

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS**

**Meeting of the
Advancement Committee**

September 14, 2017

ADVANCEMENT COMMITTEE

Thursday, September 14, 2017

9:30 – 10:30 a.m.

Board Room, The Rotunda

Committee Members:

John A. Griffin, Chair
James V. Reyes, Vice Chair
Barbara J. Fried
Robert D. Hardie

Tammy S. Murphy
Jeffrey C. Walker
Frank M. Conner III, Ex-officio
William B. Fryer, Consulting Member

AGENDA

	<u>PAGE</u>
I. REMARKS BY THE COMMITTEE CHAIR (Mr. Griffin)	1
II. BIG IDEA: SOCIAL ENTREPRENEURSHIP AT THE UNIVERSITY OF VIRGINIA (Mr. Griffin to introduce Ms. Christine Mahoney; Ms. Mahoney to report)	2
III. PHILANTHROPIC PERFORMANCE REPORT AND DISCUSSION (Mr. Luellen) A. Fiscal Year-End Report B. Fundraising Performance C. Campaign Planning Progress D. Scholarships	3
IV. ANNUAL REPORT ON UNIVERSITY-RELATED FOUNDATION COMPLIANCE (Written report)	5

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: September 14, 2017

COMMITTEE: Advancement

AGENDA ITEM: I. Remarks by the Committee Chair

ACTION REQUIRED: None

DISCUSSION: The Committee Chair, Mr. John Griffin, will welcome guests and provide an overview of the meeting agenda.

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AGENDA ITEM: II. Big Idea: Social Entrepreneurship at the University of Virginia

ACTION REQUIRED: None

BACKGROUND: In an ongoing series of faculty presentations, the Committee will have the opportunity to learn about faculty projects and initiatives with the potential to attract transformative philanthropic gifts and to distinguish the University in multiple areas.

DISCUSSION: Social entrepreneurs are solving many of the world's toughest social problems through business approaches. Social Entrepreneurship at the University of Virginia (SE@UVA) creates opportunities for students to learn about social entrepreneurship through an academic minor, experiential classes, workshops, speakers, hackathons, concept competitions, Global Field Experiences, research projects, and internships. The program prepares future social entrepreneurs to launch or work within organizations arrayed along the continuum of innovative non-profits to world-changing for-profits and everything in between, including public-private partnerships, impact investing, and innovative financing. Launched five years ago, SE@UVA now has 198 students pursuing a minor, over 520 students annually enrolled in courses, and thousands attending inspiring talks, events, and programming.

Ms. Christine Mahoney is a Professor of Public Policy and Politics at the Frank Batten School of Leadership and Public Policy and Founder and Director of Social Entrepreneurship at the University of Virginia. She studies advocacy, activism, and direct action through social entrepreneurship. Her first book *Brussels vs. the Beltway* (Georgetown University Press) explores how advocates shape public policy in two of the most powerful political systems on the planet: the U.S. and the EU. She conducted fieldwork in seven conflict zones in Asia, Africa, Eastern Europe, and Latin America for her second book *Failure and Hope: Fighting for the Rights of the Forcibly Displaced* (Cambridge University Press). She has been a National Science Foundation grant recipient, a Fulbright Fellow, a visiting scholar at Oxford, and named emerging scholar of the year by the American Political Science Association. She has published over 20 scholarly articles and comments regularly in the media including: the *National Journal*, *Triple Pundit*, *Politico*, the *Virginian Pilot*, the *Philadelphia Inquirer*, *Virginia Business*, *Next Billion*, BBC, and local NPR, CBS, and NBC affiliates.

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AGENDA ITEM: III. Philanthropic Performance Report and Discussion

ACTION REQUIRED: None

DISCUSSION: Mr. Luellen will report on FY 2017 philanthropic cash flow and new commitments through June 30, 2017. Philanthropic cash flow measures actual gifts received by the University during a specific fiscal year. It includes cash or cash equivalents received for philanthropic purposes; it does not include pledges or future support (bequest expectancies, annuities, etc.).

Through June 30, cash flow for FY 2017 was \$283.4 million, up 9% compared to the previous fiscal year. New commitments for FY 2017 (new gifts and new pledge amounts) stood at \$312.4 million, an increase of 19% over FY 2016. When combined with new future support, total new commitments reached \$359.4 million, a 14% increase over the previous year.

Mr. Luellen will report on planning progress for the third century campaign and facilitate a discussion on the Bicentennial Scholars program.

University of Virginia Fundraising Progress Report for the Fiscal Year through June 30, 2017

School/Area	Philanthropic Cash Flow (1)	Cash Flow % change from FY2016	New Commitments (2)	New Commitments % change from FY2016	New Future Support (3)	Total Commitments (4)	Total Commitments % change from FY2016
Architecture School / Foundation	\$4,581,703.10	164.36%	\$4,646,042.10	187.00%	\$275,000.00	\$4,921,042.10	96.93%
College of Arts & Sciences / Fdn	\$29,328,064.66	-24.28%	\$32,155,723.14	-17.02%	\$8,940,155.67	\$41,095,878.81	-25.33%
Blandy Farm / FOSA	\$90,822.56	-50.42%	\$99,241.64	-43.21%	\$75,000.00	\$174,241.64	-0.30%
McIntire School of Commerce / Fdn	\$7,564,547.64	3.61%	\$7,434,787.02	46.64%	\$165,000.00	\$7,599,787.02	38.93%
School of Continuing & Prof. Studies	\$6,440.39	-16.18%	\$9,253.24	19.15%	\$0.00	\$9,253.24	19.15%
Darden School / Foundation	\$21,460,582.23	54.60%	\$30,359,429.52	80.28%	\$1,043,500.00	\$31,402,929.52	58.52%
Curry School of Education / Fdn	\$12,957,507.40	17.96%	\$12,860,586.71	12.17%	\$2,612,500.00	\$15,473,086.71	28.96%
Engineering School / Foundation	\$11,074,423.18	-0.31%	\$11,145,686.69	46.93%	\$2,185,715.00	\$13,331,401.69	-25.77%
Law School / Foundation	\$14,164,723.73	-20.90%	\$15,270,126.57	-17.18%	\$10,555,000.00	\$25,825,126.57	26.56%
Batten School / Foundation	\$1,889,449.02	42.04%	\$2,284,371.24	42.79%	\$0.00	\$2,284,371.24	42.79%
Health System:							
Medical School / Foundation	\$39,905,866.66	-22.74%	\$38,299,321.94	-29.36%	\$8,502,681.93	\$46,802,003.87	-21.30%
Medical Center	\$5,194,116.60	54.88%	\$4,953,730.23	80.31%	\$280,000.00	\$5,233,730.23	74.61%
School of Nursing	\$3,957,431.93	29.01%	\$8,180,745.14	301.08%	\$327,000.00	\$8,507,745.14	47.71%
Subtotal for Health System	\$49,057,415.19	-15.53%	\$51,433,797.31	-12.83%	\$9,109,681.93	\$60,543,479.24	-11.26%
Athletics / Foundation	\$46,387,732.11	37.72%	\$64,392,211.45	77.92%	\$4,347,681.70	\$68,739,893.15	86.20%
Jefferson Scholars Foundation	\$22,011,863.32	119.23%	\$19,838,611.05	129.21%	\$1,675,000.00	\$21,513,611.05	105.00%
Miller Center / Foundation	\$2,474,777.48	-11.55%	\$2,092,813.38	-44.70%	\$0.00	\$2,092,813.38	-47.48%
Rector & Visitors	\$26,052,469.03	4.39%	\$24,311,561.81	-0.35%	\$3,818,694.13	\$28,130,255.94	-1.46%
Center for Politics	\$987,837.83	354.41%	\$3,164,356.33	1,352.87%	\$25,000.00	\$3,189,356.33	1,364.35%
Jeffersonian Grounds Initiative	\$5,783,674.32	67.50%	\$5,562,443.91	35.47%	\$650,000.00	\$6,212,443.91	33.06%
Fralin Museum of Art	\$2,204,232.14	19.03%	\$895,435.81	-77.81%	\$0.00	\$895,435.81	-84.52%
University Library	\$2,039,152.96	-23.52%	\$1,786,635.86	-30.42%	\$100,000.00	\$1,886,635.86	-26.53%
Virginia Fdn for the Humanities	\$1,846,543.07	-13.59%	\$1,460,804.39	-8.67%	\$0.00	\$1,460,804.39	-8.67%
Women's Center	\$645,258.49	2.19%	\$256,831.46	142.39%	\$0.00	\$256,831.46	142.39%
UVa Fund	\$10,751,108.33	5.41%	\$10,664,590.82	-5.12%	\$1,249,990.95	\$11,914,581.77	0.95%
Alumni Association	\$4,353,138.76	35.13%	\$4,366,607.86	45.46%	\$15,605.67	\$4,382,213.53	41.27%
UVa's College at Wise / Foundation	\$5,657,992.24	80.16%	\$5,892,354.25	117.09%	\$160,000.00	\$6,052,354.25	116.72%
Totals	\$283,371,459.18	8.89%	\$312,384,303.56	18.70%	\$47,003,525.05	\$359,387,828.61	13.81%

(1) Includes gifts, pledge payments, private grants, and deferred (irrevocable) gifts.

(2) Includes new gifts, private grants, bequests, deferred (irrevocable) gifts, donor-advised fund gifts, and non-binding commitments. Pledge payments are excluded.

(3) Includes expectancies (revocable gifts).

(4) New commitments and new future support.

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COMMITTEE: Advancement

AGENDA ITEM: IV. Annual Report on University-Related Foundation Compliance

ACTION REQUIRED: None

BACKGROUND: The Board of Visitors approved the Policy on University-Related Foundations on October 9, 1992. The policy applies to all foundations that are established and operated for the University's benefit and that use the University's name and, at times, its resources. The policy was designed to ensure efficiency and accountability of University-related foundations, as well as to maintain the foundations' independence and integrity. At its October 2000 meeting, the Board concurred with specific procedures to be followed in the administration of the policy.

The responsibility for monitoring compliance with the policy, as well as general administrative oversight of University-related foundations, rests with the Associate Vice President & Treasurer of the University, as the President's designee. The policy specifies that the designee will prepare an annual report on compliance for the Board of Visitors.

DISCUSSION: During the year, each foundation submits to the University certain reports specified in the policy. The reports include, but are not limited to, minutes of board meetings, audited financial statements, approved operating and capital budgets, amendments to by-laws, and tax returns. In addition, the executive director of each foundation submits an annual letter certifying that the foundation has complied with the Policy on University-Related Foundations. Board of Visitors' representatives on the foundation boards are asked to provide the Board with annual reports on foundation activities.

We have reviewed the representatives' reports as well as the other deliverables received from each foundation. This information indicates that all foundations are in compliance with the Policy on University-Related Foundations. A matrix on the following pages shows the items received from each of the foundations.

**COMPLIANCE WITH THE POLICY ON UNIVERSITY-RELATED FOUNDATIONS
FY16**

Foundation Name	Annual Budget For FY17	Meeting Minutes	Audited Financial Statements/ Management Letter	Management Letter Response (if applicable)	Tax Return (990)	Annual Certification Letter	BOV Representative Annual Report	Fiscal Year Ended
Alumni Association	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/16
Alumni Board of Trustees	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/16
Batten Foundation (incorporated 2/8/16)	N/A	✓	N/A	N/A	N/A	N/A	N/A	6/30/16
UVA-Wise Alumni Association	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/16
UVA-Wise Foundation	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/16
University of Virginia College Foundation	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/16
Curry School of Education Foundation	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/16
Darden School Foundation	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/16
Foundation of the State Arboretum at Blandy Experimental Farm	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/16
HealthCare Partners, Inc.	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/16
Jefferson Scholars Foundation	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/16
Law School Foundation and Law School Alumni Association	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/16
McIntire School of Commerce Foundation	✓	✓	✓ / ✓	✓	✓	✓	✓	6/30/16
Medical School Foundation	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/16
Miller Center Foundation	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/16
Osher Lifelong Learning Institute	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/16
Rare Book School	✓	✓	✓ / ✓	N/A	✓	✓	✓	9/30/16
School of Architecture Foundation	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/16
University of Virginia Engineering Foundation	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/16
University of Virginia Foundation	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/16

Foundation Name	Annual Budget For FY17	Meeting Minutes	Audited Financial Statements/ Management Letter	Management Letter Response (if applicable)	Tax Returns (990)	Annual Certification Letter	BOV Representative Annual Report	Fiscal Year Ended
University of Virginia Health Foundation	✓	✓	✓ / ✓	✓	✓	✓	✓	6/30/16
University of Virginia Investment Management Company (UVIMCO)	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/16
University of Virginia Licensing and Ventures Group	✓	✓	✓ / ✓	✓	✓	✓	✓	6/30/16
University Physicians Group (UPG)	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/16
Virginia Athletics Foundation	✓	✓	✓ / ✓	N/A	✓	✓	✓	12/31/16
Virginia Tax Foundation, Inc.	✓	✓	✓ / ✓	N/A	✓	✓	✓	9/30/16