



North Carolina A&T State University Alumni Association Assessment and Planning Goals

Board of Trustees Advancement and External Affairs Committee
February 2020

OVERVIEW

- The University and the NC A&T State University Alumni Association have been operating under an integrated model
 - > Association remains an official affiliated entity
 - Governance
 - Finances
 - Programs
 - > Alumni Relations staff, funded by the University, serve as staff for alumni programming and Association initiatives
 - Associate Vice Chancellor for Alumni Relations also serves as Association Executive Director
- Entering the seventh year of this model, it is time to review the model and make necessary adjustments for the future with a timing of NLT March 31, 2020.
 - > Staffing and Structure
 - > Resources
 - > New or Revised Programming

FIVE GOALS FOR ASSESSMENT AND PLANNING

1. Implement a plan to satisfy the convention debt to the University in no less than four years.
2. Implement a financial model for sustainability of the National Alumni Scholars or revise the purpose of the program in light of the needs for student success.
3. Identify and implement the role of the board, the structure of committees, and the conduct of meetings for efficiency and effectiveness.
4. Finalize a refreshed strategic plan for the Association.
5. Identify at least two new programs for alumni engagement with a timeline for implementation.

GOALS UPDATE

1. Implement a plan to satisfy the convention debt to the University in no less than four years.
 - a) Association has decided to use funds from the annual Homecoming hotel rebate to satisfy the debt by repaying \$10,000 per year for the next four years.
 - b) Will sign a promissory note to formalize with University Advancement.
2. Implement a financial model for sustainability of the National Alumni Scholars or revise the purpose of the program in light of the needs for student success.
 - a) Association has decided to adopt a funding model using a hierarchy of funding between quasi-endowment funds and current use dollars to return to a full cohort of Scholars.
 - b) As part of the Power of DO Campaign, the Association is also asking alumni chapters to consider endowing National Alumni Scholars to further enhance the program.

GOALS UPDATE

3. Identify and implement the role of the board, the structure of committees, and the conduct of meetings for efficiency and effectiveness.
4. Finalize a refreshed strategic plan for the Association.
5. Identify at least two new programs for alumni engagement with a timeline for implementation.
 - a) The Association, working with a consultant from Alexander Haas Martin has undertaken a strategic review to include the following:
 - i. Organizational review to include documents, organization charts, etc.
 - ii. Key stakeholder interviews (internal and external)
 - iii. On-site engagement with Association board for strategic planning and program planning
 - b) All work is scheduled to be completed on or before March 31, 2020.

SUSTAINABILITY MODEL FOR NATIONAL ALUMNI SCHOLARS

Scholarship Costs (Based on Current Schedule)

Tuition	\$	1,770	
Required Fees	\$	1,536	
Room	\$	3,000	
Board	\$	2,000	
Books	\$	<u>500</u>	
Total Cost per Semester			\$ 8,806
Total Annual Cost per Scholar (Two Semesters)			\$ 17,612
Total Annual Cost for Full Cohort of Sixteen Scholars			<u>\$ 281,792</u>

SUSTAINABILITY MODEL FOR NATIONAL ALUMNI SCHOLARS

	2020	2021	2022	2023	2024	2025
AA Quasi-Endowment Beginning Balance (Assume 5% Annual Growth)	\$ 2,194,334	\$ 2,288,990	\$ 2,352,498	\$ 2,381,189	\$ 2,400,703	\$ 2,413,667
University Alumni Scholars Endowment Beginning Balance (Assume 5% Annual Growth)	\$ 372,804	\$ 373,829	\$ 374,857	\$ 375,888	\$ 376,922	\$ 377,958
Annual Cost for Scholars (Assume 3% Annual Increase)	\$ 166,120	\$ 201,337	\$ 238,608	\$ 259,841	\$ 268,181	\$ 276,771
Total Number of Scholars	10	12	14	15	15	15
Minus Revenue Sources:						
License Plate Revenue	\$ 25,000	\$ 26,000	\$ 27,040	\$ 28,122	\$ 29,246	\$ 30,416
Alumni Scholar Donor Designated Annual Gifts	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
University Endowment (Assume 4.5% Spending on Current Balance of \$372,804)	\$ 16,776	\$ 16,822	\$ 16,869	\$ 16,915	\$ 16,961	\$ 17,008
AA Unrestricted Gifts	\$ 40,000	\$ 40,000	\$ 40,000	\$ 50,000	\$ 50,000	\$ 50,000
Concert Proceeds	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Total Current Use Dollars	\$ 151,776	\$ 152,822	\$ 153,909	\$ 165,037	\$ 166,208	\$ 167,424
Balance Required to Fund Cohort (Annual Cost of Scholars - Current Use Dollars)	\$ 14,344	\$ 48,515	\$ 84,700	\$ 94,805	\$ 101,973	\$ 109,347
As a percentage of Quasi-Endowment	0.7%	2.1%	3.6%	4.0%	4.2%	4.5%
Quasi-Endowment Ending Balance (Assume 5% Annual Growth/Funding Full Cohort of 16 Scholars)	\$ 2,179,990	\$ 2,240,475	\$ 2,267,799	\$ 2,286,384	\$ 2,298,730	\$ 2,304,320

ASSOCIATION BUDGET – TOP FIVE SOURCES AND USES

- The Association is on sound financial footing and has presented a budget for FY20 with a surplus in excess of \$200,000.
- The top five sources and uses of revenue in the current budget include:

SOURCES	
HOMECOMING	\$ 452,539
INVESTMENT SPENDING PLAN	\$ 138,364
ALUMNI ASSOCIATION OPERATIONS	\$ 123,970
ALUMNI REUNION WEEKEND	\$ 63,000
NATIONWIDE AGREEMENT	\$ 45,000
USES	
HOMECOMING EXPENSES	\$ 381,302
ALUMNI SCHOLARS TUITION	\$ 140,000
ALUMNI REUNION WEEKEND	\$ 62,925
BOARD TRAVEL	\$ 47,503
AUDIT EXPENSES	\$ 6,700

