Executive Committee Meeting – August 8, 2012

Attendees: Andersen, Burish, Fogarty, Ganser, Enslin and Miller

The meeting was called to order at 10:00 AM

I. Following up on discussions that began at the May meeting, the Committee reviewed information that Jon prepared on the future direction of the Foundation budget. There have been concerns that the sources that the Foundation uses to fund its operations may not be adequate in the coming years. Jon presented a number of projections and potential sources of funding. It was decided that the Committee will recommend moving forward with a 1.5% annual expense increase, while at the same time changing the endowment allocation policy to provide more operating income for the Foundation. Should the 1.5% annual increase prove to be insufficient to fund Foundation operations in the future, additional sources of operating income may be considered. The Committee will have a proposal for the Board of Directors to consider in October.

II. The Committee reviewed a summary of the Warhawk Entrepreneurial Fund, LLC, which is a fund established by an individual associated with our Entrepreneurial Program to help provide start-up investment for student. The Foundation has been asked to be an investor in this Fund and help to participate in reviewing projects, etc. It was suggested that the Foundation could set aside up to 1% of its assets to invest in such projects. Roger expressed concern about the oversight for such projects and the potential losses that could occur, but also suggested that we might consider matching gifts made for this purpose. The Committee felt very positive about this idea. Jon will meet with the founder of the Fund in the next week, will put this issue in front of the Investment Committee as well, and then will make a follow up to the Committee in September.

III. Updates

• The Foundation had a very successful fourth quarter of the fiscal year, receiving over $2 million in support of the Campaign for Students. Total receipts as of June 30 are in excess of $35.9 million. We are still on the timeline for the public launch for the campaign that was announced on Alumni Leadership Day.

• The line of credit for the Warhawk Real Estate Foundation, LLC that was approved at the June Executive Committee meeting is about to close and construction of a new house will begin shortly. We have entered into an agreement to sell another lot through the Downpayment Assistance Program.

• Clifton Larson Allen will be on campus during the week of August 20 to conduct audit fieldwork. No issues are foreseen at this time.

• Troy Van Zile has been hired as the Assistant Athletic Director for Development. He will be working half-time on major gift fundraising for athletics and half-time on development additional corporate sponsorships.

• Survey results indicate that Alumni Leadership Day was received extremely well. Pretty much all aspects of the Day were judged to be “excellent” or “good” by all participants.
The meeting was adjourned at 10:30 AM