

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

North Carolina Agricultural & Technical State University
Greensboro, NC

September 15, 2017

I. Call to Order

The committee convened at 9:00 am on Friday, September 15, 2017, in the Executive Boardroom of the Alumni Foundation Event Center. Ms. Vanessa Harrison called the meeting to order.

II. Roll Call

The roll call confirmed the following committee members present:

Committee Members:

Ms. Vanessa Harrison, Chair

Mr. Tim King

Dr. Harold L. Martin, Chancellor

Mr. Joe Parker

Mr. Tim Rice

Mr. Kenneth Sigmon, Vice Chancellor

Others Present:

Ms. Kathy Murphy, Deputy General Counsel

Ms. Ralisha Mercer, Associate Vice Chancellor for Development

III. Approval of Minutes

The motion to approve the April 28, 2017 meeting minutes was offered by Mr. Rice and seconded by Mr. Parker. The motion was unanimously carried and the minutes were approved.

IV. University Advancement Report – Ken Sigmon, Vice Chancellor

Committee Charter for the Advancement and External Affairs Committee

Mr. Sigmon reviewed the committee charter for the Advancement and External Affairs Committee new members for the New Year. The charter was revised two years ago to include External Affairs in the committee report out as well as the name change.

Staff Updates (27 of 28 full time positions filled)

Mr. Sigmon introduced two newest team members who were present at today's meeting; Ms. Anika Madden, Director of Donor Relations & Stewardship and Mr. Craig Caskie, Director of Prospect & Campaign Research. The division has filled 27 of 28 full time positions. The following positions were the latest filled:

- Associate Vice Chancellor for Alumni Relations/ED of AA – Teresa Davis
- Director of Alumni Communications – Alana Allen

- Business Officer – Doris Godette
- Director of Development – Courtney Dabney
- Assistant Director of Annual Giving – Braxton McShan

Mr. Rice suggested, given the recent staff hires, to look at fundraising efficiency, cost per dollar raised and other key metrics to ensure that the university remains competitive.

Fundraising Reports

Mr. Sigmon reported last year was a record year fundraising at 14.7MM and the prior year of 9.4MM. Alumni has also shown an increase of giving from last year's totals. The university continues to strive towards its strategic goal of 75MM in Endowments for Preeminence 2020.

Campaign Update

The university is getting close to 60 percent of its goal and making a decision on the public phase of the campaign. Ninety three new endowed scholarship funds were created along with five new endowed faculty position. There is \$4.5MM in the pipeline for deferred gifts. The university has almost 14,000 donors to date.

Next Steps

Campaign Silent Phase

- Wrap up volunteer leadership/principal gift identification, cultivation, and solicitation phase by end of calendar year.
- Deployment of constituent development team and increased engagement of deans in fundraising – particularly alumni.
- Work with Campaign Cabinet to assess final goal and timing of public phase of campaign in 2018.
- Developing communications strategies for public phase.

Campaign Timeline

University Advancement Goals:

Office of Alumni Relations

Goal 1: Market the programs, services and products of the Office of Alumni Relations and the Alumni Association.

Goal 2: Develop and promote alumni programs for maximum participation by alumni

Goal 3: Implement alumni engagement tracking system

Goal 4: Implement a comprehensive management program for the Alumni Association that will leverage best practices.

Advancement Services

Goal 1: Build a comprehensive donor acknowledgment and recognition system.

Goal 2: Develop a prospect management system that strategically assists fundraisers with moves management.

Goal 3: Utilize available and forthcoming IT resources to enhance the donor and fundraiser experience.

Goal 4: Audit and improve the gift processing functions and position to move to a feed to Banner Finance from Banner Advancement.

Goal 5: Complete/update comprehensive process and policy documentation for Advancement Services.

Goal 6: Enhance professional experience of Advancement Services staff.

Office of Development

Goal 1: Raise \$15MM

Goal 2: Create a development officer toolkit to support frontline fundraising

Goal 3: Produce standard operating procedures to provide a systematic process for conducting daily business

Goal 4: Develop printed and electronic giving information for scholarships, professorships, programmatic and facility support

Goal 5: Provide campaign support for internal and external constituents

Goal 6: Increase the number of students and alumni that make an annual giving level gift over FY 2017

Ms. Mercer introduced the new Assistant Director for Annual Giving, Mr. Braxton McShan, who is heavily engaged with student programming. His role is key when it comes to student philanthropy.

Tax Reform Update

Mr. Sigmon provided an update and overview of endowment proposals indicating there may be restrictions placed on the amount of money spent and where spent including penalties if not spent. He further described:

- 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
- Other ideas floated include:
 - Elimination of the estate tax
 - Currently 40% for married couples with estates just under \$11MM
 - Only impacts about 11,000 individuals annually under current rules
 - Lowering of top tax bracket from 39.6% to 35%
 - Creating two lower brackets at either 25% and 10% or 12%
- 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)

- These are the taxpayers who have the resources to give to charitable causes consistently, and U.S. tax policy should encourage them to continue to give generously
- Council for Advancement and Support of Education's (CASE), Association of Governing Boards (AGB), and National association of College and University Business Officers (NACUBO) 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.

Mr. Sigmon committed to continuing to monitor and provide feedback to the committee.

Other business – No other business

- V. Adjournment – With no further business, Ms. Harrison commended the team on their presentations, energy and passion they bring to the organization. With no further business, Mr. King made the motion to adjourn the meeting and seconded by Mr. Parker. The meeting ended at 10:06 a.m.

Recorded by:
Stephanie Crisp, Executive Assistant
University Advancement