

Liaison Committee Meeting
Board of Visitors and Norfolk State University Foundation
700 Park Avenue, Norfolk, VA 23504
Board of Visitors Conference Room, Wilson Hall, Suite 550
November 12, 2010

MINUTES

1. Call to Order/Attendees

Dr. Kim Luckes, Acting President called the meeting to order at approximately 2:35 p.m. A quorum of the Board of Visitors was present, along with the following individuals:

Board of Visitors Members:

Edward L. Hamm, Jr., Rector

Willie L. Brown, Chair, University Advancement Committee and NSUF Board Member

Teresa M. Gladney

Norfolk State University Foundation Members:

William A. Bagby, President

Yvonne T. Allmond, Immediate Past President

Dr. Jan Felton, Treasurer

Members of the NSU Staff:

Dr. Kim Luckes, Acting President

Phillip D. Adams, Vice President, University Advancement/NSUF Executive Director

Mary L. Weaver, Interim Vice President for Finance and Business and Assistant Vice President for Advancement/Fiscal Officer for Foundation

Pamela F. Boston, University Counsel

Paula Gentius, Assistant to the NSU Board of Visitors and to the President

April T. Allbritton, Office Manager/Board Liaison, Office of the President

Sheri L. Watts, Administrative & Program Specialist III, University Advancement/Development

2. Review and Acceptance of Agenda

Dr. Luckes asked if there were any questions or additions to the agenda. The agenda was reviewed and accepted. She asked Mr. Adams to report on the Annual Certification Letter.

3. Annual Certification Letter

Mr. Adams stated that on an annual basis, the executive director of each Foundation shall submit to the Board of Visitors and to the President a letter which certifies compliance with seven items. He stated the NSUF is in compliance with the items as follows:

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1. Copies of this Policy (Policy on University-Related Foundations) have been circulated to the Foundation staff and governing board.
2. Compensation of any kind which the Foundation provides to University employees must be approved by the Rector and President with a listing attached to the certification letter (copy attached to certification letter of individuals receiving payment – Mary Weaver, Metilda Rodgers, Dr. Meyers – salary supplement).
3. An audit by an independent certified public accountant has been completed and the Foundation Audit Committee has met and reviewed the management letter and response with the auditor. An audit has been completed for the Norfolk State University Foundation and an unqualified opinion has been issued that the Foundation is in conformity with generally accepted accounting principles.
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. The annual budget was approved at the June 2010 Foundation meeting and has been shared with the Rector as well as Mr. Brown who serves on the Foundation Board. Mr. Adams provided copies of the budget with those in attendance.

Items 5, 6 and 7

Mr. Adams stated that items 5, 6 and 7 are not applicable. The university has not borrowed any funds from the Foundation, no business ventures or changes in the nature, scope, or purpose of the Foundation and no other specific requirements as mutually agreed upon by the Foundation and President have occurred.

Dr. Luckes asked if there were any questions or discussions based upon the certification letter. There being none, she moved to the next item on the agenda.

3. Annual Calendar

Mr. Adams stated that Mr. Brown asked for a proposed calendar as a way of ensuring timely coordination between the Foundation and the university. Ms. Allmond recommended that Mr. Adams add the approved NSUF Board dates on the timeline. Mr. Brown stated that the timeline will be provided to the three other foundations and similar timelines will be developed for the other foundations.

Mr. Adams went over the timeline (see timeline following page). He stated that the NSUF will present its fundraising plan to the Board of Visitors during the month of May 2011. This is a requirement in the policy on affiliated foundations and this helps with the coordination of activities between the foundations. Mr. Adams added that a letter has been sent to each foundation's Executive Director to invite them to attend the Board of Visitors University

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Advancement Committee meeting on Thursday, December 9, 2010 at 2:30 p.m. The E2F Liaison has also been invited to attend. All the foundations are expected to report and present their audits. He noted that the Alumni Association completes an external audit every three years.

Annual Timeline

July 1 – Fiscal Year Begins

September

- Fall NSU Foundation Board Meeting

November

- Liaison Committee Meeting

December

- Winter NSU Foundation Board Meeting
- Presentation of Annual Certification and Update to the NSU BOV (Previous Year)
- University submits request to the Foundation Board of Directors

March

- Spring NSU Foundation Board Meeting

May

- Presentation of fund-raising plan to the Board of Visitors

June

- Summer Meeting
- NSUF provides budget to the University

June 30

- Fiscal Year Ends

Mr. Bagby stated that as a point of clarification, the Foundation's audit will not be approved until December 17, 2010, a week after the Board of Visitors meeting. The audit that the Board would receive at the December 10, 2010 meeting is considered draft. He stated that there are no issues or problems anticipated with the audit.

Mr. Adams stated that at the University Advancement Committee meeting, he will give a short presentation on the Baliles agreement and how that relates to the university's policy on university-related foundations. Each foundation will have approximately twenty minutes to present and to share any fundraising plans they have in place.

Dr. Felton asked if each foundation has a major fundraiser. Mr. Adams stated that each foundation should have a plan, not necessary a fundraiser. For example, the Athletics Foundation operates differently in that it usually does membership raising; however, all of the foundations can fundraise.

Mr. Brown stated that all the foundations must coordinate fundraising through University Advancement to prevent potential conflicts. Dr. Felton stated that in essence this will ensure that all the foundations are on the same accord and not targeting the same people/businesses.

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4. University's Request to the Foundation

Mr. Adams stated that the university is to provide an annual submission of what it would like the NSUF to consider for funding for the next year. The funding request is due to the NSUF by December 31 of each year. He passed out a draft document that listed items that were funded in the NSUF budget last year and items for consideration for the upcoming year. He noted that the three items are funded mostly from the interest off of the endowment or endowment funding that does not have restrictions. Payment also comes from funds that are available through income generated by the Annual Fund that are unrestricted. Mr. Adams passed out a page that included the NSUF's budget and revenue sources for FY 2010-2011 as of August of this year.

Ms. Weaver stated that scholarships are basically paid from the general scholarship fund through donations made to the NSUF. The President's Discretionary Fund is typically paid from the interest on endowment that is designated for this type of program support.

Mr. Adams stated that he, Dr. Luckes, Mr. Brown and Ms. Weaver met last week to discuss the submission to the NSUF and all were in agreement to submit a fund request that is consistent with dollars within the NSUF that are readily available. The previous requests to the NSUF were in the amount of \$3.2M to \$3.5M. With the significant number of restrictions on funds in the NSUF, granting a request of this magnitude would not allow the NSUF to stand in good grace with its donors.

Mr. Brown noted that this large amount would be difficult to fund even if it were spread over a two-year period. He listed the categories and amounts that totaled \$3.2M. Mr. Brown stated that the Foundation understands the needs of the university; however, with the amount of current funds in the Foundation and the way that these funds are housed, it would be difficult to provide support of such magnitude. He stated that realistically the Foundation is able to provide the same amount of funding as in the previous year of \$196,000.

Mr. Hamm asked if the \$196,000 is included in the budget page that was just provided. Mr. Bagby stated that the \$196,000 is included in the following categories:

Grow by Degrees Program	\$40,000
President's Discretionary Fund	\$31,800
Craig Scholarships	\$65,000
General Scholarships	\$100,000

Mr. Bagby noted that the Foundation provides funding in other forms of support so it provides more than \$196,000. He stated that the \$196,000 is effectively a level-funded request and has been budgeted.

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Ms. Allmond stated that the Foundation also provides \$100,000 as a revolving amount (emergency loan program for students). The Committee discussed the emergency loan program. Mr. Adams stated that some students are paying back and some are defaulting. Currently, there is \$65,000 in this fund. Dr. Felton stated that this program was implemented as a trial but the Foundation feels that it is working.

Mr. Hamm stated that it is his recommendation to build the endowment in the NSUF. He has talked with the Board and the Foundation about building the corpus of the Foundation. Mr. Hamm stated that less demands from the university would help to grow the corpus. He noted that some Foundation members have left the board in part because of their frustrations in this regard. Mr. Hamm stated that if we improve on the earnings of the Foundation it would help change the attitude the community has of the university.

Mr. Hamm stated that Mr. Ralph Johnson informed him before he left that the university is authorized to spend up to \$5M in scholarships. The university has spent \$3M in the past, and most recently, nearly \$4M (only when funding is available). He asked if the university through a series of steps, find a way not to draw down discretionary scholarships (unrestricted). This would help to build funding in the Foundation. Mr. Hamm stated that to implement, some research and strategies regarding general funds, auxiliary funds, etc. are needed to fund the authorized \$5M scholarship allowance.

Mr. Hamm stated that the Board of Visitors is beginning to ask more questions about the university's budget. He stated that Ms. Weaver will provide a briefing to him in the coming weeks. He stated that the Board wants to ensure that the university is operating as efficiently and effectively as possible.

5. Expectations

Mr. Adams asked if any discussion was needed on expectations from the Foundation of the Board of Visitors and vice versa. Mr. Bagby stated that page 2, number 2 of the Memorandum of Understanding is an adequate representation of what the Foundation expects of the university. He stated that he is not aware of any concerns that the university is not meeting this item.

Ms. Allmond asked when would there be another large fundraising campaign. Mr. Adams provided a draft document that provided information on how the university should be more targeted on its next campaign. This document provides the landscape for the next campaign.

Ms. Allmond asked if there were any plans to give the university more visibility with the business community. She stated that the businesses downtown need to know what is happening at NSU and should be invited to campus. Ms. Allmond states that as she drives by with guest(s), they indicate that they have never been on campus.

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Dr. Luckes stated that over the past several months, one of the priorities has been community engagement. She stated that she is ensuring that Norfolk State is a part of and is attending as many meetings as possible with the business community and the community at-large. Dr. Luckes stated that the university had two articles in the paper yesterday and today on the Veterans Program and the young man from the football team. She stated that the university is discussing marketing and branding and how to become more engaged in the community. She added that the university is working on this on a daily basis. Dr. Luckes stated that we realize that this means that we have to get more people to understand that we are here and to visit campus. This will take a little time.

Ms. Allmond stated that she, as well as the Foundation Board, would be glad to help. She informed the President about the NATO visit to campus and asked that these guests are announced at the football game. Ms. Allmond stated that the Virginia Arts Festival has agreed to have one of its events in the Wilder Center which is extremely good news.

Dr. Luckes stated that she will see to the announcement. She also stated that it is a good idea to reach out to the Foundation Board and all of the Boards to help publicize the university.

Mr. Hamm stated that Ms. Allmond has been suggesting for the last year that we invite some corporate leaders to campus; however, that has not happened. Mr. Adams stated that he is still working on dates to get all of the Foundations board members together to help co-host the event. Ms. Allmond stated that it does not have to be formal and suggested that we do a few individuals at a time. She stated that the Mayor is very interested in coming to campus. Mr. Brown asked Ms. Allmond to provide Mr. Adams with a list of individuals that she would like see come to campus. Since the holidays are upon us, Mr. Brown suggested that Mr. Adams pick a few dates to begin this task between the middle and end of January 2011.

6. Introductions

Mr. Adams stated that he was not sure if everyone knew each other, so he asked for introductions. Introductions were made. Mr. Adams stated that Mr. Bagby is a '69 graduate of NSU and is the first alumnus to serve in the capacity of President of the NSUF.

7. Adjournment

Dr. Luckes asked if there were any more comments or questions.

Mr. Brown stated that the schedule of events and the outline that we have in place will keep us all informed and in tune with what we need to do and how to address issues. The MOU has been approved and all foundations are fully committed now that there is a guideline to follow. Mr. Adams stated that Pam Boston, Yvonne Allmond, Attorney Thomas Rucker and Mr. Brown were instrumental in revising and finalizing the document.

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Mr. Bagby thanked the authors of the MOU. He stated that the document is very well written and it makes everyone's responsibility and roles to each other clear.

Mr. Adams stated that he checked the value of the Foundation's Common Fund today and over the years the value has gone from less than \$100,000 to \$20M. He stated that \$18M of the total is endowed.

Mr. Bagby stated that six years ago it was \$11.5 and despite the market collapse of 2008, we are at \$20M. Mr. Hamm stated that the money management individuals on the Foundation Investment Subcommittee really take this fund personal and have done an excellent job to ensure the money has been invested well. He thanked Mr. Bagby who was a member of this subcommittee and Dr. Felton as well who served on the Accounting and Financing Committees.

There being no additional business, the meeting was adjourned at 3:25 p.m.

Respectfully submitted,

April T. Allbritton, Board Liaison

Willie L. Brown, Chair
University Advancement Committee