RESOLUTION REGARDING UNIVERSITY-RELATED FOUNDATIONS

The following resolution was adopted:

- WHEREAS sundry foundations are organized and operated to benefit the University of Virginia or one or more of the University's schools and departments;

- WHEREAS in recent years the University has developed agreements and adopted policies that describe the role of these affiliated foundations and regulate their relationship with the University, as manifested by a standard "Foundation Agreement" initiated in 1987, the "Management Principles and Guidelines Pertaining to University-Related Foundations" adopted by the Board of Visitors in 1989, and the establishment of the External Relations Committee of the Board of Visitors in 1991;

- WHEREAS the policy provisions embodied in the "Foundation Agreement" and the "Management Principles and Guidelines" stipulate specific standards, highlighted below, that are designed to ensure that University-related foundations are operated in accordance with sound managerial and accountability principles, and in a manner consistent with the University's purpose and mission:

  - Board approval of new foundations and subsidiaries;
  - University representation on foundation boards of directors;
  - distribution of foundation assets to the University upon dissolution;
  - advance review of changes in foundation charter and bylaws;
  - restricted use of University name, logo, and seal;
  - foundation legal responsibility for debts, contracts, and torts;
  - sponsorship of educational programs;
  - deposit of funds and gifts;
  - transfer of assets, loans, and other foundation-University business transactions;
  - access to, and reimbursement for, use of University personnel, facilities, or other services;
  - procurement and conflict of interest rules;
  - audit and financial accountability measures;

  - annual financial reports and supplemental submissions detailing noteworthy foundation activities and expenditures;

- WHEREAS in anticipation of the Capital Campaign and the critical need to coordinate all fund-raising activities
undertaken on the University's behalf; in recognition of particular problems revealed by the recently concluded inquiry of the University's athletic program and the operations of its affiliated foundation; and in furtherance of the University's overriding interest to promote efficiency and accountability among, as well as maintain independence and integrity within, all University-related foundations, the Board of Visitors believes that it is appropriate to re-examine and to reinforce, where appropriate, policy provisions pertaining to University-related foundations;

- **RESOLVED** that the Senior Vice President and Chief Financial Officer be and hereby is directed to undertake a thorough review of all University policy provisions pertaining to University-related foundations, and to prepare, with the advice and assistance of appropriate University offices including the General Counsel, a revised policy that, among other things, accommodates the following objectives:

  1. (1) consolidates the requirements contained in the "Foundation Agreement" and the "Principles and Guidelines" into one policy document that has overarching application to all University-related foundations;
  
  2. (2) establishes expectations regarding the nature and scope of foundation activities, consistent with the precise purpose contemplated when the foundation was created;
  
  3. (3) increases University representation on foundation boards of directors and executive committees;
  
  4. (4) stipulates basic standards for foundation protocols encompassing such areas as procurement, personnel, conflicts of interest, non-discrimination, investments, insurance, and gifts acceptance;
  
  5. (5) coordinates fund-raising and development policies and activities;
  
  6. (6) mandates periodic submission of foundation financial and operational reports;
  
  7. (7) prescribes University review of foundation budgets and personnel compensation contracts; and
  
  8. (8) describes administrative staffing responsibility, under the direction of the Senior Vice President and Chief Financial Officer, to ensure sufficient University monitoring of the foundations' compliance with pertinent University policies.

- **RESOLVED FURTHER** that the Senior Vice President and Chief Financial Officer circulate any proposed policy changes among the various foundations for their review and comment;

- **RESOLVED FURTHER** that any such proposal be subsequently presented to the Board of Visitors.