$46.7 M.

- Functional Expenses
  - The Foundation awarded \$1.6 M in scholarships in calendar year 2020 (roughly 83.5 cents on the dollar awarded for scholarship and program support).
- Liquidity and Availability of Funds
  - Cash and cash equivalents equal \$43 M.
  - Total unrestricted gifts totals \$44.5 M
- Endowment
  - Without donor restriction dollars are at \$4.7 M. Those with donor restrictions equal \$29.2 M for a total of \$33.9 M.

The total portfolio is \$82 M.

- NSU Upholdings, LLC
  - On May 5, 2021, the Foundation formed NSUF Holdings, LLC, a Virginia limited liability company. The Foundation is the sole member of the LLC. The LLC will be treated as a disregarded entity for tax purposes. The LLC was established to acquire and hold real property at 805 Park Avenue, Norfolk, VA. This property was purchased on May 21, 2021, for \$2,000,000 and is located across from the main campus of Norfolk State University.

Ms. Abbott motioned, seconded by Mr. Parks and with a 3-0 Roll Call vote approved the audit report provided by the NSU Foundation.

## **6. Relationship of the Parties**

There were no comments.

## **7. Review and Approval of the Revised BOV/NSUF MOU**

A motion was made to approve the MOU as written with the caveat to change the reporting date of the Foundation from the fiscal year to a calendar year of January 1st through December 31<sup>st</sup> to be reported at the August Board meeting for the prior year.

Ms. Abbott motioned, seconded by Mr. Parks and with a 3-0 Roll Call vote approved the BOV/NSUF MOU with the change as stated above.

An amendment to the motion was made regarding the MOU that in addition to the change in the reporting date that the MOU be approved subject to improving clarification of the language in the Fundraising Activities and Gifts section of the document.

A Roll Call vote of 3-0 was performed to approve the amendment that the MOU be approved subject to improving clarification of the language in the Fundraising Activities and Gifts section of the document.

## **8. Adjournment**

There being no additional business, it was properly moved and seconded to adjourn the meeting at approximately 4:55 p.m.

Respectfully submitted,

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Inda B. Walker, Board Liaison

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Dr. Harold L. Watkins, Chair  
BOV/NSUF Liaison Committee

**BOV/NSUF LIAISON COMMITTEE MEETING  
ROLL CALL VOTE SEPTEMBER 21, 2021**

| Item  | Dr.<br>Watkins | Ms.<br>Abbott | Mr.<br>Griffith | Mr.<br>Parks | Totals |
|---|----------------|---------------|-----------------|--------------|--------|
| Audit   | Yes            | Yes           | Absent          | Yes          | 3-0    |
| Review and Approval of the Revised BOV/NSUF MOU with date change  | Yes            | Yes           | Absent          | Yes          | 3-0    |
| Review and Approval of BOV/NSUF MOU to include clarifying the language in the section titled Fundraising Activities and Receipts of Gifts | Yes            | Yes           | Absent          | Yes          | 3=0    |