

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS
MEETING OF THE
EXTERNAL AFFAIRS COMMITTEE
January 19, 2006**

EXTERNAL AFFAIRS COMMITTEE

Thursday, January 19, 2006
12:15 - 1:45 p.m.
Board Room, The Rotunda

Committee Members:

Lewis F. Payne, Chair	Glynn D. Key
A. Macdonald Caputo	Don R. Pippin
G. Slaughter Fitz-Hugh, Jr.	Gordon F. Rainey, Jr.
W. Heywood Fralin	Thomas F. Farrell, II, Ex Officio

AGENDA

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UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 19, 2006

COMMITTEE: External Affairs

AGENDA ITEM: I. 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 and Chief Financial Officer, who was given that authority by the President of the University (in accordance with the Policy).

DISCUSSION: During the year, each foundation submits to the Vice President and Chief Financial Officer certain reports specified in the Policy. The 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.

Two new foundations were established during 2005. Firstly, at its June 2005 meeting, the Board of Visitors approved a resolution

that designated the Jefferson Institute for Lifelong Learning (JILL) as a University-related foundation. JILL provides, in conjunction with the University of Virginia, a continuing education program for persons generally 55 years of age or older.

Secondly, at its September 2005 meeting, the Board of Visitors approved a resolution designating the Rare Book School as a University-related foundation. The Rare Book School is a non-profit and tax-exempt educational institute supporting the study of the history of books, printing, and related subjects. The Rare Book School was founded in 1983 at Columbia University, and moved to its present home at the University of Virginia's Alderman Library in 1992.

COMPLIANCE WITH THE POLICY ON UNIVERSITY-RELATED FOUNDATIONS

Foundation Name	Annual Budget	Minutes of Meetings	Management Letter/Audited Financial Statements	Management Letter Response	Tax Returns (990)	Annual Certification Letter	BOV Representative Annual Report	Year Ended
Alumni Association	√	√	√	N/A	2/15/06	√	√	6/30/05
Alumni Board of Trustees	√	√	√	N/A	√	√	√	6/30/05
University of Virginia College Foundation	√	√	√	√	1/31/06	√	√	6/30/05
University of Virginia's College at Wise Alumni Association	√	√	√	N/A	2/15/06	√	√	6/30/05
University of Virginia's College at Wise Foundation	√	√	√	√	√	√	√	6/30/05
Curry School of Education Foundation	√	√	√	N/A	√	√	√	6/30/05
Darden School Foundation	√	√	2/15/06	2/15/06	√	√	√	6/30/05
Foundation of the State Arboretum at Blandy Experimental Farm	√	√	√	√	√	√	√	6/30/05
HealthCare Partners, Inc.	√	√	1/30/06	1/30/06	1/30/06	√	√	6/30/05
Health Services Foundation	√	√	√	N/A	√	√	√	6/30/05
Jefferson Institute for Lifelong Learning*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12/31/05
Law School Foundation and Law School Alumni Association	√	√	√	√	2/15/06	√	√	6/30/05
McIntire School of Commerce Foundation	√	√	√	N/A	√	√	√	4/30/05
Medical School Alumni Association (subsidiary of the Medical School Foundation)	√	√	√	√	2/15/06	√	√	6/30/05
Medical School Foundation	√	√	√	√	√	√	√	6/30/05
Miller Center Foundation	√	√	√	√	√	√	√	6/30/05
Patent Foundation	√	√	√	√	√	√	√	6/30/05
Rarebook School*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9/30/05

COMPLIANCE WITH THE POLICY ON UNIVERSITY-RELATED FOUNDATIONS, continued

Foundation Name	Annual Budget	Minutes of Meetings	Management Letter/Audited Financial Statements	Management Letter Response	Tax Returns (990)	Annual Certification Letter	BOV Representative Annual Report	Year Ended
School of Architecture Foundation	√	√	√	N/A	2/15/06	√	√	6/30/05
University of Virginia Foundation and Subsidiaries	√	√	√	√	√	√	√	6/30/05
University of Virginia Health Foundation	√	√	√	√	√	√	√	6/30/05
University of Virginia Investment Management Company (UVIMCO)	√	√	√	√	√	√	√	6/30/05
Virginia Athletics Foundation	√	√	√	N/A	√	√	√	12/31/04
Virginia Engineering Foundation	√	√	√	√	√	√	1/31/06	6/30/05
Virginia Tax Foundation, Inc.	√	√	√	√	√	√	√	9/30/04

Notes:

* The Jefferson Institute for Lifelong Learning (JILL) and The Rarebook School are new University-Related foundations, effective July 1, 2005 and September 23, 2005 respectively, thus have no items for submission until next year.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 19, 2006

COMMITTEE: External Affairs

AGENDA ITEM: II. Vice President's Report

ACTION REQUIRED: None

DISCUSSION: The Senior Vice President for Development and Public Affairs will 1) introduce the new Assistant Vice President for Constituent Relations, 2) report on philanthropic cash flow, and 3) discuss the relationship between the Campaign case statement, current branding efforts, and the University's ten-year plan.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 19, 2006

COMMITTEE: External Affairs

AGENDA ITEM: II.A. Introduction of Assistant Vice
President of Constituent Relations

ACTION REQUIRED: None

BACKGROUND: FY-06 marks the first full year of a three-year roll out of the new Office of Constituent Relations, created in response to the recommendations of the Alumni Relations Task Force. The Office will be headed by the Assistant Vice President of Constituent Relations, Mr. Christopher Johnston. Previously, Mr. Johnston was the Executive Director, University Advancement, Office of Principal and Leadership Gifts, at the University of California-Irvine.

DISCUSSION: Mr. Sweeney will introduce Mr. Johnston, Assistant Vice President of Constituent Relations. Mr. Johnston will offer brief remarks about his vision for the Office's role within the University.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 19, 2006

COMMITTEE: External Affairs

AGENDA ITEM: II.B. Philanthropic Cash Flow

ACTION REQUIRED: None

BACKGROUND: Cash gifts to-date for Fiscal Year 2006 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: Mr. Sweeney will present the most recent audited figures available and compare progress over the last three years. Cash flow through November, 2005, is \$61.5 million, 11.5% above the same period last year. Mr. Sweeney will also report preliminary cash flow numbers for December, 2005.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 19, 2006

COMMITTEE: External Affairs

AGENDA ITEM: II.C. Case Statement/Branding/Ten-Year Plan

ACTION REQUIRED: None

BACKGROUND: The University faces a 'tipping point' unlike any encountered in its previous history. The confluence of a \$3 billion campaign, the creation of a six-year plan as mandated by the Higher Education Restructuring Act, and the efforts of the Special Committee on Planning to create a ten-year plan to differentiate the University from its public and private competitors has created a unique opportunity for comprehensive strategic planning. A number of critical strategic initiatives related to these efforts are currently in process. Among these are the creation of a Campaign case statement, the efforts of the consulting firm, McCann/Erickson, to assist the University in determining its 'brand', and the mandate of the Special Committee on Planning to reconcile the Campaign case statement with the Board-approved ten-year plan.

DISCUSSION: Mr. Sweeney will lead a discussion regarding the risks, challenges and opportunities inherent in this unique confluence of events, with particular focus on the Campaign case statement and its relationship to the University's branding and communications efforts as well as its six- and ten-year strategic planning efforts.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 19, 2006

COMMITTEE: External Affairs

AGENDA ITEM: III. Campaign Chair's Report

ACTION REQUIRED: None

BACKGROUND: Mr. Gordon Rainey, Campaign Chair, will report on three aspects of the current Campaign: Campaign progress to-date; recent actions of the Campaign Executive Committee, and the creation of the Parents Major Gifts Initiative.

DISCUSSION: Mr. Rainey will review campaign progress to-date, sharing audited figures through November 2005, and preliminary figures through December 2005. He will also review the agenda and outcomes of the most recent Campaign Executive Committee meeting, held January 11, 2006. Finally, Mr. Rainey will introduce Ms. Catherine Wharton, Development Officer/Major Gift Parents, to review the status of the newly-created Parents Major Gift Initiative.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 19, 2006

COMMITTEE: External Affairs

AGENDA ITEM: III.A. Campaign progress

ACTION REQUIRED: None

BACKGROUND: The University launched the quiet phase of the new Campaign on January 1, 2004. The Campaign, with its goal of \$3 billion, is scheduled to run through 2011, with the national kickoff on September 30, 2006.

DISCUSSION: Mr. Rainey will report on the progress of the Campaign. Campaign progress as of November, 2005, is \$762.7 million. Mr. Rainey will also review preliminary campaign figures through December 2005.

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BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 19, 2006

COMMITTEE: External Affairs

AGENDA ITEM: III.B. Campaign Executive Committee

ACTION REQUIRED: None

BACKGROUND: The Campaign Executive Committee, which first met in Spring 2004, serves as the core group of volunteer leaders and helps shape campaign policies and strategies. Now comprised of twenty-two members, the group convenes quarterly. The most recent meeting was held January 11, 2006, in New York City. As the Campaign enters the nine-month period leading up to the national kickoff on September 30, 2006, the leadership of this group becomes even more critical to the Campaign's ultimate success.

DISCUSSION: Mr. Rainey will review the agenda of the January 11, 2006, Campaign Executive Committee meeting and share highlights of its discussions and any decisions that were made.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 19, 2006

COMMITTEE: External Affairs

AGENDA ITEM: III.C. Parent Major Gifts Campaign

ACTION REQUIRED: None

BACKGROUND: To be successful in the current Campaign, the University must successfully tap into one of its most valuable resources – parents. To do so, will require the creation of a structure that allows Development to successfully identify, cultivate, and solicit both alumni and non-alumni parents with the capacity and willingness to contribute major gifts.

DISCUSSION: Mr. Rainey will introduce Ms. Catherine Wharton, Development Officer/Major Gift Parents, to review the status of the newly-created Parents Major Gift Initiative.