North Dakota University System Foundation
Meeting Notice and Agenda

The North Dakota University System Foundation will meet Thursday, June 2, 2016 at 9:00 a.m. CST. The meeting will originate at Bismarck State College, National Center of Excellence Building, Room 436, 1500 Edwards Avenue, Bismarck, ND, 58506.

1. Call to Order
2. *#Agenda
3. *#April 14, 2016, Meeting Minutes
4. **Financial Report
5. *NDUS Foundation Revisions
   a. *#NDUS Foundation Bylaws
   b. *#Policies and Procedures
   c. *#NDUS and NDUS Foundation MOU
6. **Envision 2030 Discussion
7. *#Chancellor Hagerott’s Thoughts on Strategy
8. *#Dakota Medical Foundation and The Miller Group
9. +#Future Meeting Dates
10. Questions/Comments
11. Adjournment

*See supporting document  #action required +discussion needed =information only

Contact Rebecca Wimer (701) 328-2974 or rebecca.wimer@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.
North Dakota University System Foundation
Minutes of the April 14, 2016, 1:00 p.m. CT.
Bismarck, State Capitol, Missouri River Room

Call to Order
Chancellor Hagerott called the meeting to order at 1:00 p.m. CT.

Members Present:
  Mr. Jon Backes (via phone)
  Dr. Kevin Melicher
  Senator Erin Oban
  Representative Cynthia Schreiber Beck
  Dr. Larry C. Skogen
  Mr. Mike Warner
  Chancellor Mark Hagerott (ex officio)

Members Absent:
  Ms. Kathleen Neset

Others present:
  Ms. Tammy Dolan, Chief Financial Officer
  Ms. Karl Riedman, Compliance Officer
  Ms. Laura Schratt, Director of Audit Services
  Mr. Nick Vaughn, Assistant Attorney General
  Ms. Rebecca Wimer, Executive Assistant to the Chancellor

Agenda
It was moved by Schreiber Beck, seconded by Skogen, to approve the agenda.
Backes, Melicher, Oban, Schreiber Beck, Skogen and Warner voted aye. Motion carried.

Open Meeting/Records Law Presentation
Mr. Vaughn gave a brief overview of open meeting/records law. He said that up to three members are allowed to speak to one another on a topic without violating the open meeting law. Chancellor Hagerott is allowed to communicate to all members on an informative basis, i.e., agendas, meeting information, etc. as long as he is not polling them on an item that will go before the group.

Meeting Minutes
It was moved by Warner, seconded by Oban, to approve the February 8, 2016 minutes.
Backes, Melicher, Oban, Schreiber Beck, Skogen and Warner voted aye. Motion carried.

Bylaws
Ms. Dolan presented the NDUS Foundation Bylaws. She said that basic changes have been made. Oban said that in Article XI there was an extra “m” within the paragraph. Before voting on the bylaws, the committee asked to discuss the vision, purpose and direction of the NDUS Foundation.
Vision, Purpose, and Direction

The committee reviewed the current vision, purpose and direction of the NDUS Foundation. They discussed ideas on where the foundation should go. They also discussed ideas on how to build foundation funds and how to get information out to the public on the foundation.

President of the NDUS Foundation

It was moved by Warner, seconded by Oban, to appoint Melicher as the president of the NDUS Foundation.

Backes, Oban, Schreiber Beck, Skogen and Warner voted aye. Melicher abstained. Motion carried.

Vice President of the NDUS Foundation

It was moved by Oban to appoint Warner as the vice president of the NDUS Foundation. Warner respectfully declined the nomination. Motion failed.

It was moved by Skogen, seconded by Wamer, to appoint Oban as the vice president of the NDUS Foundation. Oban respectfully declined the nomination. Motion failed.

It was moved by Wamer, seconded by Skogen, to appoint Backes as the vice president of the NDUS Foundation.

Melicher, Oban, Schreiber Beck, Skogen and Wamer voted aye. Backes abstained. Motion carried.

Executive Vice President of the NDUS Foundation

It was moved by Skogen, seconded by Schreiber Beck to appoint Hagerott as the executive vice president of the NDUS Foundation.

Backes, Melicher, Oban, Schreiber Beck, Skogen and Wamer voted aye. Motion carried.

Ms. Dolan said that a third member would need to be appointed by the NDUS Foundation chair to the Executive Committee. President Melicher appointed Schreiber Beck to the Executive Committee. Schreiber Beck accepted.

Policies and Procedures

Schratt discussed the current and proposed policies and procedures of the foundation.

It was moved by Oban, seconded by Wamer, to approve the policies and procedures as presented pending a two-week moratorium.

It was suggested to draft a policy pertaining to incoming donations and how they are handled, making sure the NDUS Foundation does not inadvertently overstep their bounds with one of the institutional foundations. The NDUS Foundation needs to make sure that they have clear and open communication with the institutional foundations.

Backes, Melicher, Oban, Schreiber Beck, Skogen and Wamer voted aye. Motion carried.

NDUS Foundation MOU

Ms. Dolan reviewed the draft MOU between the North Dakota University System and the NDUS Foundation. President Melicher suggested adding additional language under
Section 14. Conflict of Interest, to include it is in the best interest of the NDUS and the NDUS foundation to be aware of the role of the various college and university foundations. Vice President Backes suggested another bullet in Section 4, Foundation Funding for the NDUS, to include a catch all phrase that would say such other worthy projects within the foundation’s purpose. Dolan said that she would update the MOU with the purposed wording. Once final, she would obtain the president and chancellors signatures.

**It was moved** by Skogen, seconded by Wamer, to approve the NDUS Foundation MOU as amended.

Backes, Melicher, Oban, Schreiber Beck, Skogen and Wamer voted aye. Motion carried.

**Vision, Purpose, and Direction Cont.**

Dr. Skogen said the purpose of the bylaws need to be fine-tuned to better articulate the direction and vision of the NDUS Foundation. He felt the current purpose too broad. Chancellor Hagerott suggested leaving the purpose broad but including a strategic statement within a cover letter that would specify key areas the foundation would focus on. This strategic cover letter could be reviewed and updated on a biannual basis. Chancellor Hagerott said he would be happy to draft this strategic cover letter for the foundation to review.

The foundation determined the following key initiatives that they would like to pursue and promote.

- Humanities, cultural and the arts
- Responding to immediate workforce needs
- Looking forward to the future
- Retention/student success

President Melicher suggested setting a timeline. The Foundation needs to develop an action plan and then communicate this with the board and executive directors of the foundations before moving forward with membership, cooperate sponsorships, fundraising, etc.

The next NDUS Arts and Humanities Summit is scheduled for September 29 at UND.

**Future Meeting Dates**

It was discussed to have the next foundation meeting face-to-face during the first part of June in Bismarck. Possible meeting dates will be sent out within the week. Foundation members agreed meeting on a quarterly basis at a minimum.

**Bylaws Cont.**

**It was moved** by Backes, seconded by Oban, to approve the bylaws as presented pending a two-week moratorium.

Backes, Melicher, Oban, Schreiber Beck, Skogen and Wamer voted aye. Motion carried.

President Melicher adjourned the meeting at 3:30 p.m. CT.
North Dakota University System Foundation
Statement of Revenue and Expenses
For the period January 1 to May 26, 2016

Support and Revenue

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations - Designated</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>Donations - Undesignated</td>
<td>$501.26</td>
</tr>
<tr>
<td><strong>Total Support and Revenue</strong></td>
<td><strong>$5,501.26</strong></td>
</tr>
</tbody>
</table>

Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bakken U Scholarship - DSU</td>
<td>($5,000.00)</td>
</tr>
<tr>
<td>Annual Filing Fees</td>
<td>($15.00)</td>
</tr>
<tr>
<td>Bank Fees</td>
<td>($17.90)</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>($5,032.90)</strong></td>
</tr>
</tbody>
</table>

Fund Balance, Beginning of Period

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$48.63</td>
</tr>
</tbody>
</table>

Fund Balance, End of Period

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$516.99</td>
</tr>
</tbody>
</table>
BY-LAWS OF THE
NORTH DAKOTA UNIVERSITY SYSTEM FOUNDATION

ARTICLE I: DEFINITIONS

As used in these By-laws, the word “Foundation” shall mean the North Dakota University System Foundation; the word “Trustee” shall mean a Trustee of the North Dakota University System Foundation; the word “Board” shall mean the Board of Trustees of the North Dakota University System Foundation.

ARTICLE II: LOCATION OF OFFICE

The office of the Foundation shall be located in any place within the State of North Dakota where the Board may in its discretion direct.

ARTICLE III: PURPOSE

This Foundation is formed for exclusively charitable, scientific, and educational purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501 (c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code and including, but not limited to, the support, enrichment, advancement, and improvement of higher education in the State of North Dakota, the assistance of students, faculty, employees and officers in public higher education in North Dakota, and support of any of the programs, activities or services of the North Dakota University System.

ARTICLE IV: MEMBERS

The Trustees of the Foundation shall consist of the President (or Chair) and Vice President (or Vice Chair) of the North Dakota State Board of Higher Education and five other Trustees appointed by the State Board of Higher Education. The Chancellor of the North Dakota University System shall serve as an ex-officio, non-voting Trustee. If any appointed Trustee by death, refusal, resignation, removal or disability fails to serve as Trustee, a replacement shall be appointed by the State Board of Higher Education to fill the remainder of the unexpired term so vacated.

ARTICLE V: TRUSTEES

Section 1. Number of Trustees. The authorized number of voting Trustees of this Foundation shall be seven which number may be changed by a By-Law duly adopted by a two-thirds majority of the Board at any regular or special meeting thereof, provided that at no time shall the Foundation have fewer than five voting Trustees.

Section 2. Selection and Terms. The terms of the President (or Chair) and the Vice President (or Vice Chair) of the North Dakota State Board of Higher Education and the other five Trustees appointed by the State Board of Higher Education shall be concurrent with their terms as President (or Chair) and Vice President (or Vice Chair) of the State Board of Higher Education. The other five Trustees shall be appointed by majority vote of the State Board of Higher Education. The initial term of two of the other five Trustees shall be two years and the initial term of the other three Trustees shall be four years; subsequent terms of these five Trustees shall be four years. Trustees shall serve for the duration of their regular terms and until their successors have been duly appointed and qualified. Trustees may be re-appointed to additional terms.

Section 3. Quorum. The presence of a majority of the Trustees shall constitute a quorum of the Board for the transaction of business at any meeting, but less than a quorum may adjourn any meeting from time to time until a quorum is present. The affirmative vote of the majority of those in attendance when a quorum is present shall be sufficient for the transaction of any business by the Board unless the By-Laws specifically provide otherwise. If after a quorum has been declared, the President determines that a quorum is no longer present, the meeting may continue but no substantive business should be conducted.
Section 4. Compensation. The Trustees shall not receive any compensation for their services as such, but may be reimbursed by the Foundation for any authorized expenses incurred by them in performance of their duties as Trustees.

Section 5: Vacancies. If any appointed Trustee, whether by nature of their position on the State Board of Higher Education, or by approval of same, by death, refusal to serve, resignation, removal or disability, fails to serve as Trustee, a replacement shall be appointed by the State Board of Higher Education to fill the remainder of the unexpired term so vacated.

Section 6. Powers and Duties. Subject to the limitations of the Articles of Incorporation and of pertinent statutes of the State of North Dakota, all corporate powers shall be exercised by or under authority of, and the business and affairs of the Foundation shall be controlled by the Board. Without prejudice to such general powers, but subject to the limitations herein set forth, the Board shall have the power:

- First: To elect and remove at pleasure all officers, agents and employees of the Foundation; to prescribe such duties for them as may be desirable and consistent with the laws of the State of North Dakota, the laws of the United States, and the Articles of Incorporation and By-Laws of the Foundation; and to fix the term of their offices and their compensation.
- Second: To appoint committees as may be needed and grant such committees power and authority of the Board as may be appropriate, except any action taken by committees shall be regularly reported to the Board. No committee may adopt, amend, or repeal these By-Laws.
- Third: Generally, to do and perform every act and thing whatsoever that may pertain to the office of a Trustee or to a Board of a charitable Foundation.
- Fourth: The Trustees shall render an accounting for each fiscal year and shall have an audit of its financial statements by a certified public accountant for each fiscal year.
- Fifth: The Trustees may accept by gift, devise, grant, bequest or in any other manner any property, real or personal, which in their opinion will help accomplish the charitable purposes of the Foundation, and may sell, exchange, lease, mortgage, or otherwise encumber any or all property held by it as they deem necessary and prudent. Funds may be commingled for investment or reinvestment by the Trustees of any securities or other property as prescribed by the laws of the Federal Government or the laws of the State of North Dakota, provided, however, that each fund or trust shall be separately reported for in all regular financial reports issued by the Trustees.
- Sixth: The Foundation, its Executive Committee, Advisory Council and any other special committees are subject to open meeting and open records laws of the state of North Dakota.

ARTICLE VI: MEETING OF TRUSTEES

Section 1. Place of Meetings. Notwithstanding anything to the contrary herein, any meeting (regular, special, or adjourned) of the Board may be held any place within or without the State of North Dakota, which has heretofore been designated for that purpose by resolution of the Board or by consent of the Trustees. Meetings may also be held by conference telephone call.

Section 2. Regular Meetings. Subject to the following section, regular meetings of the Board, of which notice shall be given at least five days prior to the date thereof, shall be held at any such location as may be designated. Regular meetings will be held annually on a date set by the Board.

Section 3. Special Meetings. Special meetings of the Board may be called at any time by order of the President of the Board or by three or more of the Trustees.

Section 4. Notice of Meeting. A member of the Board waives objection to notice of meeting upon attendance at the meeting.

**ARTICLE VII: EXECUTIVE COMMITTEE**

There shall be an Executive Committee consisting of the President, the Vice President and one other Trustee appointed by the President. The Executive Committee shall have and exercise all of the authority of the Board in the operation and management of the Foundation in intervals between meetings of the Board. The authority of the Executive Committee shall nevertheless be subject to such limitations as the Board may prescribe.

The Executive Committee shall be required to keep a record of any and all action taken by it, and report all such action to the Board.

**ARTICLE VIII: ADVISORY COUNCIL**

The Board may appoint an advisory council to assist it in carrying out its charitable, scientific and educational purposes. Said council shall be of a size determined by the Board and shall function in a manner described in the council By-laws as established by the Board.

**ARTICLE IX: OFFICERS AND DUTIES**

Section 1. Election. The officers of the Foundation shall consist of a President, Vice President and a Secretary-Treasurer. They shall be elected by the Board annually for one year terms. The officers shall be chosen from the Trustees except the Secretary-Treasurer is not required to be a Trustee.

Section 2. Compensation. Staff members as may be employed may be compensated for their services in amounts determined by the Board except that full-time employees of the North Dakota University System may only be compensated for their expenses.

Section 3. President. The duties of the President of the Board shall be to preside at all meetings of the Board; to authorize the issue and signing of notices of meetings of the Board; to execute all contracts entered into by the Board in accordance with resolutions or orders properly adopted by the Board; and to execute and acknowledge all conveyances authorized by the Board.

Section 4. Vice President. The Vice President shall act in place of the President in the President's absence, or upon the President's disqualification or inability to perform the duties of the office, and shall do and perform all the acts and duties that the President might do if present and acting, upon the above named contingencies.

Section 5. Executive Vice President. The Board shall appoint an Executive Vice President, by majority vote, to serve as chief administrative officer of the Foundation responsible for administration, management, and operation of the Foundation under the direction of the Board. The Executive Vice President is not required to be a Trustee, and is not part of the Executive Committee.

Section 6. Secretary-Treasurer. The Secretary-Treasurer shall, under the supervision and direction of the Board, have custody of and be responsible for the funds, moneys, and accounts of the Foundation and shall keep and maintain the financial records of the Foundation; sign all checks or drafts upon the funds of the Foundation and perform such other acts as are ordinarily performed by a treasurer of a corporation as well as those duties which are ordinarily performed by a secretary of a corporation.

Section 7. Removal. Officers may be removed by majority vote of the Board at any regular or specially scheduled meeting.
Section 8. Vacancies. Vacancies shall be filled in the same manner as officers are elected.

ARTICLE X: COMMITTEES

Committees of the Board may be created by the Board and shall have such membership and duties as established by the Board.

ARTICLE XI: BOOKS AND RECORDS

The Board shall provide for a system of books and records designed to give a clear, accurate, full and detailed account of all the properties and dealings of the Foundation. Such records shall be kept on file at all times in the office of the Foundation and shall be open for inspection at all reasonable times by any Trustee or officer.

The Secretary-Treasurer of the Foundation shall be in charge of the books and records. The Secretary-Treasurer shall see that all notices are duly given in accordance with these By-Laws and shall execute and sign such instruments as the Board shall direct and shall certify to the official acts of the Chair, Vice Chair, or President of the Board.

ARTICLE XII: TITLE TO ASSETS

The title to the corporate assets shall be taken and held in the name of the North Dakota University System Foundation.

ARTICLE XIII: FISCAL YEAR

The fiscal year of the Corporation shall be July 1 through June 30.

IN WITNESS WHEREOF, we have set our respective signatures this ___________ day of ________, 2016.

Signatures:

____________________________________________________________
Trustee

____________________________________________________________
Trustee

____________________________________________________________
Trustee
# INDEX

<table>
<thead>
<tr>
<th>1000</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1001.1</td>
<td>Bylaws of the NDUS Foundation</td>
</tr>
<tr>
<td>1005</td>
<td>Conflicts of Interest</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2000</th>
<th>Fundraising</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>Fundraising</td>
</tr>
<tr>
<td>2001.1</td>
<td>Cash Gifts and Pledges</td>
</tr>
<tr>
<td>2001.2</td>
<td>Gifts-in-Kind</td>
</tr>
<tr>
<td>2001.3</td>
<td>Planned Gifts</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3000</th>
<th>Fiscal Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>3001</td>
<td>Routine/Small Expenditures</td>
</tr>
<tr>
<td>3005</td>
<td>Payment/Reimbursement of Travel Expenses</td>
</tr>
<tr>
<td>3010</td>
<td>Borrowing</td>
</tr>
<tr>
<td>3015</td>
<td>Investment Policy Statement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4000</th>
<th>Administrative</th>
</tr>
</thead>
<tbody>
<tr>
<td>4001</td>
<td>Records Retention</td>
</tr>
<tr>
<td>4005–</td>
<td>NDUS and NDUS Foundation MOU</td>
</tr>
</tbody>
</table>

## Appendix

| Bylaws of the NDUS Foundation |
| NDUS and NDUS Foundation MOU |
ARTICLE I: DEFINITIONS

As used in these By-laws, the word “Foundation” shall mean the North Dakota University System Foundation; the word “Trustee” shall mean a Trustee of the North Dakota University System Foundation; the word “Board” shall mean the Board of Trustees of the North Dakota University System Foundation.

ARTICLE II: LOCATION OF OFFICE

The office of the Foundation shall be located in any place within the State of North Dakota where the Board may in its discretion direct.

ARTICLE III: PURPOSE

This Foundation is formed for exclusively charitable, scientific, and educational purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501 (c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code and including, but not limited to, the support, enrichment, advancement, and improvement of higher education in the State of North Dakota, the assistance of students, faculty, employees and officers in public higher education in North Dakota, and support of any of the programs, activities or services of the North Dakota University System.

ARTICLE IV: MEMBERS

The Trustees of the Foundation shall consist of the President (or Chair) and Vice President (or Vice Chair) of the North Dakota State Board of Higher Education and five other Trustees appointed by the State Board of Higher Education. The Chancellor of the North Dakota University System shall serve as an ex officio, non-voting Trustee. If any appointed Trustee by death, refusal, resignation, removal or disability fails to serve as Trustee, a replacement shall be appointed by the State Board of Higher Education to fill the remainder of the unexpired term so vacated.

ARTICLE V: TRUSTEES
Section 1. Number of Trustees. The authorized number of voting Trustees of this Foundation shall be seven which number may be changed by a By-Law duly adopted by a two-thirds majority of the Board at any regular or special meeting thereof, provided that at no time shall the Foundation have fewer than five voting Trustees.

Section 2. Selection and Terms. The terms of the President (or Chair) and the Vice President (or Vice Chair) of the State Board of Higher Education shall be concurrent with their terms as President (or Chair) and Vice President (or Vice Chair) of the State Board of Higher Education. The other five Trustees shall be appointed by majority vote of the State Board of Higher Education. The initial term of two of the other five Trustees shall be two years and the initial term of the other three Trustees shall be four years; subsequent terms of these five Trustees shall be four years. Trustees shall serve for the duration of their regular terms and until their successors have been duly appointed and qualified. Trustees may be re-appointed to additional terms.

Section 3. Quorum. The presence of a majority of the Trustees shall constitute a quorum of the Board for the transaction of business at any meeting, but less than a quorum may adjourn any meeting from time to time until a quorum is present. The affirmative vote of the majority of those in attendance when a quorum is present shall be sufficient for the transaction of any business by the Board unless the By-Laws specifically provide otherwise.

Section 4. Compensation. The Trustees shall not receive any compensation for their services as such, but may be reimbursed by the Foundation for any authorized expenses incurred by them in performance of their duties as Trustees.

Section 5. Vacancies. If any appointed Trustee, whether by nature of their position on the State Board of Higher Education, or by approval of same, by death, refusal to serve, resignation, removal or disability, fails to serve as Trustee, a replacement shall be appointed by the State Board of Higher Education to fill the remainder of the unexpired term so vacated.

Section 6. Powers and Duties. Subject to the limitations of the Articles of Incorporation and of pertinent statutes of the State of North Dakota, all corporate powers shall be exercised by or under authority of, and the business and affairs of the Foundation shall be controlled by the Board. Without prejudice to such general powers, but subject to the limitations herein set forth, the Board shall have the power:

- First: To elect and remove at pleasure all officers, agents and employees of the Foundation; to prescribe such duties for them as may be desirable and consistent with the laws of the State of North Dakota, the laws of the United States, and the Articles of Incorporation and By-Laws of the Foundation; and to fix the term of their offices and their compensation.
- Second: To appoint committees as may be needed and grant such committees power and authority of the Board as may be appropriate, except any action taken by committees shall be regularly reported to the Board. No committee may adopt, amend, or repeal these By-Laws.
- Third: Generally, to do and perform every act and thing whatsoever that may pertain to the office of a Trustee or to a Board of a charitable Foundation.
- Fourth: The Trustees shall render an accounting for each fiscal year and shall have an audit of its financial statements by a certified public accountant for each fiscal year.
Fifth: The Trustees may accept by gift, devise, grant, bequest or in any other manner any property, real or personal, which in their opinion will help accomplish the charitable purposes of the Foundation, and may sell, exchange, lease, mortgage, or otherwise encumber any or all property held by it as they deem necessary and prudent. Funds may be commingled for investment or reinvestment by the Trustees of any securities or other property as prescribed by the laws of the Federal Government or the laws of the State of North Dakota, provided, however, that each fund or trust shall be separately reported for in all regular financial reports issued by the Trustees.

ARTICLE VI: MEETING OF TRUSTEES

Section 1. Place of Meetings. Notwithstanding anything to the contrary herein, any meeting (regular, special, or adjourned) of the Board may be held any place within or without the State of North Dakota, which has heretofore been designated for that purpose by resolution of the Board or by consent of the Trustees. Meetings may also be held by conference telephone call.

Section 2. Regular Meetings. Subject to the following section, regular meetings of the Board, of which notice shall be given at least five days prior to the date thereof, shall be held at any such location as may be designated. Regular meetings will be held annually on a date set by the Board.

Section 3. Special Meetings. Special meetings of the Board may be called at any time by order of the President of the Board or by three or more of the Trustees.

Section 4. Notice of Meeting. A member of the Board waives objection to notice of meeting upon attendance at the meeting.


ARTICLE VII: EXECUTIVE COMMITTEE

There shall be an Executive Committee consisting of the President, the Vice President and one other Trustee appointed by the President. The Executive Committee shall have and exercise all of the authority of the Board in the operation and management of the Foundation in intervals between meetings of the Board. The authority of the Executive Committee shall nevertheless be subject to such limitations as the Board may prescribe.

The Executive Committee shall be required to keep a record of any and all action taken by it, and report all such action to the Board.

ARTICLE VIII: ADVISORY COUNCIL

The Board may appoint an advisory council to assist it in carrying out its charitable, scientific and educational purposes. Said council shall be of a size determined by the Board and shall function in a manner described in the council By-laws as established by the Board.
ARTICLE IX: OFFICERS AND DUTIES

Section 1. Election. The officers of the Foundation shall consist of a President, Vice President and a Secretary-Treasurer. They shall be elected by the Board annually for one year terms. The officers shall be chosen from the Trustees except the Secretary-Treasurer is not required to be a Trustee.

Section 2. Compensation. Staff members as may be employed may be compensated for their services in amounts determined by the Board except that full-time employees of the North Dakota University System may only be compensated for their expenses.

Section 3. President. The duties of the President of the Board shall be to preside at all meetings of the Board; to authorize the issue and signing of notices of meetings of the Board; to execute all contracts entered into by the Board in accordance with resolutions or orders properly adopted by the Board; and to execute and acknowledge all conveyances authorized by the Board.

Section 4. Vice President. The Vice President shall act in place of the President in the President's absence, or upon the President's disqualification or inability to perform the duties of the office, and shall do and perform all the acts and duties that the President might do if present and acting, upon the above named contingencies.

Section 5. Executive Vice President. The Board shall appoint an Executive Vice President, by majority vote, to serve as chief administrative officer of the Foundation responsible for administration, management, and operation of the Foundation under the direction of the Board. The Executive Vice President is not required to be a Trustee, and is not part of the Executive Committee.

Section 6. Secretary-Treasurer. The Secretary-Treasurer shall, under the supervision and direction of the Board, have custody of and be responsible for the funds, moneys, and accounts of the Foundation and shall keep and maintain the financial records of the Foundation; sign all checks or drafts upon the funds of the Foundation and perform such other acts as are ordinarily performed by a treasurer of a corporation as well as those duties which are ordinarily performed by a secretary of a corporation.

Section 7. Removal. Officers may be removed by majority vote of the Board at any regular or specially scheduled meeting.

Section 8. Vacancies. Vacancies shall be filled in the same manner as officers are elected.

ARTICLE X: COMMITTEES

Committees of the Board may be created by the Board and shall have such membership and duties as established by the Board.

ARTICLE XI: BOOKS AND RECORDS

The Board shall provide for a system of books and records designed to give a clear, accurate, full and detailed account of all the properties and dealings of the Foundation. Such records shall be kept...
on file at all times in the office of the Foundation and shall be open for inspection at all reasonable times by any Trustee or officer.

The Secretary-Treasurer of the Foundation shall be in charge of the books and records. The Secretary-Treasurer shall see that all notices are duly given in accordance with these By-Laws and shall execute and sign such instruments as the Board shall direct and shall certify to the official acts of the Chair, Vice Chair, or President of the Board.

ARTICLE XII: TITLE TO ASSETS

The title to the corporate assets shall be taken and held in the name of the North Dakota University System Foundation.

ARTICLE XIII: FISCAL YEAR

The fiscal year of the Corporation shall be July 1 through June 30.

IN WITNESS WHEREOF, we have set our respective signatures this ___________ day of __________, 2016.

Signatures:

____________________________________________________________
Xxxx Xxxxxx, Trustee

____________________________________________________________
Xxxx Xxxxxx, Trustee

____________________________________________________________
Xxxx Xxxxxx, Trustee

1005: Conflicts of Interest

As soon as duality of interest or possible conflicts of interest on the part of any member of the Board is known, or reasonably should have been known, any such conflict shall be disclosed to the Executive Committee and other members of the Board and made a matter of record.

Action by the Executive Committee in connection with such interest shall also be disclosed in writing and made a matter of record.

Any member of the Board having a duality of interest or possible conflict of interest on any matter shall not vote or use his or her personal influence on the matter whenever such duality or possible conflict of interest shall arise.
The minutes of that meeting shall reflect that the conflict was disclosed; the party, who is the subject of the conflict, abstained from voting on the matter; and a quorum was present.

If requested by a majority of the Executive Committee, the foregoing requirements shall not be construed as preventing the member who is the subject of the conflict from briefly stating his or her position in the matter, nor from answering pertinent questions from other members of the Executive Committee since his or her knowledge may be of assistance.

2001: Fundraising

1. The Foundation and its Executive Committee shall coordinate solicitation with the local institutional Foundations.

2. Any proposed solicitation of private resources by individual trustees, faculty, staff, and/or university system employees on behalf of the Foundation must be coordinated with and approved by the Executive Committee of the Foundation. This policy is not intended to be restrictive, but rather to insure efficient and effective fundraising by all involved.

3. Gifts in any form, with the exception of in-kind gifts of equipment, etc., obtained and accepted on behalf of the Foundation are to be transmitted to the Foundation, within five days of receipt.

4. The Foundation is responsible for developing, coordinating and approving all gift agreements, and will be responsible for depositing gifts into the Foundation checking account.

5. Gifts will be subject to the policies of both the Foundation and the NDUS State Board of Higher Education.

6. The Foundation is vested with the authority to accept and dispose of gifts in accordance with Foundation policy, and to accept or reject the terms of any gift in the best interest of the NDUS and/or the Foundation. All proposed gifts and agreements must be reviewed by the Foundation and may be referred to the ND Attorney General’s office as needed.

2001.1 Cash Gifts and Pledges

1. All gifts of cash and checks received by any party on behalf of the Foundation shall be forwarded directly to the Foundation, and will include original documentation, including envelopes and corporate matching gift forms that accompany the gift.

2. Pledges for cash gifts should be reported using a Pledge Form available from Foundation.

3. While most cash gifts can be accepted, there are occasions when a donor places restrictions on a gift that would preclude its acceptance by the Foundation. Questions concerning such
restrictions should be directed to the Secretary/Treasurer before acceptance of the gift is completed.

### 2001.2 Gifts-in-Kind

1. When any party receives a proposal from a donor to transfer ownership of equipment, library collections or similar property to the Foundation, the proposal and necessary background information shall be provided to the Secretary/Treasurer. If there are special costs or space requirements associated with the gift, these shall be noted, along with the proposed plan for covering such costs or arranging for additional space. The Secretary/Treasurer will consult with the Foundation President or other appropriate parties when there are unusual restrictions or requirements associated with an in-kind gift.

2. The Foundation’s acknowledgment letter shall not place a dollar value on the gift. Donors may contribute in-kind gifts and have them qualify for a charitable deduction. IRS requirements for gift substantiation note that the donor has the responsibility for valuing in-kind gifts for tax deduction purposes. Even in cases where the donor's intention is to not claim the in-kind gift as a charitable donation, the Foundation's policy will be to ask the donor to place a value on the in-kind gift.

3. When the Foundation receives a gift that has been appraised in excess of $5,000, the Secretary/Treasurer will send the donor Form 8283, Non-Cash Charitable Contributions. After the donor resubmits Form 8283, with the proper information on the donated property, the Foundation President will sign Part IV and return the form to the donor. In signing the form, the Foundation, as the recipient of the gift, agrees to file an information return (Form 8282), with the IRS if the property is sold, exchanged, or otherwise disposed of within two years after receipt of the gift.

4. If the Foundation cannot accept an in-kind gift, the Secretary/Treasurer will confer with the appropriate parties before making arrangements for the donor to be notified.

### 2001.3 Planned Gifts

1. Planned giving vehicles such as charitable trusts, bequests, pooled income funds, life insurance and charitable gift annuities may have very specific tax consequences. If a donor expresses an interest in making a gift in this manner, the Secretary/Treasurer should be brought into the discussion at the earliest possible stage and will work with the donor and with the donor's financial and legal advisors in an effort to meet the needs of the Foundation. The gift information will be reviewed for acceptance and then forwarded to the donor.

2. Gifts of land, buildings, and closely held stock or limited partnerships must have the review and approval of the Secretary/Treasurer. Once the donor accepts the terms and conditions of the gift agreement, copies of the signed agreement will be kept in the donor's file maintained by the Foundation.
3. Proceeds of a bequeathed estate are designated per the instruction of the estate. If the Foundation is unable to follow the bequest exactly as stipulated under the will, the Secretary/Treasurer will, after consultation with the President of the Foundation, contact the executor to obtain a mutually acceptable designation. Undesignated bequests will be created as unrestricted bequests and will be used at the discretion of the Foundation.

3001: Routine/Small Expenditures of Foundation Funds

1. Foundation funds may be used only to further the overall purposes of the Foundation. The Secretary-Treasurer must sign all checks or drafts upon Foundation funds. Except as provided in section 2 of this Policy, Board of Trustees or Executive Committee approval is required for all expenditures.

2. The President or the Executive Vice President may approve routine expenditures in amounts not in excess of $750.00, including reimbursement of reasonable travel and other expenses of Foundation Trustees or staff for Foundation meetings, payment for telephone, office equipment, office supplies and other routine office expenses, payment for services or other reasonable and routine expenses associated with Foundation activities, and payment or reimbursement of meals, lodging or other reasonable expenses incurred in support of the programs, activities or services of the North Dakota University System.

3005: Payment/Reimbursement of Travel Expenses

1. Trustees and staff are entitled to payment or reimbursement of travel expenses incurred in connection with Foundation meetings and other Foundation business, from Foundation funds, according to this Policy.

2. Foundation Trustees or staff who are also members of the State Board of Higher Education or NDUS employees are not entitled to reimbursement from Foundation funds for travel expenses paid or reimbursed by the NDUS; for travel in connection with both NDUS and Foundation business, only expenses not paid or reimbursed by the NDUS (including authorized expenses that exceed state reimbursement rates) shall be paid or reimbursed by the Foundation.

3. Mileage for travel in a personal vehicle shall be reimbursed at the rate established for State of North Dakota officials and employees. Actual cost of meals and reasonable lodging expenses shall be paid or reimbursed by the Foundation.

4. Trustees and staff are entitled to payment or reimbursement of expenses for necessary travel to and from Foundation meetings. Other travel expenses incurred in connection with Foundation business may be paid or reimbursed: 1) within the limits of travel budgets for Trustees or staff approved by the Board or the Executive Committee; or 2) for Trustees, as approved in advance by the Executive Committee; for the Executive Vice President, as approved in advance by the President; and, for staff, as approved in advance by the Executive Vice President.
5. Reimbursement shall be made upon submission of a signed expense statement listing mileage and other expenses and including receipts for lodging or any other expense that exceeds $25.00.

Effective: September 27, 2005
Revised:

3010: Borrowing

The Foundation may not incur liabilities in excess of routine timing differences for previously approved expenditures. Any plan to incur indebtedness or loans for any purpose other than previously mentioned must be approved by the Foundation Board and the North Dakota State Board of Higher Education.

3015: Investment Policy Statement

1. The overall investment objective for the portfolio is to maximize total return consistent with risks that the Foundation is willing to accept. The stated risk tolerance level is low.

2. The Foundation is authorized to hire Investment Managers once the assets under management reach a level that the Foundation agrees warrants the cost of said professional services.

3. Prior to the retention of any Investment Manager, formal guidelines and limitations for the Investment Managers will be developed which ensure that the assets are being managed in accordance with the investment objectives.

4. A total return strategy will be utilized in meeting the investment objectives. Total return is defined as the combination of interest and dividends, plus capital appreciation (or less capital depreciation) for the period. The Foundation recognizes that fluctuations in market value will occur and that negative returns in any year are possible.

5. The investment of the assets will be diversified in order to minimize the risk of losses, unless under particular circumstances it is clearly prudent not to do so.

4001: Records Retention

The Foundation shall collect and retain appropriate records, in any format deemed appropriate, and maintain same in compliance with SBHE Policy 1912.

4005: NDUS Foundation and NDUS Memorandum of Understanding
WHEREAS, the North Dakota University System Foundation (NDUS Foundation) is a separate 501(c)(3) organization and was organized and incorporated in 1991 under the laws of the State of North Dakota. It is formed for exclusively charitable, scientific, and educational purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future tax code including, but not limited to, the support, enrichment, advancement, and improvement of higher education in the State of North Dakota; assistance of students, faculty, employees and officers in public higher education in North Dakota; and support of any of the programs, activities or services of the North Dakota University System (NDUS).

WHEREAS, recognizing that such activities support and assist the development and advancement of the NDUS; and, having the authority to enter into contracts which support and assist the development and advancement of the NDUS;

NOW, THEREFORE, in consideration of the premises, mutual covenants, and agreement contained herein, NDUS Foundation and the NDUS agree as follows:

1. Use of the North Dakota University System Name. The NDUS Foundation is granted the use of the name North Dakota University System and NDUS Foundation and is authorized to use NDUS logos, facsimiles, and other identifying marks in the promotion of its business and activities.

2. NDUS Foundation Budget. All NDUS Foundation budget decisions are within the purview of the NDUS Foundation Board of Trustees, consistent with the Foundation By-Laws and policies.

3. Foundation Resources. Any NDUS commitments which involve or obligate NDUS Foundation resources shall first be approved by the Foundation Board of Trustees, consistent with Foundation By-Laws and policies.

4. Foundation Funding for the NDUS. NDUS Foundation will provide funds for program services which benefit the NDUS, including:
   a. Student scholarships
   b. Recognition of deserving students
   c. Recognition of employees
   d. Grants for worthy projects
   e. Development and promotion of the NDUS

5. Funding for Foundation Operations. NDUS recognizes that fund raising and program services have both current and long-range financial advantages to the NDUS, its member institutions, and its students and employees. The NDUS recognizes that it has an obligation to support the NDUS Foundation operations in consideration of the program services provided to the NDUS by the NDUS Foundation, and agrees that the value of NDUS Foundation services and contributions, including funding described in section 4, is significantly greater than the value of NDUS support provided for NDUS Foundation operations. Therefore, NDUS will annually contribute the following to the NDUS Foundation:
a. Accounting services, at no cost;
b. Technology support service, storage of electronic records & online access at no cost;
c. Access to files that are relevant to the business and purpose of the NDUS Foundation;
d. Administrative (i.e., secretarial) support, at no cost.

6. Bequests and Donations to the NDUS. NDUS agrees to assist NDUS Foundation fundraising activities and encourage donors and prospective donors to make donations and bequests to the NDUS Foundation and not directly to the NDUS. However, NDUS must retain ownership and control of donations and bequests made to the NDUS and may not transfer ownership or title to NDUS donations and bequests to the NDUS Foundation.

7. NDUS Representation on the NDUS Foundation Board of Trustees. The NDUS Chancellor shall be seated as an ex officio, nonvoting member of the NDUS Foundation Board of Trustees.

8. Reporting Relationships and Appointing Authority.
   a. Executive Vice President. The NDUS Foundation Board of Trustees appoints an Executive Vice President, responsible for administration, management and operation of the Foundation, under the direction of the Board of Trustees. The duties and responsibilities of this position are set forth in the Foundation By-Laws. It is hereby agreed that the NDUS Chancellor shall serve as the Executive Vice President of the Foundation Board and will so serve in an ex officio, non-voting capacity, until such time that the Foundation Board of Trustees terminates this appointment of NDUS Chancellor as Executive Vice President for the Foundation, in its sole discretion. The NDUS Foundation Executive Vice President is directly accountable and responsible to the State Board of Higher Education.
   b. Secretary-Treasurer. Tradition is that the Secretary-Treasurer of the NDUS Foundation is the Chief Financial Officer of the NDUS. This position is directly accountable and responsible to the Chancellor. The appointment of the Secretary-Treasurer is determined by the NDUS Foundation Board of Trustees. The duties and responsibilities of this position are set forth in the Foundation By-Laws.

9. North Dakota Open Records. North Dakota’s open record laws apply to NDUS Foundation activities paid for in whole or in part by public funds, when expending public funds, exercising public authority or performing a government function delegated to the NDUS Foundation. However, payment of a fee by the NDUS for services provided by the NDUS Foundation that constitutes an exchange for value received does not constitute public support of the NDUS Foundation and the use of those funds does not give rise to a claim that the NDUS Foundation expends public funds. The NDUS Foundation agrees that to the extent it is determined that North Dakota’s open records laws apply to the NDUS Foundation activities, it will cooperate with NDUS and make its records related to those activities available as required by law.

10. Foundation Audit. Gifts, grants and endowments shall be accepted and accounted for using generally accepted accounting principles and FASB Standards 116 and 117 on Development
Operations. The NDUS Foundation shall comply with requirements in SBHE policy 340:2 related to GAAP compliant financial statements and an annual GAAP audit, including submission by September 15 of each year.

11. Soliciting Input. NDUS and the NDUS Foundation will solicit input from each other and consider that input in good faith before defining needs and priorities that affect the other.

12. Coordination of Fundraising. The NDUS Foundation and NDUS shall foster cooperation and coordination of fund raising efforts to maintain continuity of purpose. Such coordination shall include donor relations, publications and public relations, where funds will be distributed to NDUS for expenditure. The coordination includes the use of personnel, expertise, facilities for the common interest and good faith of both parties. The NDUS Foundation shall have continuing authority and access to solicit NDUS employees for routine fund raising as well as special projects.

13. Delegation of Government Functions. It is acknowledged and agreed that NDUS retains ultimate authority regarding government functions delegated to the NDUS Foundation. It is further agreed and understood that no government functions will be delegated to the NDUS Foundation without written agreement by both parties and such agreement must be approved by the NDUS Foundation Board of Trustees and included as part of this Agreement.

14. Conflicts of Interest. It is in the best interest of NDUS and the NDUS Foundation to be aware of and properly manage all conflicts of interest and appearances of a conflict of interest. Conflicts of interest or potential conflicts of interest involving NDUS and the NDUS Foundation Board of Trustees or employees must be disclosed in a timely manner.

15. Agreement Renewal. The term of this agreement is two years, beginning on the date signed by both parties. This agreement shall be reviewed annually and, subject to required annual review and agreement on amendments or revisions or a termination by a party with the required notice, shall be automatically renewed for a like term. The agreement may be terminated by either party with written notice of at least 60 days to the other party. A copy of the agreement shall be filed with the North Dakota Attorney General’s Office.

In WITNESS THEREOF, this agreement is first executed on behalf of North Dakota University System and the North Dakota University System Foundation on the _____ day of _____________________, 2016.

NORTH DAKOTA UNIVERSITY SYSTEM FOUNDATION: —

____________________________________________________________
NDUS Foundation President

NORTH DAKOTA UNIVERSITY SYSTEM:

____________________________________________________________
Appendix

Bylaws of the NDUS Foundation
NDUS and NDUS Foundation MOU
Agreement Between
North Dakota University System and
North Dakota University System Foundation

WHEREAS, the North Dakota University System Foundation (NDUS Foundation) is a separate 501(c)(3) organization and was organized and incorporated in 1991 under the laws of the State of North Dakota. It is formed for exclusively charitable, scientific, and educational purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future tax code including, but not limited to, the support, enrichment, advancement, and improvement of higher education in the State of North Dakota; assistance of students, faculty, employees and officers in public higher education in North Dakota; and support of any of the programs, activities or services of the North Dakota University System (NDUS).

WHEREAS, recognizing that such activities support and assist the development and advancement of the NDUS; and, having the authority to enter into contracts which support and assist the development and advancement of the NDUS;

NOW, THEREFORE, in consideration of the premises, mutual covenants, and agreement contained herein, NDUS Foundation and the NDUS agree as follows:

1. **Use of the North Dakota University System Name.** The NDUS Foundation is granted the use of the name North Dakota University System and NDUS Foundation and is authorized to use NDUS logos, facsimiles, and other identifying marks in the promotion of its business and activities.

2. **NDUS Foundation Budget.** All NDUS Foundation budget decisions are within the purview of the NDUS Foundation Board of Trustees, consistent with the Foundation By-Laws and policies.

3. **Foundation Resources.** Any NDUS commitments which involve or obligate NDUS Foundation resources shall first be approved by the Foundation Board of Trustees, consistent with Foundation By-Laws and policies.

4. **Foundation Funding for the NDUS.** NDUS Foundation will provide funds for program services which benefit the NDUS, including:
   a. Student scholarships
   b. Recognition of deserving students
   c. Recognition of employees
   d. Grants for worthy projects
   e. Development and promotion of the NDUS
   f. Such other worthy projects as deemed appropriate by the NDUS Foundation Trustees.

5. **Funding for Foundation Operations.** NDUS recognizes that fund raising and program services have both current and long-range financial advantages to the NDUS, its member institutions, and its students and employees. The NDUS recognizes that it has an obligation to support the NDUS
Foundation operations in consideration of the program services provided to the NDUS by the NDUS Foundation, and agrees that the value of NDUS Foundation services and contributions, including funding described in section 4, is significantly greater than the value of NDUS support provided for NDUS Foundation operations. Therefore, NDUS will annually contribute the following to the NDUS Foundation:

a. Accounting services, at no cost;
b. Technology support services, storage of electronic records, and online access, at no cost;
c. Access to files that are relevant to the business and purpose of the NDUS Foundation;
d. Administrative (i.e., secretarial) support, at no cost.
e. Travel expense reimbursement until NDUS Foundation funds are sufficient to cover expenses.

6. **Bequests and Donations to the NDUS.** NDUS agrees to assist NDUS Foundation fundraising activities and encourage donors and prospective donors to make donations and bequests to the NDUS Foundation and not directly to the NDUS. However, NDUS must retain ownership and control of donations and bequests made to the NDUS and may not transfer ownership or title of NDUS donations and bequests to the NDUS Foundation.

7. **NDUS Representation on the NDUS Foundation Board of Trustees.**
   The NDUS Chancellor shall be seated as an ex officio, nonvoting member of the NDUS Foundation Board of Trustees.

8. **Reporting Relationships and Appointing Authority.**
   a. *Executive Vice President.* The NDUS Foundation Board of Trustees appoints an Executive Vice President, responsible for administration, management and operation of the Foundation, under the direction of the Board of Trustees. The duties and responsibilities of this position are set forth in the Foundation By-Laws. **Tradition is that the Executive Vice President of the NDUS Foundation is the Chancellor of the NDUS.**
   b. *Secretary-Treasurer.* Tradition is that the Secretary-Treasurer of the NDUS Foundation is the Chief Financial Officer of the NDUS. This position is directly accountable and responsible to the Chancellor. The appointment of the Secretary-Treasurer is determined by the NDUS Foundation Board of Trustees. The duties and responsibilities of this position are set forth in the Foundation By-Laws.

9. **North Dakota Open Records.** North Dakota’s open record laws apply to NDUS Foundation activities paid for in whole or in part by public funds, when expending public funds, exercising public authority or performing a government function delegated to the NDUS Foundation. However, payment of a fee by the NDUS for services provided by the NDUS Foundation that constitutes an exchange for value received does not constitute public support of the NDUS Foundation and the use of those funds does not give rise to a claim that the NDUS Foundation expends public funds. The NDUS Foundation agrees that to the extent it is determined that North Dakota’s open records laws apply to the NDUS Foundation activities, it will cooperate with NDUS and make its records related to those activities available as required by law.

10. **Foundation Audit.** Gifts, grants and endowments shall be accepted and accounted for using generally accepted accounting principles and FASB Standards 116 and 117 on Development
Operations. The NDUS Foundation shall comply with requirements in SBHE policy 340.2 related to GAAP compliant financial statements and an annual GAAP audit, including submission by September 15 of each year.

11. **Soliciting Input.** NDUS and the NDUS Foundation will solicit input from each other and consider that input in good faith before defining needs and priorities that affect the other.

12. **Coordination of Fundraising.** The NDUS Foundation and NDUS shall foster cooperation and coordination of fund raising efforts to maintain continuity of purpose. Such coordination shall include donor relations, publications and public relations, where funds will be distributed to NDUS for expenditure. The coordination includes the use of personnel, expertise, facilities for the common interest and good faith of both parties. The NDUS Foundation shall have continuing authority and access to solicit NDUS employees for routine fund raising as well as special projects.

13. **Delegation of Government Functions.** It is acknowledged and agreed that NDUS retains ultimate authority regarding government functions delegated to the NDUS Foundation. It is further agreed and understood that no government functions will be delegated to the NDUS Foundation without written agreement by both parties and such agreement must be approved by the NDUS Foundation Board of Trustees and included as part of this Agreement.

14. **Conflicts of Interest.** It is in the best interest of NDUS and the NDUS Foundation to be aware of the role of the various college and university foundations and properly manage all conflicts of interest and appearances of a conflict of interest. Conflicts of interest or potential conflicts of interest involving NDUS and the NDUS Foundation Board of Trustees or employees must be disclosed in a timely manner.

15. **Agreement Renewal.** The term of this agreement is two years, beginning on the date signed by both parties. This agreement shall be reviewed annually and, subject to required annual review and agreement on amendments or revisions or a termination by a party with the required notice, shall be automatically renewed for a like term. The agreement may be terminated by either party with written notice of at least 60 days to the other party. A copy of the agreement shall be filed with the North Dakota Attorney General’s Office.

In WITNESS THEREOF, this agreement is first executed on behalf of North Dakota University System and the North Dakota University System Foundation on the _____ day of _____________________, 2016.

**NORTH DAKOTA UNIVERSITY SYSTEM:**

_______________________________
Chancellor

**NORTH DAKOTA UNIVERSITY SYSTEM FOUNDATION:**

_______________________________
NDUS Foundation President
Envision 2030
Agriculture

In three years?
- *Create Awareness*
- *Need twice the current food production by 2050*

In five years?
- *Develop technologies to meet demand (research, public/private partnerships)*
- *Develop partnerships*
- *Develop infrastructures worldwide to affect distribution*

By 2030?
- *Extend model of teaching*
- *Research extension from U.S. to world to address infrastructure limitations*
Energy

Now
• Identify existing needs with data

In three years?
• Student Recruitment-Magnet to bring students into the state
• Research across entire energy sector (coal/oil/gas)
  – Seed money to create graduate programs to attract students
• Collaboration Incentives (internal/external)

In five years?
• Research across entire energy sector (coal/oil/gas)

By 2030?
• Research across entire energy sector (coal/oil/gas)
• How do we buy a hockey/football team? (Create vibrant communities)
Health Care

In three years?
- **Expand rural medicine to include other allied health professionals.**
- **Create cross-functional, cross institutional healthcare task force.**
- **Expansion of Sudro Hall**
- **Coordinating pipeline programs**
- **Encourage full implementation of Healthcare Workforce Initiative (HWI)**

In five years?
- **Nursing faculty loan repayment**
- **Reduce American Indian healthcare disparities through increases in American Indian healthcare professional opportunities.**
- **Increase inter-professional healthcare teams**
- **Expand telehealth**

By 2030?
- **Interprofessional training centers in rural areas—including need for housing & training in all healthcare areas**
Manufacturing

In three years?

• *Increase recruitment & enrollment*
  – Partnering with high schools
  – Communicating with parents/non-residents
• *Marketing manufacturing careers*
• *Remaining competitive*

In five years?

• *Define clear pathways & curriculum*
• *Geographical distribution*
• *Communication & interpersonal skills*

By 2030?

• *Perceptions*
• *CTE in high school*
• *Offer programs where students want them*
Technology

In three years?

In five years?

By 2030?
The Whole Student

In three years?

- *Increasing awareness that connections matter*
- *Invest in Student Affairs*
  - Mental Health
  - Substance Abuse
- *Faculty/staff-student engagement mentor*
- *All feeds to retention*

In five years?

- *Increase Private fundraising*
- *Increase donations of professional time*
- *Looking for passion; what they want to support*

By 2030?

- *Be adaptable to changing needs of students & provide all those services for distance/online learners*
- *Learning Communities/living*
Tomorrow’s Student

In three years?

- **First generation/ Low income/More diversity**

In five years?

- **Affordability**
- **Social Media will alter communication pattern**
- **More students “swirling” (receiving education/information in multiple modalities at the same time)**
- **Life-long learners**
- **More adult learners**
- **Attention spans shorter**
- **More mental health issues**

By 2030?

- **Attainment-SBHE to establish desired goals**
  - **P-14 Attainment. 360 degree review**
  - **Professional development**
  - **System Leadership**
  - **Affordability (business partnerships, fees, challenge grant, educational programming)**
  - **Engagement (personalized learning, project-based learning)**
  - **Interpersonal Skills**
  - **Technology in Teaching and learning**
Liberal Arts/Humanities

By 2030?

- Critical Thinking & Discovery
- Lifelong Learners
- Prosperity
  - Educated citizens
  - Job availability
  - Community/Civic engagement
In three years?

- **Redefine a traditional student**
  - Reframe delivery methods and metrics
- **Recognize diversity fluidity**
- **Social policies change**

In five years?

- **Provide programming-Intentional programming & delivery methods**

By 2030?

- **Prepare students to work in a global environment and diverse society**
Envision 2030
THANK YOU
Thoughts on how the reinvigorated NDUS Foundation can help...

Bismarck, ND
2 June 2016

DR. MARK HAGEROTT
CHANCELLOR
NDUS System... an engine for innovation, wealth creation, and a more informed citizenry for today, 2030, and beyond

- **11 Unique Campuses**
- **47,000+ students**
- **7,500+ faculty/staff**
- **$4.8 billion impact on North Dakota**
Envision 2030

Governor Jack Dalrymple

May 23, 2015
History of NDUS

• 1938 – Constitutional Amendment Approved creating the State Board of Higher Education for the “control and administration of state educational institutions”

• 1999 – Roundtable created by Legislature

• 2001 – “The institutions...are a unified system of higher education.”

• 2013 – Higher Education Funding Formula based on course completions at rates reflecting historic cost of delivery
Other Topics

1. New Buildings
   - Caught Up
   - No cash reserves
   - Bonding?

2. Attracting Research Dollars
   - Centers of Excellence
   - Endowed Chairs
Liberal Arts vs. “Career” Education

- General Education Requirements
  - 5 out of 12 required courses are “true” liberal arts.
    - 4 out of 12 are “quasi” liberal arts
    - 3 out of 12 are Math, Science, and Technology
  - First 2 years of a 4-year program
  - General Ed requirements with strong Liberal Arts is unique

- Very little room for Liberal Arts in 3rd and 4th year

- 98% of policy discussion is about “Career” education

- Educating the job creators
NDUS Intermediate Term Strategy

• Most principles of 1999-2001 “Round Table”
• Plan updated (NDUS EDGE) in 2014
• Builds collaboration with legislature, K-12, across campuses, with business, and others.
• Campus strategic plans are either current or are in process of updating...
  ... the *timing* of ENVISION is...*timely*. 
Adapting to Change... current NDUS Cabinet Studies, MAT & Bakken U

- Governance
- Tuition Model
- Mission Review (MAT rapidly added due to K-12 need)
- Shared Services
- Administrative Cost Reductions
- Retention/Attrition/Attainment
Research Universities and Four Year Regional Universities: study to begin later this summer with Chancellor’s Cabinet Mission Study

• Renewed Focus on Research performance
CHANCELLOR’S THOUGHTS FOR THE NDUS FOUNDATION POSSIBLE INITIATIVES
A Way to Think about Higher Ed and Adapting for the Future….

Three Types or Levels of Adaptation….
We must do all three…
but the third type is often overlooked or we are hesitant to acknowledge… Level 3, “Paradigm Change” can cause anxiety…
Levels of Adaptation...we must do all three...Level 1 is every day

• Level One: prepare and adapt the young (or adult learners) by passing knowledge to the next generation...preserve knowledge...teaching to ‘learn how to learn’...convey knowledge and values to the next generation
Levels of Adaptation...we must do all three...Level 2 is frequent

• Level Two: “tactically” adapting existing knowledge sets and organizations (e.g., aging population requires more nursing graduates, thus nursing schools expand; improve existing curriculum to match improvements in the ‘state of the art’)

Levels of Adaptation...we must do all three...Level 3 is...hardest

- Level Three: Creating a **new organization** type, **whole new** field of **knowledge**, **new inventions**, **new social structures**, **scale-up** to something new
  - Land Grant University, Morrill Act 1862
  - Universities/colleges created in ND in 1880s...a medical school in 20th century
  - Establishment of Tribal Colleges (1970s)
Level Three... Novel inventions and organizations and programs...

- Level Three: Creating new fields of knowledge, new creations/inventions...
  - Radio, TV, computer, nuclear... 1920-50s
  - Aerospace/missiles/space travel... 1960-70s
  - Personal Computer... 1980s
  - Internet economy emerges... 1990s-today
  - ... it is happening again.... Big Data, Artificial Intelligence (A.I.)... robotics, precision Ag, UAS,

...the effects of information tech will integrate into multitude economic and social structures...
What is your vision of Change? Effects on your student? Your workforce? Your business? Your Future of NDUS?

1. Work force (& univ researchers) as a huge source of innovation and wealth

2. New premium on digital knowledge/information

3. Advantage of early innovators…disadvantage of “lock in” if you are late to innovate… (think ‘QWERTY’)
BREAK OUT SESSIONS

THE WHOLE STUDENT
TOMORROW’S STUDENT
LIBERAL ARTS/HUMANITIES
DIVERSITY
AGRICULTURE
ENERGY
HEALTHCARE
MANUFACTURING
TECHNOLOGY
OVERFLOW...OPEN FORUM??
CHANCELLOR’S SUGGESTIONS...
A POINT OF DEPARTURE
CHANCELLOR’S SUGGESTIONS…
FUND RAISING FOR ENDOWED CHAIRS FOCUSED ON COLLABORATIVE-CROSS CAMPUS RESEARCH IN UAS/BIG DATA/ OR CYBERSECURITY
CHANCELLOR’S SUGGESTIONS…
FUND RAISING FOR ENDOWED
CHAIRS FOCUSED ON
COLLABORATIVE-CROSS
CAMPUS RESEARCH IN ENERGY
(WESTERN NORTH DAKOTA,
BAKKEN)
CHANCELLOR’S SUGGESTIONS...
FUND RAISING FOR ENDOWED
CHAIRS FOCUSED ON
COLLABORATIVE-CROSS CAMPUS
RESEARCH IN THE HUMANITIES
(HELP CONTRIBUTE A NORTH
DAKOTA VOICE FOR A ‘THIRD WAY’
IN THE ‘CULTURE WARS’?)
CHANCELLOR’S SUGGESTIONS...
IMMEDIATE OBJECTIVE...
ENCOURAGE THE HUMANITIES
WITH A NDUS-WIDE AWARD TO A
LIBERAL ARTS FACULTY MEMBER, TO AWARD
FALL 2016
More Thoughts on Technology Initiative (parallel path with Humanities effort?)
North Dakota Uniquely Positioned to Prosper

- Two Macro Technological Revolutions underway:
  - Intelligent Machines in motion: Robots and UAS
  - Intelligent Machines at Rest: Big Data

- ND Leaders have three tasks: C^3
  - **Create** the technology, it is a competitive race (e.g., robots, routers, internet art, businesses, services)
  - **Control** the Technology (**the Cyber Problem**)  
  - **Civilize** the Technology (e.g., law, policy, sociology, .... work for our law schools and humanities depts)
Opportunity thru Tech Change

Cyber Security

Big Data

UAS
NexusND leverages the resources of all 11 NDUS institutions to prepare North Dakota’s future workforce and create new economic growth sectors for the state.

NexusND is an organic integration of 3 emerging industries:

– Unmanned Aircraft Systems (UAS)
– High Performance Computing and Big Data
– Cybersecurity

These 3 industries directly contribute to North Dakota’s ability to maintain a lead role in other industries like Energy, Ag, and Healthcare.
Obama announces $3.9B for autonomous corridors, North Dakota first in line

The vision is to use Highway 83 as a corridor for unmanned vehicles to transport goods for commerce. The highway is over 1,885 miles long, stretching through North Dakota, South Dakota, Nebraska, Kansas, Oklahoma and Texas, even crossing into Manitoba and Mexico.

The corridor will allow for unmanned vehicles in commerce to mingle with other drivers using the road. There is potential for the airspace above the corridor, about 15-20 miles wide, to be designated for unmanned aerial vehicles (UAVs, or drones) in commerce as well.
THANK YOU

MARK.HAGEROTT@NDUS.EDU
Back Ups
NexusND
CONNECTING EMERGING ECONOMIC OPPORTUNITIES TO NORTH DAKOTA’S FUTURE

Chancellor Mark Hagerott, PhD, North Dakota University System
NexusND leverages the resources of all 11 NDUS institutions to prepare North Dakota’s future workforce and create new economic growth sectors for the state.

NexusND is an organic integration of 3 emerging industries:

- Unmanned Aircraft Systems (UAS)
- High Performance Computing and Big Data
- Cybersecurity

These 3 industries directly contribute to North Dakota’s ability to maintain a lead role in other industries like Energy, Ag, and Healthcare.
UAS has and will continue to be, under this plan, one of the Red River Valley’s points of prestige and economic growth potential.

**Competition in other places:** Although UND was among the first, today, many institutions across the country are focusing on UAS research. For example, the University of Florida and Oregon State University are employing **UAS and Big Data** to bolster their respective state’s position in **Precision Ag**.

*The economic impact of UAS technological research can be found in more places than just the skies.*
High Performance Computing and Big Data investments yield big ROI.

According to the University of Houston and a research analysis conducted by the Department of Energy, for every dollar spent on high performance computing, the investor receives $356.5 in revenue.

**Competition in other places:** The state of Wyoming recently erected an enormous supercomputing facility in collaboration with federal agencies, private area businesses, and the University of Wyoming.
Competition in other places:

The state of Wyoming’s NCAR is a supercomputing partnership between the state, University of Wyoming, and several area private businesses sponsored by the National Science Foundation.
The HPC component of NexusND will establish North Dakota as a major destination for research and education pertaining to Big Data. By housing its own data, North Dakota will also be more able to safeguard its lead role in Precision Ag, Energy, UAS, and Rural Healthcare.

Beyond improving profits and cutting down on wasted overhead, Big Data in Healthcare is being used to predict epidemics, cure disease, improve quality of life and avoid preventable deaths.
NexusND will actualize the SBHE’s goals for the NDUS Collaborative Center for Computation and Data, which will be a key player for the region’s economic development.

Because of this mandate, one of the largest expenses in developing HPC computing capability has already been addressed by the facility near UND’s main campus.
Cybersecurity is no longer just a computer science problem for programmers; this is an issue that now touches every area of society. Forbes estimates that there are currently one million job vacancies for cybersecurity professionals in the United States. It is the responsibility of top research U.S. higher education institutions to address this massive workforce shortage in cybersecurity.
In the News: The **U.S. Army Cyber Command** unit is currently in the process of relocating from Fort Belvoir, Virginia to Fort Gordon, Augusta, Georgia. 

Competition in other places: Georgia Regents University is launching its Cyber Institute to develop research, new curriculum and outreach opportunities in cybersecurity starting this summer.
Navy kicks off project to collaborate with outside scientists on R&D that will help protect the branch’s UAS fleet.
Taking the Lead in Cybersecurity

- North Dakota’s research institutions have access to an FAA-certified unmanned aerial systems test site, the UAS Center of Excellence, two air bases with UAS activity, and public-private partnerships through the Grand Sky and Research ND initiatives.
- By using North Dakota’s existing strength in unmanned aerial systems and pairing it with the major labor shortage of data analysts and cybersecurity professionals, North Dakota can diversify its economy and grow its prestige.
Nonprofit missions are powered by people
Most charity donations in America come from individuals

Impact Institute teaches how to build relationships with people and families because they provide 72% of nonprofit donations, and another 8% through their wills. This 80% vastly exceeds contributions by businesses and foundations.

Reaching out to individual donors has built charity sustainability in this region, and rewarded people here with the rich fulfillment from improving health and quality of life around them.

Contribution sources in U.S.
$335.17 billion given to charity

- **Individuals**: $240.60 billion (72%)
- **Foundations**: $48.96 billion
- **Corporations**: $17.88 billion
- **Bequests**: $27.73 billion

DAKOTA MEDICAL FOUNDATION | IMPACT FOUNDATION | ALEX STERN FAMILY FOUNDATION
Nonprofit missions are powered by people
Most charity donations in America come from individuals

Impact Institute teaches how to build relationships with people and families because they provide 72% of nonprofit donations, and another 8% through their wills. This 80% vastly exceeds contributions by businesses and foundations.

Reaching out to individual donors has built charity sustainability in this region, and rewarded people here with the rich fulfillment from improving health and quality of life around them.

Diagram:
- Contribution sources in U.S.
- $335.17 billion given to charity
  - Foundations: $40.96 billion (15%)
  - Corporations: $117.58 billion (35%)
  - Bequests: $37.73 billion (11%)
  - Individuals: $240.80 billion (72%)

Dakota Medical Foundation | Impact Foundation | Alex Stern Family Foundation
Fundraising Framework Central Graphic

This central graphic for the Funding Logic fundraising framework is an anchor to reference as we explain concepts and methodologies proven to deliver powerful results for nonprofit organizations.

### Paper Filtering
- **Data Driven** - Internal Operations, the science of fundraising
- **Smaller Gifts** (Nonprofit's need to have)
- **Donor Database Management**
- **Larger audiences, mass marketing, events, online giving, mailing, software**

### Donor Focused Staff Meeting
- **Caseload Exchange**
- **Seasons of Fundraising Operations Calendar**

### People Filtering
- **Dialogue Driven** - External Operations, the art of fundraising
- **Major Gifts** (Donor's need to give)
- **Donor Caseload** (150 per case manager)
- **Small audiences, high personalization relationships, face-to-face, small groups**

---

**Telling Your Story**
- **Craft Your Case**
- **Mission is central in all efforts**
- **Create a compelling case**
- **Communications are compelling**
- **Case for support**

**Attracting Donors**
- **Get New Donors**
- **Start small, givers self-qualify**
- **Make it easy for others to help**
- **Donor discovery and recovery**
- **Mission related ask**

**Partnering Donors**
- **Create Partners**
- **Donor's choice, build trust**
- **Cultivate a tribe of support**
- **Predictable gifts, prospecting**
- **Tiered gift ask**

**Raising Major Gifts**
- **Get Big Gifts**
- **Collaboration to impact the cause**
- **Special projects, campaigns**
- **Significant impact for the mission**
- **Gift range ask**

**Lifetime Giving**
- **Get Bigger Gifts**
- **It's bigger than us, plan well**
- **Estate plans, heirs management**
- **Transformational legacy gifts**
- **Asset inventory**
The transfer of wealth by North Dakota families from 2007-2061 presents unprecedented opportunities to create a spectacular future for the people of this region and beyond.

In 2007, the 270,000 households in North Dakota owned $118 billion in wealth - about half in tangible assets and the remainder in business and financial assets. From 2007-2061, an estimated 220,121 North Dakota households will transfer $308.61 billion to families, heirs, charities, estate taxes, estate fees, and accelerated lifetime divestiture of other assets.

This study reveals that in North Dakota, like the nation, aging wealth holders are choosing to make charitable contributions and other asset allocations earlier in their lives, as opposed to postponing distributions until their final estates.

In the last decade, there has been a substantial increase in family foundations, donor advised funds, trusts, family partnerships, and other vehicles used for wealth transfer. Affluent donors, aged 60 or older, now more commonly revise their asset portfolios in preparation for the allocation phase of life, increasing lifetime transfers. Slightly more than half of these transfers go to family foundations and donor advised accounts.

The potential for charitable contributions in North Dakota is about 20% greater per household than in the rest of the country.

In the last 10 years, North Dakota has increased the number of younger households it has attracted or retained. According to the U.S. Census in 2000, 19.9% of the population in North Dakota was comprised of young adults (aged 20 to 34); in 2010, this group had increased to 22.5% of the population.
The projected increase in millionaire households is supported by North Dakota’s rapid economic growth. From 2000-2010, the state’s Gross Domestic Product (GDP) grew robustly at an average annual rate of 3.9%, compared to the national rate of 1.3%. From 2009 to 2010, real GDP grew at an annual rate of 7.1% in North Dakota. Compared with other states, this was the highest rate of growth during that period.

In 2010, the private sector produced 86% of the state’s GDP with the remainder produced by the public sector, including the armed forces as well as state, local, and federal governments.

In 2010, agriculture, the traditional base of the North Dakota economy, contributed 8.1% of total GDP, and energy, the fastest growing sector, contributed 6%. Combined, these two sectors contributed 14.1% to the state’s GDP.

Since the energy sector is currently smaller than agriculture, it is projected that through 2061 wealth derived from agriculture and related business will continue to be larger than wealth derived from energy and related business.

The recession had little or no effect on the growth of wealth in North Dakota; in fact, wealth continued to grow during the recession. The high growth in GDP is reflected in the growth of personal income and the low unemployment rate in North Dakota. From 2000-2010, personal income grew at an average annual rate of 3.1% in North Dakota, as compared with 1.6% for the nation. Unemployment rates in the state were below 4.4%, even during the recession.

The average wealth per household in 2007 varied from $159,000 in Rolette County to $1.1 million in Slope County. In terms of average wealth per household, Pembina County is the median, with an average of about $530,000 per household.

As a group, Burleigh, Cass, Grand Forks, Morton, and Ward counties contain roughly:

- 57% of households
- 55% of household wealth
- 58% of wealth transfer (2007-2061)
- 57% of value of final estates (2007-2061)
- 58% of estimated charitable giving (2007-2061)

Estimates in this study are based upon a 55-year timeframe, a 3% secular growth rate, and a $5 million estate tax exemption. All figures are expressed as 2007 inflation-adjusted dollars.

The complete North Dakota Wealth Transfer Study, including County and City Analysis, is available online at: www.impactgiveback.org.
EXECUTIVE SUMMARY

An astonishing opportunity for philanthropic works and personal succession planning exists now and over the next 50-year period with the availability of abundant American wealth, even after the setback of the recent catastrophic recession and current sluggish growth. This wealth arose from the unique conditions of post-World War II economic growth, productivity gains from immigrants and women entering the workforce, and a mindset of saving and investing by those who vowed their families would never again experience hardship or hunger. Wealth also surged from the tremendous economic gains spurred by America's entrepreneurial ethos. Household wealth per capita grew from $61,000 (in 2007 dollars) in 1946 to $173,000 in 2007.

From 2007 to 2061, an estimated 93.6 million American estates with a value of $59 trillion will be transferred – divided among heirs, charities, estate taxes and estate closing costs. Heirs will receive $36 trillion. Federal estate taxes will claim $5.6 trillion. The sum directed toward charity is estimated at $6.3 trillion. These figures are included in the extensive data published in A Golden Age of Philanthropy Still Beckons, National Wealth Transfer and Potential for Philanthropy. This landmark study conducted in 2011 by John J. Havens and Paul G. Schervish of the Center on Wealth and Philanthropy at Boston College updates research they conducted on the wealth transfer topic in 1999. Dakota Medical Foundation and Impact Foundation, Fargo, N.D., commissioned this new study to inspire greater philanthropy and provoke thought into new realms of giving and legacy planning.

The study uncovers a strong growing trend of more lifetime charitable giving besides gifts distributed through final estates. Most charitable giving will take place during a donor’s lifetime, the amount dependent upon the rate of growth in their wealth. The study reveals a 12% increase in this 'give while you live' trend relative to the survey conducted in 1999. After adding lifetime giving of $20.67 trillion to expected estate transfers, the total potential wealth transfer to charity is $26.9 trillion over 55 years. These estimates present a 'golden' opportunity to nonprofits today and in coming years.

It is both realistic and valuable for charities to remain encouraged about the potential and reality of bequests. There remains great opportunity for charities to benefit from purposeful dedication of resources to obtain bequests. During this golden age, donors will have the opportunity to make the greatest imprint that private citizens have ever made on America: taking private action to solve community problems. For charitable organizations that understand, prepare for and wisely tap the $26.9 trillion charity share in wealth transfer, it means that critical services for the elderly, bold health transformation initiatives, radical improvements in education, and exciting cultural productions need not be put on hold. Charities that act upon this golden opportunity will not be confined by a lack of resources, and will be able to think expansively around new programs to better serve people.

PLEASE NOTE: Wealth is the market value of all assets of a household less all debt at a point in time. The Wealth Transfer study provides data for 1%, 2%, 3% and 4% growth scenarios. This document uses a scenario of 2% annual growth in asset value, and a $5 million federal estate tax exemption. The range for the sum of estate and lifetime giving to charity varies from $16 trillion to $73 trillion under the various scenarios.
The decline in wealth since the start of the recession is significant: 2007 was the start of an abrupt transition from robust growth of wealth to a precipitous decline. The aggregate value of household wealth declined by 25%, and greater than 90% of households suffered a decline in net worth. Households with less than $1 million net worth (approximately 92% of households) lost almost $1 trillion in 2007. Households with over $1 million net worth (approximately 8% of households) lost $10 trillion in 2007. Half of households with a net worth of less than $100,000 lost more than 81% of their wealth during the recession.

American households of all sizes continue to support charities. Households with less than $1 million in wealth make up 92% of the population and account for about 50% of all charitable donations. The 8% of households with over $1 million in wealth account for the other 50%.

Approximately 90% of charitable bequests are estimated to come from households with more than $1 million in wealth (8% of households).

The wealth transfer is ‘top heavy’: 20% of affluent families account for approximately 88% of wealth transfer.

Lifetime transfer of wealth is a new, emerging trend. The ‘give while you live’ trend stems from a pattern among affluent households to begin transferring assets to charity as part of estate planning while still living. These transfers tend to be larger among very wealthy households approaching retirement age and for the decade thereafter. People aged 65-79 are forecast to transfer 17% of their wealth, almost $10 trillion, during their lifetimes. This wealth will move into private foundations, various trusts and personal charitable giving funds. In growing numbers, people are attracted to charitable funds established with appreciated stock, cash or other assets for an immediate tax deduction and flexibility to recommend which charities receive grants – right away or in future years. These funds can be used over generations and become a means to model generosity to younger family members.

Total charitable giving is estimated to be $26.91 trillion for the 55 year period from 2007 to 2061. Final estates with more than $20 million will give the largest amount to charity.

Charities that are effectively prepared to inspire donors will realize a floodgate of opportunity during this golden age. Now is a time for nonprofit leaders and foundation directors to think about solving problems we face and master abilities to:

- Create settings for donors to talk about their dreams, vision, values, hopes and aspirations to discover the personal meaning that is the basis for their giving. The ability to hold these conversations can be learned, practiced and improved upon.
- Tell strong case stories about their organizations.
- Show how charities are the means for donors to do good: remembering that donors give most when they identify with beneficiaries as being like themselves, their family or other loved ones.
- Develop relationships with intermediaries like accountants and estate lawyers who can help encourage donors to say ‘yes’ to charity and ‘no’ to federal estate taxes — without one less cent going to heirs.
- Thoughtfully thank donors with expressions of sincere gratitude for improving the lives of people in need.
- Show donors their direct connection to the benefits charities provide.

A SPECIAL THANKS TO STUDY SPONSORS: