



UNIVERSITY *of*  
NORTH CAROLINA  
WILMINGTON

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BOARD *of* TRUSTEES

## External Affairs Committee

April 25, 2024

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### AGENDA

- |     |   |  |
|-----|---|--|
| (1) | Call to Order   | Trustee Kevin Sills  |
| (2) | Statement from State Government Ethics Act                        | Trustee Kevin Sills  |
| (3) | Approval of Minutes from October 13, 2023                         | Trustee Kevin Sills  |
| (4) | Legislative Affairs Update  | Marion Warren, J.D., Assistant to the Chancellor & Executive Director of Government and External Relations |
| (5) | Advancement/Campaign Update                                       | Eddie Stuart, Vice Chancellor for University Advancement   |
| (6) | Alumni Engagement   | Colleen O'Neil, Director of Alumni Engagement Programming  |
| (7) | Exception to the Endowment Minimum for two Endowed Professorships | Eddie Stuart, Vice Chancellor for University Advancement   |
| (8) | Closed Session  | Trustee Kevin Sills  |
| (9) | Adjourn   | Trustee Kevin Sills  |

## **AGENDA ITEM**

Approval of the minutes from the October 13, 2023 meeting

**Situation:**

N/A

**Background:**

N/A

**Assessment:**

N/A

**Action:**

This item requires a vote by the committee.

**Supporting Documentation:**

Draft External Affairs Committee Minutes from the October 13, 2023 Meeting

Board of Trustees

External Affairs Committee

October 13, 2023, 1:00 p.m.

Burney Center, Ballroom C

The External Affairs committee met on Friday, October 13 at 1:00 p.m. Committee members in attendance included: chairman Kevin Sills, Cody Brandon, Hugh Caison, Stephen Griffin, and Aldona Vos. Staff present included Eddie Stuart, Mike Oblinger, Lindsay LeRoy, Bill Kawczynski, Andrea Weaver, Mark Lanier, and Marion Warren.

The meeting was called to order, and the required statement of ethics was read. No conflicts were identified. The minutes from the last committee meeting were approved.

Mark Lanier, Assistant to the Chancellor, provided updates on recent action in Congress and federal governmental relations. He advised the committee of the potential need to prepare for a federal government shutdown, which will primarily affect communications with federal agencies funding research grants. The Honorable Marion Warren, Executive Director of Government and External Relations, provided the committee with an update on the General Assembly's regular session and the state budget bill, particularly UNCW's new R2 designation and appropriations.

Chair Sills welcomed Steve Griffin as the newest Trustee.

Eddie Stuart, Vice Chancellor for University Advancement, provided an Advancement update. The 2024 fiscal year to date total is \$2,517,555, with \$1,972,861 gifts received and \$544,694 commitments. VCUA Stuart shared several of last quarter's campus happenings, including proposals submitted to the New Hanover Community Endowment during their grant application period, the TealStarter student fundraising program launch, new hires within the Advancement division, the alumni employee brunch, and Family Weekend Legacy Pinning Ceremony and Parents Social. He shared that this year's Homecoming will be February 15-18, 2024.

Mike Oblinger, Director of Athletics, provided an Athletics update. He provided a preview of NCAA's Holistic Model that will be implemented in August 2024. This Holistic model supports student athletes' mental health as well as physical health, and provides academic support, career counseling, and life skills training. He also provided an overview of the Seahawk Exchange, an NIL (Name, Image, and Likeness) connection with UNCW athletes. The Seahawk Exchange functions like LinkedIn- it directly connects student-athletes to marketers. About 60 transactions have gone through the exchange thus far. He shared about FLIGHT, a program that partners student-athletes with our campus resources to help them maximize their NIL potential.

Chairman Sills commented that programs like this may necessitate a need for sports psychologists, as students could be overwhelmed by this process.

Mark Lanier verified that the current governing body of the university cannot be involved in NIL activity and that this prohibition applies to Board members, as well.

Steve Griffin asked how the athletic department was funded and Mike indicated that 75-80% comes from student fees. Steve commented that in comparison to other UNC system schools, our percentage of funds coming in from external sources is quite low and asked if there would be an endeavor to change that. Mike indicated that there is conversation around this topic.

Hugh Caison asked if the degree completion component of the NCAA holistic model included room and board. Mike indicated that it only covers tuition and would only be provided at the level the student-athlete was receiving while in school at UNCW.

Chairman Sills then opened the floor for old business or new business to report.

Bill Kawczynski reminded committee members that a local marine unit is currently in the Middle East and asked that everyone be mindful of the fact that many students on campus have connections to this unit.

Chairman Sills then entertained a motion to move into Closed Session, and Hugh Caison made a motion to go into closed session to prevent the premature disclosure of a naming opportunity. The committee voted unanimously for closed session. The committee approved the item as presented to take to the full board.

The meeting was adjourned after the closed session.

## **AGENDA ITEM**

Advancement/Campaign Update

### **Situation:**

Update on recent activities and highlights from the Division of University Advancement. Information to include: YTD financial activity; special accomplishments and highlights for the quarter (new hires, Seahawks Give, upcoming Campaign Celebration, major gifts received); and challenges and items of special focus (vacancies, space needs, post-campaign operations).

### **Background:**

N/A

### **Assessment:**

N/A

### **Action:**

This item is for information only

### **Supporting Documentation:**

Advancement/Campaign Update Presentation



# LIKE NO OTHER.

*The Campaign for UNCW*

# YTD ACTIVITY

7.1.23-3.31.24

<b>GIFTS RECEIVED</b>	<b>\$8,427,473</b>
<b>COMMITMENTS</b>	<b>\$10,789,767</b>
<b>PLANNED GIFTS</b>	<b>\$228,000</b>
<b>TOTAL PRODUCTIVITY</b>	<b>\$19,445,240</b>



# Seahawks GIVE

April 2-3

\$641,582 raised with  
2,381 gifts from  
1,977 donors  
in 24 hours!



# SPECIAL ACCOMPLISHMENTS AND HIGHLIGHTS

UNCW Foundation Board and Friends of UNCW oyster roast at CMS cultivated new relationships with potential donors



Randall Library and the Center for Southeast North Carolina Archives and History received a seven-figure gift supporting Special Collections



CHSSA's Department of International Studies received its first-ever departmental endowed applied learning award

A six-figure applied learning endowed support fund has been established to support travel for students in the Honors College and the Department of Biology and Marine Biology



# Kappa Sigma

## Military Heroes Campaign

President Nate Fore, *Junior, Marketing and Professional Selling*  
Waxhaw North Carolina

Vice President Grant Routh, *Senior, Exercise Science Major*  
Mount Airy North Carolina

Scribe Evan Boucher, *Sophomore, Cyber Security*  
Apex North Carolina

Grand Master of Ceremonies Chase Dutton, *Sophomore, Business Finance*  
Raleigh, North Carolina

Treasurer Ryan Hughes, *Sophomore, Business Finance*  
Lake Norman, North Carolina

Ryan Wiesler, *Freshman, Computer Science*  
Charlotte, North Carolina

Tommy Macken, *Freshman, Marketing and Professional Selling*  
Raleigh, North Carolina

# A celebration Like No Other





CAMPAIGN CELEBRATION APRIL 19, 2024



**THANK YOU**

QUESTIONS?

## **AGENDA ITEM**

Presentation: Alumni Engagement. Colleen O'Neil, Director of Alumni Engagement Programming

### **Situation:**

Update on recent activities and highlights from Alumni Engagement. Information to include: an overview of thirteen recent experiential events attended by 6,917 participants, with a particular focus on Homecoming 2024; recent alumni philanthropic activity and volunteerism, including Seahawks Give; and notable communication and social media strategies.

### **Background:**

N/A

### **Assessment:**

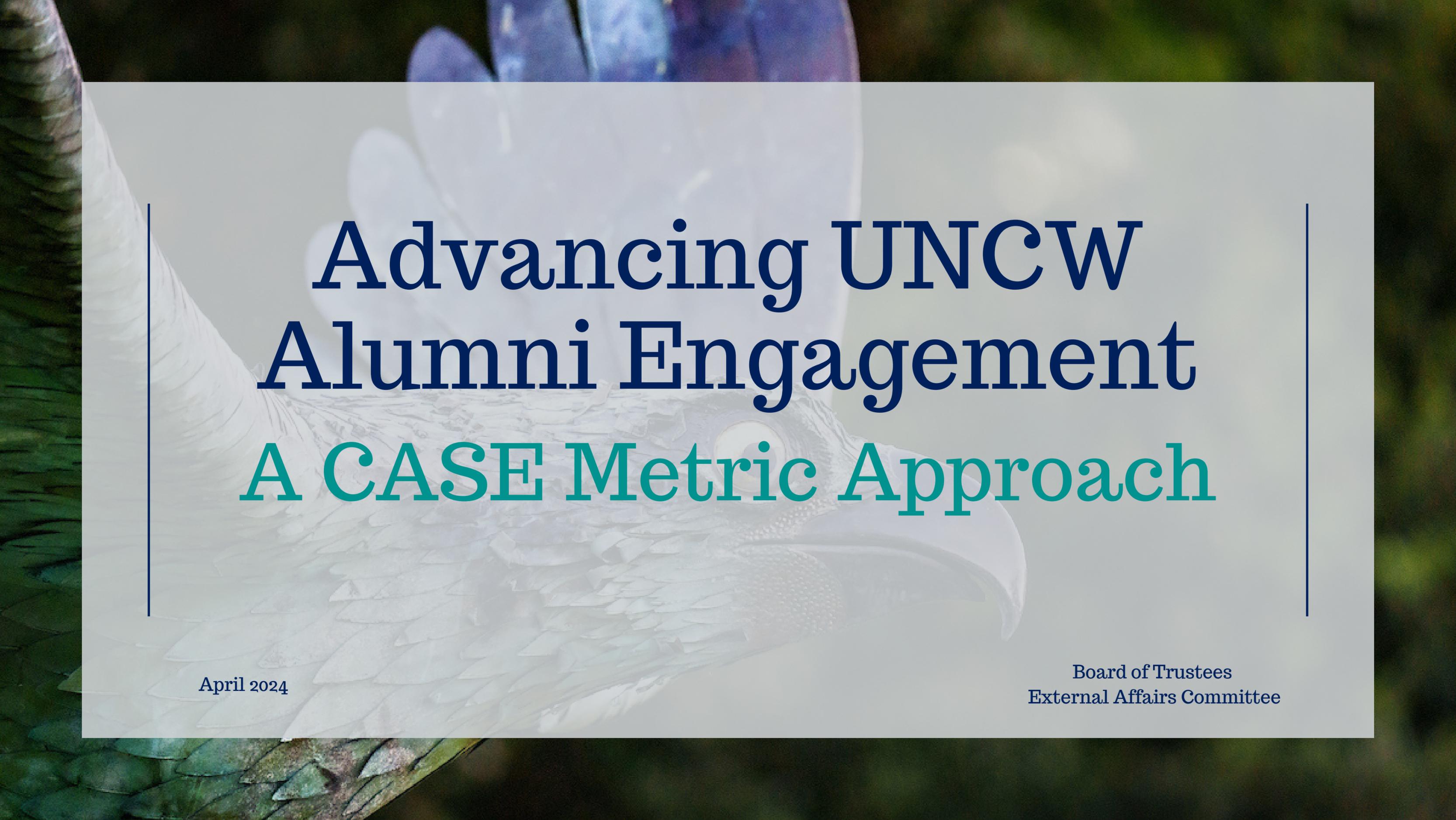
N/A

### **Action:**

This item is for information only

### **Supporting Documentation:**

Alumni Engagement PowerPoint Presentation



# Advancing UNCW Alumni Engagement A CASE Metric Approach

April 2024

Board of Trustees  
External Affairs Committee



# Alumni Engagement is defined as

“Activities that are valued by alumni, build enduring and mutually beneficial relationships, inspire loyalty and financial support, strengthen the institution’s reputation and involve alumni in meaningful activities to advance the institution’s mission.”

# CASE Insights on Alumni Engagement



Experiential



Communications

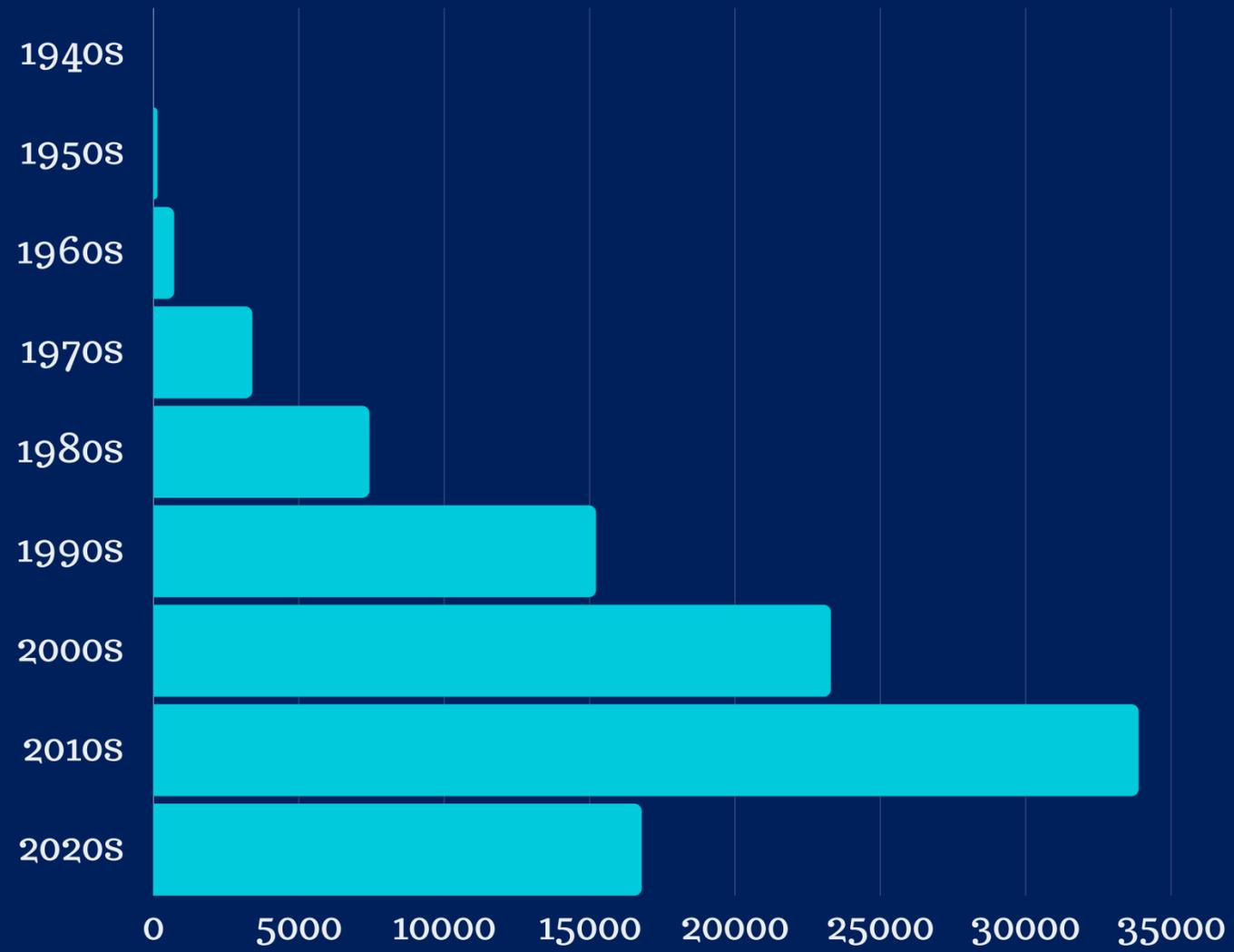


Volunteerism

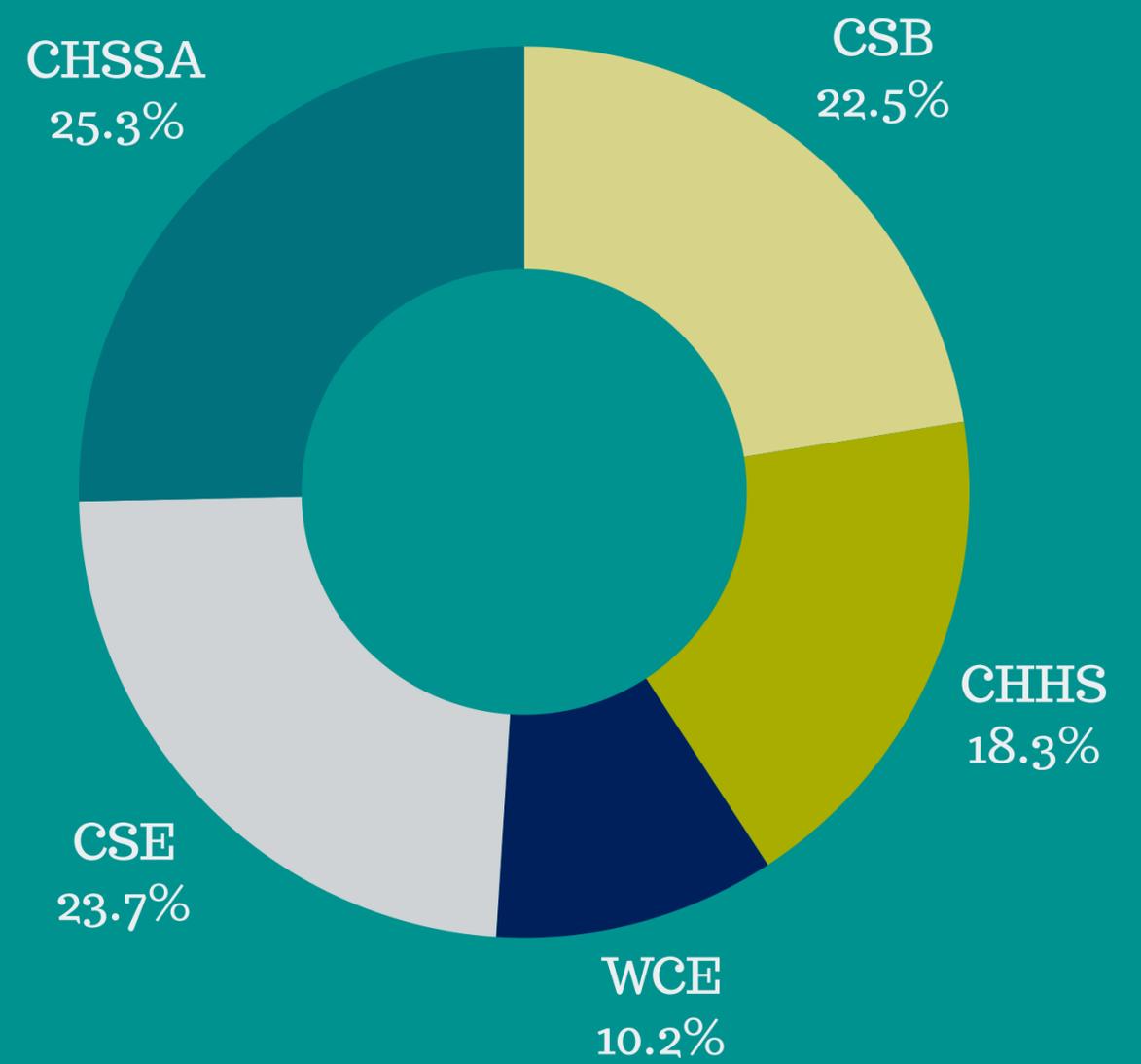


Philanthropic

## Alumni By Decade



## Alumni By College





## Alumni By Region

**29,700**  
in Cape Fear

**17,003**  
in the Triangle

**10,571**  
in Charlotte

**6,753**  
in the Triad

**2,565**  
in Washington, D.C.

# Elevating & Implementing

## experiential

- Pints with Professors, Wagsgiving
- Partnerships with Departments
- Increased Regional Programming
- New Homecoming Events

## communications

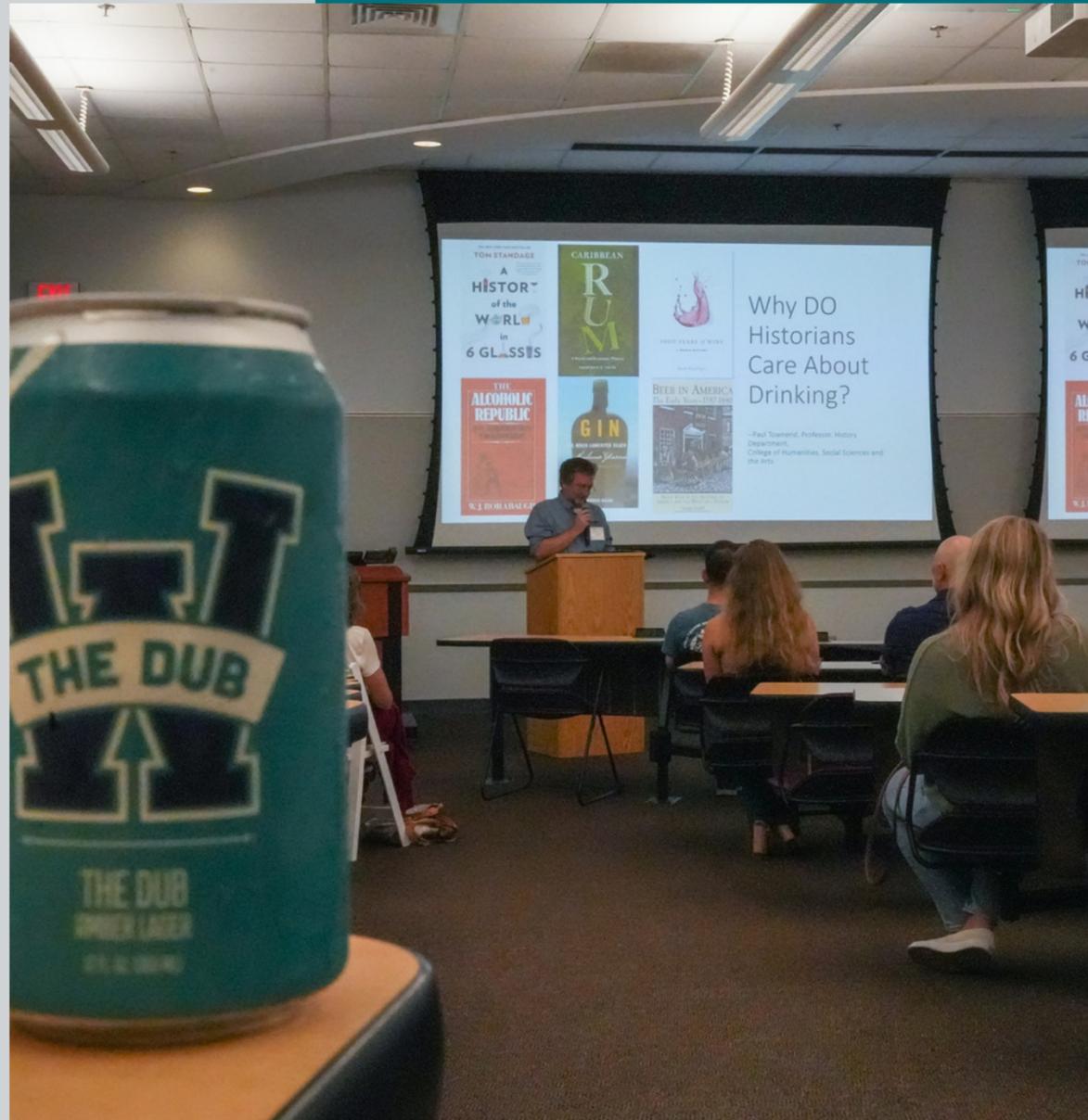
- Increase in Class Notes & Information Updates
- Alumni-Owned Business Highlights
- Regional, Affinity & Birthday Communications

## volunteerism

- Partnerships with Admissions
- Social Media Advocates
- Class Speakers/ Career Center Support

## philanthropic

- Increase in Event Registration Giving
- Alignment with Annual Giving Team



# FY23 Alumni Engagement Metrics Survey

- Experiential: 1,124
- Volunteerism: 101
- Philanthropic: 2,963
- Total Alumni Engaged in:  
1 of 3 metrics: 3776  
in all 3 metrics: 59

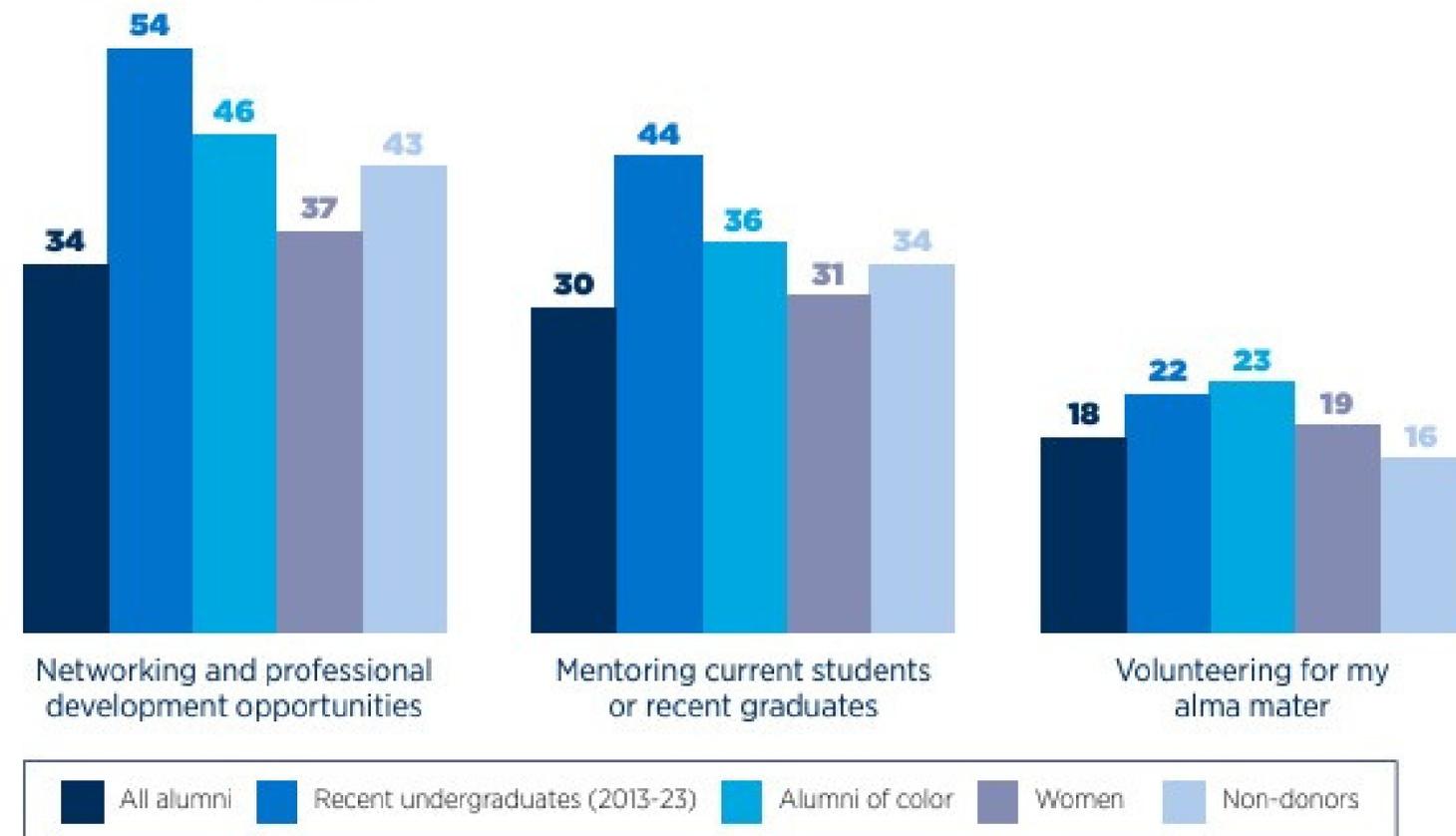


# RNL 2024 National Alumni Survey

“Leaning into these areas and thinking beyond traditional volunteer roles could help create meaningful volunteer experiences that help individual alumni feel more connected, strengthen a sense of community more broadly, and lead to increased alumni giving.”

Activities that would make alumni more likely to engage with their alma maters

(Percentage of responses)





# Keys to the Future

- Database Utilization
- Alumni Feedback
- Strategic Approach to Alumni Affinity Engagement
- Emphasis on Volunteerism & Professional Development Opportunities
- Strong Campus Partnerships



“IN THIS MOMENT OF GREAT CHANGE IN OUR INDUSTRY, IT IS CRITICAL TO TAKE A STEP BACK FROM OUR DAILY OPERATIONS AND ASK OURSELVES, WHAT IS OUR PURPOSE? WHAT IS THE VALUE WE ADD TO THE INSTITUTION, THE ADVANCEMENT STRATEGY, AND TO OUR DONORS AND ALUMNI?”

thank you!  
questions?

Colleen O'Neil  
Director of Alumni  
Engagement Programming

 [oneilc@uncw.edu](mailto:oneilc@uncw.edu)



**AGENDA ITEM**

Exception to the Endowment Minimum for Endowed Professorships

**Situation:**

University Advancement is seeking a one-time exception to the endowment minimums for endowed professorships. The current minimum endowment required to establish an endowed is \$500,000.

**Background:**

In the most recent legislative session, the General Assembly altered the governance of the Distinguished Professorship Trust Fund to only allow professorship proposals in STEM disciplines to qualify for matching funds. UNCW endowed professorships which were in the process of being approved at the system level, already had funding commitments for distinguished professorships in business (non-STEM) at \$333,000 each. The new legislation rendered them ineligible for the match. The proposed solution is to establish these new endowed professorships at the \$333,000 level due to the original donor commitment. The Provost is in support of this solution.

**Assessment:**

It is the recommendation of Advancement and Business Affairs that the board grant this one-time exception to the endowment policy minimum.

**Action:**

Approve a one-time exception to the endowment minimums for endowed professorships.

**Supporting Documentation:**

Endowment Procedures

[09.160 Endowment Procedures](#)



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## 09.160 Endowment Procedures

This document sets forth procedures for establishing endowments within the guidelines of the Board of Trustees and Board of Trustees of the Endowment Fund guidelines

### Authority:

UNC Policy Manual 600.2.1 "Endowment Funds"

### History

July 21, 2010; supersedes former Administration Policy, "UNCW Endowment Fund, Categories of Giving", July 29, 1983 **Source of Authority:**

University Advancement; Business Affairs

### Related Links:

N/A

### Responsible Office:

University Advancement/Business Affairs

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## Policy Details:

### I Purpose

This document sets forth procedures for establishing endowments within the guidelines of the Board of Trustees and Board of Trustees of the Endowment Fund guidelines

### II Scope

This policy applies to all UNCW employees and entities entering into an endowment agreement with the University .

### III Definitions

- A True Endowment: A fund established through a gift subject to donor imposed restrictions that the principal be preserved in perpetuity, with only the income being spent. True endowments are irrevocable and their income may be restricted or unrestricted.
- B Term Endowment: A fund established through a gift subject to donor imposed restrictions that either "expire" on a predetermined date, period of time or occurrence of a specified event. Until the passage of the specific date or event term endowments are treated the same as true endowments. Term endowments are irrevocable and their income may be either restricted or unrestricted.
- C Quasi-endowment (Funds Functioning As Endowment): A University fund established by the institution that is treated as an endowment but not subject to any legal prohibitions against spending. Gifts and other funds that are not restricted from being endowed may be used. A Quasi-endowment is revocable and its income may either be restricted or unrestricted.
- D Endowment Earned Income: Income that is earned from investments, such as dividends from stock, interest from money markets and bonds and royalties received from the principal of the endowment .
- E Realized gains/losses: These are incurred when an investment is sold. A realized gain results from selling an investment at a price higher than the original purchase price. A realized loss results from selling an investment at a price lower than the original purchase price.

- F Unrealized gains/losses: The change in value of an investment after it is purchased but before it is sold.
- G Endowment Total Return: The percentage change in value over a period of time, taking into account net income and capital appreciation (depreciation). This would include interest and dividends, realized gains (losses), unrealized gains (losses) and investment management costs.
- H Spendable or Distributable Income: The portion of income available for expenditure according to the purpose of the endowment. Policy for determining the amount of distributable income is set by the Board of Trustees.
  - Restricted spendable income: spendable income whose use is restricted by donor stipulations in the endowment agreement.
  - Unrestricted spendable income: spendable income whose use is unrestricted by the donor and may be designated for any legitimate purpose by the University.
- I Historic Gift Value: The original amount of the endowment gift plus any subsequent gifts.
- J Book Value (Carrying Value): The original cost basis of an endowment, plus adjustments for gains or losses incurred from the liquidation of non-cash gifts, plus subsequent gifts, and any transfers to or from the fund.
- K Market value: The total of the book value plus investment earned income and realized and unrealized gains/losses, less distributions made to spendable income.
- L Cy Pres: A procedure for releasing restrictions on a gift if the donor is deceased and the university finds it impractical or impossible to conform to the restrictions. The university may attempt to have the limitations on the original gift released by bringing “cy pres” action in an appropriate court.

#### IV Procedure

##### A Overall Endowment Management

The Board of Trustees of the Endowment Fund is responsible for the general management of the university's endowments as authorized by the State of North Carolina and as further specified by the Board of Governors and the UNCW Board of Trustees. The Board of Trustees of the Endowment Fund and the Chancellor delegate authority and responsibilities to the Vice Chancellor for Business Affairs and others as specified in this document.

The Vice Chancellor for Business Affairs is responsible for the management of and accounting for endowment and related investment funds under guidelines set by the Board of Trustees of the Endowment Fund and in accordance with Generally Accepted Accounting Principles.

The Endowment Accountant is responsible for maintaining all management documents associated with endowment funds and endowment investment funds. This includes items such as copies of Endowment Requests, Standard System Endowment Agreements and related documents, as well as endowment registries and management reports.

The Endowment Accountant is responsible for maintaining the university's official financial records associated with endowments. The Endowment Accountant also has responsibilities as specified in this document.

##### B Funds That Qualify For Endowments

True and term endowments may only be funded with gifts and matching gifts to the component university that are either specified by the donor as funds to be endowed or explicitly solicited for the purpose of endowment.

Quasi-endowments may only be funded with funds already owned by the University which have no restrictions against being endowed and excepting monies received from State appropriations and from tuition, fees and similar payments by students which are received to support general operation of the institution.

##### C Minimum Funding Levels for Endowments

Minimum amounts for true, term and quasi-endowments are as follows:

Type	Amount
<b>Chairs:</b>	\$1,000,000
<b>Professorships:</b>	\$500,000
<b>Scholarships:</b>	\$25,000
<b>Graduate Student Fellowship:</b>	\$25,000

Space (naming opportunities) – See University Advancement Policies, **09.140 Policy for Establishing Naming Criteria and Protocol**

A true or term endowment may be established with an initial gift of at least \$1,000 and must be fully funded at the relevant minimum funding level within a specific time as indicated in the table below:

Minimum Funding Level	Maximum Payoff Years
\$25,000	Five (5) years

Any variation to these payment schedules (i.e. when a challenge grant is involved) must be pre-approved by the Vice Chancellor for University Advancement.

Only gifts and matching gifts count toward the minimum funding level of true or term endowments.

Endowments must reach the relevant minimum funding level before income is distributed.

#### D Income Distribution

Income distribution for fall semester will occur one (1) year (12 months) from date the endowment became fully funded. Only endowments with a market value in excess of book value are eligible for income distribution.

Gifts may be made to the spendable account on an annual basis no later than February 15th each year to be included in the award calculations for the following school year.

Award amounts are calculated in the 3rd quarter of the fiscal year. Final award amounts are recorded in July.

- a Awards are estimated for the Financial Aid office by combining information from Financial Accounting and the Endowment Accountant. Financial Accounting provides the residual balance in each endowment's spendable fund. This is the amount eligible but not awarded in previous years due to the rounding policy. The Endowment Accountant calculates the estimated spendable income earned by each endowment for the current fiscal year by taking the number of shares for each endowment for the past four quarters (March, June, September and December of the prior year) to get an average number of shares for each endowment account. The average number of shares is used to allocate the total available spending amount, calculated at the approved spending rate approved by the Board of Trustees of the average total endowment market value from the past three (3) years. The residual amount left in a fund and current year estimates are combined for a total available award. The total available award is rounded down to the nearest hundred dollars and awarded over both terms of the upcoming academic year or as otherwise specified in the gift agreement.
- b Awards for programs, faculty and other non-scholarship endowments will be determined by the Endowment Accountant, as described in Section IV.D.3.a.
- c All monies based upon the Trustee approved three (3) year rolling average spending rate are transferred into the appropriate accounts for awarding in July.

All distributable income from a true or term endowment that has reached the minimum funding level will be transferred into the spendable account on an annual basis.

A combination of the Advancement office and Endowment office will share the primary responsibility for tracking the funding levels of endowments. This will occur no less than once a month.

A quasi-endowment must be funded at the relevant minimum funding level at the time it is created except when the endowment is an extension of an existing true endowment that has already reached the minimum funding level.

## E UNCW Matching Criteria

See **Matching Procedure for Endowments** (Addendum A)

## F Endowment Terms and Agreements

True and term endowments require a **Standard UNCW Gift Agreement** (Addendum B) with donors, specifying the terms of the endowment.

- a When there are multiple donors to an endowment (i.e. memorials or tributes), a standard agreement with a primary donor (usually the person who initiates the endowment) is required.
- b Donor prepared agreements or award letters may be used in lieu of the standard agreement if General Counsel and the Vice Chancellor of University Advancement and Vice Chancellor of Business Affairs approve.
- c When endowment funds are raised through a special event or activity where there is no primary donor, the benefiting constituent area is required to complete a **Memorandum of Agreement Other Income** (Addendum C) that specifies the terms of the endowment. Any letters or materials requesting monies for the endowment, either mailed to prospective donors or presented at an event must be attached to the Memorandum of Understanding for Non Gifts.

When a donor establishes an endowment with an initial payment and pledge balance to be paid over time, the endowment agreement must specify the payment schedule and provide terms for the possibility that the endowment does not get fully funded.

- a The payment schedule should adhere to the table listed in Section IV.C.2 of this document.
- b The Vice Chancellor for University Advancement or designee may grant a grace period of up to two (2) additional years when a donor does not make payments totaling at least the minimum funding level for a true or term endowment within the specified timeframe.
- c UNCW is no longer obligated to honor the terms of the agreement when an endowment does not reach the minimum funding level within the specified time frame, including any approved grace period. University Advancement will contact a donor to inform the donor that the existing funds will be converted to an annual fund and spent in a way that most closely resembles the donor's original intent. If the donor is no longer available, University Advancement will convert the funds, again in a way that most closely resembles the donor's original intent.
- d Any transfer or use of endowment funds must be documented in a Memorandum of Understanding for Endowments form and approved by a university officer or their designee as well as the Vice Chancellor for Business Affairs and the Vice Chancellor for University Advancement or designee. If possible, the donor should be informed of the ultimate transfer.

Quasi-endowments require a completed **Standard UNCW Gift Agreement** specifying the terms of the endowment.

Quasi-endowments made up of restricted funds must adhere to those restrictions.

Quasi-endowments linked to a true or term endowment must adhere to the terms of the original endowment agreement.

An Endowment Registry must be prepared for each endowment by the Endowment Accountant. The registry officially records terms and restrictions, type of fund and associated funds.

## G Endowment Funds Held in Endowment Holding Account

In cases where funds are disbursed by a donor to UNCW before a **Standard UNCW Gift Agreement** may be drafted and signed by all parties, these funds will be placed in the Endowment Holding account.

Earnings generated from these funds will be moved to the named Endowment fund upon its creation when a signed agreement has been submitted and accepted by all parties heretofore mentioned.

Earnings dating from the date the agreement was signed are the only earnings eligible to be moved with the principal gift. All other earnings will remain in the Holding Account to be used at the discretion of the Vice Chancellor of Business Affairs.

In the case when the process to execute a standard UNCW Gift Agreement is in the process of prolonged negotiations, UNCW should draft and execute a Letter of Intent between the university and the donor. Letters of Intent need only to be executed for gifts of \$25,000 or more. This will enable the creation of a fund number for the endowment and allow the gift to be deposited into its own fund and begin accruing the interest immediately.

## H Approval of True and Term Endowment Agreements

The development of officer assigned to a department or program wishing to establish an endowment must be involved in originating a standard UNCW Gift Agreement. If there is no assigned development of officer, the appropriate university of officer at the benefiting constituent area of the university should be involved.

Three original agreements must be signed in the following order by the following parties: the donor, appropriate university of officer of the benefiting constituent area and the Vice Chancellor for University Advancement.

University Advancement, in its capacity of providing university-wide development services, is responsible for facilitating signatures and approvals by the General Counsel and Vice Chancellor for Business Affairs.

Fully executed original agreements are maintained by University Advancement and the benefiting constituent area, with one original being returned to the donor. Copies of the executed original agreement will be forwarded to the Endowment Accountant and Financial Aid.

A **Request for Establishment of a Banner Fund** (UNCW FSD-45 form, obtained from the Accounting department) must accompany a Standard Gift Agreement and/or other necessary documentation when submitted for approval. This form requires the signature approval from the Vice Chancellor of Business Affairs and the appropriate budget authority of the benefiting constituent area.

The Planned Giving Officer must be notified immediately when an endowment is to be established through a bequest or deferred gift instrument. This person will work with the assigned development director (and donor if appropriate) to help facilitate the gift and any special related documents.

### Procedures

- a Once terms have been reached with a donor, the assigned development of officer submits the standard UNCW Gift Agreement and/or other required documentation to the Donor Reporting Coordinator. The Donor Reporting Coordinator reviews and approves the documentation, facilitates signature approvals, and returns it to the assigned development of officer for the benefiting constituent area.
- b The assigned Development Officer obtains approval signatures from the donor. The Donor Reporting Coordinator obtains signatures from the benefiting constituent area and the Vice Chancellor of University Advancement. The Vice Chancellor of University Advancement should be the last to sign the donor agreement.
- c Once the completed original standard UNCW Gift Agreement and/or other necessary documentation has been signed by all parties, the Donor Reporting Coordinator will provide the Development Director with an original agreement to be delivered to the Donor, send an original to the appropriate university of officer (benefiting constituent area), and file an original in University Advancement. Copies of the executed agreement will be provided to the Endowment Accountant and the Office of Financial Aid.
- d When a standard UNCW Gift Agreement is received and the Endowment Accountant has all of the necessary documentation, he/she establishes necessary endowment funds by completing the Request for Fund document and completes an Endowment Registry, which summarizes the terms of the endowment.
- e Once the endowment is established, the Endowment Accountant informs Advancement Services, Financial Aid, the benefiting constituent area, and the budget area of new fund number.

## I Approval of Quasi-Endowments

All Quasi-Endowments must be approved by the Board of Trustees. A **Request for Quasi-Endowment Establishment** (Addendum D) must be approved and signed by the Vice Chancellor for Advancement and the Vice Chancellor of Business Affairs. The Request for Quasi-Endowment Establishment must accompany two original **Memorandums of Understanding for Quasi Endowments** and must be executed and signed by the Vice Chancellor for Advancement and the appropriate university of officer in the benefiting constituent area.

Executed copies of the **Request for Quasi-Endowment Establishment** and the **Memorandums of Understanding for Quasi Endowments** will be maintained by the Endowment Accountant in preparation for approval by the Board of Trustees.

### Procedures

- a The office of the Vice Chancellor of University Advancement facilitates signatures on the **Memorandum of Understanding for Endowments** and the **Request for Quasi-Endowment Establishment** and forwards it to the Endowment Accountant.
- b The Vice Chancellor of Business Affairs will review and sign the **Request for Quasi-Endowment**.

- c The Vice Chancellors of Advancement and Business Affairs will present the Quasi-Endowment to the Board of Trustees for approval.
- d Once approval is granted, the Quasi-Endowment is created in the Endowment. The Endowment Accountant will establish the necessary endowment fund code, complete an Endowment Registry, and transfer the funds to the correct fund. University Advancement will be provided with an executed copy of the documentation and University Advancement will forward documents to the benefiting constituent area.

#### J Additions to Existing Endowments

Additions to an existing true or term endowment will be treated as a true or term addition to the endowment's principal.

#### K Gift Acceptance (Gift Transfer)

All endowment gifts must be accepted and processed according to policies and procedures stated in University Advancement Policies,

09.100 Organization and Administration of Fundraising.

#### L Gift Receipts

The Office of Advancement Services is responsible for receipting all gifts to the university. See University Advancement Policies, **09.100 Organization and Administration of Fundraising** for further information.

#### M Stewardship

The Director of Donor Relations is responsible for establishing and maintaining acceptable donor relations processes for endowments, including donor-reporting requirements.

The Director of Donor Relations is responsible for implementing appropriate stewardship and reporting within the guidelines specified by the Vice Chancellor for University Advancement.

The Donor Reporting Coordinator will notify appropriate personnel within the constituent areas annually to review relevant endowment agreements for accuracy and completeness, and to implement and adhere to guidelines as put forth within the endowment agreements. Any updates or revisions to the endowment agreements should be reviewed and changes should go through the same process as the initial establishment of the endowment.

UNCW supports the Donor Bill of Rights as promulgated by the Council for Advancement and Support of Education (CASE). This Bill of Rights may be found at the CASE web site (<https://www.case.org>) and the UNCW development web site (<https://www.uncw.edu/advancement>).

The Endowment Accountant is responsible for ensuring that:

- a Endowment funds are properly credited with their pro rata ownership of the investment fund's assets;
- b Income due to the endowment funds is distributed when due; and
- c Realized gains/losses are properly credited or debited to the endowment funds.

#### N Investment of Endowed Funds

The endowment fund is governed by the **Endowment Fund Statement of Investment Objectives and Policies** approved by the Board of Trustees of the Endowment Fund.

All assets of an endowment fund available for investment, unless specifically prohibited, are to be invested in the UNCW Pooled Investment Fund, which is intended to provide a predictable source of income to meet current needs and growth through market value appreciation of assets.

Assets in the Pooled Investment Fund are used to purchase shares (units). The Endowment Accountant, on a monthly basis, calculates the unit value by dividing the total endowment fund market value by the total fund units as of the close of the previous month.

Units are purchased in the Pooled Investment Fund. The number of units purchased is determined by dividing the Pooled Investment Fund's unit value into the total value of the endowment addition.

Unless a donor gift instrument specifies differently, realized capital gains are distributed. Realized capital losses are deducted from the endowment.

The Endowment Accountant is responsible for:

- The deposit of endowed funds;
- Ensuring funds are properly invested in accordance with Board of Trustees of the Endowment Fund policies; and
- Reviewing investment managers' performance and adherence to guidelines.

#### O Endowment Income

Income from a true or term endowment will be restricted income according to the donor's specified use of the income. Income will be unrestricted if the donor does not specify the use of the income.

Income from a quasi-endowment will be restricted if the source of the original principal was restricted. Otherwise, it will be unrestricted income.

The budget authority for the income fund is responsible for the income utilization from the endowment fund.

#### P Distribution of Income

The Endowment Accountant is responsible for calculating and certifying for each endowment fund the amount of income available for distribution.

Endowment income will be distributed to recipient income beneficiary funds at the beginning of each fiscal year.

Constituent area Budget Authorities are responsible for certifying the transfer of monies occurred to income fund accounts and closely matches previously forecasted amounts. Any discrepancies should be reported to Financial Aid.

The Dean at each constituent area is responsible for budgeting distributed income and ensuring that it is expended in accordance with any restrictions.

Deans are responsible for notifying new personnel of all endowment income allocations where they may exercise their discretion or delegate the authority to others.

The Dean who is responsible for the benefiting constituent area is also responsible for notifying, on an annual basis, that area of the endowment income beneficiary fund of any restrictions on expenditures from the fund.

#### Procedures

- a The Endowment Accountant sets deadlines for certifying income funds and special instructions and provides Financial Aid with a list of income beneficiary funds on file.
- b Financial Aid forwards this information on to Budget Authorities in constituent areas. Budget Authorities may contact Financial Aid regarding any errors, omissions or designated changes to the income beneficiary funds.
- c Budget Authorities begin process of income distribution.

#### Q Termination of Endowment and Withdrawal from the Pooled Investment Fund

The principal of a true or term endowment may only be divested when the constituent area has agreed to accept a donor's change of terms or through *cy pres*.

Quasi-endowment principal may be withdrawn in whole or part for uses in accordance with the approved Memorandum of Understanding for Endowments and other conditions specified throughout this document.

The Vice Chancellor of Business Affairs, the Vice Chancellor of University Advancement and the Board of Trustees must approve full and partial withdrawals of any endowment fund.

Withdrawals will be made at the end of the fiscal year. The Vice Chancellor for Business Affairs and University Advancement must approve any exceptions.

The Vice Chancellor for Business Affairs, after consultation with the Endowment Accountant and the Vice Chancellor of University Advancement, will decide what action will be taken on any special situations not discussed in this document.

#### Procedures

- a The appropriate university official submits a written request to the Vice Chancellor for Advancement for withdrawal of endowment funds.
- b The Endowment Accountant prepares documentation for approval by the Board of Trustees of the Endowment Fund at their next scheduled meeting.

- c Once the Board of Trustees of the Endowment Fund has approved the withdrawal, the Endowment Accountant provides a calculation of the market value and units and transfers the funds.

## R Endowment Reports

Fiscal year-end reports will be prepared in conjunction with the annual endowment audit. These audited financial reports will be distributed to the Board of Trustees of the Endowment Fund, the Chancellor, Deans and Vice Chancellors.

Reports indicating market value, diversification of assets, investment manager performance and total investment return on the endowment will be presented to the Board of Trustees of the Endowment Fund on a quarterly basis.

Requests for financial information concerning the endowment should be directed to the Endowment Accountant.

## V Responsible Party

Vice Chancellor for Business Affairs

Vice Chancellor for University Advancement

Review: Every five years, on or before January 1

## Addendums

### Addendum A

UNCW Matching Criteria

### Addendum B

Standard UNCW Gift Agreement

### Addendum C

Memorandum of Understanding for Non Gifts to Endowments

### Addendum D

Request for Quasi-Endowment Establishment

## Addendum: A

### University of North Carolina, Wilmington Matching Procedure for Endowments

In recognition of the importance of growing endowments as a key fundraising area, the University may introduce a Matching Policy and agree to transfer available funds from university accounts to restricted endowments for the purpose of matching new scholarship endowment contributions.

The matching policy is not intended to be used for every endowed scholarship at the University. Asking donors/sponsors to provide fully funded (non-matched) scholarships is the most desirable option and should be strongly promoted.

The matching policy and procedures for obtaining a match are outlined in detail in the following section.

### Matching Policy for Endowed Scholarships: Policy and Procedures

Monies will be transferred from the appropriate account to a restricted scholarship account for the purposes of this matching policy.

The purpose of the match is to provide an incentive to donating. Therefore the match applies to new money only.

**EXAMPLE:** if a donor is willing to contribute new funds to an endowed scholarship, the match will only apply to the \$25,000 from the donor.

The matching policy applies to endowed funds.

Matches will be awarded only in instances when the endowed funds are fully funded as per the original gift agreement, signed by the donor.

There is a stated minimum value of \$25,000 for an endowed scholarship. The match can apply to up to 100% of the contribution, to a maximum of \$500,000 for each contribution.

**EXAMPLE:** on a \$750,000 gift for an endowed fund, the fund could receive a match of \$500,000, but cannot receive more than \$500,000, as this is the maximum match amount.

**The process for obtaining the match is as follows:**

Development of offers will notify the Vice Chancellor of University Advancement and the Endowment Accountant before discussions begin with a donor regarding matching a gift. This is to ensure that match monies are currently existing and available to match the proposed gift.

Financial arrangements should be in place and approved by the Vice Chancellor of Business Affairs before the gift is accepted.

**Addendum: B**

**University of North Carolina, Wilmington Standard UNCW Gift Agreement**

**The Donor Name(s) Scholarship in Discipline**

*Endowed Scholarship Gift Agreement*

**I Purpose**

**The Donor Name(s) Scholarship in Discipline Name** is hereby created as a named endowment fund within the Endowment of the University of North Carolina at Wilmington. The scholarship is being created by Donor Name (s) insert sentence about donor or honoree. The scholarship will be used to assist students interested in pursuing a degree offered by the School, College, or Department.

**II Criteria and Award Amount**

The School, College, or Department shall select the recipient using any committee structure or process deemed appropriate by the Dean or Provost of the School or College. The scholarship is considered a merit scholarship and the recipient will be selected on demonstrated academic ability and special achievement. The recipient must have been accepted for admission to the University of North Carolina at Wilmington with an interest in pursuing a degree offered by the School, College, or Department. The scholarship may be awarded to undergraduate or graduate students. The scholarship may be renewed for returning students at the discretion of the award authority, provided they continue to meet the award criteria.

The Provost, Dean, Chair, or Director has ultimate discretion as to who receives the award in accordance with the award criteria. In the event that no applicant meets the minimum criteria, the scholarship will be awarded, following the intent of the donors as closely as possible. In accordance with university policy, the Director of Scholarships and Financial Aid will make all disbursements.

The scholarship award amount will be equal to the full available earnings generated from this fund in accordance with the spending rate adopted by the university Board of Trustees. The award may be split among deserving students at the discretion of the award authority and in accordance with the minimum scholarship award amount established by the Office of Scholarships and Financial Aid. All award amounts must be authorized by the Office of Scholarships and Financial Aid. The award will be disbursed in equal installments in the fall and spring semesters. It is understood that the first endowment award will be available the first fall semester coming 12 months from the date of fulfilling the \$25,000 minimum to establish an endowment at UNCW.

**III Schedule of Donor Contributions**

It is the intent of the donor to endow this scholarship with a gift of \$000,000 payable over a period of X years.

**IV Recognition**

The donor and recipient shall be invited to the annual UNCW scholarship recognition event and the scholarship will be listed in appropriate publications to include the UNCW catalogue. Statements of the endowment fund will be furnished to the donor on an annual basis.

**V Administration**

The University of North Carolina at Wilmington is recognized as a tax exempt organization under IRS guidelines (UNCW

Tax ID 56-1258660). All policies and procedures of UNCW shall be followed in the management of this fund. In addition, any governing state or federal laws will be followed.

Endowment gifts may be merged, for investment purposes, with the general investment assets of the University of North Carolina at Wilmington. The account shall be known as The Donor Name(s) Scholarship in Discipline.

Endowment funds are invested and earnings allocated according to the policies and guidelines of the Board of Trustees of the Endowment Fund. The board allocates earnings for the purpose stated in this agreement. Endowment growth is assured by the income allocation rule adopted by the Board of Trustees of the Endowment Fund. The Board chooses to spend only a portion of the net earnings each year. The remaining amount, if any, is reinvested in the endowment fund and retained for use in future years when the amount computed using the spending policy exceeds annual net investment earnings.

Unforeseen and unanticipated circumstances can occasionally compromise the ability of the institution to comply with the express terms of a gift, in the unlikely event a gift's restrictions become impractical, unlawful, impossible or wasteful, and the terms and conditions associated with the award of this scholarship cannot be met for any given period, the Board of Trustees of the Endowment Fund of the University of North Carolina at Wilmington may exercise the right to use the funds in a manner consistent with the research, teaching, and public service missions of the university keeping in mind the original intention of the donor(s).

Any individual, organization, corporation or foundation may make additions to the Fund at any time and such additions shall be made subject to the provision of this instrument. All gifts to the Fund are irrevocable.

If the minimum endowment amount (\$25,000) is not reached in accordance with this agreement, the university may spend the funds based on the award criteria or apply the funds to another scholarship endowment at UNCW. The intent of the donors will be followed as closely as possible. After all funds are exhausted, the account will be considered inactive.

**Approved:**

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Donor Name, Donor

Date:

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Name, Vice Chancellor  
University Advancement

Date:

**Reviewed and Recommended:**

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Dean or Provost, Title  
School, College, or Department

Date:

Development Officer:

Name of DO

**Addendum: C**

**University of North Carolina, Wilmington Memorandum of Agreement**

**Other Income**

In addition to cash donations and gifts of marketable securities, the university may receive non-gift income that is referred to as "Other Income". "Other Income" is not deductible by the payer for tax purposes because it is payment for services or products received. Some examples of university activities that produce other income receipts are:

- Ticket sales specifically intended to raise monies for scholarships
- Galas
- Golf tournaments

In many cases "Other Income" involves both a revenue and gift component in one payment. For example, if tickets are sold to a dinner to raise funds for a scholarship for

\$100, and a \$20 meal is provided, there would be both a gift, and "Other Income" component. In this example, the donor would be entitled to a taxable deduction of \$80 (the cost of the ticket less the value of the service/product/item received). The \$80 should be processed as a gift, using the normal gift processing protocols and the remaining \$20 would be treated as Other Income.

Other income that is to be used to raise endowment levels must be processed through the foundation. All checks should be made payable to the foundation for this purpose.

Other income will be deposited into a foundation account specifically set up to receive and re-disburse any residual monies to endowments, once expenses have been paid.

If there is a gift portion involved in receiving "Other Income", all cash and checks should be forwarded to Advancement Services for deposit. These should NOT be deposited directly through the University Cashiers Office.

Other Income cash receipts and checks forwarded for deposit through Advancement Services must include documentation that clearly supports the fact the activity or event generating the income was approved by University Advancement and Business Affairs. Examples of adequate documentation would include printed brochures, registration forms, web pages and event invitations that prominently indicate the event's purpose and use of the funds. Deposits received with insufficient documentation will be deposited and credited temporarily to a foundation clearing account. An email will be forwarded to the individual in charge of the event requesting the necessary support. Upon receipt of such support, Advancement Services will reclassify the credit from the clearing account to the correct account. Checks received should be submitted for deposit as soon as possible, preferably within 24 hours of receipt.

If the event is being used to establish a new endowment, it is necessary for the standard UNCW Gift Agreement to be drafted and executed, before the event takes place.

- a The agreement should cover contingencies, including how the remainder of the endowment will be funded, if ticket proceeds fall short of the endowment levels.
- b How much of the proceeds will go towards the endowment and how much of the proceeds will go into the endowment spending account for immediate use.
- c Time frame in which the endowment will reach required levels. If endowment falls short of timeframe, a statement regarding how the funds will be converted from the endowment pool and used should be included in the endowment agreement.

**Addendum: D**

UNIVERSITY OF NORTH CAROLINA WILMINGTON

**REQUEST TO ESTABLISH A QUASI-ENDOWMENT FUND**

**Name of Quasi-Endowment:** \_\_\_\_\_

**Initial Amount of Funding:** \_\_\_\_\_

**Source of Funding:** \_\_\_\_\_

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**Purpose or Need:** -----

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**Position Responsible for Decisions on Use of Income:** -----

**ACKNOWLEDGEMENT**

**I/We acknowledge that no state appropriations, tuitions & fees, or contract/grant funds have been used to fund this quasi-endowment.**

**I/We acknowledge that the requested fund will be invested and income allocated according to the policies and guidelines of the Board of Trustees of the Endowment Fund. The Board allocates income for the purpose stated in this agreement. Endowment growth is assured by the income allocation rule adopted by the Board of Trustees of the Endowment Fund.**

**The income allocation rule allows that part of the total income (interest, dividends, realized and unrealized gains/losses) is used for the purpose of the endowment and the remainder be reinvested in the endowment fund.**

**As a Quasi-Endowment, withdrawals of principal may be allowable only upon the approval of the Board of Trustees.**

**Requested By:**

----- **Date:** -----

**Title/Department**

**Approval:**

----- **Date:** -----

**Vice Chancellor of Advancement**

----- **Date:** -----

**Vice Chancellor of Business Affairs**

**This resolution is hereby adopted by the Board of Trustees of UNCW**

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**Assistant Secretary of Board of Trustees**

**Date:** -----