

**Florida Agricultural and Mechanical University
Board of Trustees**



Direct Support Organizations Committee Meeting

Date: Wednesday, March 4, 2015

Time: 2:30PM

Location: College of Law - Courtroom

Committee Members: Belinda Shannon, Chair
Kelvin Lawson, Rufus Montgomery, Kimberly Moore, Marjorie Turnbull

AGENDA

- I. Call to Order Chair Belinda Shannon
- II. Roll Call Chair Shannon

ACTION ITEM

- III. Approval of December 3, 2014, Committee Minutes Chair Shannon

INFORMATION ITEMS

- IV. Update on Divisional Activities Dr. Thomas Haynes
- A. University Advancement & B.O.T. Goals
 - B. FAMU Foundation, Inc.
 - 1. Foundation Operations
 - 2. Investments
 - C. Alumni Affairs
 - D. Rattler Boosters
- V. New Business Chair Shannon
- VI. Adjournment

**Florida Agricultural and Mechanical University
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Direct Support Organizations Committee Minutes

Trustee Kelvin Lawson, Vice-Chair

The meeting was called to order at 1:00p.m. by Committee Vice-Chair Kelvin Lawson. Ms. Angie Wiggins called the roll, and the following committee members were present: Trustee Rufus Montgomery, Trustee Kimberly Moore, and Trustee Marjorie Turnbull. A quorum was established.

Approval of the September 10, 2014, Committee Minutes

The Committee reviewed the minutes from the September 10, 2014, Direct Support Organization (DSO) Committee Meeting. Trustee Montgomery moved approval of the minutes, and the motion was seconded by Trustee Moore. The motion carried.

Approval of Amendments to the FAMU Foundation Bylaws

The Vice President for University Advancement, Dr. Thomas Haynes, presented to the DSO Committee for review, amendments to the FAMU Foundation Bylaws to improve the wording of existing sections of the Bylaws without altering the substance of those sections. The changes are from a series of amendments that the FAMU Foundation Board approved during their Fall 2013 Board Meeting.

The first five amendments were for changes in language to the following existing sections of the bylaws:

- 1) Voting Privileges of Emeritus Board Members
- 2) Board Member Resignation or Leave of Absence
- 3) Removal of Members
- 4) Terms of Office
- 5) Audit Committee Meetings

The remaining three amendments are entire sections that are being recommended as additions to the bylaws.

- 1) Budget Revisions by Vice President for University Advancement
- 2) Budget Matters Requiring Board Approval
- 3) Budget Revisions over \$5,000

Since there is not a conflict between these amendments, the MOU, nor the IMM agreement, resolutions are not required.

The Committee motioned to accept the recommended changes to the FAMU Foundation Bylaws, and unanimously voted to recommend it to the Board for approval. The motion was moved by Trustee Turnbull, and seconded by Trustee Moore. The motion carried.

Approval of Resolution No. 2014.1: Foundation Bylaws Amendment

Vice President Haynes presented a request to approve Resolution No. 2014-1, amending the FAMU Foundation Bylaws. The proposed Memorandum of Understanding between the University and FAMU Foundation includes language which prohibits the University President from serving on the Foundation Audit Committee, which is in direct violation with the current bylaws language that states: "*the President of the University shall be an ex-*

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officio and voting member of all standing committees of the Board of Directors.” Resolution 2014-1 amends the language denoted in this section of the bylaws to read: “*the President of the University shall be an ex-officio and voting member of all standing committees of the Board of Directors, except for the Audit Committee.*” Resolution 2014-1 is an amendment to the Bylaws’ language to incorporate the intent of the MOU.

The Committee motioned to accept Resolution 2014-1 amending the Foundation Bylaws, and unanimously voted to recommend it to the Board for approval. The motion was moved by Trustee Moore, and seconded by Trustee Turnbull. The motion carried.

Approval of Memorandum of Understanding between Florida A&M University, and the FAMU Foundation, Inc.

Vice President Haynes presented the Memorandum of Understanding (MOU) between the University and FAMU Foundation, to the DSO Committee. The MOU was developed to more specifically outline the relationship of the Foundation and the University. The MOU was approved by the FAMU Foundation Board of Directors at the Fall 2014 Board Meeting held November 22nd. The MOU was presented to the Board of Trustees for final ratification.

The Committee motioned to accept the Memorandum of Understanding, and unanimously voted to recommend it to the Board for approval. The motion was moved by Trustee Turnbull, and seconded by Trustee Moore. The motion carried.

Update on Divisional Activities

Dr. Haynes presented updates on University Advancement & BOT Goals:

In regard to the Division’s Strategic Goal 4.1: Enhance Institutional Fundraising, and its assigned goal of \$5.5M. Dr. Haynes reported out on several fundraising initiatives this first and second quarter that significantly impacted giving to the University:

- The President’s Inauguration and Scholarship Gala which brought in \$558,842;
- As of December 1, 2014, the \$10 for 10 Giving Campaign in cash and pledges totaling over \$149,000 from over 2907 donors; and
- An extraordinary multimillion dollar alumni gift, and several six-figure gifts in the form of bequests and donations.

Giving to FAMU has increased by over 106 percent over last year. Dr. Haynes advised that equally impressive has been the surge in donor participation, especially our alumni.

To-date, the university has been the beneficiary of over 4,000 donors which is a 175 percent increase in donors over last year this time, and is a 48% increase in the total number of donors all of last year.

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Dr. Haynes' presentation included slides providing a four-year comparison of constituent giving; a comparison of gifts by purpose; a donor giving analysis; inauguration fundraising support; enhancing institutional fundraising – 10 for \$10 Giving Campaign; and enhancing institutional fundraising: 2nd-4th quarters.

On Tuesday, Dec. 2, FAMU participated in an international campaign called "Giving Tuesday." FAMU had over 140 donors who gave approximately \$13,500. A matching gift of \$12,000 was received. Vice President Haynes advised, at the end of the day on Dec. 2nd, approx. \$28,000 was raised, compared to \$7,000 raised last year for Giving Tuesday.

A few of the 3rd and 4th quarter enhancing institutional fundraising initiatives presented by Vice President Haynes are the following:

- Hire a development consultant for the College of Engineering. This will be to do a better job of cultivating gifts from that constituent group.
- Set up a thank-you-thon in January to have students call every donor that gave to the university during the 1st and 2nd quarters. Donors will be thanked for their participation and support of FAMU. This has worked well in the past.
- Continue working with the FAMU President in identifying high capacity prospects. Just completed a wealth screening of the database; now have a better idea where capacity is. Will work to develop not just capacity, but infinity also to bring more high capacity donors into the pipeline. Dr. Haynes advised the social media strategy will not be abandoned.

Vice President Haynes acknowledged that at the FAMU Foundation Board Meeting, Trustee Montgomery placed a challenge to the Foundation Board. The challenge was that he would match, on that day, gifts up to \$100,000 from that board. To-date, there are \$20,000 in commitments. Trustee Montgomery responded that he was only at the (Foundation Development Committee) meeting to give greetings on behalf of the Board of Trustees and it slipped his mind that Trustee Turnbull was in that meeting. For sunshine purposes, he advised he got in and out. On his way out of the meeting, he stated that Trustee Turnbull issued the challenge to him in the form of whether or not he was there to present a major gift. Instead of challenging her directly, Trustee Montgomery advised he put the challenge to the entire committee.

Vice President Haynes thanked Trustee Cleve Warren for providing the guidance and connection points for putting together a collaboration with a potential funder that is expected to be around a seven figure collaboration. The collaboration would involve the School of Nursing and a health care organization.

Vice President Haynes presented several Foundation updates:

- The Foundation received a final copy of its operational audit; no egregious findings reported. This type of audit is required every three years. The findings are an excellent start to begin a process improvement plan that Foundation staff will develop and present to the Board of Directors at its spring meeting.
- The Fall Foundation Board of Directors Meeting was held on November 22, 2014 in Orlando. The new Board Chair and four new Board members were announced to the DSO Committee.

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Mr. Thomas Jones has been elected as the new board Chair. The new board members are as follows:

- Mr. John Crossman, President, Crossman & Company
 - Mr. Lorin James Crenshaw, Vice President, Treasurer and Investor Relations, Albermate Corporation
 - Ms. Marcelia Carlyn Freeman, Director/Investor Relations & Product Management, Invesco LTD
 - Mr. R. Randolph Guemple, Staff Accountant, Carroll & Company
- Investment returns for the period ending September 30, 2014 were presented. Overall, portfolio performance has been impacted by a significant amount of volatility in the market.

As the Board of Trustees' liaison with the FAMU Foundation, Trustee Turnbull advised the meeting was very positive, the President's commitment to fundraising was clear. The new board members that were brought on were brought on by a careful process of identification (areas of expertise, and gaps). She further advised that the operational audit is challenging and very hopeful in terms of helping give the Foundation direction and ways for improvement of effectiveness and efficiency of the organization.

Trustee Turnbull acknowledged that she is encouraged by the Foundation, where they are and what they are doing. Per Trustee Turnbull, a number of issues that had been brought up with the Board of Trustees have been addressed carefully by the Foundation Board.

Trustee Montgomery inquired of Vice President Haynes if it was accurate that it's his understanding that fundraising is up; things are going well at the Foundation; and that he informed the board before it would take some time/ a plan was in place and we're starting to see things move in a positive direction. Vice President Haynes responded, "that's correct." Trustee Montgomery stated he wanted to hear Dr. Elmira Mangum's vision regarding fundraising, particularly since the position Vice President Haynes holds is currently being advertised. Trustee Montgomery commented that if we are doing things and moving in the right direction, he's curious as to the president's vision for the direction of fundraising. He then asked the president to share a brief summary.

Dr. Mangum thanked Trustee Montgomery for the opportunity to clarify where we are going with fundraising. The goal is to increase with intensity and have a capital campaign. We have annual fundraising activities and a variety of activities that may not be as strategic as she'd like for them to be. As part of that process in assessing the organization that we currently have, believe we can provide a more robust strategy and development of a longer term fundraising plan. As part of that activity, she spoke with Vice President Haynes about moving into a different type of position at the university while we use a search firm to recruit for a vice president for advancement and development that would provide us with a long term strategic plan and focus for all of our university efforts across the academic community as well as the administrative services to build out the university according to the master plan and other academic plans that the university has. Dr. Mangum advised her vision is to get another fundraiser that would focus on institutional priorities in a way we believe we can maximize public private partnerships and the development of the institution's future. Trustee Montgomery thanked Dr. Mangum for the clarification, and advised he wasn't sure all members of the board were aware of that.

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Several updates were presented for the Office of Alumni Affairs (OAA):

- Per the recommendation of FAMU President Dr. Elmira Mangum, Alumni Affairs has chartered its First International Alumni Chapter, the West Africa Native Land Chapter, based in Nigeria. It is the first international chapter to be chartered since the NAA was founded in 1901.
- The alumni has worked with University Advancement to launch a campaign that has raised critical dollars in support of the FAMU Athletic department, more specifically the field house.
- Leadership of the FAMU NAA, the National Rattler “F” Club, the FAMU Boosters, The 220 Club, The Special Edition Club, and other community organizations who desire to increase athletic fundraising have been engaged in weekly conference calls to garner support for a million dollar initiative. The efforts are scheduled to culminate by Homecoming 2015.

These dollars will support four initiatives:

- The field house
- Travel for athletes
- Golf
- Tennis

Vice President Haynes presented an update on Rattler Boosters:

The FAMU President is still assessing the Booster organization. He anticipates as we go into the 3rd and 4th quarter, we should be closer to realigning the booster organization as well as launching a search for the replacement of our retired executive director.

Vice-Chair Lawson acknowledged that Dr. Mangum has really been out pressing the envelope to help bring in big dollars. It’s something the university has been looking for and is greatly appreciated. Vice-Chair Lawson inquired about the small dollar contributions, and wanted to know if staff is asking people based on their means, where they are, to contribute the small dollars that may be more within their means. He further advised he hear people say that they are never asked or contacted to give money. As we look at reshaping fund development, Vice-Chair Lawson want to make sure we work on the database so we go after that mid to low tier giver that may give an individual gift as well as have the president and others work on larger gifts. Per Vice-Chair Lawson, he wants to make sure the university gets a wider number of those smaller gifts.

Vice President Haynes agreed with Vice-Chair Lawson and stated that is the reason the university launched the social media campaign. Most of the increase from the campaign is from the young donors who have never given before. Even with Giving Tuesday, Vice President Haynes advised those were not big gifts, they were from donors giving \$25, \$50, \$100. Per Vice President Haynes, equally as important as the smaller dollars is donor acquisition – building a database of donors who are beginning to give that you have good data on.

There being no further business, the meeting adjourned at 1:45 p.m.

Kelvin Lawson, Committee Vice-Chair

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Direct Support Organizations Committee

Date: Wednesday, March 4, 2015

Agenda Item: IV. A.

Subject: Update on Divisional Activities: University Advancement & B.O.T. Goals

Summary: To ensure the achievement of the Division's Strategic Goal of \$5.5MM, University Advancement is continuing to focus its fundraising efforts on maximizing philanthropic support from all of its constituents.

During FY 2015, we have worked collaboratively with alumni, friends, and board volunteers to fundraise for a transformative multimillion dollar alumni gift and six-figure bequests; the Annual Fund Campaign; \$10 for 10 Giving Campaign and the President's Inauguration and Scholarship Gala. As a result, Florida A&M University has experienced extraordinary giving to the institution, which has increased 72% over last year. Additionally, noteworthy has been a spike in donor participation—especially among our Alumni. To-date, over 5,000 donors have contributed to FAMU, which represents a 138% increase in donors over last year.

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Direct Support Organizations Committee

Date: Wednesday, March 4, 2015

Agenda Item: IV.B.1.

Subject: Update on Divisional Activities: Foundation Operations

Summary: Implement two new systems in response to the operations audit; search underway for a new Associate Vice President and Managing Director; and, the upcoming Spring FAMU Foundation Board of Directors Meeting.

- The Foundation is in the process of launching two new systems in response to the recent operations audit. The following two systems are in support of meeting our process improvement targets:
 - WebInvoicing – An electronic Direct Disbursement Request (DDR) software program to expedite the processing of payments through the Foundation.
 - Fundriver – a software program to calculate the unitized market value of the endowments and efficiency in reporting of restricted funds.
- The former Associate Vice President and Managing Director for the FAMU Foundation, Mr. Harold Bower, submitted his resignation from the position, effective February 9, 2015. Mr. Bower accepted an offer from the University of South Florida to return to the position he vacated when he came to FAMU in 2013. A search is currently underway for applicants.
- The Spring FAMU Foundation Board of Directors Meeting will be held in Houston, Texas, on May 13-15, 2015. The board meeting in Houston will be in conjunction with the FAMU National Alumni Association Convention in Houston, May 14-17, 2015.

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Direct Support Organizations Committee

Date: Wednesday, March 4, 2015

Agenda Item: IV.B.2

Subject: Update on Divisional Activities: FAMU Foundation, Inc. - Investments

Summary: Investment Returns for the Period Ended December 31, 2014:

	FYTD: 7/1/14 – 12/31/14	FYTD: 7/1/13 - 12/31/13
Investment Returns	0.36%	10.59%
Composite Benchmark	1.40%	9.66%
Investment Goal	4.25%	4.25%

Fiscal Year to Date (FYTD) total investment portfolio returns of 0.36% for the 6 months ended December 31, 2014 underperformed both the portfolio's composite benchmark returns of 1.40%, and the portfolio's investment goal of 4.25%. The underperformance of total portfolio returns against the composite benchmark is primarily the result of negative returns for both equity investments (46.9% of total asset allocation) and fixed income investments (19.7% of total asset allocation). Equity investment returns of negative 0.83% trailed benchmark returns of 0.87%, while fixed income returns of negative 0.35% bested benchmark returns of negative 1.22%. Overall, alternative investments posted positive returns, which helped to offset the negative returns for traditional asset classes. FYTD returns for hedge fund investments (17.8% of total asset allocation) of 2.52% outperformed benchmark returns of 1.19%, while real asset investments (14.6% of total asset allocation) posted FYTD returns of 3.25%, which trailed benchmark returns of 8.98%. The FAMU Foundation's Investment Committee meets quarterly to review performance of the portfolio, and investment managers.

Comparison of Investment Returns for Trailing 12 Months to Prior Years:

For the Trailing Twelve Months Ending:	12/31/14	12/31/13	12/31/12
Investment Returns	5.39%	14.32%	11.37%
Composite Benchmark	6.58%	15.29%	11.82%
Investment Goal	8.50%	8.50%	8.50

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Direct Support Organizations Committee

Date: Wednesday, March 4, 2015

Agenda Item: IV.C.

Subject: Update on Divisional Activities: Office of Alumni Affairs

Summary: The Office of Alumni Affairs (OAA) is deeply involved in the logistics for three major events this spring:

***FAMU Day at the Capitol: Thursday Evening, March 26, 2015 @ 6PM on the 22nd Floor of the Florida Capitol**

Students, Alumni, Community leaders, Faculty and Staff convey gratitude to Florida Lawmakers for their support of our institution at this event. They also relay concerns about potential legislation that could negatively impact our alma mater. THE OAA has collaborated with the Office of Governmental Affairs to disseminate FAMUs Legislative priorities to Alumni Leadership throughout Florida and across the country.

***Weekend of Rededication Celebrating the Golden Anniversary Class of 1965 April 15-18, 2015:**

This is a wonderful opportunity for alumni celebrating 50 years of graduation to return to the hill to survey the university's many strides, promote fellowship, and offer contributions as a class in support of the university's fiscal goals for our students.

***The FAMU National Alumni Association's (NAA) Annual Convention: May 14-17, 2015, Houston, Texas**

The FAMU Foundation Board of Directors' meeting will take place almost simultaneously with the NAA Convention this year. The goal of the convention is to bring alumni leadership together to raise awareness about the State of the University.

The meeting includes seminars on enhanced student recruitment strategies, ambassadorship, and athletics. It is also a fundraising mechanism in support of the President's fiscal goals for FAMU. An added highlight this year is the 2015 Distinguished Alumni Awards, which will be the culminating event of the Convention.

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Direct Support Organizations Committee

Date: Wednesday, March 4, 2015

Agenda Item: IV.D.

Subject: Update on Divisional Activities: Rattler Boosters

Summary: Listed below are the significant updates relative to The Rattler Booster Office from the last DSO Committee Meeting.

Rattler Booster Membership Drive

The Rattler Boosters started their 2015 Membership Drive in January. The Rattler Boosters are coming off our best membership year, 2014. The past year was full of athletic challenges and losses by some of our revenue generating teams. These two ingredients when combined are not seen as positive integers that would allow for increased Booster membership. We are continually working on communicating with those disenchanting members while reaching out to new prospects.

1st Annual Rattler Boosters Board of Directors Retreat

In an ongoing effort to maximize established relationships and to grow the Rattler Boosters, the Rattler Booster Board of Directors held its first retreat January 30 - 31st in Tallahassee, Florida.

Invited special guests were D'Wayne Robinson, Interim Athletic Director; Dr. Fred Gainous, former FAMU President; and Russell Alexander of Alexander Sports Marketing of Atlanta, Georgia.

The event started with dinner at Giorgio's on Friday night which allowed for an opportunity for the Rattler Boosters Board of Directors and the special guests to talk in a relaxed environment. Each Board member paid for their own individual dinner tab.

The retreat started on Saturday morning and was designed to provide booster membership the opportunity to explore a range of critical topics:

- Update on athletic successes
- Goals of the athletic department
- Relationship between the Boosters and the University
- Significance of the Rattler Boosters
- Enhancing marketing opportunities of the Rattler Boosters

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- Marketing strategies, and more

Many of the Board of Directors attended the FAMU - BCU basketball games at the conclusion of the retreat and the Winter Board of Director's Meeting.

Rattler Boosters Board of Directors

The membership of the Rattler Boosters have elected new people to serve on the Rattler Booster Board of Directors. The following individuals have been added to the Board of Directors:

Allen Bogan,	Tallahassee, FL
Vanessa Woodard-Byers	Miami, FL
William Youmans	Orlando, FL
Lawton Williams	Tallahassee, FL (Miami, FL)

Their election to the Board of Directors is effective immediately.

FIELD HOUSE ENHANCEMENT

The Rattler Boosters are still looking into the cost for *locker room* enhancement to assist in upgrading its appearance and functionality. This initiative will be in support of renovations and enhancements to the field house.