

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS
MEETING OF THE
EXTERNAL AFFAIRS COMMITTEE
FEBRUARY 1, 2003**

EXTERNAL AFFAIRS COMMITTEE

Saturday, February 1, 2003

8:30 - 9:15 a.m.

Board Room, The Rotunda

Committee Members:

Thomas A. Saunders, III, Chair

Thomas J. Bliley, Jr.

Thomas F. Farrell, II

Elsie Goodwyn Holland

Mark J. Kington

Gordon F. Rainey, Jr.

John P. Ackerly, III, Ex Officio

AGENDA

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UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: February 1, 2003

COMMITTEE: External Affairs

AGENDA ITEM: I. Disposition of Cole Memorial Fund

DISPOSITION OF COLE MEMORIAL FUND: Disposes of \$28,351.15 received on December 13, 2002, through a Charitable Remainder Trust, designated to the Rector and Visitors of the University of Virginia. According to the terms of the trust, approval for disposition of income and principal is required by the Board of Visitors of the University.

ACTION REQUIRED: Approval by the Board of Visitors

APPROVAL OF RECOMMENDATION FOR DISPOSITION OF THE COLE MEMORIAL FUND

WHEREAS, J. Marshall Cole (BA '25 and MA '27) created in 1962 a Charitable Remainder Trust, which quarterly provided net income to himself and his wife, Bertha Bates Cole, upon their lifetimes; and

WHEREAS, the Rector and Visitors of the University received the principal and undistributed income from this trust on December 13, 2002, in the amount of \$28,351.15; and

WHEREAS, according to the provisions of the trust, the principal and undistributed income shall be used to establish a fund known as The James Alfred Cole and Nannie Marshall Cole Memorial Fund; and

WHEREAS, the Board of Visitors is required by condition of the trust to determine the use of the income and principal of this fund;

RESOLVED that the Board of Visitors delegates discretionary authority to the President of the University as to the disposition of The James Alfred Cole and Nannie Marshall Cole Memorial Fund.

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AGENDA ITEM: II. University-Related Foundations

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 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.

Board of Visitors' representatives on the foundation boards are 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 has conducted meetings with each of the foundations over the past year. These meetings have helped establish a stronger working relationship with each foundation, enabling the University to strengthen communication and coordination with each of the foundations.

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	√	√	√	√	√	√	√	6/30/2002
Alumni Board of Trustees	√	√	√	√	√	√	√	6/30/2002
Curry School of Education Foundation	√	√	√	√	√	√	√	6/30/2002
Darden School Foundation	√	√	√	√	√	√	√	6/30/2002
Foundation of the State Arboretum at Blandy Experimental Farm	√	√	√	√	√	√	√	6/30/2002
HealthCare Partners, Inc.	√	√	√	√	√	√	√	6/30/2002
Health Services Foundation	√	√	√	√	√	√	√	6/30/2002
Law School Alumni Association and Foundation	√	√	√	√	√	√	√	6/30/2002
McIntire School of Commerce Foundation	√	√	√	√	√	√	√	4/30/2002
Medical Alumni Association and Foundation	√	√	√	√	√	√	√	6/30/2002
Miller Center Foundation	√	√	√	√	√	√	√	6/30/2002
Patent Foundation	√	√	√	√	√	√	√	6/30/2002
University of Virginia College Foundation	√	√	√	√	√	√	√	6/30/2002
University of Virginia's College at Wise Alumni Association	√	√	√	√	√	√	√	6/30/2002

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	√	√	√	√	√	√	√	6/30/2002
University of Virginia Foundation	√	√	√	√	√	√	√	6/30/2002
University of Virginia Host Properties	√	√	√	√	√	√	√	6/30/2002
University Real Estate Foundation	√	√	√	√	√	√	√	6/30/2002
Virginia Ambulatory Surgery	√	√	√	√	√	√	√	6/30/2002
Virginia Engineering Foundation	√	√	√	√	√	√	√	6/30/2002
Virginia Student Aid Foundation	√	√	√	√	√	√	√	12/31/2001
Virginia Tax Foundation, Inc.	√	√	√	√	√	√	√	9/30/2002
Virginia Urologic Foundation	√	√	√	√	√	√	√	6/30/2002

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BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: February 1, 2003

COMMITTEE: External Affairs

AGENDA ITEM: III. Vice President's Remarks

ACTION REQUIRED: None

DISCUSSION: The Senior Vice President for Development and Public Affairs will report on items of interest to the Committee.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: February 1, 2003

COMMITTEE: External Affairs

AGENDA ITEM: III.A. Philanthropic Cash Flow FY-03

ACTION REQUIRED: None

BACKGROUND: Cash gifts to date for Fiscal Year 2003 will be discussed. Emphasis will be placed on measuring performance against receipts for the same year-to-date period during the previous three fiscal years.

DISCUSSION: Cash flow for Fiscal Year 2003 continues at record levels. Discussion will focus on projections for cash flow and philanthropic trends for the remainder of the fiscal year. The Senior Vice President will present the most recent audited figures available and compare progress against the cash flow goal for FY-03 of approximately \$229 million.

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BOARD MEETING: February 1, 2003

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AGENDA ITEM: III.B.1. Arena Campaign

ACTION REQUIRED: None

BACKGROUND: The Buildings and Grounds Committee of the Board of Visitors gave tentative approval for developing a plan for a new basketball arena/events center at a site on Massie Road across from University Hall, with estimated completion in the fall of 2006.

DISCUSSION: Mr. Barry Parkhill, Associate Director of Athletics for Development, will report on the status of the campaign for the new University arena/special events center. Discussion will focus on fundraising achievements to date, key prospects and support opportunities, and new funding initiatives. Plans for the actual construction of the center, including unique design features and anticipated timelines, will be reviewed briefly.

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BOARD MEETING: February 1, 2003

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AGENDA ITEM: III.B.2. Virginia Athletics Foundation:
Expansion of Role/Marketing
Initiatives

ACTION REQUIRED: None

BACKGROUND: Since 1948, the Virginia Student Aid Foundation has raised all the grant-in-aid money for Virginia's student-athletes. In November of 2002, the Foundation announced that the organization had changed its name to the Virginia Athletics Foundation and expanded its mission to include all fundraising activities for the University's Department of Intercollegiate Athletes.

DISCUSSION: Mr. Dirk Katstra, Executive Director, will review the foundation's expanded role, detail its recent successes, and explain its new marketing strategy.

While the Foundation will continue to be the sole source of scholarship funds for the Department of Intercollegiate Athletics, its role will now include providing the resources to support the daily operation of the department and to fund future capital projects.

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AGENDA ITEM: III.C. Preparation and Planning for the
Next Campaign

ACTION REQUIRED: None

BACKGROUND: Concerted efforts by University leadership to maintain fundraising momentum in support of University priorities, as well as organizational stability during the period following the last campaign, place the University in an excellent position to plan and prepare for the next campaign.

DISCUSSION: Key potential campaign volunteers were invited to return to the University in mid-October to hear the case for the next campaign. Based on the success of this Volunteer Weekend, alumni and friends are being recruited to form the core of the new National Committee on University Resources, as well as the future Campaign Executive Committee.

Significant progress in support of the campaign has been realized through development of the campaign timeline, implementation of new initiatives in annual giving, and structural reorganization of health system fundraising through the University Health Foundation.

Over the next year, ongoing campaign initiatives will include the development of the internal plan, creation of the campaign case statement, identification of major gift prospects, cultivation of Nucleus Fund prospects, campaign budget planning, and staff training.

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AGENDA ITEM: III.D. University Relations: A
Transition in Leadership

ACTION REQUIRED: None

BACKGROUND: On December 31, 2002, Ms. Louise Dudley, Assistant Vice President for University Relations, retired after twelve-years as University spokeswoman.

DISCUSSION: Mr. Sweeney will recognize Ms. Dudley's well-regarded contributions to the University, as well as to its external audiences, and will introduce Ms. Carol Wood, former Director of University News Services, who assumes the position of Interim Assistant Vice President for University Relations.