

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS**

**Meeting of the
Advancement Committee**

September 13, 2018

ADVANCEMENT COMMITTEE

Thursday, September 13, 2018

9:45 – 10:45 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

AGENDA

	<u>PAGE</u>
I. REMARKS BY THE COMMITTEE CHAIR (Mr. Griffin)	1
II. CONSENT AGENDA (Mr. Griffin) <ul style="list-style-type: none">• Confirmation of the Board of Visitors Representatives to the Governing Boards of University-Related Foundations	2
III. MCINTIRE SCHOOL OF COMMERCE: SIGNIFICANT GIFT AND CAMPAIGN INITIATIVES DISCUSSION (Mr. Griffin to introduce Mr. Carl P. Zeithaml and guest; Mr. Zeithaml and guest to report)	4
IV. FUNDRAISING AND CAMPAIGN PROGRESS REPORT (Mssrs. Jeffries and Luellen to report)	5
V. DISCUSSION: BOARD OF VISITOR ENGAGEMENT IN THE CAMPAIGN (Mr. Griffin to facilitate discussion)	7
VI. ANNUAL REPORT ON UNIVERSITY-RELATED FOUNDATION COMPLIANCE (Written Report)	8

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

BOARD MEETING: September 13, 2018

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.

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS CONSENT AGENDA**

CONFIRMATION OF THE BOARD OF VISITORS REPRESENTATIVES TO THE GOVERNING BOARDS OF UNIVERSITY-RELATED FOUNDATIONS

The Board of Visitors' Policy on University-Related Foundations requires that each foundation board include a representative of the Board of Visitors. The Board of Visitors ratifies new appointments and confirms the list of existing representatives annually.

ACTION REQUIRED: Approval by the Advancement Committee and by the Board of Visitors

CONFIRMATION OF THE BOARD OF VISITORS REPRESENTATIVES TO THE GOVERNING BOARDS OF UNIVERSITY-RELATED FOUNDATIONS

RESOLVED, the following persons are confirmed as representatives of the Board of Visitors to the governing boards of the following University-related foundations:

FOUNDATION	BOV REPRESENTATIVE	TERM	
		Begin Date	End Date
Alumni Association of UVA	Whittington W. Clement	7/1/2015	6/30/2019
Alumni Board of Trustees of the University of Virginia Endowment Fund	J. Davis Hamlin	1/1/2017	12/31/2020
Batten School Foundation	Frank B. Atkinson	7/1/2016	6/30/2020
The College Foundation	John L. Nau III	1/1/2017	12/31/2020
UVA-Wise Alumni Association	Marvin W. Gilliam Jr.	7/1/2018	6/30/2022
UVA-Wise Foundation	Marvin W. Gilliam Jr.	7/1/2018	6/30/2022
Curry School of Education Foundation	Carla S. Harrell	7/1/2015	6/30/2019
Darden School Foundation	Jonathan D. Mariner	7/1/2018	6/30/2022
Foundation of the State Arboretum at Blandy	Susan G. Harris	7/1/2015	6/30/2019
Healthcare Partners, Inc.	Dr. L. D. Britt	7/1/2015	6/30/2019
Jefferson Scholars Foundation	Frank M. Conner III	7/1/2015	6/30/2019
Law School Foundation, (and subsidiary Law School Alumni Association)	Whittington W. Clement	1/1/2017	12/31/2020
McIntire School of Commerce	Kenneth S. Johnson	7/1/2018	6/30/2022
Medical School Foundation (and affiliate Medical School Alumni Association)	Dr. James H. Bowles Jr.	7/1/2015	6/30/2019

FOUNDATION	BOV REPRESENTATIVE	TERM	
		Begin Date	End Date
Miller Center Foundation	Barbara J. Fried	7/1/2017	6/30/2021
Osher Lifelong Learning Institute	Laura F. Hawthorne	7/1/2017	6/30/2021
Rare Book School	Robert F. Bruner	11/1/2015	6/30/2019
School of Architecture Foundation	George Keith Martin	7/1/2011	6/30/2019
University of Virginia Engineering Foundation	Adam Nelson Harrell Jr.	3/1/2015	6/30/2019
University of Virginia Foundation	Kevin J. Fay	7/1/2017	6/30/2019
University of Virginia Health Foundation	Dr. L. D. Britt	7/1/2015	6/30/2019
University of Virginia Investment Management Company	John G. Macfarlane III	7/1/2018	6/30/2022
University of Virginia Licensing & Ventures Group	John G. Macfarlane III	10/15/2015	6/30/2019
University of Virginia Physicians Group	Dr. Babur B. Lateef	10/1/2017	9/30/2021
Virginia Athletics Foundation	W. Heywood Fralin	1/1/2016	12/31/2019
Virginia Tax Foundation, Inc.	D. French Slaughter III	1/1/2017	12/31/2020

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

BOARD MEETING: September 13, 2018

COMMITTEE: Advancement

AGENDA ITEM: III. McIntire School of Commerce: Significant Gift and Campaign Initiatives Discussion

ACTION REQUIRED: None

DISCUSSION: In April 2018, a McIntire School of Commerce alumnus and donor made a leadership gift commitment in support of two of the McIntire School's most important priorities: world-class faculty and expanded, first-rate facilities. Mr. Carl P. Zeithaml, Dean of the McIntire School of Commerce, will discuss the impact this investment will have on the ability of the School to attract exceptional students and faculty. Mr. Zeithaml will also invite the donor to share the inspiration for this extraordinary gift.

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

BOARD MEETING: September 13, 2018

COMMITTEE: Advancement

AGENDA ITEM: IV. Fundraising and Campaign Progress Report

ACTION REQUIRED: None

BACKGROUND: 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.). New commitments include new gifts, private grants, bequests, deferred gifts, donor-advised fund gifts, and non-binding commitments; pledge payments are excluded from new commitments.

Through June 30, cash flow for FY 2018 was \$294.5 million, an increase of 4% compared to the previous fiscal year. New commitments for FY 2018 (new gifts and new pledge amounts) stood at \$415.7 million, 33% over the same period in FY 2017. When combined with new future support, total commitments reached \$556.5 million, a 55% increase over the previous year.

DISCUSSION: Mssrs. Jeffries and Luellen will report on fundraising progress and campaign planning implementation to-date. Additionally, they will provide a report regarding events coordinated by University Advancement in support of the *Ours to Shape* initiative.

University of Virginia Fundraising Progress Report for Fiscal Year 2018 through June 30, 2018

School/Area	Philanthropic Cash Flow (1)	Cash Flow % change from FY 2017	New Commitments (2)	New Commitments % change from FY 2017	New Future Support (3)	Total Commitments (4)	Total Commitments % change from FY 2017
Architecture School / Foundation	\$5,802,668.26	26.65%	\$6,116,114.73	31.64%	\$1,020,000.00	\$7,136,114.73	45.01%
College of Arts & Sciences / Fdn	\$32,381,471.17	10.41%	\$43,708,186.34	35.93%	\$38,134,733.34	\$81,842,919.68	99.15%
Blandy Farm / FOSA	\$124,321.66	36.88%	\$124,321.66	25.27%	\$0.00	\$124,321.66	-28.65%
McIntire School of Commerce / Fdn	\$7,653,713.37	1.18%	\$33,243,187.05	347.13%	\$3,280,000.00	\$36,523,187.05	380.58%
School of Continuing & Prof. Studies	\$7,220.16	12.11%	\$6,441.84	-30.38%	\$0.00	\$6,441.84	-30.38%
Darden School / Foundation	\$33,188,128.79	54.65%	\$40,359,691.83	32.94%	\$1,089,690.00	\$41,449,381.83	31.99%
Curry School of Education / Fdn	\$8,356,521.38	-35.51%	\$10,225,465.45	-20.49%	\$2,075,000.00	\$12,300,465.45	-20.50%
Engineering School / Foundation	\$11,303,266.67	2.07%	\$23,398,055.41	109.93%	\$2,058,355.67	\$25,456,411.08	90.95%
Law School / Foundation	\$15,738,931.47	11.11%	\$36,750,668.43	140.67%	\$61,197,547.13	\$97,948,215.56	279.27%
Batten School / Foundation	\$1,654,754.20	-12.42%	\$16,482,403.69	621.53%	\$153,333.33	\$16,635,737.02	628.24%
Health System:							
Medical School / Foundation	\$29,262,213.53	-26.67%	\$34,137,899.71	-10.87%	\$14,842,917.15	\$48,980,816.86	4.66%
Medical Center	\$7,894,213.28	51.98%	\$7,591,970.53	53.26%	\$2,700,000.00	\$10,291,970.53	96.65%
School of Nursing	\$5,054,548.78	27.72%	\$8,267,981.96	1.07%	\$202,480.00	\$8,470,461.96	-0.44%
Subtotal for Health System	\$42,210,975.59	-13.96%	\$49,997,852.20	-2.79%	\$17,745,397.15	\$67,743,249.35	11.89%
Athletics / Foundation	\$51,954,197.94	12.00%	\$62,081,094.88	-3.59%	\$1,412,765.30	\$63,493,860.18	-7.63%
Jefferson Scholars Foundation	\$9,625,778.62	-56.27%	\$8,733,702.08	-55.98%	\$843,154.00	\$9,576,856.08	-55.48%
Miller Center / Foundation	\$2,772,665.55	12.04%	\$1,963,238.63	-6.19%	\$0.00	\$1,963,238.63	-6.19%
Rector & Visitors	\$22,037,266.42	-15.41%	\$24,487,256.07	0.72%	\$4,594,700.00	\$29,081,956.07	3.38%
Center for Politics	\$703,451.64	-28.79%	\$877,614.82	-72.27%	\$0.00	\$877,614.82	-72.48%
Jeffersonian Grounds Initiative	\$2,404,593.22	-58.42%	\$1,942,319.01	-65.08%	\$1,900,000.00	\$3,842,319.01	-38.15%
Fralin Museum of Art	\$2,803,602.29	27.19%	\$3,773,291.50	321.39%	\$500,000.00	\$4,273,291.50	377.23%
University Library	\$14,233,187.85	598.00%	\$13,745,360.11	669.34%	\$307,700.00	\$14,053,060.11	644.87%
Virginia Fdn for the Humanities	\$2,512,461.69	36.06%	\$2,417,918.12	65.52%	\$0.00	\$2,417,918.12	65.52%
Women's Center	\$74,295.22	-88.49%	\$72,124.18	-71.92%	\$429,000.00	\$501,124.18	95.12%
UVa Fund	\$12,503,106.43	16.30%	\$13,187,577.84	23.66%	\$3,388,183.33	\$16,575,761.17	39.12%
Alumni Association	\$5,197,941.21	19.41%	\$5,071,270.82	16.14%	\$580,000.00	\$5,651,270.82	28.96%
UVa's College at Wise / Foundation	\$9,293,659.06	64.26%	\$16,982,773.89	188.22%	\$60,000.00	\$17,042,773.89	181.59%
Totals	\$294,538,179.86	3.94%	\$415,747,930.58	33.09%	\$140,769,559.25	\$556,517,489.83	54.85%

(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.

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

BOARD MEETING: September 13, 2018

COMMITTEE: Advancement

AGENDA ITEM: V. Discussion: Board of Visitor Engagement in the Campaign

ACTION REQUIRED: None

BACKGROUND: In June 2018, the Board approved an initial campaign goal of \$5 billion, with a projected campaign completion date of June 30, 2025. Given the considerable efforts this campaign will require, Board member engagement will be critical to the University's success in achieving our goal.

DISCUSSION: Mr. Griffin will facilitate a discussion of the many diverse ways Board members can support campaign efforts.

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

<u>BOARD MEETING:</u>	September 13, 2018
<u>COMMITTEE:</u>	Advancement
<u>AGENDA ITEM:</u>	VI. Annual Report on University-Related Foundation Compliance
<u>ACTION REQUIRED:</u>	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
FY17**

Foundation Name	Annual Budget For FY18	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	✓	✓	✓	6/30/17
Alumni Board of Trustees	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/17
Batten Foundation	✓	✓	✓ / ✓	✓	✓	✓	✓	6/30/17
UVA-Wise Alumni Association	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/17
UVA-Wise Foundation	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/17
University of Virginia College Foundation	✓	✓	✓ / ✓	✓	✓	✓	✓	6/30/17
Curry School of Education Foundation	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/17
Darden School Foundation	✓	✓	✓ / ✓	✓	✓	✓	✓	6/30/17
Foundation of the State Arboretum at Blandy Experimental Farm	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/17
HealthCare Partners, Inc.	✓	✓	✓ / ✓	✓	✓	✓	✓	6/30/17
Jefferson Scholars Foundation	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/17
Law School Foundation and Law School Alumni Association	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/17
McIntire School of Commerce Foundation	✓	✓	✓ / ✓	✓	✓	✓	✓	6/30/17
Medical School Foundation	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/17
Miller Center Foundation	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/17
Osher Lifelong Learning Institute	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/17
Rare Book School	✓	✓	✓ / ✓	N/A	✓	✓	✓	9/30/17
School of Architecture Foundation	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/17

Foundation Name	Annual Budget For FY18	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 Engineering Foundation	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/17
University of Virginia Foundation	✓	✓	✓ / ✓	✓	✓	✓	✓	6/30/17
University of Virginia Health Foundation	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/17
University of Virginia Investment Management Company (UVIMCO)	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/17
University of Virginia Licensing and Ventures Group	✓	✓	✓ / ✓	✓	✓	✓	✓	6/30/17
University Physicians Group (UPG)	✓	✓	✓ / ✓	N/A	✓	✓	✓	6/30/17
Virginia Athletics Foundation	✓	✓	✓ / ✓	N/A	✓	✓	✓	12/31/17
Virginia Tax Foundation, Inc.	✓	✓	✓ / ✓	N/A	✓	✓	✓	9/30/17