

June 12, 2008

MEMORANDUM

TO: The External Affairs Committee:

A. Macdonald Caputo, Chair
Daniel R. Abramson
Glynn D. Key
Austin Ligon
Lewis F. Payne
Don R. Pippin
Gordon F. Rainey, Jr.
John O. Wynne
W. Heywood Fralin, Ex Officio
John L. Nau, III, Consulting Member
Edmund W. Kitch, Consulting Member

and

The Remaining Members of the Board:

Alan A. Diamonstein	Vincent J. Mastracco, Jr.
Susan Y. Dorsey	Warren M. Thompson
Thomas F. Farrell, II	E. Darracott Vaughan, Jr., M.D.
G. Slaughter Fitz-Hugh, Jr.	Adom Getachew

FROM: Alexander G. Gilliam, Jr.

RE: Minutes of the Meeting of the External Affairs
Committee on Thursday, June 12, 2008

The External Affairs Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 2:50 p.m., Thursday, June 12, 2008, in the Board Room of the Rotunda; A. Macdonald Caputo, Chair, presided.

Present were Daniel R. Abramson, Ms. Glynn D. Key, Austin Ligon, the Hon. Lewis F. Payne, Don R. Pippin, John O. Wynne, and W. Heywood Fralin, Rector.

Present as well were John L. Nau, III, Chair of the Council of Foundations and Consulting Member of the Committee, and Edmund W. Kitch, Chair of the Faculty Senate and Consulting Member.

Also present were the Hon. Alan A. Diamonstein, Ms. Susan Y. Dorsey, G. Slaughter Fitz-Hugh, Jr., Vincent J. Mastracco, Jr., Warren M. Thompson, E. Darracott Vaughan, Jr., M.D., and Ms. Adom Getachew.

Present, too, were John T. Casteen, III, Leonard W. Sandridge, Alexander G. Gilliam, Jr., Paul J. Forch, Arthur Garson, Jr., M.D., Robert D. Sweeney, Ms. Susan A. Carkeek, James L. Hilton, Sharon L. Hostler, M.D., R. Edward Howell, Ms. Patricia M. Lampkin, David J. Prior, Ms. Colette Sheehy, C. Thomas Faulders, Jason Life, and Ms. Jeanne Flippo Bailes.

The Chair called the meeting to order and asked Mr. Nau, Consulting Member and Chair of the Council of Foundations, to report on the activities of the Council.

REPORT BY THE CHAIR OF THE COUNCIL OF FOUNDATIONS

Mr. Nau told the Committee that the Council met last month and reviewed the work of the three Board Committees on which he and Mr. Turner and Mr. Meyers sit. He said Council members were particularly interested in the discussions that took place in the last Finance Committee meeting on endowment spending and on the progress of various capital projects. The Council continues to work on its structure and operating principles and, Mr. Nau said, looks forward to a joint meeting with the Board. Meanwhile, Council members are reviewing the bylaws of the foundations they represent to be sure that they are in accord with the operating guidelines of the Council.

ACTION ITEM: APPROVAL TO ESTABLISH A NEW BUSINESS ENTERPRISE IN THE MCINTIRE SCHOOL OF COMMERCE FOUNDATION

The Chair asked Mr. Sweeney, Senior Vice President for Development and Public Affairs, to continue with the Agenda.

Mr. Sweeney introduced Dr. Garson, Provost and Executive Vice President; Dr. Garson proposed a resolution establishing a new business enterprise in the McIntire School of Commerce Foundation. The business in question reflects the investment of approximately \$613,000 in the development of a commercially available, web-based software application that allows researchers to more rapidly collect network data sets by automating portions of the survey process that is usually done manually. It is a tool designed both for individuals and corporations as a way to analyze their internal and external communication networks.

Approval of this business venture, Dr. Garson said, will allow the McIntire Foundation to seek to recover its investment, and to provide funds to support faculty research and other educational activities of the McIntire School.

On motion, the Committee approved the following resolution and recommended it to the full Board for approval.

APPROVAL TO ESTABLISH A NEW BUSINESS ENTERPRISE IN THE MCINTIRE SCHOOL OF COMMERCE FOUNDATION

RESOLVED, the Board approves the establishment of a new business enterprise in the McIntire School of Commerce Foundation to develop and market the use of a Foundation-developed survey software tool. This approval is for a fixed term of twenty-four months from June 13, 2008, the date of adoption of this resolution by the Board of Visitors.

REPORTS BY THE SENIOR VICE PRESIDENT FOR DEVELOPMENT AND PUBLIC AFFAIRS

Mr. Sweeney reported that philanthropic cash flow for the fiscal year, through April, was \$241million; unaudited figures through May bring the total to \$256million, which is 5% behind last year's record total for the same period.

The University recently received the CASE Wealth Engine Circle of Excellence Award, given for outstanding fundraising performance over a three-year period.

The Campaign total through April is \$1.674billion; the unaudited figures for May would bring that to nearly \$1.7billion.

The Chair reported on the meeting of the Campaign Executive Committee held in May. He summarized the reports made at the meeting by the several subcommittees: Women in Leadership and Philanthropy, the National Committee on University Resources, the Parent Campaign Advisory Board, and the Council of Foundations.

Mr. Sweeney then reported on annual giving. Lipman Hearne, a consulting firm that provides market and survey research services to non-profit organizations, submitted a report to the University in April of a survey they did on annual giving to the University. The survey found that 99% of undergraduate alumni feel positively about their experience at the University and 88% indicated a "strongly positive feeling." But the average alumni participation rate in annual giving is about 25%, so there is an obvious disconnect between alumni feeling toward the University and alumni giving.

The next phase of work on the annual fund will be focused on this disconnect and on what changes to the current system will rectify this situation.

There followed a discussion of the role of the class agent model in philanthropic efforts; several Members stressed the importance of class affiliation and personal solicitation in their own decisions to make gifts. There was discussion, too, of the use of technology, particularly among younger alumni.

REPORT OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE ALUMNI ASSOCIATION

Mr. Sweeney introduced Mr. Thomas Faulders, President and Chief Executive Officer of the Alumni Association. Mr. Faulders reported on new activities and expanded initiatives at the Alumni Association. He focused on Reunions Weekend, June 5-8, the programming for it and preliminary data from the weekend - attendance, for example, set a new record.

Mr. Faulders also told the Committee about such Alumni Association programs as Alumni Engagement, Student Engagement, Alumni Communications, Development activities, and the UVa Fund.

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On motion, the meeting was adjourned at 4:00 p.m.

AGG:jb

These minutes have been posted to the University of Virginia Board of Visitors website.

<http://www.virginia.edu/bov/externalminutes.html>