UNIVERSITY OF VIRGINIA
BOARD OF VISITORS
MEETING OF THE
EXTERNAL AFFAIRS COMMITTEE
FEBRUARY 3, 2005
EXTERNAL AFFAIRS COMMITTEE

Thursday, February 3, 2005
11:00 a.m. – 12:00 noon
Board Room, The Rotunda

Committee Members:
W. Heywood Fralin, Chair
G. Slaughter Fitz-Hugh, Jr.     Lewis F. Payne
Glynn D. Key        Gordon F. Rainey, Jr., Ex Officio

AGENDA

I. REPORT ON UNIVERSITY FOUNDATIONS
   (Mr. Sweeney to introduce Ms. Yoke San Reynolds;
   Ms. Reynolds to report)
   • Annual Report on Foundations' Compliance with
     the Board Policy 1

II. REPORTS BY THE SENIOR VICE PRESIDENT FOR DEVELOPMENT
    AND PUBLIC AFFAIRS (Mr. Sweeney)
   A. Vice President’s Remarks 5
      1. Philanthropic Cash Flow 6
      2. Prospect Management Guidelines 7
      3. Interactive Media/On-Line Communities 8
   B. Alumni Engagement (Mr. Fralin) 9
   C. Campaign Planning/Issues 10
      1. Campaign Progress Report
      2. Campaign Volunteer Leadership Structure 11
         a. Vice Chairs
         b. National Committee on University
            Resources
         c. Council of Chairs

III. EXECUTIVE SESSION
   • Discussion of fundraising activity and strategy in
     connection with campaign goals, as provided for in
     Section 2.2-3711 (A) (6) and (8) of the Code of Virginia
UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: February 3, 2005

COMMITTEE: External Affairs

AGENDA ITEM: 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 President of the University (in accordance with the Policy).

DISCUSSION: During the year, each foundation submits to the Vice President for Finance 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.

One new foundation was established during fiscal year 2004-05, as approved by the Board of Visitors at its February 2004 meeting.
The University of Virginia Investment Management Company (UVIMCO) became a University foundation effective July 1, 2004. UVIMCO provides investment and investment management and related services to the University of Virginia and to the private and independent foundations and other entities affiliated with the University and operating in support of its mission.

Virginia Ambulatory Surgery, Inc. (VASI) ceased to be a University foundation as of July 1, 2004. At its June 2004 meeting the Board of Visitors approved a resolution in which VASI became an instrumentality of the Medical Center, to be operated and controlled by the Medical Center as of July 1, 2004. Prior to that time VASI was a subsidiary of the Health Services Foundation.
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## COMPLIANCE WITH THE POLICY ON UNIVERSITY-RELATED FOUNDATIONS, continued

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Notes:

** The School of Architecture Foundation and University of Virginia Investment Management Company (UVIMCO) are new University-Related foundations, effective May 18, 2004 and July 1, 2004 respectively, thus have no items for submission until next year.

2/15/05 Date expected to receive from foundation.
UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: February 3, 2005

COMMITTEE: External Affairs

AGENDA ITEM: II. Vice President’s Report

ACTION REQUIRED: None

DISCUSSION: The Senior Vice President for Development and Public Affairs will report on 1) Philanthropic Cash Flow, 2) Prospect Management Guidelines, 3) Interactive Media and On-Line Communities, 4) Alumni Engagement negotiations, 5) Campaign Planning issues, including the Campaign progress report, a recommendation from the Campaign Executive Committee, and the Campaign Volunteer Leadership structure.
BACKGROUND: Cash gifts to date for Fiscal Year 2005 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 the progress over the last three years. Cash flow through November 2004 is $55.2 million, which is 15% ahead of the same period last year. He will report on preliminary cash flow numbers for December 2005.
BOARD MEETING: February 3, 2005

COMMITTEE: External Affairs

AGENDA ITEM: II.A.2. Prospect Management Guidelines

ACTION REQUIRED: None

BACKGROUND: In September, 2004, Mr. Sweeney convened a working group of development staff members and asked them to establish groundwork for communication and coordination among development officers across the Grounds. Setting guidelines for managing prospective donors is very important for the success of the Campaign.

DISCUSSION: Mr. Sweeney will report on the recommendations of the working group. In the University tradition of honor and integrity, the working group is committed to achieving the highest professional standards in the field of Development. The group thus established several policy statements to outline the basic standards for operating in a complex environment. As development officers across the Grounds commit to following these recommendations, they will ensure success through collegial communication and shared accountability. The highest priority is to represent the donor's wishes and to maximize donors' relationships with the University.

Issues and recommendations fall under three major categories: Reporting, Coordination, and Compliance.
UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: February 3, 2005

COMMITTEE: External Affairs

AGENDA ITEM: II.A.3. Interactive Media/On-Line Communities

ACTION REQUIRED: None

BACKGROUND: As part of the implementation of new alumni programs and services recommended by the Alumni Relations Task Force, the Senior Vice President for Development and Public Affairs has launched planning for the new version of the University's "on-line community" for alumni, parents and friends. The Senior Vice President will update the Board on progress to date on this initiative.

DISCUSSION: Through this "interactive media/on-line community" initiative, the University is developing a holistic approach to engaging its alumni and other external constituencies through email, web sites and other online resources.

The intent is to develop and deploy a range of integrated, interactive media applications and services aimed at involving alumni and other key constituencies in the life of the University. This initiative will involve a range of new efforts to enhance alumni affinity online, by email, and in combination with print and telephone communications.

Consultants from the firm MStoner, the leader in interactive media approaches for universities, have been retained to assist with this process. The initiative will inventory existing U.Va. interactive media capabilities and assets, catalogue desired interactive media services and content, and prepare a business plan to build full interactive media capability. Stakeholders from throughout the University are already involved in discussions about how best to meet the needs of the University and of its alumni.
UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: February 3, 2005

COMMITTEE: External Affairs

AGENDA ITEM: II.B. Alumni Engagement

ACTION REQUIRED: None

BACKGROUND: The President appointed an Alumni Relations Task Force in the fall of 2003 to study current University alumni relations efforts and to recommend specific approaches to enhance the University’s ability to consistently engage a broad and diverse body of alumni in meaningful ways. Based on the Task Force’s report, a subsequent committee was formed, chaired by Mr. Heywood Fralin, to recommend the structure and create a new agreement between the University and the Alumni Association regarding delivery of alumni programs and services.

DISCUSSION: Mr. Sweeney and Mr. Fralin, Chair of the External Affairs Committee, will report on the progress to date.
UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: February 3, 2005

COMMITTEE: External Affairs

AGENDA ITEM: II.C.1. Campaign Progress Report

ACTION REQUIRED: None

BACKGROUND: The University launched the quiet phase of the new Campaign on January 1, 2004. The Campaign is scheduled to run through 2011, with a goal envisioned at $3 billion.

DISCUSSION: Mr. Sweeney will report on the progress of the Campaign.
BACKGROUND: In building a volunteer leadership structure for the Campaign, several key roles have been identified. These include several groups: Vice Chairs for the Campaign, the regionally-based National Committee on University Resources, and the Council of Chairs, which consists of representatives from the University's schools and foundations.

DISCUSSION:

a. Vice Chairs - The National Campaign Vice-Chairs will provide the critical volunteer leadership that will serve to stimulate interest in, and enthusiasm for, the Campaign for the University of Virginia. The Chairs' time and effort will be devoted to policy decisions and the cultivation and solicitation of the most important gifts to the Campaign. The Vice-Chairs will help to motivate and inspire members of the Executive Committee to carry out their responsibilities.

b. National Committee on University Resources - Private resources play a critical role in the University's ability to achieve its academic mission and assure the highest quality student experience. To be successful, the University needs extraordinary leadership support from alumni, parents and friends across the nation. The National Committee on University Resources provides a comprehensive volunteer leadership structure that will assist in implementing University development initiatives.

The Committee will consist of 100-150 existing and emerging volunteer leaders drawn from University alumni, parents and friends across the country. Individuals join based on their commitment to the University and its mission, as well as their ability to provide leadership gift support and to inspire others to contribute to the University's fund-raising efforts.

Members become thoroughly familiar with the University's missions and goals and with the University's communications and development programs. Members deliver the University's message to
key constituencies and to specific individuals whose support can make a difference.

c. Council of Chairs - Through the work of the Alumni Relations Task Force and the new Campaign Executive Committee, the University has identified the need for greater integration of planning in alumni relations, communications and development. It will be important to invite the advice and participation of the key stakeholders in the schools and units of the University. With this in mind, the Campaign Executive Committee has endorsed the creation of a Council of Chairs, which will include representatives of the major units on the Grounds.

The charge of the Council will be to offer counsel and a pan-University perspective on development and alumni engagement policies, programming and services. The Council will also provide a valuable conduit for information to and from their school- or unit-specific boards. The Council will be chaired by a vice-chair of the Campaign Executive Committee, although its existence will extend beyond the period of the campaign.