

GEORGIA SOUTHERN UNIVERSITY FOUNDATION, INC.

Minutes of the Meeting of the Board of Trustees

November 2, 2013

The Georgia Southern University Foundation Board of Trustees met at 9:00 am at the Bishop Alumni Center in Statesboro, GA. Trustees present were: Salinda Arthur, Tommy Bond, Charles Chandler, Chris Clark, Michael Curry, Joe Drake, Jimmy Franklin, Barbara Golden, Carl Gooding, Caroline Harless, Billy Hickman, Tommy Jones, Brooks Keel, Sean Knox, John Lane, Max Manack, Jim Medbery, Stephen Milner, Ricky Nessmith, Terry Reeves, Mike Sanders, David Settles, Mike Skinner, Ted Smith, and Rob Whitaker. Emeriti in attendance: Harry Carter, Mike Kennedy, Pat Blanchard, Joe McGlamery, Margot Dawkins, and Rob Meadows. Others in attendance were: Melanie Mosley, Lauren White, Jodi Collins, George Hauptfuhrer, Richard Deal, Alex Grovenstein and Melissa Wohlstein.

Welcome and Opening Remarks - Mr. Bond welcomed everyone to the Fall Board Meeting of the Georgia Southern University Foundation.

Approval of the Board Minutes - Mr. Bond referred Trustees to the minutes of the spring 2013 meeting and asked for any revisions or corrections. Chris Clark made the motion for the minutes to be accepted. The motion for a second was made by Joe Drake, and it passed unanimously.

Recognition of Retiring Trustees and Emeritus/Chair Emeritus Trustees - Mr. Max Manack, in absence of committee chair Pat O'Connor, recognized the retiring trustees, emeritus and chair emeritus, and the new trustees.

- Retiring Trustees
 - Terry Coleman
 - Tracy Ham
- Retiring Emeriti
 - Tommy David
- New Trustee
 - David Settles is the Vice President for Business Development with State Street Global Advisors in Atlanta. He received his Bachelor of Science degree from Georgia Southern in 1982 and currently resides in Atlanta with his wife and two children. David's term will begin in 2013 for five years.
- New Ex-Officio
 - Ted Smith. Phil Moore retired this past summer as Chair of the Athletic Foundation and Ted Smith is the new chair.

University Update

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

In the last 6 months:

- Brief report of injuries suffered by football team in the 2013 season.
- The University opened an 18 hole championship golf course.
- Engineering students came together and launched GUS into the stratosphere to promote STEM learning. GUS was attached to a weather balloon and a rig with multiple high definition video cameras and tracking equipment for lift-off at Paulson Stadium. GUS reached an altitude of 102,000 feet before the weather balloon burst and a parachute returned the Eagle mascot to Earth. He traveled more than 70 miles and touched down in a wooded area outside of Mount Vernon, Ga.
- For the third year in a row, Georgia Southern has been named a Military Friendly School by G.I. Jobs magazine for its efforts to provide educational opportunities to America's veterans, active-duty troops and their families.
- The University officially opened its \$41.4 million Biological Sciences Building.
- Renovations were completed on Lakeside and Landrum Dining Halls.
- Broke ground on the new Football Operations Center and the stadium expansion. 6300 seats will be added to Paulson Stadium. This will be completed by the 2014 football season.
- The former first lady, Laura Bush, recently spoke on campus.
- Alumna, Jemelleh Coes ('08, '10) was named Georgia's 2014 Teacher of the Year.
- Alumnus, Charles Minshew ('11), was part of Pulitzer Prize-Winning team that was recognized for their coverage of the Aurora, CO movie theater shootings on July 20, 2012.
- Georgia Southern received a grant of \$153,000 that will support under-graduate research in engineering.
- A team of mechanical Engineering students received first place in the 9th Annual EPA National People, Prosperity and the Planet Student Design Competition for Sustainability.
- The ground breaking of the Shooting Sports Education Center is on November 14 and the Center will be developed through a partnership between the GA Department of Natural Resources (DNR) and Georgia Southern. They provided the initial commitment to the establishment with a generous grant towards the total cost of the project. It will have 16 lanes for archery and 16 lanes for firearms. This building will allow Georgia Southern to host National Archery Competitions.
- Moving to the FBS, Georgia Southern has added the following teams: Women's Firearms team and a Women's Golf team will be added in 2014.
- The Georgia Southern Chorale took 2nd place in the National Anton Buchner Choral Competition in Austria. They also performed at the Vatican.
- A recent survey on the economic impact of the University System of Georgia reveals Georgia Southern had a \$524 million impact on Statesboro and the Bulloch County area and accounted for more than 6,500 jobs in fiscal year 2012.

- Last year Georgia Southern was responsible for bringing 163,000 visitors to our campus and Statesboro.
- “Inside Georgia Southern Football with Jeff Monken” won the 2012 National Academy of Television Arts and Sciences Southeast Emmy for Outstanding Achievement in Television Student Production Excellence.

With no comments or questions, Dr. Keel concluded his report.

University Advancement Update

Vice President: Mrs. Salinda Arthur began her report by referring the Board to their packet. Each member was given the latest Del Presley Book, the Foundation’s Annual Report, and the Audit Report.

Advancement and Campaign Progress:

- Literature printed needed for the Development Officers to take on visits and share with prospects.
- Reorganization of University Advancement
- Developed and implemented two new giving societies and revamped the 1906 Society.
 - The 1906 Society targets the younger alums. Two events have been held for this society.
 - The inaugural Legacy Society event was held on September 6, 2013 at the Gardens of the Coastal Plains.
 - The inaugural Marvin E. Pittman Society event was held in March of 2013. This is the elite giving society of Georgia Southern. The members are listed on the walls in the Alumni Center and they will be updated annually for the event.
- Developed Foundation Board to include major and leadership gift emphasis by providing Marts and Lundy training to Board members.
- Developed management/leadership/officer fundraising reports (dashboards) to be used by the president, deans, vice presidents, and associate vice presidents. The dashboards include all the benchmarks for the development officers.
- Fundraising materials were developed and distributed. This includes the campaign CASE statement and the CASE statements for all the colleges.
- Major gift field officers have grown, been released, hired, and to-be hired.
- Organized Presidential Swing Events:
 - Savannah – December 3, 2013, 6:30 p.m.
 - Atlanta – February 5, 2014, 6:30 p.m. (Following day – Georgia Southern Day at the Capitol)
 - Augusta – March 12, 2014, 6:30 p.m.
 - Jacksonville, FL – April 8, 2014, 6:30 p.m.

- Macon – June 24, 2014, 6:30 p.m.
- Identified field research territories for major and leadership gifts:
 - Northern Florida to Orlando
 - Orlando to Southern Florida
 - Alabama
 - Tennessee
 - North and South Carolina
 - Northern Virginia, DC, and Maryland
 - Northeastern US
 - California
- As of September 2013

	GSU Foundation	Research Foundation	Athletic Foundation	Georgia Southern University	FY Totals
FY 11	\$3,603,036	\$255,332	\$2,190,498	\$18,890	\$6,067,756
FY 12	\$3,413,632	\$336,153	\$4,409,406	\$10,300	\$8,169,491
FY 13	\$4,653,890	\$471,027	\$4,905,021	\$10,500	\$10,040,438
FY 14	\$1,698,968	\$0	\$1,144,416	\$10,400	\$2,853,784
	\$13,369,526	\$1,062,512	\$12,649,341	\$50,090	\$27,131,469

- 38% increase in donations over previous fiscal year (with three new short termers and three empty position slots out of nine fundraising positions).
- Alumni Association’s university credit card program is working with Nelligan and Athletics on a credit card package. We currently receive \$100,000 yearly from Bank of America and are hoping to receive at least this with the new package.
- Southern Classic Report given by Jim Medbery and Tommy Bond
 - 20 teams
 - 80 players
 - 118 mulligans sold
 - 61 players participated in the “Challenge the Eagle”
 - Winners (117)
 - Matt Chesser
 - Rob Whitaker
 - Jayce Stepp
 - Karl Lutjens
 - Runners Up (119)
 - Tim Wallis
 - Sanders Wallis
 - Patrick McShane
 - Ryan Blackburn
 - All proceeds will support student scholarships.
 - Please see attachment for financial information regarding the Southern Classic.

- **Annual Giving:** Mr. Alex Grovenstein, Director of Annual Giving, began his report by thanking the Board for allowing him to be there.
 - The Office of Annual Giving is made up of Alex (Director), Clay Cotham (Phonathon Coordinator) and Gloria Goosby (Associate Director).
 - A Day for Southern is this office's marquee event and the 2013 event raised \$2.1 million locally for the year.
 - The 2013 event had a record number of volunteers.
 - During the on-campus portion 47% departments gave at 100% participation and 61% of Georgia Southern made a gift to this campaign.
 - This year, Gloria Goosby, initiated a social media blitz for the 24 hours of A Day for Southern outside of the Bulloch county area. This brought in a little over \$15,000 that day from 141 donors and most of them were new donors to the University.
 - The Office of Annual Giving hired Bob Burdenski to come and audit their programs.
 - Bob Burdenski is a CASE endorsed consultant who focuses on Annual Giving.
 - A few of his findings were:
 - There is no brand.
 - The ability to reach prospects by phone is threatened by the decreasing amount of landlines. This is a huge concern since the Phonathon program is the cash cow bringing in around \$250,000 each year.
 - There is a hole in leadership giving efforts that include \$1200 and above.
 - What was unrestricted annual giving are becoming designated sustained or recurring gifts. Donors are more willing to give to something they are passionate about and not just undesignated areas.
 - Highly impressed with the stewardship that is done for annual giving.
 - Our current donors are loyal.
 - Social media presence and practice is good.
 - Steps in moving forward:
 - Annual Giving will have a branded identity.
 - Very first attempt to engage alums from the 1990s to the early 2000s.
 - More targeted and segmented appeals as donor motivations are studied.
 - A lot more social media cultivation.
 - Larger focus on the leadership level gifts.

Mrs. Arthur returned to the podium to finish up the University Advancement update.

Moving Forward:

- Dates and cities will be added to the President's Swing.
- Four new hires within University Advancement.
- More travel for discoveries, cultivations, solicitations, and stewardships.
- Complete the Giving Societies' donor walls.
- Provide Marts and Lundy training for new Deans.
- Board Member assignments based on interests.
- Board Member campaign gift commitments finalized for this fiscal year.
- Develop a national campaign steering committee at the President's Club level (donors of \$1 million and up).
- Create colleges' Deans' level annual swing events.
- Annual giving will work with Student Affairs to develop education-based Philanthropy program.
- Lastly, raise more money!

Mrs. Arthur concluded her report with no comments or questions.

Committee Reports

Membership Committee Report: Mr. Max Manack, in absence of committee chair Pat O'Connor, recognized the retiring trustees, emeritus and chair emeritus, and the new trustees.

Since the last Board Meeting in May, the Membership Committee met on September 18th and on October 11th – minutes of those meetings are in your Board notebook.

On behalf of the Membership Committee, Mr. Manack, announced the nomination of one potential member for the Board of Trustees: Ray Hendley, Sr., local business owner (Hendley Properties) is a 1962 graduate of Georgia Southern. He is also past president for the Rotary Club of Statesboro. On behalf of the Membership Committee, Mr. Manack made the motion to accept Mr. Hendley's membership and Mr. Charles Chandler made the second and Mr. Hendley was accepted unanimously.

To conclude his report Mr. Manack asked all those in attendance to contact the committee or Mrs. Arthur if they know of any potential new members of the Board.

With no questions, Mr. Manack concluded his report.

Development Committee Report: Billy Hickman, Chair of the Development Committee, gave the Development Committee report. The committee held their most recent meeting on September 26th where they reviewed a list of prospects. The purpose of the list is to help the Development Officers in contacting these individuals.

Mr. Hickman referred the Board to the list of prospects that was given to each of the members in attendance. Each member was asked to review the list and make a note by the individuals they have any type of relationship with.

Mr. Hickman asked the members to review the list at this time and with a few questions he concluded his report.

Audit Committee Report: Mike Skinner, Chair of the Audit Committee, began his report with discussing what was done at their previous committee meeting. He then introduced the Foundation's auditor, Richard Deal, to discuss the year-end financial statements.

Mr. Deal began his report with the Statement of Financial Position of June 30, 2013. Total assets for year-end were \$52,111,646. This is the first time in the Foundation's history that assets have been \$50,000,000 or more. Mr. Deal continued his report by discussing in detail the Statements of Financial Position, Activities, and Cash Flows and the notes to the financial statements.

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

Investment Committee Report: Mr. Hauptfuhrer reported on the September 30, 2013 Executive Summary. There was a total fund return of 5.7% for the quarter ended September 30.

As of September 30, the Long Pool market value was \$49,560,711 and the Intermediate Pool market value was \$1,803,762 with a return of 1%. Mr. Hauptfuhrer discussed in detail the portfolio holdings and returns.

Mr. Hauptfuhrer concluded by answering a few questions.

Finance Committee Report: Dr. Barbara Golden, Chair of the Finance Committee, introduced Ms. Jodi Collins, Director of Foundation Accounting, who gave the Finance Committee report. Ms. Collins began by referring the Board to the Finance section of their meeting notebook.

Proposed Amended FY2014/Proposed FY2015 Unrestricted Income Budget

- The committee proposed decreases in A Day for Southern from \$75,000 to \$60,000, A Day for Southern On-Campus from \$14,500 to \$13,500 and Phonathon from \$250,000 to \$200,000. The reason for this is more people are restricting their gifts.
- Total Return on investments budgeted amount is computed using endowment spending policy of 4.25% of a 3-year moving average of the FMV of the invested non-endowed funds. The previous computation was based on FY10, 11 and 12. The new computation is based on FY11, 12 and 13. There was a slightly larger return for FY10 than FY13, so the budgeted amount decreased a little.
- Membership dues have been reduced from \$42,500 to \$2,765 for FY14 and \$0 for FY15. The Alumni Association voted to discontinue the membership dues program. They felt that all graduates should have access to the benefits of the Alumni Association. They also felt that it was confusing to differentiate between "dues" and "gifts."

- The total budget for FY2014 is \$865,126 and proposed to amend FY2014 to \$756,220 and proposed to budget \$753,455 for FY15.

Proposed Amended FY2014/Proposed FY2015 Unrestricted Expense Budget

- The committee proposed a reduction of National Merit Scholars from \$3,000 to \$0. Georgia Southern has not had a scholar since 2011 and if there is a scholar in the future, there is money in the General Foundation Scholarship Endowment to cover.
- Proposed an increase of \$10,000 for Vice President for Governmental Relations. The Wild Game Supper is no longer being held so some of those funds are being redirected to this area.
- Proposed an increase of \$1,050 for the Vice President of Business and Finance as that account has not been increased since 2006 and the new Vice President has identified additional needs.
- Proposed a new line item of \$4,000 for the Retiree's Ceremony. In the past, this expenditure was paid from Institutional funds which is no longer allowed.
- Under the Vice President for University Advancement, the committee proposed to remove the budget items for the 1906 Society Gala, Donor Recognition/Cultivation and Major Gifts Solicitation, as those expenses will be redirected to the Capital Campaign budget where we feel are enough funds to cover expenses.
- Under Board of Regents Foundation, will need to pay for more attendees. They are just now sending out information on the gala and it is changing but we feel the \$16,000 will be sufficient.
- In the past we have balanced the budget with an increase to the unrestricted fund balance. We now need to decrease by \$40,080 in 2014 and \$42,845 in 2015. Ms. Collins has looked back to the 2002 budget where the President's budget was the same; Provost and Vice President for Business and Finance have only increased by \$1,000. Vice President for University Advancement has continuously decreased. She doesn't feel that funds can be pulled from any of these other budgeted items. Unrestricted fund balance as of September 30 is \$5.2 million.
- Total budget for FY14 is \$865,126 and the committee proposed to amend to \$756,220 for FY14 and to budget \$753,455 for FY15.

Ms. Collins answered a few questions and concluded her report.

On behalf of the Finance Committee Dr. Golden made the motion for the Board to accept the amended FY14 and proposed FY2015 budgets. Caroline Harless made the second. With no further questions and the budgets unanimously accepted, Dr. Golden concluded her report.

Outgoing Chair Comments: Mr. Bond reminded the Board that this was his last meeting serving as Chair. He gave a brief/funny summary of his time as Chair. Mr. Bond has been involved with Georgia Southern most of his life that started as him being a student. Since then he has served on the COBA Board, Alumni Board, the Athletic Board and now the Foundation

Board. In conclusion, Mr. Bond thanked the Board members, Mrs. Arthur and everyone in her office.

Incoming Chair: Dr. Barbara Golden thanked Mr. Bond for the introduction. Five years ago when Mr. Jimmy Franklin contacted her to consider be nominated as Chair she could have never imagined that before she became Chair that she would marry into the history of the Foundation and move to Statesboro.

Dr. Golden spoke about a conversation that she had with her husband, Dr. Bill Golden about Mr. Bond. Dr. Bill Golden said that Mr. Bond is the perfect example of what you want an alumnus to be in turn making him a great Foundation Chair.

The Foundation has a bold vision for Georgia Southern. Every time Dr. Golden has an opportunity to spend time with President Keel she learns something new that excites her but scares her a little also.

Mrs. Arthur is building the infrastructure that is needed to raise the funds that is needed to the President's bold vision. The Vice President for Governmental Relations, Russell Keen, continues to develop and build upon relationships that are so critical in making this vision a reality. All of the Members are serving on the Foundation Board because they believe in Georgia Southern.

As we look forward to next year every single Board Member has a viable role. Mrs. Arthur and her staff have the experience and expertise to meet the ambitious goals of the Capital Campaign. However, their work must be supported by an engaged Board. Dr. Golden envisions this Board being a working Board that opens doors, provides follow-up, cultivates donors, supports the staff and above all remembers to thank people over and over for what they do for this University.

Successful fundraising is all about relationships. Donors give money to those they like and trust. The relationships developed by the Board with individuals around the state and country will make all the difference.

In a recent interview with a candidate for a major gifts officer position, Mrs. Arthur asked "what are the top two characteristics of a fundraiser". The candidates response was "you have to be passionate about what you're asking them to give to and be direct in making the ask." Many can be passionate when talking about Georgia Southern but few are brave enough to be direct in the ask. The sale cannot be closed without the willingness to be direct and specific in the ask.

In conclusion, she thanked the Board for nominating her to serve as chair and to Mr. Bond for all his work as Chair.

Announcement and Closing Remarks: Dr. Golden announced the new Board Officers:

- Chair Elect – Caroline Harless
- Vice Chair – Vacant
- President – Salinda Arthur

- Treasurer – Rob Whitaker

The committee chairs are:

- Bylaws – Charles Chandler
- Development – Billy Hickman
- Executive – Barbara Golden
- Audit – Tommy Jones
- Finance – Mike Skinner
- Investment – Martin NeSmith
- Membership – Pat O'Connor

With no further business, Chairman Golden adjourned the November 2, 2013 Fall 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.*