

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS
MEETING OF THE
EXTERNAL AFFAIRS COMMITTEE
January 26, 2002**

EXTERNAL AFFAIRS COMMITTEE

Saturday, January 26, 2002

8:30 - 9:30 a.m.

Board Room, The Rotunda

Committee Members:

Timothy B. Robertson, Chair
Thomas J. Bliley, Jr.
Charles M. Caravati, Jr., M.D.
Elsie Goodwyn Holland

Gordon F. Rainey, Jr.
Terence P. Ross
Thomas A. Saunders, III
John P. Ackerly, III, Ex Officio

AGENDA

PAGE

- I. REPORT BY THE VICE PRESIDENT FOR FINANCE
(Ms. Reynolds)
- University Foundations 1
(Mr. Sweeney to introduce Ms. Reynolds;
Ms. Yoke San Reynolds to report)
- II. REPORTS BY THE SENIOR VICE PRESIDENT FOR DEVELOPMENT
AND PUBLIC AFFAIRS (Mr. Sweeney)
- A. Vice President's Remarks
 - 1. Post September 11 Assessment of Philanthropy 5
 - 2. Philanthropic Cash Flow FY-02 6
 - B. Campaign Transition Initiatives 7
 - C. University Website 9

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 26, 2002

COMMITTEE: External Affairs

AGENDA ITEM: I. University-Related Foundations

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 resources. The Policy was designed to ensure efficiency and accountability of University 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 the University-Related Foundations, rests with the Vice President for Finance, who was given that authority by the University President (in accordance with the Policy).

DISCUSSION: During the year, each foundation submits to the Vice President for Finance certain reports specified in the Policy. These reports include, but are not limited to, minutes of board meetings, audited financial statements, approved operating budgets, amendments to by-laws, and tax returns. In addition, the foundations are asked to submit a letter certifying that they have complied with the Policy on University-Related Foundations. A matrix on the following pages shows the items received from each of the foundations.

Beginning last year, Board of Visitors' representatives on the foundation boards were asked to provide the Board with annual reports on foundation activities. We have received the reports from the representatives, and they are available upon request.

Information received from the foundations and from the Board representatives indicates that all foundations are in compliance with the Policy on University-Related Foundations.

The Vice President for Finance will be conducting meetings with each of the foundations over the next several months to begin to build a stronger working relationship with each foundation, enabling the University to strengthen communication and coordination with each of the foundations.

ACTION REQUIRED: None

COMPLIANCE WITH THE POLICY ON UNIVERSITY-RELATED FOUNDATIONS

Foundation Name	Annual Budget	Internal Financial Statements	Minutes of Meetings	Management Letter/Audited Financial Statements	Mngmt. Letter Response	Tax Returns	Annual Certification Letter	Year Ended
Alumni Association	√	√	√	√	N/A	2/15/02	√	6/30/01
Alumni Board of Trustees	√	√	√	√	N/A	√	√	6/30/01
Curry School of Education Foundation	√	√	√	√	√	√	√	6/30/01
Darden School Foundation	√	√	√	√	N/A	2/15/02	√	6/30/01
Foundation of the State Arboretum at Blandy Experimental Farm	√	√	√	√	N/A	√	√	6/30/01
HealthCare Partners, Inc.	√	√	√	√	N/A	2/15/02	√	6/30/01
Health Services Foundation	√	√	√	√	√	3/15/02	√	6/30/01
Law School Alumni Association and Foundation	√	√	√	√	N/A	2/15/02	√	6/30/01
McIntire School of Commerce Foundation	√	√	√	√	√	√	√	4/30/01
Medical Alumni Association and Foundation	√	√	√	√	√	√	√	6/30/01
Miller Center Foundation	√	√	√	√	N/A	√	√	6/30/01
Patent Foundation	√	√	√	√	√	√	√	6/30/01
University of Virginia College Foundation	√	√	√	√	√	√	√	6/30/01
University of Virginia's College at Wise Alumni Association	√	√	√	√	√	√	√	6/30/01

COMPLIANCE WITH THE POLICY ON UNIVERSITY-RELATED FOUNDATIONS, continued

Foundation Name	Annual Budget	Internal Financial Statements	Minutes of Meetings	Management Letter/Audited Financial Statements	Mngment. Letter Response	Tax Returns	Annual Certification Letter	Year Ended
University of Virginia's College at Wise Foundation	√	√	√	√	√	√	√	6/30/01
University of Virginia Foundation	√	√	√	√	√	√	√	6/30/01
University of Virginia Host Properties	√	√	√	√	√	2/15/02	√	6/30/01
University Real Estate Foundation	√	√	√	√	√	√	√	6/30/01
Virginia Ambulatory Surgery	√	√	√	√	√	3/15/02	√	6/30/01
Virginia Engineering Foundation	√	√	√	√	√	√	√	6/30/01
Virginia Student Aid Foundation	√	√	√	√	√	√	√	12/31/00
Virginia Tax Foundation, Inc.	√	√	√	√	N/A	√	√	9/30/01
Virginia Urologic Foundation	√	√	√	√	√	3/15/02	√	6/30/01

Notes:
 **The dates in this matrix are indication of when the respective foundations have stated that we will have that information.

01/11/02

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 26, 2002

COMMITTEE: External Affairs

AGENDA ITEM: II.A. Post September 11 Assessment
of Philanthropy

BACKGROUND: The events of September 11, 2001, impacted every facet of American life, including philanthropy. While Americans, in record numbers, responded to tragic circumstances with compassion and generosity, America's universities were challenged to be a part of that response and to develop new strategies in a new age of philanthropy.

DISCUSSION: As a part of the University of Virginia's response to these events, the Development community reassessed its timetable for solicitations and reviewed its relationships with individual donors in the areas most directly affected. All Annual Giving fundraising appeals, including direct mail and phonathon approaches, were placed on hold for several weeks, as were specific approaches to donors in two of the University's largest metropolitan prospect areas: the greater New York, New Jersey, and Connecticut corridor; and Northern Virginia and the District of Columbia.

As a result of delayed appeals, together with the slowdown in the economy, Annual Giving year-to-date receipts remain down over 12%. While several large, significant gifts have assured that cash flow remains ahead at record levels, this success may temporarily obscure the fact that this is a difficult time in philanthropy. Discussions with donors about large gifts have been impacted by changing political climates as a result of the events of September 11, and by the slide of a weakened economy into recession.

ACTION REQUIRED: None

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BOARD MEETING: January 26, 2002

COMMITTEE: External Affairs

AGENDA ITEM: II.A. Philanthropic Cash
Flow Fiscal Year 2002

BACKGROUND: The Senior Vice President will review cash gifts received to date for Fiscal Year 2002. Emphasis will be placed on measuring performance compared to the three previous fiscal years.

DISCUSSION: Cash flow continues at record levels despite the end of the Campaign and new economic and political pressures on philanthropy. The Senior Vice President will present the most recent audited figures available and compare progress against the cash flow goal for Fiscal Year 2002, \$190 million (10% over the three-year average of philanthropic cash flow - \$172.4 million).

ACTION REQUIRED: None

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AGENDA ITEM: II.B. Campaign Transition Initiatives

BACKGROUND: The University Development Office is utilizing the period between Campaigns to develop new avenues of outreach and to strengthen the core apparatus of the development operations.

DISCUSSION: Already University Development is spending time in reviewing administrative and operational structures to enhance future fundraising operations. In addition, the Development community is embarking on an effort to expand the pool of major gift prospects and volunteer leaders to be engaged and involved prior to the launch of the next Campaign. Some of the programs are as follows:

Venture Philanthropy - At a Venture Philanthropy conference for the Development community held in November 2001, Peter Ticconi of Johns Hopkins University discussed the techniques and strategies involved in this new frontier of major giving.

Women in Leadership & Philanthropy - In the first of several focus groups, local women donors were brought together to discuss their continuing involvement in philanthropy and volunteer leadership at the University.

University Envision Program - The Senior Vice President, at the invitation of the Provost, has convened deans and faculty from each of the schools and units on the Grounds to discuss their defining elements, aspirations, and philanthropic needs for the future.

MYTCAV - This program is designed to attract and engage young alumni participation in giving to the University.

Diversity Initiatives - Along with other departments across the Grounds, the Development community has taken a lead in encouraging for the professional employee pool the same rich diversity that exists in the student population.

Peer Partnering - New employees will be welcomed and supported in their roles by peer partners who will enhance new employee transitions into the University system.

Organizational Restructuring - The Senior Vice President has worked with the Department of Athletics, the Athletics Capital Campaign, and the Virginia Student Aid Foundation in restructuring the athletics fundraising program. Under another new organizational plan, Health System Development now reports to, and is supported by, the operations of the University Development office.

ACTION REQUIRED: None

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AGENDA ITEM: II.C. University Website

BACKGROUND: Increasingly, the University of Virginia is acting as host to "visitors" to the Grounds through the medium of the University's Website. Projecting an attractive, inviting web presence is vital not only to maintaining the University's public image, but also in communicating the University's message to a wide audience of people quickly and efficiently.

DISCUSSION: In cooperation with the Web Communications Office, the Senior Vice President will report on usage of the University's Website. The home page, which now attracts over 17 million unique page views per month, reflects but a portion of the total visits to the entire University web community. Through its main and affiliated web addresses, the University can lead potential students through virtual tours of the dormitories, take researchers and scholars to the most comprehensive on-line collections of materials in the country, and enable donors to give to an area of their choice with the simple click of a mouse. The University has one of the most accessible and navigable web presences of any University in the country and has gained much national recognition as a leader in technological communication, including a CASE Grand Award for home page design and implementation.

ACTION REQUIRED: None