GEORGIA SOUTHERN UNIVERSITY FOUNDATION, INC.

Spring Board Meeting
Monday, May 4, 2015
The Commerce Club – Atlanta, GA

LUNCH @ 12 NOON

Guest Speaker
Russell McMurry
Georgia DOT Commissioner

BOARD AGENDA

WELCOME AND OPENING REMARKS
Barbara Golden, Chair

APPROVAL OF BOARD MINUTES
Barbara Golden, Chair

UNIVERSITY UPDATE
Brooks Keel
University President

UNIVERSITY ADVANCEMENT UPDATE
Salinda Arthur
Vice President for University Advancement
President of University Foundation

CORPORATE AND FOUNDATION RELATIONS UPDATE
Seth Walker
Director, Corporate and Foundation Relations

(10 minute break)

COMMITTEE REPORTS

- Membership
  Pat O’Connor, Chair
- Development
  Billy Hickman, Chair
- Investment
  Mike Sanders, Chair
  ○ Update
  George Hauptfurhrer
  Prime Buchholz
- Audit
  Tommy Jones, Chair
- Finance
  Mike Skinner, Chair
  ○ Update
  Jodi Collins
  University Advancement
  Senior Director, Foundation Accounting

CLOSING COMMENTS AND ANNOUNCEMENTS
Barbara Golden, Chair
The Georgia Southern University Foundation Board of Trustees met at 1:00 pm at the Commerce Club in Atlanta, GA. Trustees present were: Salinda Arthur, Troy Athon, Tommy Bond, Kelly Chester, Jimmy Childre, Chris Clark, Marty Daniel, Barbara Golden, Carl Gooding, Caroline Harless, Ray Hendley, Billy Hickman, John Hodges, Tommy Jones, Brooks Keel, John Lane, Max Manack, Jimmy Matthews, Jim Medbery, Stephen Milner, Martin NeSmith, Pat O’Connor, Mike Sanders, David Settles, Jim Van Epps and Rob Whitaker. Others in attendance were: Melanie Mosley, Lauren White, Jodi Collins, George Hauptfuhrer and Seth Walker.

**Welcome and Opening Remarks** – Dr. Golden welcomed everyone to the Spring Board Meeting of the Georgia Southern University Foundation.

**Approval of the Board Minutes** – Dr. Golden referred Trustees to the minutes of the fall 2014 meeting and asked for any revisions or corrections. Martin NeSmith made the motion for the minutes to be accepted. The motion for a second was made by Pat O’Connor, and it passed unanimously.

**University Update**

**President:** President Brooks Keel was given a warm welcome by the board and gave the following report.

In reference to the recent tragedy involving the five nursing students, “Thank you very much and I really do appreciate everybody taking so much of their time to come. We have so many of our alumni and members of the Georgia Southern family that live in Atlanta. I think it is not only fitting, but appropriate that we have this meeting periodically here. I appreciate the opportunity to have some time to spend with you today.

The last couple weeks has been a very difficult time for Georgia Southern. There’s no question about that and I appreciate so much the comments that you all have made. There’s no way that anybody could ever prepare for such a tragedy and no way that anybody can actually deal with such a tragedy. One of the things that impressed me so much about Georgia Southern and I mentioned this at the candlelight vigil we had, is that the Eagle Nation really is a family. The Georgia Southern family came together in ways I could have never dreamed of before. Our staff came together in so many ways to try to support the hundreds of classmates of these young ladies. The staff came together in so many ways to support the families of these young ladies. It really does say an awful lot about the character of Georgia Southern.”

In no particular order, here are some of the highlights/accolades that Georgia Southern has had since the last meeting.

- The golf course was named the best new golf course by Golf Digest.
The University is going to see the $250,000 research and education grant, a gift from Gulfstream. This is not only going to help fund part of our engineering program but also fund our STEM institute, student co-op opportunities, and fund the College of Education’s national youth at risk conference that you have every year. It’s going to be quite a reputation there so we appreciate our good friends at Gulfstream.

Georgia Southern’s online master of education and higher education administration’s been ranked number 10 on the thebestschools.org.

The Doctor of Psychology program just received their national accreditation. This program’s only been around for just a few years and to be nationally accredited speaks volumes for that program, and we’re very proud of the education opportunities that they provide.

20% of the cadets in our top ranked ROTC program were ranked among the nation’s top 20% of all cadets. We had the number four ranked cadet in the country.

Georgia Southern also received a half a million dollar gift to the Betty Foy Sanders department of art from former Governor Carl Sanders. As you know, he passed away recently and what a loss to this state. The gift will support academic initiatives for visual art and design students, exhibitions, merit-based projects, competitions, and innovative curriculum development. We’re greatly appreciative to the Sanders family.

Georgia Southern was ranked number six on thebestschools.org, 25 best online master’s in education, early childhood education degree programs. The same organization ranked Georgia Southern number four for best online colleges in 2015.

The online accounting program was ranked 12th in the top 30 online master’s accounting programs in 2015 by onlineaccountingdegrees.net.

The Vice President for Governmental Relations has been changed to Vice President for External Affairs. Marketing and Communications now falls under that area.

College of Health and Human Sciences announced their appointment of Dr. Barry Joyner who has been the interim dean for a year or so. He has now been appointed as the permanent dean of that college.

Competing against graduate law students from around the world, the Georgia Southern’s mock mediation team won first place in the advocacy category of the international law school mediation tournament in Des Moines, Iowa held on March 18th and 21.

Coach Kip Drown, a 27-year veteran head coach has been named the seventh head coach of Georgia Southern lady Eagles basketball team.

The all-girl cheerleading squad won the National Cheerleading Competition for the fifth time in seven years. A back-to-back championship this year and last year.

The men’s golf team won the Sunbelt’s Championship their first year of conference play.

Governor Nathan Deal put $33.6 million in the budget for a 100,000-plus square foot multipurpose classroom building. It will go right on the pedestrian just down from the library. It will be a beautiful facility that will provide some much needed classroom space.

With no questions, Dr. Keel concluded his report.

University Advancement Update
Vice President for University Advancement: Mrs. Salinda Arthur gave the University Advancement update.

- Accomplishments of Donations and Receipts:
  - These are compared to the same time last fiscal year.
  - Donations are up approximately 71% and receipts are up 62.5%.
- New Hires:
  - Michael Shippam was hired as the Associate Vice President for Major Gifts and the Campaign. He is coming to us from University of Rochester where they have completed a $1 billion campaign. He brings experience with him from annual giving all the way up to major and leadership giving. He was recommended by our Marts and Lundy consultant Penny Scarpucci. Michael started January 26th.
  - Seth Walker was hired as the Director of Corporate and Foundation Relations for the Atlanta area. He started on January 5th. He is coming from the Georgia Aquarium. Seth received his MBA from Georgia Southern.
  - Christopher Johnston was hired as the Associate Vice President for Planned Giving. He is coming to us from Goodwill Industries of Middle GA. He has been a CASE award winner 56 times. Christopher has his law degree and is a certified specialist in planned giving. His start date was May 1st.
  - Kaitlin Janicik was hired as the Phone-A-Thon Coordinator. She is coming to us from Ruffalo Cody which is our current phone-a-thon vendor. Kaitlin has her B.A. from Indiana University of Pennsylvania.
- Promotions:
  - David Thompson was the communications specialist/writer and is now the Director of Advancement Communications. He is the former editor of the Georgia Southern magazine. He writes the gift agreements and will be working on the CASE statement for the University and for each of the individual areas. David has been with Georgia Southern for 28 years.
  - Sue Bunning was promoted from Director to Senior Director of Development for the College of Liberal Arts and Social Sciences. She has led all major gift commitments of $2 million or more this year.
- Marvin S. Pittman Society Weekend:
  - Thursday, April 23rd, 6:30 p.m. - President and Dr. Schalue were to host top donors of the University in their home. This event was cancelled due to the candle light vigil that was held for the five nursing students killed in the traffic accident on I-16.
  - Friday, April 24th, 5:30 – 7:30 p.m. – Guests mingled with Deans of the Colleges, Gus and the Cheerleaders and they also were taken on guided tours of the Football Operations Center
  - Saturday, April 25th, 11:30 – 1:30 p.m. - Williams Center - Recognition Luncheon for New (36) and Advancing (11) members. Speakers included Student Government Association President Azell Francis and President Brooks Keel
• Saturday, April 25th, 6:30 – 10:00 p.m. - Roaring 20s Casino Night at the Bishop Alumni Center

• Giving Society Events
  o 1906 Society will be held on September 18th.
  o Legacy Society will be held on October 30th.

• Alumni Relations:
  o Alumni Relations held 102 events in FY 2014. As of March FY 2015, they have held 148 events.
  o Some of the Signature programs are Southern Women, Eagle Outreach, Evenings with the President, 40 Under 40, Alumni Association Awards, Southern Authors, The First 500, Double Eagle, and Southern Sweethearts.
  o Mrs. Arthur referred the Board to the meeting folder to view the remaining Alumni events for May and June and the 2015 football schedule.

• Planning for the Public Phase of the Campaign
  o The kick-off will be in 2016 around the time of the Marvin S. Pittman Society Weekend.
  o David Thompson is working on the university case statement and the College and Outreach Center case statements.
  o Creating a new 1906 Society brochure to incorporate leadership annual giving.
  o Creating a draft case statement for the university-wide focus on the need for endowed scholarship support.
  o Working with University’s branding consultants regarding Campaign slogan/tagline and website design.
  o Marketing & Communications has been asked to develop a marketing and communications plan for the Campaign.
  o Each college has been asked to create a Campaign “fundraising” Committee
  o A Campaign video is to be produced for use during the kick-off and for regional campaigns.
  o Delivering Campaign messages – Marts & Lundy will hold sessions on messaging.
  o Identify National Campaign Committee Members (based on name recognition and giving)
    ▪ will meet twice a year through the end of the Campaign
    ▪ position description being created
  o Arrive at University’s official Campaign goal.
  o Kick-off during 2016 Marvin S. Pittman Society weekend.
    ▪ Create drafts of daily events
    ▪ Identify and secure talent

With no comments or questions, Mrs. Arthur invited Seth Walker to give his report.

Corporate and Foundation Relations: Mr. Seth Walker began his report by thanking the Board for allowing him to speak.
• Why is the Atlanta region so important to the university?
  o The Atlanta region is the economic driver for the state of Georgia.
  o 50% of Georgia Southern’s students are coming from the Atlanta area.
  o 40% of alumni are living in the 31-county metro Atlanta area.

• Corporate and Foundation Support
  o In 2013, $335 billion was given to philanthropic efforts across the U.S. and 16% of that went to education.
  o 15% of that number came from foundations and 5% came from corporations. Only 20% are from foundations and corporations.
  o The foundation number, this is 2013’s data; 2014 will be released in June. It increased as we saw with the markets and all of those accounts being market-based, foundations are able to give more since it’s a target number of their total assets.
  o Corporate giving was down in 2013. I believe that’s up for 2014 from what I’ve seen. It’s increasing, it’s growing.
  o The foundations are so important to have a good connection with, because that’s really where a lot of your long-term multiyear funding will come from.

• How does the Georgia Southern University Foundation compare?
  o 42% of funding came from corporate and foundations in 2013 and 37% in 2014.

• What makes the Atlanta corporate factor so important?
  o There are 27 Fortune 1,000 companies that are based in metro Atlanta.
  o Georgia Southern is getting funding from one, Coca Cola.
  o Georgia Southern has a long way to go to get long-term funding from those other corporations that have big resources and big pockets.

• Atlanta employers are seeing value in Georgia Southern alumni.

• Location, location, location
  o Not being in Atlanta is an asset for Georgia Southern.
  o A lot of companies that have Georgia in their names will find our ability to market that unique. They’re able to put dollars in another part of the state that maybe they need to invest in.
  o It’s also helped them with a lot of foundations whose charters say that they have to support the entire state of Georgia.

• Competition
  o Georgia Tech is in the final stretch of their $1.5 billion campaign. Georgia Tech’s research institute is only getting about 2% of their dollars from corporations. A lot of their funding comes from the Federal Government. When we see those corporate numbers it’s really just a small piece of their actual pie. Of course, their campaign is based on labs, professors, and scholarships. That’s their big three things.
  o The University of Georgia announced a recent partnership with Delta to expand their campuses overall. Their annual giving is still huge. They’re still making an impact each and every year with annual giving. Then of course the Building Terry campaign for the Terry College of Business has also had a big effect on a lot of our companies.
Kennesaw State University is getting a lot of press. They announced a recent name for their college of hospitality management and their college businesses name. They’ve also done a lot with the Business Chronicle. They’re quoted in the paper a lot, so in that way Georgia Southern has got a lot that to improve upon to be competitive with Kennesaw State. Mr. Walker always tell people that Georgia Southern is the largest institution south of I-20, which is true.

- Overall, Mr. Walker thinks Georgia Southern is poised to grow. It comes down to being able to grow connections. Being able to tell the Georgia Southern story. People know Georgia Southern, they’ve never been asked to sit down with us and have these conversations about funding, about what our university needs in this region. It’s really a refreshing thing that people are interested in hearing what we need and where we’re growing, and what we’re doing for the next generation of Georgia Southern alums.

With no questions Mr. Walker concluded his report.

Committee Reports

Membership Committee Report: Mr. Pat O’Connor, Chair of the Membership Committee, began his report by identifying the members of the Membership Committee: Jimmy Childre, Jim Medbery, Max Manack, Jenny Gentry, Jimmy Franklin, Mike Sanders, Jimmy Matthews, Tommy Bond, Salinda Arthur, Barbara Golden, and David Settles.

During the Membership meetings, the committee reviews the active list of prospects and suspects. Those are the individuals that the committee is considering to bring forward for membership. Mr. O’Connor asked the Board to help with identifying prospects for future membership. Diversity is needed on the Board in terms of geography, gender, and race. The committee talks about that and work hard to try to have geographical, gender, and racial diversity, but obviously, help is needed. Mr. O’Connor ask the group to be thinking about people that can be reached out to, or that can be invited to be members of the Board.

Next year’s going to be a big year for the Membership Committee and for this Board because six people will roll off. In order to stay at our required minimum of 25, those six individuals will need to be replaced in the next year and-a-half.

There are three members that will roll off at the Fall 2016 meeting. The committee is bringing to you a proposal to name Michael Curry an Emeritus member, Jimmy Childre a Chair Emeritus, and Jimmy Franklin a Chair Emeritus. On behalf of the committee Mr. O’Connor asked for a motion for these three members to be named as Emeritus or Chair Emeritus. Jim Medbery made the motion, Chris Clark made the second and all three were approve unanimously.

Next, there are two trustees that the committee is recommending to be re-elected to the Board. They have finished one five year term and both of these trustees have agreed and are happy to serve another term. They are Carl Gooding and Tommy Jones. Mr. O’Connor asked for a motion, the motion was
made by Tommy Bond and the second by Jim Medbery. Both re-elections were approved unanimously.

Finally, the committee is bringing the proposal for new officers for the 2015-2017 term. One of the officers’ positions is one that has not been done in the past. Under the bylaws, Section 5.7, *the Board may elect such other officers as it may be necessary or desirable. Which officers who will hold their offices for such terms and exercise such powers and perform such duties as shall be determined from time to time by the Board.* In addition to bringing nominations to you of chair and chair elect, this year the Membership Committee will bring the nomination of a past chair. The membership recommendations from the committee for the 2015-2017 term is for Chair, Caroline Harless; Chair elect, Billy Hickman; and past chair Barbara Golden. Mr. O’Connor asked for a motion. The motion was made by Jimmy Childre and the second by Martin NeSmith. The recommendations were approved unanimously.

With no questions, Mr. O’Connor concluded his report.

**Development Committee Report:** Development Committee Chair Billy Hickman began his report by introducing the Development Committee: Joe Drake, David Settles, Barbara Golden, Jim Medbery, Marty Daniel, Chris Clark, Charles Chandler, Carl Gooding, and Salinda Arthur.

During the Development Committee meeting, Mrs. Salinda Arthur provided the members with a list of potential donors. The group reviewed the list to identify the individuals and their relationships. Please pass any names to Mrs. Arthur that you think should be discussed at a Development Committee meeting.

Mr. Jim Medbery gave a brief report on the 2015 Southern Classic Golf Tournament. The tournament will be held on October 15th at East Lake Golf Club. He encouraged the Board members to participate this year.

Mr. Hickman returned to the podium to finish the report. Through Salinda’s leadership, the committee members are assigned to work with the major gift officers from each of the colleges to help further the major gift efforts. Also, this committee sends out “Thank You” notes to donors who have given $500 or more. Dr. Golden has received a “Thank You” note in return for her “Thank You” note.

With no further business, Mr. Hickman concluded his report.

**Investment Committee Report:** Mr. Mike Sanders, committee chair, began his report with informing the Board that the Investment Committee met quarterly to review the results and sometimes in between to discuss issues that may arise.
The committee also embarked on a new endeavor to learn a little bit more about the workings of the Foundation from the standpoint of how things are handled on their end, and how they flow all the way through to our intermediate and long pools of money that George Hauptfuhrer and Prime Buchholz manage.

At this time, Mr. Sanders introduced Mr. George Hauptfuhrer to present the report.

Mr. Hauptfuhrer began his report by referring the Board to the Investment tab in the meeting folder.

- Long Pool Fund has continued to grow. The performance in the quarter was 1.9%.
- International stocks have done better than U.S. stocks. There has been more money on the international side than on the domestic side in recent years. That has not been a good move, but it is beginning to work in our favor the last four months, especially the month of April. The international stocks have done a lot better than domestic stocks. Some of that is influenced by the currency changes. The dollar had been very strong, but in April it was very weak, so that has helped on the international side.
- Still have a very well-diversified portfolio blending large cap, mid cap, small cap, gross value, value style, active managers, passive managers that have very low fees. Really no concerns about any of the managers in the lineup with the possible exception of the Templeton Global Bond Fund. There have been some pretty significant changes at Templeton recently where they’ve created a new department and that lead portfolio manager is now reporting to a different person at the top of the organization. They’re making some bigger bets. Their returns long term have been excellent. Templeton has grown at 5.1%. Their benchmark is negative 2.1%, so they’ve done 7% per year better than the benchmark.
- The Non-Marketable Strategies have been doing a little better than the public part of the portfolio. The committee discussed and agreed to be open to the possibility of continuing to make a commitment in the private capital space because the returns have been attractive and the overall liquidity of the portfolio is very strong.
- The value of the Intermediate Pool is $2.66 million. The return in the quarter was 0.9. We’re very conservative in this pool of money, most of which is going to be going out in the next couple of years. There’s no equities, there’s just short-term high quality corporate bonds and government securities.
- Asset Allocation is very close to the policy targets. No need for any rebalancing there in the long pool.
- The growth of the total assets are at an all-time high.
- The S&P 500 was up just a shade under 1%.
- The EFA index for international developed was up 4.1%.
- The emerging markets index to a U.S. dollar investor like Georgia Southern was up 7.7%.

With no questions for Mr. Hauptfuhrer, Mr. Sanders concluded the report.
**Audit Committee:** Mr. Tommy Jones, Chair of the Audit Committee, began by introducing the members of the committee: Steven Milner, Jimmy Matthews, Michael Curry, Tim Evans, Jim Van Epps, Carl Gooding, Jimmy Childre, and Tommy Bond.

Mr. Jones reviewed the minutes from the previous meeting and the committee’s decision to recommend Mauldin & Jenkins as the new auditors for the Foundation. On behalf of the Audit committee, Mr. Jones asked for a motion for the Board to approve the auditor recommendation. The motion was made by Mr. Troy Athon, the second was made by Mr. Billy Hickman, and the recommendation was approved unanimously.

**Finance Committee Report:** Ms. Jodi Collins, Director of Foundation Accounting, gave the report on behalf of Mr. Mike Skinner who is the Chair of the Finance Committee. Ms. Collins began by referring the Board to the Finance section of their meeting folder.

Statement of Financial Position
- Cash at March 31 was $252,168.
- Three new LLC’s have been created.
- Checking accounts were opened with $500 each.
- The property has been transferred into the LLC’s.
- The majority of the assets are the investments, valued at $56.9 million, up from $55.4 million in 2014.
- Total assets at March 31, 2015 were $60.6 million, up from $59.1 million in 2014.

Statement of Revenues and Disbursements for the nine months ended March 31, 2015
- Contributions for the nine months for FY 2015 are $4.1 million, up from $2.7 in FY 2014.
- Total investment losses are approximately $467,000 (earnings, realized gain and unrealized loss on investments).
- Foundation/administrative fees were $482,721, up from $433,910 in FY 2014.
- Awards and scholarships were $793,367, up from $650,653 in FY 2014. More was allocated for FY 2015 based on the spending policy of 4.25% of the three year moving average of the endowments.
- Total disbursements for the nine months was $3.2 million, and the change in net assets was $1.4 million, with net assets at March 31, 2015 of $60.4 million.

Unrestricted Income Budget
- Contributions are on target.
- There were losses with the investments.
- The total income for the nine months ended March 31, 2015 was $215,587.
- There will be an additional $60,000 coming into this budget for the next 5 years. There is a new affinity program with Nationwide Insurance and the Foundation is to receive $60,000 per year for 5 years. Wendell Tompkins worked with Nationwide on that agreement.
Unrestricted Expense Budget

- $550,228 has been spent and the remainder of that budget will be spent by June 30.

Capital Campaign Income Budget

- The Foundation received gift fees of $56,607 through March, and still have three months left to pull. Also received endowment management fees of $426,114. These are pulled once a year on July 1, so there will be no more management fees during this fiscal year.
- The total received for the nine months in $482,721 and $668,550 was budgeted. No money will be pulled from the unrestricted reserve until expenses exceed income.

Capital Campaign Expense Budget

- The total that has been spent is $294,091.
- There are a lot of expenses coming up and approximately $450,000 would be spent from this budget by year end.

Proposed Capital Campaign

- The committee is proposing a gift fee of $67,740. That is derived from 5% of the last 3 year’s average of non-endowed income.
- The management fee of 1% is proposed at $426,114 which is based on 1% of the endowment market value as of June 30, 2014.
- The unrestricted reserve is a plug to balance with the proposed expense budget. The total proposed FY2016 income budget is $768,000, up from $668,550 in FY 2015.

Proposed Capital Campaign Expense Budget

- The committee is proposing an increase of $2000 for travel for the senior director in COBA as her benchmarks have increased and she will have a higher percentage of travel.
- The Donor Recognition Events and Alumni accounts are being combined but the total amount will remain the same.
- The committee is proposing to decrease travel for COE from $14,000 to $10,000. The position has been restructured as a leadership annual giving position as opposed to a major gift position, and the annual giving position will not need as much travel.
- COSM now includes corporate and foundation relations for the southeast region.
- Corporate and Foundation Relations for the Atlanta region was formerly Corporate and Foundation Relations and COPH. $2500 has been removed from that budget for Alumni and have reduced the travel from $12,000 to zero as there are sufficient funds in the corporate and foundation relations state travel budget to cover these expenses.
- The committee is proposing an increase of $500 for the Botanical Garden, Center for Wildlife, Museum, and Performing Arts Center. Continuing Education is being removed and the Coastal Georgia Center as the Foundation does not do work in these areas and they have not spent their budgeted amounts in the past.
• The committee is proposing an increase of $5000 for Alumni Relations events as there are expectations to need this amount for the increasing events in this area, especially “Evenings with the President”.
• The committee is proposing a total increase of $53,950 in the Donor Relations account and are combining those three accounts. The campaign kickoff will be held in the spring of 2016 and expect to need those funds for that.
• The committee is proposing to add $6000 and $8000 for the Leadership Annual Giving director and assistant for travel.
• The committee is proposing a new line item of $15,000 for the National Campaign Steering Committee. This committee will consist of GS leadership donors who will provide leadership gifts for the campaign and will fundraise for the campaign.
• The committee is proposing a new line item of $30,000 for our regional campaigns. Not much is known, at this point, regarding how many will be held but this amount should be sufficient.
• The total proposed budget for FY2016 is $768,000.

Ms. Collins concluded the report.

On behalf of the Finance Committee, Chairman Golden asked for a motion for the Board to accept the proposed FY16 budgets. Caroline Harless made the motion and Troy Athon made the second. With no further questions, the budgets were unanimously accepted.

**Announcement and Closing Remarks:** Chairman Golden referred the Board to the Upcoming Events sheet that was in the folder and thanked all the members who were in attendance and with no further business, she adjourned the May 4, 2015 Spring Board Meeting.
*All meetings of the Foundation Board are recorded. The proceeding represents a synopsis of the proceedings. Any Trustee who wishes may come to the Advancement Office and listen to the complete recording of any meeting.*