GEORGIA SOUTHERN UNIVERSITY FOUNDATION, INC.

Spring Board Meeting
Friday, May 11, 2018 – 8 AM Breakfast, 8:30 AM Meeting
Georgia Southern University – Armstrong Campus - Savannah, GA
Student Union – 2nd Floor

BOARD AGENDA

WELCOME AND OPENING REMARKS.............................................................................. Billy Hickman, Chair

APPROVAL OF BOARD MINUTES .................................................................................. Billy Hickman, Chair

UNIVERSITY UPDATE ...................................................................................................... Dr. Jaimie Hebert
University President

STUDENT AFFAIRS UPDATE ........................................................................................... Dr. Georj Lewis
Vice President for Student Affairs
Nipuna Ambanpola - Armstrong SGA President
Dylan John – Georgia Southern SGA President

UNIVERSITY ADVANCEMENT/CONSOLIDATION UPDATE ........................................... Trip Addison
Vice President for University Advancement & External Affairs
President of University Foundation

(10 minute break)

COMMITTEE REPORTS

- Membership..................................................................................................................... Jimmy Matthews, Chair
  o New Member – Paul Theriot

- Development Committee .............................................................................................. Jason McMillan, Chair

- Governance Committee ............................................................................................... Dan Speight, Chair

- Investment ...................................................................................................................... Mike Sanders, Chair
  o Update ........................................................................................................................ David Center

- Finance ............................................................................................................................ Dana Potts, Chair
  o Update ........................................................................................................................ Jodi Collins

DISCUSSION ITEM ........................................................................................................ Trip Addison
Vice President for University Advancement & External Affairs
President of University Foundation

CLOSING COMMENTS AND ANNOUNCEMENTS .............................................................. Billy Hickman, Chair
The Georgia Southern University Foundation Board of Trustees met at 9:00 at the Armstrong Campus of Georgia Southern University. Trustees present were: Trip Addison, Paul Barkley, Joe Drake, R. T. Evans, Jr., Truitt Eavenson, Jenny Gentry, Billy Hickman, John Hodges, Walt Huggins, Tommy Jones, Jaimie Hebert, John Lane, Jimmy Matthews, Jason McMillan, Stephen Milner, Dana Potts, and Mike Sanders. Others in attendance were: Melanie Mosley, Jodi Collins, David Center, Julie Gerbsch, Mike Kemp, and Drew Ernst.

Welcome and Opening Remarks – Chair Billy Hickman welcomed everyone to the Spring Board Meeting of the Georgia Southern University Foundation.

Approval of the Board Minutes – Chair Hickman referred Trustees to the minutes of the Fall 2017 meeting and asked for any revisions or corrections. A motion was made by Joe Drake to accept the minutes with a second from Truitt Eavenson. The motion carried. Chair Hickman welcomed Dr. Jaimie Hebert to the podium for an update from the University.

Dr. Hebert expressed his thanks to the University and the Trustees for a great evening of fellowship with those attending the dinner on Thursday evening. He thanked the Trustees for their significant role prior to and through this consolidation process.

Focusing on the investment and impact of the consolidation, Dr. Hebert reported that the three campuses graduated over 4300 students the previous weekend. Georgia Southern is now the fourth largest university in the state with over 27,000 students and offers students opportunities in 141 different programmatic areas.

Dr. Hebert focused on the following projects underway at Georgia Southern University:

- Don & Cindy Waters College of Health Professions - $30M investment (including equipment) to house the education professions programs that produce the most health care professionals in the state of Georgia.
- Interdisciplinary Academic Building on Statesboro campus – opening next month or so - $46M building that will house programs throughout campus from many colleges with state of the art technology for teaching, learning, and collaborating.
- FY19 Budget – Governor Deal signed in Statesboro this month- includes $50M for a new center for engineering research on the Statesboro campus.
- Total capital projects of approximately $140M for the new Georgia Southern University… with these opportunities come serious responsibilities to push these to the maximum potential. We do this by taking the growth and investment and focusing it in one direction… students.
- Operation Empower Health – currently underway on Armstrong Campus – an endeavor conducted in conjunction with Department of Defense, Candler Hospital, and Georgia Southern University – medical professionals in the military work with actual patients and bring their setting to Savannah. They provide free healthcare to the community with this program - over 200 people were served yesterday by these military men and women.
Georgia Southern students are given the opportunity to work alongside these men and women and learn from them as they provide these valuable services.

In closing, Dr. Hebert thanked the Trustees again for their service and concluded his presentation.

At this time, Vice President for Student Affairs, Dr. Georj Lewis, gave a brief presentation on student affairs and a history of the department. In addition, he covered the mission and vision of student affairs and emphasized the focus on students. Currently, student affairs is working on a strategic plan that is in support of the institution. He covered areas of student success including a few from a Forbes article. He stated that the students are being challenged inside the classroom, but they are also working outside of the classroom so that they are better employees once they are in the business world. At this time, Dr. Lewis introduced Nipuna Ambanpola, Armstrong SGA President and Dylan John, Georgia Southern University SGA President. Nipula and Dylan shared their stories with the Trustees and continued with their thoughts on consolidation and the impact it has had on student life at both campuses.

Chair Hickman welcomed Foundation President and University Vice President Trip Addison to the podium for an update from the Foundation and University Advancement. VP Addison began by addressing a few goals that Chair Hickman mentioned during the Fall Board Meeting:

1) Grow Needs Based Funding – critical for the institution. There is a gap in that need. Fortunately, for the students, tuition remained flat this year. Chair Hickman charged the Foundation with a 20% increase in that funding and we are pleased to report that it is in the proposed budget.

2) Fully Functional Campaign for Individual Colleges – not there yet. The team has been working on team building and figuring out assets that the Foundation currently has. Over the summer, new goals will be set for foundation/colleges and campaigns that will be implemented.

3) Review and Revise bylaws – one of action items today. One item not being addressed today is some of the foundation policies – they will be changed and adjusted as Foundations move forward.

4) Increase in Unrestricted Funds - continues to be a challenge for the Foundation. One change is outsourcing of the Phonathon program - try to bring in additional dollars with this new option. We still have to be creative in increasing unrestricted funds and there is an opportunity sitting in unrestricted funds - will address this later in meeting.

5) Reach More Alumni and Grow Foundation – the new University currently has 120K+ alumni – total for both Georgia Southern and Armstrong. One half of those are under the age of 40 and average donor below age of 40 gives less than $100. Some of the largest donors are not alumni - we need to be passionate about our alumni, but we need to touch others (supporters & potential supporters) as well. The latest edition of the GS Magazine (at each Trustee place) was sent to 116,000 people -- previously it was only sent once a year. In the proposed budget, funding will be provided to send it out twice a year. Also, beginning with the Fall issue, there will be an envelope provided in the magazine for recipients to return a donation to the Foundation. This is
an easy way for a donor to write a check and make a donation in an unrestricted manner.

6) Work Closely with Armstrong Foundation – currently accomplishing this with outstanding work by Bill Kelso and others in keeping the Foundations educated on the issues.

7) Complete a survey of GS/ASU Alumni – completed a state wide public opinion poll in January. GS favorability rate Statewide is at 60%. In greater SAV media market, it is at 82%. This is in line with favorability rates for UGA in these areas. Athletics favorability rate statewide is 44% and the greater SAV area rate is at 63%. Also, a few things related to alumni and marketing were asked in the survey. These results confirmed that there is an opportunity to increase awareness.

A few other items VP Addison mentioned was a program recently implemented by the Foundation that includes flying flags at half-staff after the death of a student, faculty, or staff member. After the flag is flown, it is sent to the family of the deceased, along with a letter from the President. The Foundation wants to let the family know that their family member was and always will be a part of the Eagle Nation. Displayed at the meeting was a sample of the flag in a wooden case along with a thank you note that was recently received from a family.

The Athletic Foundation has a new executive director, Dan O’Dowd. He was formerly at the University and has returned in this new capacity.

Another item of importance is the master planning for the three campuses – this item is critical to the Foundation as it will be called on to generate capital funds or matching funds.

VP Addison briefly reviewed a few more items, asked for questions, and completed his update.

**COMMITTEE REPORTS**

**Membership Committee** – Chair Jimmy Matthews was scheduled to introduce new Trustee Paul Theriot. However, Mr. Theriot was unable to attend the meeting. Chair Matthews encouraged the Trustees to make recommendations and think of candidates who would be good on the Board of Trustees.

**Development Committee** – Chair Jason McMillan reported that he met with Julie Gerbsch and Billy Hickman and discussed the direction for the Development Committee. As a result, they have worked to pair Gift Officers with Trustees who will work to make joint calls and open doors for the Gift Officers. Trustees were provided a list of the pairings. Also, Trustees were asked to continue with “thank you” notes to donors at certain levels – the Foundation will be providing that information. Mr. McMillan thanked the trustees for their cooperation and concluded his presentation.

**Governance Committee** – In the absence of Governance Committee Chair Dan Speight, Trip Addison was called on to present the bylaw revisions to the Board. President Addison directed
the Trustees to the red-line revision in their notebooks and explained that the process is basically to “clean up” the bylaws. He reviewed red line items and answered questions from the Trustees. Once the revisions were presented, a motion was made by Mike Sanders to except the proposed changes to the bylaw with a second from Jason McMillan. The motion carried. Note: A copy of the bylaw revisions is attached to these minutes.

**Investment Committee** – Chair Mike Sanders introduced David Center with Fund Evaluation Group and he provided the trustees with an update and reviewed asset allocation, portfolio liquidity, and a review of where dollars are being spent. He encouraged the Trustees to stop him with any questions or comments during his presentation. A full report from FEG was provided to each Trustee.

**Finance Committee** – Chair Dana Potts introduced Jodi Collins, Executive Director of Advancement Services, to give the Finance Committee report. Ms. Collins began her presentation with a donation comparison summary that summarized fundraising for the past three years. Continuing, Ms. Collins reported that the Finance Committee met and reviewed the financial reports for March 31 and the proposed Fiscal Year 2019 operating budgets that were in Trustee notebooks. In reviewing the FY18 budgets, she pointed out:

- Ending total assets at March 31, 2018 were $69.1 million, the highest ever for this foundation.
- Total expenses for the 9 months were $4.5 million. Scholarships were up about $83,000 over last year, or approximately 4.5%.
- Return on investments was 6.3% ($4.3 million) for first 9 months, which is shown in the Interest & Dividends, Realized and Unrealized Gains & Losses.
- Budgeted contributions for FY18 was $277,500 and $164,919 was received as of March 31. Phonathon is down, and is down across the board, not just in the unrestricted fund. This is also a national trend. The Foundation is outsourcing Phonathon to RNL (RuffaloCody) next fiscal year.
- Total Actual Restricted income received for the 9 months was $1,676,588, which is $376k above the budgeted amount of $1.3 million.

In reviewing the proposed FY19 budgets, Ms. Collins commented:

- Phonathon is being decreased to a more realistic figure of $115,000. More donations are expected in the future by personal solicitation/web/direct mail so that is an increase in the budget line to $100,000.
- Gift fees of $102,853 are estimated using FY17 gifts subject to the 5% fee.
- Endowment Management Fees of $440,894 are estimated using actual received this fiscal year.
- Adding $60,000 to scholarships, a 31% increase
- Consulting/Legal expenses associated with consolidation and policy work will come from contingency.
- For Major Gift Officers: Travel, Donor Recognition, and Alumni - proposing a decrease of $40,000. This decrease is based on an analysis of what has lapsed over the past 5 years.
Ms. Collins concluded her presentation by answering a few questions. A motion was made by Jenny Gentry to approve the FY19 revised budgets. A second was made by Stephen Milner and the vote was unanimous.

At this time, Foundation President Trip Addison referenced needs based scholarships. He mentioned that these scholarship funds are being increased by $60,000 in the FY19 budget. These additional funds were obtained from “scrubbing” accounts for any unrestricted dollars that were sitting unused in the Foundation. This is not a long term fix to supplementing the scholarship fund. As mentioned earlier, the expense budget was cut approximately 20% last year, and this year there is an increase (mainly due to consolidation). Currently, there is a significant amount of unrestricted funds (net assets) in the Foundation. The Foundation would like for the Finance Committee to take up the task of coming up with a dollar amount that should be held in net assets and bring back to the full board at the fall meeting a proposal that would allocate each fall a certain amount of these funds to needs based scholarships. For example, is $4M enough in the unrestricted reserve account to cover expenses out of unrestricted dollars? Roughly, there could be $2M to allocate for needs based scholarships. Of course, the full $2M at once cannot be allocated but the Finance Committee can come up with a figure to be presented to the Board each fall for these scholarship needs. This would be done in the form of a mid-year amendment to the budget and would put the Foundation on a sustainable path for these scholarship funds. A fall allocation would actually be used for student scholarships the following fall (one year out). This is brought up as a discussion item that should be considered. After answering a few questions, Mr. Addison thanked the Trustees for their consideration.

At this time, Chair Hickman thanked everyone for their attendance and commented on positive aspects on the consolidation of the two Universities. He also reminded the Trustees of the goals mentioned earlier and encouraged everyone to be aware of these items. In concluding, Chair Hickman mentioned upcoming events as referenced on sheet in each notebook.

With no further business, Chair Hickman adjourned the 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 or read the complete recording of any meeting.