

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS
MEETING OF THE
EXTERNAL AFFAIRS COMMITTEE
MARCH 13, 2007**

EXTERNAL AFFAIRS COMMITTEE

Tuesday, March 13, 2007

2:15 - 3:15 p.m.

Lower East Oval Room, The Rotunda

Committee Members:

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

AGENDA

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UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: March 13, 2007

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 an annual 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.

On February 27, 2007, the Vice President and Chief Financial Officer hosted our third annual foundation networking meeting.

Representatives from each foundation were invited to attend this half-day session featuring presentations and discussions regarding gift agreements, endowment reporting, Pension Protection Act, state solicitation laws, services available to foundations through the University of Virginia Foundation and the Alumni Association, best practices, and various administrative and policy matters.

The Special Committee on Foundations began its work to review existing foundations and identify opportunities to better coordinate and streamline the efforts of University-Related Foundations.

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 | Ext. | ✓ | ✓ | 06/30/06 |
| Alumni Board of Trustees | ✓ | ✓ | ✓ | N/A | ✓ | ✓ | ✓ | 06/30/06 |
| University of Virginia College Foundation | ✓ | ✓ | ✓ | ✓ | Ext. | ✓ | ✓ | 06/30/06 |
| University of Virginia's College at Wise Alumni Association | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 06/30/06 |
| University of Virginia's College at Wise Foundation | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 06/30/06 |
| Curry School of Education Foundation | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 06/30/06 |
| Darden School Foundation | ✓ | ✓ | ✓ | ✓ | Ext. | ✓ | ✓ | 06/30/06 |
| Foundation of the State Arboretum at Blandy Experimental Farm | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 06/30/06 |
| HealthCare Partners, Inc. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 06/30/06 |
| Health Services Foundation | ✓ | ✓ | ✓ | N/A | ✓ | ✓ | ✓ | 06/30/06 |
| Jefferson Institute for Lifelong Learning | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 12/31/06 |
| Law School Foundation and Law School Alumni Association | ✓ | ✓ | ✓ | N/A | ✓ | ✓ | ✓ | 06/30/06 |
| McIntire School of Commerce Foundation | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 04/30/06 |
| Medical School Alumni Association (subsidiary of the Medical School Foundation) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 06/30/06 |
| Medical School Foundation | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 06/30/06 |
| Miller Center Foundation | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 06/30/06 |
| Patent Foundation | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 06/30/06 |
| Rare Book School* | * | * | * | * | * | * | * | 09/30/06 |

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 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 06/30/06 |
| University of Virginia Foundation and Subsidiaries | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 06/30/06 |
| University of Virginia Health Foundation | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 06/30/06 |
| University of Virginia Investment Management Company (UVIMCO) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 06/30/06 |
| Virginia Athletics Foundation | ✓ | ✓ | ✓ | ✓ | 2005 | ✓ | ✓ | 12/31/06 |
| Virginia Engineering Foundation | ✓ | ✓ | ✓ | N/A | ✓ | ✓ | ✓ | 06/30/06 |
| Virginia Tax Foundation, Inc. | ✓ | ✓ | ✓ | N/A | ✓ | ✓ | ✓ | 09/30/06 |

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* Items due for the first time in 2007.

EXT = Foundation filed request for extension of due date.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: March 13, 2007

COMMITTEE: External Affairs

AGENDA ITEM: II. Vice President's Remarks

ACTION REQUIRED: None

BACKGROUND: Mr. Sweeney will report on philanthropic cash flow to-date for FY-07. He will then turn the floor over to Mr. Caputo for a report on progress toward 2006-2007 External Affairs Committee Goals. To conclude his remarks, Mr. Sweeney will ask Ms. Cindy Fredrick, Senior Director of the Office of Engagement, to present an overview of the Office and its goals.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: March 12, 2007

COMMITTEE: External Affairs

AGENDA ITEM: II.A. Philanthropic Cash Flow

ACTION REQUIRED: None

BACKGROUND: Mr. Sweeney will report on philanthropic cash flow to date for FY-07, as well as comparative data for the past three fiscal years. Cash flow for the month of January 2007, was \$10.5 million; total cash flow from July 2006, through January 2007, was \$191.4 million. This represents a 31.77% increase from the same period in fiscal FY-06, a 62.2% increase over FY-05, and an 84.1% increase over FY-04. Preliminary numbers for February 2007, will be reported as available.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: March 13, 2007

COMMITTEE: External Affairs

AGENDA ITEM: II.B. Progress Report on 2006-2007
Goals and Work Plan

ACTION REQUIRED: None

BACKGROUND: Mr. Caputo will briefly report on the progress toward each of the Committee's five goals for 2006-2007. The External Affairs Committee goals are:

1. Successfully launch public phase of \$3 billion Capital Campaign with \$1.1 billion and generate \$400 million in new commitments during fiscal year 2007.
2. Increase annual philanthropic case flow by 10% to \$240 million.
3. Implement changes relating to University-wide foundations as per Board of Visitors recommendations.
4. Continue to reinforce constituent engagement both regionally and University-wide so as to enhance relationships, create awareness and build support among alumni, parents and friends of the University.
5. Improve University-wide communications with the establishment of a centralized marketing effort, a branding initiative and a crisis management plan.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: March 12, 2007

COMMITTEE: External Affairs

AGENDA ITEM: II.C. Office of Engagement

ACTION REQUIRED: None

BACKGROUND: Ms. Cindy Fredrick, newly-appointed Senior Director of the Office of Engagement, will present an overview of the Office. She will report on progress toward creating a best-in-class engagement program for the University that will build and promote engagement internally with alumni and constituents around the world.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: March 13, 2007

COMMITTEE: External Affairs

AGENDA ITEM: III. Campaign Chair's Report

ACTION REQUIRED: None

DISCUSSION: Mr. Rainey will review Campaign progress, sharing preliminary figures through February 2007, as available. He will also discuss other developments around the Campaign including the upcoming regional Campaign celebrations and the January meeting of the Campaign Executive Committee. He will then turn the floor over to Mr. Sweeney who will introduce Mr. Tom Jennings, Senior Development Officer for Special Projects, who will report on pan university fundraising, and Mr. Tim Redden, Senior Director of Development for Corporate and Foundation Relations, who will report on the role of corporate philanthropy.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: March 13, 2007

COMMITTEE: External Affairs

AGENDA ITEM: III.A. Campaign Status

ACTION REQUIRED: None

BACKGROUND: Mr. Rainey will review Campaign progress to-date. Through January 2007, the Campaign has raised \$1.13 billion which represents 37.75% of the total goal of \$3 billion. Preliminary numbers for February 2007, will be reported as available.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: March 12, 2007

COMMITTEE: External Affairs

AGENDA ITEM: III.B. Regional Campaign Celebrations

ACTION REQUIRED: None

BACKGROUND: Mr. Rainey will report on the March 6, 2007, Regional Campaign Celebration in Birmingham, and give an update on plans for other regional celebrations.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: March 12, 2007

COMMITTEE: External Affairs

AGENDA ITEM: III.C. Campaign Executive Committee

ACTION REQUIRED: None

BACKGROUND: Mr. Rainey will report on the Campaign Executive Committee meeting held on January 31, 2007, in New York City, a meeting that featured two presentations on potential pan University initiatives.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: March 13, 2007

COMMITTEE: External Affairs

AGENDA ITEM: III.D. Fundraising for Multi-disciplinary
Initiatives

ACTION REQUIRED: None

BACKGROUND: Mr. Tom Jennings, Senior Development Officer for Special Projects, will provide an overview of fundraising for historic preservation, the arts, and science & technology initiatives; and Mr. Tim Redden, Senior Director of Development for Corporate and Foundations, will report on the role of corporate philanthropy in fundraising for these and other pan university initiatives.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: March 13, 2007

COMMITTEE: External Affairs

AGENDA ITEM: IV. Assessment of Fundraising Performance

ACTION REQUIRED: None

BACKGROUND: Mr. Sweeney will review the University's fundraising performance in comparison with all public universities and the University's aspirational peers including the University of Pennsylvania, Cornell, Duke, Vanderbilt, Northwestern, Johns Hopkins, Notre Dame, Stanford, and Columbia Universities, among others.

In these comparisons, Mr. Sweeney will discuss alumni, parent, and corporate giving, including endowment and cash flow per student, endowment and cash flow per alumni, alumni participation, and bequests/future giving.