Ms. Glatt called the meeting to order at 1:13 pm in the absence of Mr. Espegard and Dr. Shirvani, who later joined the meeting.

Ms. Glatt gave an update on the financial status of the foundation which currently has an available cash balance of about $7,800. In response to a question, Ms. Glatt said the Foundation had a balance at the start of the fiscal year on July 1, 2012 of about $15,000.

The trustees questioned how the funds had been used and Ms. Glatt indicated it was used to promote the NDUS, with a small amount for program administration. Some of the expenses are to cover items that would not otherwise be covered through state payment or reimbursement, such as some search expenses, meals or meal rates beyond the per diem rates, etc.

In response to a question about another possible TIAA-CREF contribution, Ms. Glatt indicated that while TIAA had been generous in the past, they have changed their company policy to move away from cash donations and instead sponsoring events and functions that promote their mission, so a cash donation is unlikely.

Trustees talked about the importance of having resources available to assist the Chancellor and others in promoting the NDUS, similar to the access presidents have through their campus foundations. Mr. Espegard suggested a goal of $100,000 and that some of the funding come from the campus foundations, as the NDUS is working on their behalf.

Ms. Glatt talked about one of the initial objectives of the foundation was to act as a vehicle for scholarship gifts and administration for donors who did not want to give to a particular campus, and that it was important that the NDUS Foundation not be seen as competing with campus foundations. Mr. Effertz said he did not believe the Trustees were in a position to raise funds for scholarships.
Trustees asked that legal counsel review the foundation to ensure that it remains consistent with its 501(c)(3) status. Dr. Shirvani indicated he would ask Ms. Holloway to review this matter.

In response to a question about the required level of resources, Dr. Shirvani said that he believed $100,000 was adequate to support functions and activities involving the Board, legislature and community at large. He also pointed out that it is common in many systems to receive contributions from individual campus foundations.

In response to a question, Dr. Shirvani said that $25,000-30,000 per year should be sufficient, but $100,000 would be necessary to properly meet most expectations.

Ms. Kostelecky pointed out that given the Foundation’s 501(c)(3) status, Foundation funds cannot be used for “lobbying”.

In response to a question, Dr. Shirvani indicated that he believes there are many opportunities for gifts to the System that would not be in competition with the campus foundations, as some charities prefer to focus on a system agenda.

Mr. Effertz asked that at the next meeting, a plan be presented which would outline potential fund raising alternatives and a related budget/expenditure plan. Mr. Espegard asked that the Foundation convene again with the next 30-45 days for the purpose of reviewing the revenue and expenditure plan.

The meeting adjourned at 2:00 pm

Laura Glatt, Secretary/Treasurer