

**UNIVERSITY ADVANCEMENT AND EXTERNAL AFFAIRS COMMITTEE
BOARD OF TRUSTEES**

North Carolina Agricultural & Technical State University
Greensboro, NC

February 17, 2017

I. Call to Order

The committee convened at 9:00 am on Friday, November 18, 2016 in the Executive Boardroom of the Alumni Foundation Event Center with the Chair, Mr. Timothy King presiding. Mr. King called the meeting to order followed by roll call.

II. Roll Call

The roll call confirmed the following committee members, guests and staff present:

Committee Members:

Mr. Tim King, Chair

Mr. Emerson Fullwood, Committee Member

Ms. Vanessa Harrison, Committee Member

Ms. Pamela McCorkle-Buncum, Chair, National Alumni Association

Mr. Tim Rice, Committee Member

Dr. Harold L. Martin, Chancellor

Mr. Kenneth Sigmon, Ex-Officio

Committee Guests:

Mrs. Shirley Frye, Chair, NC A&T Real Estate Foundation

Staff:

Ms. Ralisha Mercer, Associate Vice Chancellor, Development

Mr. Charles Waldrup, General Counsel, Legal

Absent Committee Members & Guests:

Ms. Natalie Brown, Chair, Board of Visitors

Ms. Janice Bryant Howroyd, Committee Member

Mr. Richard Lide, Chair, NC A&T Sports Hall of Fame

Ms. Laura Meagher, Committee Member

Mr. Ponce Tidwell, Chair, Aggie Athletic Foundation Board

III. Approval of Minutes (April 22, September 16 and November 18, 2016)

Chairman King acknowledged the absence of a quorum at the previous meetings, adding that no motions or voting were able to occur; thus, the need to approve the previous three meeting minutes at today's meeting. There was a motion to approve the April 22, September 16 and November 18 meeting minutes by Mr. Tim Rice; seconded by Mr. Emerson Fullwood.

IV. University Advancement Staffing Update:

- Filled:
 - Bridgett Williams, Director of Development, Science of Technology
 - Justin Lewter, Director of Development, College of Agricultural Environmental Sciences
 - Shelley Clayton, Associate Vice Chancellor, Advancement Services
 - Kevin Sanders, Manager, Gifts & Records
 - Shinika McKiever, Director of Corporate and Foundation Relations
- Vacant Positions (selection of candidates/conducting interviews):
 - Associate Vice Chancellor for Alumni Relations/Executive Director for the Alumni Association
 - Director of Alumni Communications
 - Business Officer
 - Director of Development for College of Arts, Humanities & Social Sciences
 - Assistant Director of Annual Giving
 - Director of Prospect Management
 - Director of Donor Relations & Stewardship

V. University Advancement Report – Ken Sigmon

A. Fundraising Reports:

- Gifts and New Commitments – compared to last year, up about 50% in giving this year at 6.6 MM as of December 2016.
- Increased Alumni Visits
- 2MM commitment from Merck to support the Center for Outreach in Alzheimer's, Aging and Community Health (COACH)
- Increased the Ask
- Continue to steward and nurture donors to increase their giving

B. Campaign Report/Update:

- As of January 31, 2016 – considering the most recent commitments and pledges, closing in on the half way point at almost 49% of the campaign goal of 85MM
- Created 86 new Endowed Scholarship Funds; 293 total
- 4 new Endowed Chairs & Professorships; total 20
- Over 12,000 donors to date
- Next Steps – Campaign Silent Phase
 - Continue leadership/principal gift identification, cultivation, and solicitation
 - Ongoing education, cultivation, and solicitation of volunteer leadership
 - Giving targets have been set for all volunteer boards
 - Deployment of constituent development team and increased engagement of deans in fundraising - particularly alumni
 - Wrap up silent phase by end of year
- Alumni Engagement

- Connecting “Young Aggies” with each other, their communities, and the University through:
 - Community Service
 - Giving
 - Fun
- Week of Aggie Love (calendar of social activities; occurs annually)
- Young Alumni Giving Day, February 2, 2017
 - Set goal of 150 donors; exceeded by 84
 - Raised \$7,000.00 for scholarships
- Various media vehicles are used as connections to potential donors of all ages to raise awareness

- Tax Reform
 - Monitoring Tax Reform Proposals – Endowment Proposal
 - Watching efforts to legislate endowment management and spending by Rep. Tom Reed (R-N.Y.), a member of the House Ways and Means Committee
 - Legislation soon that would require colleges and universities with endowments over \$1 billion or \$500,000 per student to direct 25 percent of their investment gains to pay for working-class students’ cost of education (students whose families earn less than 600 percent of the federal poverty level)
 - Institutions that fail to meet the requirement would be subject to excise taxes and other penalties
 - First Year – 30% tax on undistributed required payout
 - Second Year – 100% tax on undistributed payout
 - Third Year – Loss of tax-exempt status
 - Enhanced charitable deduction to donors to these institutions who make unrestricted gifts or gifts restricted to student scholarships and would limit the charitable deduction to donors who make restricted gifts to other areas to \$5,000

- Charitable Deductions
 - The proposal to double the current standard deduction will significantly reduce the number of taxpayers who itemize (from roughly 30 percent to 5 percent), effectively eliminating the charitable deduction for 95 percent of Americans
 - \$12,200 for individuals and \$22,000 for households
 - \$100,000 hard dollar cap (\$200,000 for couples/families filing jointly) that would eliminate the charitable deduction for many of the remaining taxpayers who itemize
 - The nonpartisan Tax Policy Center estimates that President Trump’s tax plan would reduce giving by 4.5 to 9 percent

- Other proposals would limit the charitable deduction, such as the two-percent adjusted gross income floor included in former House Ways and Means Chairman Dave Camp's tax reform discussion draft
 - Floor proposals send a signal that gifts below the floor, including those made by middle to lower income donors, are less important and would act as additional hurdle for the remaining five percent of itemizing taxpayers
 - One survey indicated that the charitable sector would lose \$3 billion per year in charitable contributions if a two percent adjusted gross income (AGI) floor were imposed
 - Charitable donations help colleges, universities and independent schools achieve their teaching, research and public service missions
 - According to the *Giving USA 2016*, high net worth households account for an estimated \$132 billion of the \$264 billion given to charitable organizations in 2015 (high net worth households are households with income greater than \$200,000 and/or net worth of at least \$1 million)
 - Council for Advancement and Support of Education's (CASE) Position
 - Instead of enacting changes that would curtail the charitable deduction, lawmakers should strive to enhance and expand it
 - An above-the-line, or universal, charitable deduction would expand the deduction to all taxpayers and exclude all charitable gifts from taxation
 - Such a proposal would increase giving in both dollars and number of new donors, increase fairness by treating all taxpayers' charitable contributions equally under the tax code and provide modest tax relief for low- and middle-income taxpayers.
- » Chancellor Martin, along with other HBCU chancellor's and presidents across the nation have been invited to the White House to meet with Congress on February 27-28, 2017, sponsored by Thurgood Marshall College Fund. This will be a full day of sessions with various congressmen and senators to discuss important topics that are critical to HBCU's. Congressman Mark Walker and Ted Budd is expected to be a part of the conversations.

VI. University Entity Presentation – Natalie Brown, Board of Visitors

- Kim Gatling, co-chair; consisting of at least 40 members, the committee meets bi-annually
- Campaign Plan – initially committed to raise 1.5MM towards the Capital Campaign
 - The committee is committed to 100% participation by making a substantial gift of their own
 - The members will be identifying potential individual and corporate donors
 - Host 3-4 gatherings to raise awareness about the University and opportunities for philanthropic support
 - Identify opportunities for friend-raising and donor cultivation

- Assist the Cultivation Committee in engaging new donors
- **BOV Challenges**
 - Lack of attendance for bi-annual full board meetings
 - Limited engagement and participation in committee meetings
 - Only 50% of the BOV are donors of the university
 - No shared goal for giving
 - Minimal communications on our campaign progress and activities
- **Resources to Support BOV**
 - Increased expectations on attendance and engagement
 - Support in identifying a minimum gift to the university for serving on the BOV Board
 - Engagement with the BOT to help boost participation and foster financial support
 - Increased communications on the campaign progress and activities underway

VII. Other business – no other business

Action Items:

- » An organizational chart of the division of University Advancement was requested to include position titles and contact information for the committee.
- » Mr. Emerson inquired whether a target has been set to accomplish a set number of Endowed Scholarship Funds. Chairman King suggested having a target set to include the average scholarship award per student. Mr. Sigmon committed to working on setting that goal.
- » Mr. Rice offered help with visits to local corporate and community donors.

VIII. Adjournment – The meeting adjourned at 10:15 a.m.

Respectfully submitted by: Mrs. Stephanie Crisp, Executive Assistant
University Advancement