

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE UNIVERSITY OF LOUISVILLE FOUNDATION, INC.

In Open Session

Members of the University of Louisville Foundation, Inc. Board of Directors met at 2:01 p.m. on January 30, 2015, in the Board Room of the University Club, with members present and absent as follows:

Present: Mr. Frank Weisberg, Secretary
Dr. Larry Benz
Mr. Jonathan Blue
Mr. Chuck Denny
Dr. Salem George
Dr. Robert Curtis Hughes
Dr. Mark Lynn
Dr. James R. Ramsey

Absent: Mr. Junior Bridgeman
Ms. Joyce Hagen
Ms. Margaret Handmaker
Judge Rebecca Jackson
Mr. Frank Minnifield
Dr. Jody Prather
Dr. William Selvidge

From Legal
Counsel: Mr. David Saffer, Stites & Harbison

From the
Foundation: Dr. Shirley Willihnganz, Vice President
Dr. William Pierce, Vice President
Dr. David Dunn, Vice President
Mrs. Kathleen Smith, Assistant Secretary
Mr. Burt Deutsch, Consultant
Mr. Mike Kramer, Dir., Investments and Financial Management
Mr. Justin Ruhl, Foundation Accounting Supervisor

From the
University: Mr. Harlan Sands, Sr. VP for Finance and Administration, CFO/COO
Mr. Keith Inman, Vice President for University Advancement
Dr. Neville Pinto, Dean of Speed School for Engineering
Ms. Becky Simpson, Sr. Assoc. VP for Communications and Marketing
Mr. Mark Hebert, Media Relations
Ms. Trisha W. Smith, Deputy Chief of Staff
Mr. Jake Beamer, Boards Liaison

I. Call to Order

Having determined a quorum present, Chair pro tem and Secretary Weisberg called the meeting to order at 2:01 p.m.

Consent Agenda

Mr. Weisberg read the consent agenda as follows:

Consent Agenda

- **Approval of Minutes of Regular Meeting, 9/5/2014
From the Audit Committee**
- **Approval of Audited Financial Statements for Year
Ending June 30, 2014 and Independent Auditor's
Report**

Hearing no objection, Mr. Denny made a motion, which Dr. Lynn seconded, to approve the Consent Agenda.

The motion passed.

II. Report of the Nominating Committee

President Ramsey read the following slate of officers for 2014-15:

CHAIR	Robert Curtis Hughes
VICE CHAIR	Joyce Hagen
TREASURER	Junior Bridgeman
SECRETARY	Frank Weisberg
PRESIDENT	James R. Ramsey
COUNSEL	Stites & Harbison
ASSISTANT SECRETARY	Kathleen Smith
ASSISTANT TREASURER	Jason Tomlinson

Executive Committee:

CHAIR	Robert Curtis Hughes
	Joyce Hagen
	Junior Bridgeman
	Frank Weisberg
EX. OFFICIO	James R. Ramsey

Hearing no other nominations, the President made a motion, which Mr. Denny seconded, to approve the slate of officers for 2014-15.

The motion passed.

Newly elected Chairman Hughes thanked the board for the opportunity to serve.
III. Action Item: Approval of Signature Authority

Chairman Hughes explained the Approval of Signature Authority was routine and reflected changes in UL Foundation Board leadership.

Mr. Weisberg made a motion, which Dr. Lynn seconded, to approve the

President's recommendation regarding Signature Authority Resolution for the UofL Foundation, Inc.

The motion passed.

IV. Action Item: Approval of Gift/Endowment Cash Management Policy

Chairman Hughes asked Kathleen Smith to brief the board on this recommendation.

Mrs. Smith explained spending policy allocations would remain invested within the endowment pool and would be liquidated as spending occurs. This policy change responds to Cambridge Associates' recommendations related to cumulative unspent carryover balances. Month-to-month liquidation of investments impedes effective cash flow planning. The proposed policy changes improve prudent financial management practice and would ensure efficient utilization of funds consistent with the counsel of the ULF financial manager, Cambridge and Associates.

Mr. Denny made a motion, which Mr. Weisberg seconded, to approve the

President's recommendation that the Board of Directors approve the following policy:

- **Effective July 1, 2015, the UofL Foundation (ULF) will transfer current use funds (Gift) to the University on a regular basis. Gift balances held by the Foundation as of June 30 each year will be transferred, upon request, to the University in equal installments on July 15 and January 15 of the fiscal year.**
- **Effective July 1, 2015, annual spending policy allocations will be liquidated semi-annually from the endowment pool and transferred to the University in equal installments on July 15 and January 15 of the fiscal year.**

The motion passed.

V. Action Item: Approval of Change of Gift Carryover Quasi Investments Policy

Mrs. Smith stated an analysis performed as of December 31, 2014 recorded the Foundation as holding approximately \$24 million of unspent carryover, current-use, and gift monies. This represented significant missed investment opportunity. The average 3-year balance per program within this population was over \$199,000. In creating this policy, the Foundation provides better accountability to its donors by maximizing the investments of non-performing cash. These quasi-endowed funds would benefit the department by providing a better return on the original gift, as well as benefiting the overall pool through increased market value.

Mrs. Smith noted the administrative fee would cover costs for analysis of the unspent carryover and any requests for exception. All fees, however, would be waived if an investment is initiated by the department consistent with the Foundation's current quasi-endowment policies. Since the endowment pool is strategically managed for the long-term, all monies invested in the endowment pool would be for a period of no less than six months. Because the investment represents gifts received in prior years, the reinvestments would be immediately eligible through the spending policy and the average remaining three-year carryover balance would be calculated as of each fiscal year-end.

VI. Report of the President

President Ramsey gave a presentation on University events since the September meeting of the UofL Foundation. Highlights included: the ALS Clinic earning national recognition; Governor Beshear's visit for the unveiling of the plans for the Belknap Engineering and Applied Sciences Research Park; a \$1.5M Helmsley Trust pediatric spinal cord injury gift; "The Spectacular" \$1 Billion Campaign Celebration; 2014 President's outreach; \$5 million gift from the Oxley Foundation to the College of Education and Human Development supporting the Signature Partnership Initiative; and the UofL/UK and Lung Cancer Alliance receipt of \$7 million.

President Ramsey concluded his report with updates on: the University's aggressive trajectory which included data on graduation rates, enrollment, and freshman class profile; an update on the University of the 21st Century; and the hiring of Harlan Sands as Sr. Vice President for Finance and Administration, CFO/COO, and Leslie Strohm as Vice President for Strategy and General Counsel.

Chairman Hughes thanked the President for his report.

VII. Executive Session

Mr. Blue made a motion, which Dr. Lynn seconded, to go into Executive Session, pursuant to KRS 61.810(1)(b) to discuss real estate matters.

The motion passed.

VIII. Open Meeting Reconvenes

The meeting reconvened at 2:42 p.m. The Board discussed real estate matters and no action was taken.

IX. Adjournment

Having no other business to come before the board, Dr. George made a motion, which Mr. Blue seconded, to adjourn the meeting at 2:43 p.m. The motion passed.

Approved by:

Katalin M. Smith

Assistant Secretary

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