Committee Chair Christine Rice calls the meeting to order.

(1) Minutes of May 19, 2009 (pp. 1-2)
(2) Minutes of Joint Advancement and Diversity and Multiculturalism Committees of May 19, 2009 (pp. 3-4)
(3) Advancement Update
(4) Affiliated Foundations Task Force (pp. 5-6)
(5) Proposed Board Policy 8.3 College, University, and System Related Foundations (First Reading) (pp. 7-11)
(6) Proposed Board Policy 8.4 Other Associated Organizations (First Reading) (pp. 12-15)

Members
Christine Rice, Chair
Cheryl Dickson, Vice Chair
David Paskach
Thomas Renier
Louise Sundin
Terri Thomas

Bolded items indicate action required.
Advancement Committee Members Present: Trustees Christine Rice, chair; Cheryl Dickson, vice chair; David Paskach; Thomas Renier; Louise Sundin; Terri Thomas.

Other Trustees Present: Trustees Duane Benson, Jacob Englund, Allyson Lueneburg, Scott Thiss.

Leadership Council Committee Members Present: Chancellor Jim McCormick, President Douglas Allen, Linda Kohl, Mary Davenport, Maria McLemore and Gail Olson.

The Minnesota State Colleges and Universities Advancement Committee met March 17, 2009, in St. Paul. Chair Christine Rice called the meeting to order at 2 p.m.

Approval of the Advancement Committee Meeting Minutes
Chair Rice called for a motion to approve the March 17, 2009, Advancement Committee meeting minutes. A motion to approve the minutes was made, seconded, and adopted.

1. Advancement Update
President Douglas Allen reported that the Foundation Taskforce has been meeting. Members of this taskforce have been going through the audit recommendations and will report back to the board.

2. Foundation Update
Maria McLemore, interim executive director for system and foundation relations, introduced John Schweers, Chair of the Foundation Board. He has been on the board for nine years and was recently elected chair.

Chair Schweers told the committee that 2009 was a critical year for the foundation, which went through a leadership change and developed specific goals. The foundation’s three goals are fundraising and leadership, meeting named fundraising goals and using staff proactively. Since the leadership change, the foundation has exceeded its named fundraising goal this year by $100,000. The foundation board also meets less often and requires attendance at the meetings. The board has moved to fewer committees and instead makes decisions as one body. Moving ahead, the foundation is looking to create new goals, which will include building up the fundraising goals, attracting new board members and continuing to use the staff effectively. The foundation’s administrative procedures and policies have also been updated.

Schweers added that the Foundation is also trying to improve its relationship with the Board of Trustees and desires to work better together.
3. Legislative Update
Mary Davenport, system director of government relations, provided a legislative update. Throughout session, the government relations team worked on the three Board of Trustee’s goals: 1) making decisions in a way that best serves students 2) taking into account the economic development needs of the communities and state, and 3) using a multiyear approach to position the system for long-term financial viability. Financial aid changes at the federal level provided a surplus of financial aid at the state; new provisions were put in place to distribute this funding, including an increase in the four-year tuition cap, increasing eligibility from eight semesters to nine, increasing the LME from $800 to $7,000, and creating a summer bridge program for high school students before they enter college.

Under the higher education bill, the American Recovery and Reinvestment Act provided additional funding to higher education. The system is required to submit a detailed expenditure reduction plan to the Legislature by March 15, 2010. PSEO can now be marketed to high school students. The 60-120 credit cap was amended to exempt A.A.S. degrees. The exemption will last until 2012. Campus bookstores must strive to sell American made clothing, to the extent possible. A new bridge program was put into place for high school students that need some remedial work. The program will allow students to take summer courses and transition into college courses for the start of fall semester. The higher education legislation also included a provision to get more students to fill out the Free Application for Federal Student Aid, FAFSA form. A new license was given for oral health practitioners; this can be offered by the University of Minnesota and the Minnesota State Colleges and Universities.

The Office of the Chancellor will be studied next year by the Office of the Legislative Auditor. The K-12 bill changed the membership of the P-16 education partnership, of which the chancellor is a member, to a P-20 partnership with more members for the newly added sectors. The focus of the partnership is to create a seamless system of education that maximizes the potential of all students, from early childhood through elementary, secondary and post-secondary education.

The meeting was adjourned at 2:35 p.m.

Respectfully submitted,
Candi Walz, Recorder
The Minnesota State Colleges and Universities Joint Advancement and Diversity Committee met in St. Paul. Chair Christine Rice called the meeting to order at 1:38 p.m.

1. Customer Service Survey Results
The customer service survey results were discussed. Last fall, the system embarked on a Customer Service Survey of the colleges and universities within the system with the assistance of Noel Levitz, a national higher education consulting firm. Noel-Levitz staff made inquiries as prospective students to system institutions and nine competitor institutions. They also reviewed institution Web sites looking at content, images and functionality that would be of interest to students of color, first-generation college goers and other underrepresented groups.

The survey had prospective students seek campus information, both online and through phone calls in English and Spanish. Each president received a detailed report on how his or her institution performed. Overall, the customer satisfaction survey report showed that the system is not doing as good as it could, but it is doing better than competitors. Three recommendations came out of the survey- ensure institutional commitment, answer the specific questions asked by students, and optimize information about admissions and financial aid.

President Don Supalla shared how his campus, Rochester Community and Technical College, conducts its own mystery shopper survey. The mystery shoppers complete a “report out” where respondents share what they experienced when they visited the campus or requested information. Faculty and staff are encouraged to attend. Dave Weber, chief of strategic operations of Rochester Community and Technical College said the campus strives for constant improvement. In one survey they conducted, 4 out of 10 mystery shoppers did not receive feedback from the campus. To become better at responding, the staff developed a workable action plan.

President Doug Allen of Ridgewater Community and Technical College told the joint committee that the presidents were behind the idea of a mystery shopper. He said that campuses can only improve if they understand where they are at currently. He said that to reach out to potential
underserved students, Ridgewater has a bilingual multiculturalism officer who responds to prospective students who are Spanish speakers.

Dave Weber also said his campus has used its collected data to calculate the number of students who apply, whether they will attend classes on the campus, whether they will make it to second semester and ultimately whether they will graduate. This data has been helpful for the community to understand how important the first point of contact is. Weber added that the Internet has changed the way that prospective students seek out information. The campus has watched Web users to determine where they click or visit and also have recognized that this type of request requires a different response. Having this data allows the campus to constantly improve.

Executive Director Whitney Harris added that the desire to have information and reach out to prospective students is a new shift for diversity officers. Officers now need to work with the front-line staff, presidents and others to understand how this type of outreach works.

The meeting was adjourned at 1:55 p.m.

Respectfully submitted,
Candi Walz, Recorder
Cite policy requirement, or explain why item is on the Board agenda:
In response to four policy-related issues raised in the Office of Internal Auditing report, College, University and System Affiliated Foundations (September 2008), the Affiliated Foundations Task Force will offer recommendations to the Board of Trustees.

Scheduled Presenter(s):
Douglas Allen, President, Ridgewater College, Co-Chair, Leadership Council Advancement Committee (2008-2009)
Maria McLemore, Interim Executive Director, System and Foundation Relations

Outline of Key Points/Policy Issues:
Recommendations are based on four policy-related matters cited in the report:
1) What should be the economic tests, if any, used to evaluate foundations affiliated with the system?
2) To what extent, if any, should foundations be subject to oversight provisions beyond the basic requirements for non-profit charitable organizations?
3) To what extent, if any, should board policy be broadened to address relationships with other private, non-profit organizations, such as booster clubs and alumni associations?
4) What should be the ramifications for foundations that cannot meet board requirements?

Background Information:
At the request of the Board of Trustees, the Affiliated Foundations Task Force was established to address issues raised in College, University and System Affiliated Foundations. The task force held monthly meetings from January 2009 through June 2009, and shared its recommendations at the June meeting of the Leadership Council.
BACKGROUND
At the request of the Board of Trustees, the Affiliated Foundations Task Force was established to address issues raised in College, University and System Affiliated Foundations:

1) What should be the economic tests, if any, used to evaluate foundations affiliated with the system?
2) To what extent, if any, should foundations be subject to oversight provisions beyond the basic requirements for non-profit charitable organizations?
3) To what extent, if any, should board policy be broadened to address relationships with other private, non-profit organizations, such as booster clubs and alumni associations?
4) What should be the ramifications for foundations that cannot meet board requirements?

The task force held monthly meetings from January 2009 through June 2009, and shared its recommendations with college and university presidents at the June meeting of the Leadership Council.
Committee: Advancement                  Date of Meeting: July 21, 2009

Agenda Item: Proposed Board Policy 8.3 College-, University-, and System-Related Foundations

☐ ❌ Proposed Policy Change ☐ Approvals Required by Policy ☐ Other Approvals ☐ Monitoring

☐ Information

Cite policy requirement, or explain why item is on the Board agenda:
The Board of Trustees authorized the Affiliated Foundations Task Force to address policy matters raised in the Office of Internal Auditing’s report, “College, University, and System Foundations.”

Scheduled Presenter(s):
Maria McLemore, Interim Executive Director, System and Foundation Relations
Douglas Allen, President, Ridgewater College, Co-Chair, Leadership Council Advancement Committee (2008-2009)

Outline of Key Points/Policy Issues:
Proposed changes can be found in:
- Definitions
- Policy

Background Information:
Proposed changes have been shared with members of the Leadership Council and with the system’s chief development officers. In addition, the Office of the Chancellor hosted three teleconferences to review the proposed changes and to solicit feedback from presidents, development officers, and affiliated foundation board members.
BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD ACTION

Proposed Board Policy 8.3 College-, University-, and System-Related Foundations

BACKGROUND
At the request of the Board of Trustees, the Affiliated Foundations Task Force was established to address policy-related matters raised in the Office of Internal Auditing’s report, College, University, and System Foundations.

The Affiliated Foundations Task Force was comprised of college and university presidents, chief development officers, affiliated foundation board members, and representatives from the Board of Trustees and Office of the Chancellor staff:

Douglas Allen, President, Ridgewater College and Co-chair, Leadership Council
Advancement Committee (2008-2009)
John Asmussen, Executive Director, Office of Internal Auditing
Linda Behrens, President, Board of Directors, Rochester Community and Technical College Foundation
Cheryl Dickson, Trustee, Board of Trustees, Minnesota State Colleges and Universities
Cheryl Frank, President, Inver Hills Community College
Evelyn Gedde, Director of Institutional Advancement and Executive Director, Foundation, Anoka-Ramsey Community College
Scott Goings, Assistant General Counsel, Office of General Counsel
Robin Kelleher, President, Board of Directors, Bemidji State University Foundation
Bobbie Mattison, Executive Director, Ridgewater Foundation
Maria McLemore, Interim Executive Director, System and Foundation Relations
Earl Potter, President, St. Cloud State University
James Schmidt, Vice President for University Advancement, Winona State University
Randy Zellmer, Board Member, Minnesota State University Mankato Foundation

The task force held monthly meetings from January 2009 through June 2009; the resulting recommendations require changes to Board Policy 8.3. The task force has shared its recommendations with the Leadership Council and with the system’s chief development officers. Moreover, the Office of the Chancellor hosted three teleconferences to discuss proposed policy changes and to solicit feedback from presidents, chief development officers and affiliated foundation board members.

RECOMMENDED COMMITTEE ACTION
The Advancement Committee recommends that the Board of Trustees adopt the following motion: The Board of Trustees adopts Board Policy 8.3 as presented in the Board packet.
RECOMMENDED MOTION

The Board of Trustees adopts Board Policy 8.3 as presented in the Board packet.

Date of Presentation to the Board: 07/21/09
Date of Board Action: 09/09/09
Date of Implementation: 09/09/09
Date of Adoption: The amendments to this policy shall be effective immediately upon adoption by the Board of Trustees except to the extent they require changes to existing contracts in which case they will be effective as soon as the contracts can be modified by amendment or renewal.
BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

### 8.3  COLLEGE-, UNIVERSITY-, AND SYSTEM-RELATED FOUNDATIONS

**Part 1. Definitions.**

College-, University- and System related foundation: A private, non-profit organization legally incorporated under IRS statutes 501(c)3 and officially recognized by the president or chancellor to support programs and activities which benefit the college, university, or system whose primary purpose is to raise funds for or otherwise support the college, university, or system.

Administrative support: May include the use of college or university or system employees, equipment, and facilities that are needed to carry out foundation policies and authorizations. The foundation board is responsible for managing its financial resources, including authorizing fund raising strategies, budgeting the use of funds, and establishing investment policies.

**Part 2. Policy.**

**Subpart A.** The chancellor and each college or university president may contract with a foundation whose primary purpose is to support the college, university or system. The college, university or system may agree to provide administrative support to the foundation. If the chancellor or president recognizes a foundation pursuant to this Subpart, then the college, university, or system must enter into a contract with the foundation.

**Subpart B.** The contract must require that, in return for administrative support, the foundation will contribute to the system, college, or university an amount equal to or more than the value of the administrative support provided by the system, college, or university to the foundation. This requirement may be waived for a limited time for new foundations or foundations undergoing structural or mission change. If this requirement is not met based on a three-year rolling average, then the college, university, or system must request a waiver pursuant to the conditions set forth in Procedure 8.3.2. This requirement shall not apply to administrative support provided for alumni relations or any other non-fundraising purposes.

**Subpart C.** The term of the contract shall not exceed three years and may be renewed at the chancellor's or a college or university president's discretion. Contracts are subject to review and approval by the system office. Copies of contracts shall be kept on file in the system office.
Subpart D. Contracts shall provide that the Office of the Legislative Auditor and MnSCU the Minnesota State Colleges and Universities shall have complete access to the financial records of the foundation.

Subpart E. Contracts shall require that the foundation annually provide an annual report to the college, or university, or the system a copy of its most recent financial annual report filed with the attorney general pursuant to Minn. Stat. Ch. 309. Foundations receiving less than $350,000 in revenues annually shall submit a copy of an external financial audit at least every three years. The Chancellor shall establish the deadline for filing the reports and any provisions for filing extensions in System Procedure. The annual reports shall include the following information:

1. The contents of the annual report which must be filed with the attorney general pursuant to Minn. Stat. Ch. 309.53.

2. A written communication from an independent auditor that discloses any material weaknesses in internal controls identified in conjunction with the audit of financial statements. For any material weaknesses reported, the foundation shall provide a written response which includes its explanation for accepting the risks associated with the weakness or its plans to implement corrective actions.

3. Foundations which are not required to file audited financial statements with the attorney general pursuant to Minn. Stat. Ch 309.53, Subd. 3, nonetheless, shall submit audited financial statements and the information from Part 2, Subpart E(2) of this policy at least once every three years.

4. A financial schedule that demonstrates the extent of compliance with the requirement contained in Part 2, Subpart B of this policy.

Subpart F. The contract must provide that the President of the College or University and the Chancellor with respect to the System, or their designee, serve as an ex-officio, non-voting member of their respective foundation’s governing board and of any executive or similar committee empowered to act for the governing board.

Subpart G. The contract must provide that the Foundation shall adhere, to the extent practicable, to best practices suggested by the Minnesota Charities Review Council. If foundation practices differ from those best practices, the foundation shall provide a written explanation for the variance. It is not the intent of this provision to modify the return-on-investment requirement stated in Part 2, Subpart B of this policy.

Date of Implementation: 09/09/09

Date of Adoption: The amendments to this policy shall be effective immediately upon adoption by the Board of Trustees except to the extent they require changes to existing contracts in which case they will be effective as soon as the contracts can be modified by amendment or renewal.
MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES

Agenda Item Summary Sheet

Committee: Advancement
Date of Meeting: July 21, 2009

Agenda Item: Proposed Board Policy 8.4 Other Associated Organizations

☑ Proposed Policy Change ☐ Approvals Required by Policy ☐ Other Approvals ☐ Monitoring
☐ Information

Cite policy requirement, or explain why item is on the Board agenda:
The Board of Trustees authorized the Affiliated Foundations Task Force to address policy matters raised in the Office of Internal Auditing’s report, “College, University, and System Foundations.”

Scheduled Presenter(s):
Maria McLemore, Interim Executive Director, System and Foundation Relations
Douglas Allen, President, Ridgewater College, Co-Chair, Leadership Council Advancement Committee (2008-2009)

Outline of Key Points/Policy Issues:
Proposed changes can be found in:
- Definitions
- Policy

Background Information:
Proposed changes have been shared with members of the Leadership Council and with the system’s chief development officers. In addition, the Office of the Chancellor hosted three teleconferences to review the proposed changes and to solicit feedback from presidents, development officers, and affiliated foundation board members.
BACKGROUND
At the request of the Board of Trustees, the Affiliated Foundations Task Force was established to address four policy-related matters raised in the Office of Internal Auditing’s report, *College, University, and System Foundations* (September 2008).

The Affiliated Foundations Task Force was comprised of college and university presidents, chief development officers, affiliated foundation board members, and representatives from the Board of Trustees and Office of the Chancellor staff:

Douglas Allen, President, Ridgewater College and Co-chair, Leadership Council
Advancement Committee (2008-2009)

John Asmussen, Executive Director, Office of Internal Auditing

Linda Behrens, President, Board of Directors, Rochester Community and Technical College Foundation

Cheryl Dickson, Trustee, Board of Trustees, Minnesota State Colleges and Universities

Cheryl Frank, President, Inver Hills Community College

Evelyn Gedde, Director of Institutional Advancement and Executive Director, Foundation, Anoka-Ramsey Community College

Scott Goings, Assistant General Counsel, Office of General Counsel

Robin Kelleher, President, Board of Directors, Bemidji State University Foundation

Bobbie Mattison, Executive Director, Ridgewater Foundation

Maria McLemore, Interim Executive Director, System and Foundation Relations

Earl Potter, President, St. Cloud State University

James Schmidt, Vice President for University Advancement, Winona State University

Randy Zellmer, Board Member, Minnesota State University Mankato Foundation

The task force held monthly meetings from January 2009 through June 2009; the resulting recommendations require the creation of Board Policy 8.4. The task force has shared its recommendations with the Leadership Council and with the system’s chief development officers. Moreover, the Office of the Chancellor hosted three teleconferences to discuss proposed policy changes and to solicit feedback from presidents, chief development officers and affiliated foundation board members.

RECOMMENDED COMMITTEE ACTION
The Advancement Committee recommends that the Board of Trustees adopt the following motion: The Board of Trustees adopts Board Policy 8.4 as presented in the Board packet.
RECOMMENDED MOTION
The Board of Trustees adopts Board Policy 8.4 as presented in the Board packet.

Date of Presentation to the Board: 07/21/09
Date of Board Action: 09/09/09
Date of Implementation: 09/09/09
Date of Adoption: The amendments to this policy shall be effective immediately upon adoption by the Board of Trustees except to the extent they require changes to existing contracts in which case they will be effective as soon as the contracts can be modified by amendment or renewal.
8.4 OTHER ASSOCIATED ORGANIZATIONS


Other Associated Organization. A private, non-profit organization officially recognized by the president or chancellor for purposes other than those described in Board Policy 8.3.

Part 2. Policy.

If a college, university, or system officially recognizes any other associated organization, then the college, university, or system must have procedures in place to assure compliance with all applicable laws, regulations, policies and procedures and to assure that the recognition of the other associated organization is in the mission and best interests of the college, university, and system. The procedures shall also allow the college, university, or system to deny or revoke recognition of the other associated organization in appropriate circumstances. This policy does not apply to student associations or organizations, which are separately regulated.

Date of Adoption: 09/09/09
Date of Implementation: 09/09/09