Agenda

I. Call to Order – John Sobke

II. Review and Approval of Minutes – John Sobke

III. President’s Remarks – Linda Bleicken

IV. Development Report – Bill Kelso
   o Fundraising Update
   o Center for Applied Cyber Education (Pete Hoffman)
   o Alumni Engagement Report

V. Finance Committee Report – Jessica Henderson
   • Q3 Financials
   • Policy Discussion / Approval: (Jessica Henderson and Chris Corrigan)
     Summary of Policies:
     o Gift Card Policy
     o Gift and Gratuity Policy
     o Whistleblower Policy
     o Conflict of Interest Policy
     o Document Retention Policy

VI. EPFI Report – Chris Corrigan

VII. Other Business – John Sobke
   a. FY17 Board Chair Nomination – Drew Ernst
   b. 2016-2017 Meeting Dates

VIII. Adjourn

Next Meeting: Friday, September 9, 2016
The Board of Trustees for the Armstrong Foundation met in the Student Union Ballroom.

Board attendees were: Linda Bleicken, Ellen Bolch, Lee Davis, Stephanie Duttenhaver, Susan Hancock, Paul Hinchey, Eric Johnson, William Kelso, Michael Kemp, Alex Salgueiro, Scott Scheidt, John Sobke, James Vaughn, Irving Victor. Chris Corrigan and Jessica Henderson joined remotely by phone.

Representing the University were: Cheryl Clucevich, Hope Fuller, Valerie Garrison, Amy Heaston, Allison Hersh, Rick Matthews, Pete Hoffman, Teresa Tatmon.

Call to Order — John Sobke
Chair Sobke called the business meeting to order at 8:24 a.m. Secretary Lee Davis noted that a quorum was present.

Review and Approval of Minutes — John Sobke
Chair Sobke asked for a motion to approve the November 18, 2015 meeting minutes and if there were any questions or discussion to be made. Paul Hinchey moved, Michael Kemp seconded. There were no questions. The November 18, 2015 minutes were approved as presented with no amendments.

Finance Committee Report — Jessica Henderson and Chris Corrigan (Remotely)
Ms. Henderson reviewed 2nd Quarter FY 2016 Financials to include statement of activities and financial position.

Statement of Activities:
Revenue:
- Total Revenue for the quarter was $963,576.44. This was $536,744.42 less than the same period last year.
- However, the 12/31/2014 revenue total includes the annual gift in kind from the University of services of University employees totaling $519,314. Ignoring the gift in kind amount total revenue declined by $17,430.
- This decline was mainly due to unrealized losses on the endowment of $159,970
- Overall contribution revenue was $851,282.82, which was $193,246 higher than the same period last year ignoring the gift in kind that was included in the 12/31/2014 figure.
• The gift in kind amount will be recorded on 6/30/2016-end of fiscal year.

Expenses:
• Expenses did not materially change decreasing by $16,847 for the 2nd quarter ignoring the gift in kind from the University of $519,314 included in the 12/31/14 fund raising expense category.
• The total combined changes in revenue and expenses create a Net Surplus for 2015 of $198,667.27.

Statement of Financial Position:
• Total assets increased by $198,667 during FY 2016.
• Cash increased by $474,556. Mostly due to conversion of investment to cash, major gift in the 2nd quarter, scholarship money as a result of the housing transition as well as payment on pledges.
• Pledges decreased by $123,557 due to payment on pledges.
• Investments decreased by $152,000 between July 1, 2015 - December 31, 2015.
• Liabilities were unchanged.
• Armstrong State University Foundation ended the second quarter 2016 with an overall increase in ending fund balance of $198,667.27, Ending Fund Balance of $10,089,288.

Chair Sobke asked if there were any questions. No questions were presented. Chair Sobke asked if there was a motion to approve the financial report. Michael Kemp moved, Alex Salgueiro seconded. There was no discussion. Motion carried.

Investment Report
Chris Corrigan and Jessica Henderson then presented information regarding the Armstrong Endowment and investments. Major areas covered included:
• Types of gifts: unrestricted, restricted.
• Defined endowment and what endowment goals are.
  • Spending rate described.
  • Reviewed fund restrictions and investment.
  • Stated components of endowment growth and investment as of December 31, 2015.
  • Graph of investment performance comparison.

Chair Sobke asked if there were any questions regarding the Finance Report. Discussion followed with Trustee Eric Johnson asking about the notation on Slide 16, which states: *Transfer from another investment*– $450,345.00.

Ms. Henderson responded that this transfer was from a Morgan Stanley investment that was transferred and consolidated with Minis and Company.
Mike Kemp contributed by stating that Minis isn’t getting credit for this amount in growth for their investment management, but once they received it, it was then part of their return numbers. Trustee Johnson further stated that growth is only reflected in the balance due to this transfer. Mr. Kemp confirmed that this was correct and was due to a consolidation of funds, but that it did not help Minis & Company’s investment return numbers look better. They only received credit for what happened, after they received it, and how they managed it going forward.

A second question was then asked if any other investments were outside of Minis & Company. Ms. Henderson responded no. As of December 31st, Minis and Company now holds all investments after consolidating funds from two other funds in early 2015.

Bill Kelso asked if there was a motion needed concerning the investment presentation. Chris Corrigan responded no.

Chair Sobke proceeded with asking Bill Kelso to review the five (5) policy documents included in the Trustee packets:

1. Gift Card Policy
2. Gift and Gratitude Policy
3. Whistleblower Policy
4. Conflict of Interest Policy
5. Document Retention Policy

The Gift Card Policy, Gift and Gratuity Policy, and the Document Retention Policy are operational policies put before the Finance Committee and were approved on behalf of the Foundation. The Whistleblower Policy and the Conflict of Interest Policy will need action from the Board of Trustees. Mr. Kelso asked the Trustees to review the proposed policies. Any questions or comments should be directed to Bill Kelso or Chris Corrigan. These policies will be voted on at the May meeting.

**EPFI Report – Chris Corrigan**

Mr. Corrigan provided a brief update regarding the Educational Properties Foundation, Inc.

- Two new board members, Connie Ray with Coldwell Platinum Partners and Gene Gibson with United Community Bank, joined the board in January.
- The transition regarding transfer of P3 housing properties from the Foundation to BOR & Corvias continues to go smoothly.
- Refinancing of the Student Recreation Center and the Armstrong Center debt has been completed. The university will realize significant interest savings over the life of the bonds.
- The university and EPFI are looking at possibilities for refunding debt on the Student Union.
- The university began a facility’s master plan process on campus. The process should be completed by summer 2016.
Chair Sobke asked if there were any questions. No questions were presented. Corrigan and Henderson signed off the conference call.

**President’s Remarks – Linda Bleicken**

Dr. Bleicken outlined key Armstrong trends, initiatives and accomplishments since the Trustees last met.

**Enrollment Trends—Important numbers for Armstrong Compared to Last Year**
- Currently, total admits for fall 2016 up 25.8%.
- Applications from FL, SC, and AL up 86%.
- Transfer applicants up 23%.
- Summer enrollment up 4.43%.

**#7 Military Times Best for Vets/Top 25 Military Friendly**
- 10% of Armstrong enrollment is military affiliated students to include veterans, active duty, and dependents.
- Armstrong has been recognized nationally as a “Top 25 Military Friendly School” because of the efforts of Pete Hoffman, Phil Gore and staff.

**National Center for Academic Excellence in Cyber Education**
- Critical NSA and Dept. of Homeland Security certification received in December 2015.
- Resulted from collaboration of campus community, military, and private partnerships.

**Captain’s Cupboard**
- Due to the generosity of an anonymous donor and through the efforts of Cheryl Ciucevich, the campus food bank was established in December 2015.
- Established primarily for students. Trend is similar to many college campuses across the country - students sometimes forego meals to pay rent and tuition.
- Allows a student to come in and select food that they need anonymously.
- Stock continuously being replenished by faculty and staff.

**College of Health Professions Project Update - $22.6M Funding Request**
- As many Trustees know, the building project was not in the Governors budget.
- Much time and effort being spent in Atlanta as we try to influence Georgia Assembly to fund.
- Most recently, a meeting with Jack Hill, Chair of the Senate Appropriations Committee, emphasizes the need to meet directly with the Governors office.
- The local delegation continues to champion this effort.

**How Can You Help?**
- Continue emphasizing need with local and state delegation members you have relationships with.
- John Burns, House Leader, continues to support. If you have a relationship, please reach out.
- Thanks to Paul Hinchey for assisting with Savannah Chatham Day in Atlanta and speaking to so many influential people.
• Bill Kelso will distribute COHP and Armstrong push cards to Trustees, which will provide key talking points when interacting with key opinion leaders.

Paul Hinchev ask where the project stands now in the budget process. Dr. Bleicken replied that though it did not make it into the Governors budget, it is still a live project within the House and Senate. Both the House and Senate have $50M to allocate throughout the remainder of the session. We remain hopeful each will allocated $11.3M towards the project.

Upcoming Events
• James Zobel Lecture, Feb 16, 6 p.m., Armstrong Center. Focus of lecture is General MacArthur during the WWI years.
• Paint the Town Maroon, April 8, Noon, Johnson Square.

Development Report -- Bill Kelso
Mr. Kelso reviewed fundraising metrics and activities through January 31, 2016

Total Raised for Q2 ending 12/31/2015 - $697,920
• Trending ahead at over $90K compared to 2014.
• Annual Giving and Corporate/Foundation efforts continue to be strong.
• $100,000 anonymous major gift in December 2015 was also a key factor for a strong Q2.

Q3 Pipeline Activity
Major Gifts
• $25,000 and $10,000 Tennis Prospect-pending signed agreement.
• $90,000 Bequest (toward Tennis Complex)-pending confirmation. Have $100K on paper toward the $850K of the campaign.
• $2.0M Naming Opportunity for COHP Building-Working with a donor. More positive news to come regarding this gift.

Corp/Foundation
• $10,000 PTTM Presenting Sponsor booked. Much thanks to Ellen Bolch and The THA Group.
• $14,000 - Gulfstream proposal was successful
• $108,000 - Received official notification regarding Lettie Pate Whitehead nursing scholarships (about $2,000 less than 2015.)
• $50,000 - Additional PTTM sponsorships we will be focused on as well. All funds go to general student scholarships.

Annual Giving- Numbers we are working on
• $15,000 - Direct mail.
• $20,000 - spring phonathon efforts.
• $21,000 - Personal solicitations under $25,000.
• $5,000 -- Pending corporate matching gifts.

Current Totals as of January 31, 2016
• $827,787 compared to $637,000 on 1/31/15.
• Trending behind in total amount of donors, but average gift amount is up
Paint the Town Maroon – To Date: 2/5/16
- In-Kind - $22,350
- Cash - $27,450
- Total - $49,800
- Goal - $80,000
- 62.2% of Goal

Mr. Kelso again thanked Ellen Bolch (THA Group) for saying yes as presenting sponsor. Mr. Kelso also thanked John and Stephanie Duttenhaver for their continued support of PTTM and Alex Salgueiro for seven (7) billboards that will display the PTTM Logo throughout the month of March. For anyone interested in having their name on the sponsor donor board, see Bill Kelso after this morning’s meeting.

Dr. Bleicken added comments in regard to Mr. Hinchey’s earlier question concerning the Governor’s budget: Seven of the nine projects that the Regents forwarded to the Governor this year for funding were not in his budget. Compared to 2015, the capital projects budget is much less as $100M was taken off the top for transportation bill. Coupled with a robust capital needs list coming from the Regents to the Governor for this session, we’re having to fight hard funding the project through the House and Senate.

Alumni Engagement Report – Scott Scheidt
Review of Activity
- Again mentioned the recently acquired a $100,000 anonymous gift for the Captain’s Cupboard which will be housed in Student Affairs. The space will be completed soon.
- February 20th—Launching the Alumni Legacy Program with in-door picnic to celebrate families of Armstrong who have sent at least one family member to school. We have identified 2500 living Alumni that fit this category.
- February 25th—As part of the 50th Anniversary Celebration and Black History Month, the Alumni Development office will host an event to honor the first decade of African American students at Armstrong.
- Tonight, February 5th, 6:00 p.m., the winter alumni board meeting will be held. It was noted that the Alumni Association will vote to consider changing one of their endowed scholarships to benefit Legacy students. The goal is to encourage Armstrong Alumni to consider Armstrong for family member going to college.

Other Business
Armstrong Highlights handout is something that started internally with the President’s Cabinet and others. Distributed by Amy Heaston, through the work of Allison Hersh, this publication lists monthly Armstrong highlights and key information. The document will be distributed via email moving forward.
Chair Sobke directed trustees to turn to the nomination of a new trustee, Carlton H. Hodges. His bio is included in the Trustee packets.

Mr. Kelso stated that Drew Ernst brought this name forward. Carlton Hodges is a graduate of Armstrong (BBA), active in the community and is interested in serving.

Chair Sobke asked if there was a motion to approve the nomination. Michael Kemp moved, with second from Alex Salgueiro. No further discussion. Motion carried, none opposed.

Meeting adjourned approximately 9:22 a.m.

Respectfully submitted,

[Signature]

E. Lee Davis
Foundation Secretary