

**North Carolina Agricultural and Technical State University
Endowment Investments Committee Meeting Minutes
February 11, 2009**

Attendees:

Vice Chancellor Pompey, Scott Hummel, Kathy Burckley, Phil Mansfield, Angela Dubose, Betty Williamson, Helen Buck

Minutes:

The meeting was called to order by VC Pompey at approximately 12:00 noon in the Business and Finance Conference Room (210).

This meeting was held in order to review the present status of the University's endowment investments prior to participating in a NACUBO webcast entitled, "Understanding Underwater Endowments."

Kathy provided a schedule of Estimated "Underwater" Endowments for review and discussion. The schedule was calculated assuming a 17% loss, which is approximately where the University endowments were at December 31, 2008. To say that the present state of the economy has significantly impacted the value of the investments would be an understatement. Kathy also provided a comparative report of the Investments at Market Value as of December 31, 2008 and October 31, 2008.

The webcast provided a look at three other institutions and how they manage their endowment investments. The selected institutions represented small, medium and large institutions. Discussion included recognizing whether UMIFA and/or UPMIFA standards apply in your state, and determining appropriate action to take to protect and maintain the corpus of endowments. There was also discussion concerning possibly modifying allocation and spending policies and practices.

Because of the time limitation, all questions submitted could not be entertained/answered. As a result, NACUBO indicated they would create a "Q&A" segment on their website. Also, the University of Arizona would share the template they currently use for their endowment agreements.

The meeting was adjourned at 3:30.

Respectfully submitted,

Alvenia Uitenham
Recorder

North Carolina A&T State University
Investment Committee Meeting
May 28, 2009

Members Present: Robert Pompey
 Helen Buck
 Phil Mansfield
 Betty Williamson
 Kathy Burckley

The meeting of the Investment Committee convened at 2:00 pm with Robert Pompey presiding.

The Investment Committee met to review and approve the 2009-2010 spending budgets from endowment income.

Betty Williamson distributed two reports produced from Fundriver: The Distribution Worksheet and the Report of Underwater Endowments. After discussing the reports, Betty Williamson moved that the Investment Committee approve the proposed budgets in the amount of \$169,874.83 as calculated by Fundriver on the Distribution Worksheet. The motion was seconded by Phil and passed by the Committee.

Robert stated that he plans to meet with Advancement to update them on the 2009-2010 budgets and to bring them up-to-date on the endowments that will not have available income for next year, information they will need to solicit gifts from the original endowment donors. Betty noted that donors have given restricted gifts for two endowments to be used to make up for the lack of endowment income for fiscal 2009-2010. Robert mentioned that he also plans to find out how much the Foundation has in available funding for scholarships to help make up for the endowment income shortfall.

Betty stated that the Cargill EEOC Endowment is a term endowment and the expiration anniversary is August, 2009. It was noted that the Endowment Board will be required to approve a resolution converting the balance to a quasi endowment if it is to remain in the endowment fund.

The meeting adjourned at 2:45.

North Carolina A&T State University
Investment Committee Meeting
July 29, 2009

Members Present: Robert Pompey
 Scott Hummel
 Helen Buck
 Phil Mansfield
 Kathy Burckley
 Alvenia Uitenham

The meeting of the Investment Committee convened at approximately 9:00 am with Robert Pompey presiding.

The Investment Committee met to review and discuss a policy for those endowments that currently have a negative balance.

Kathy provided a report showing those specific endowment funds with negative balances. The negative balances are created when a Title III match is awarded to match original gifts. Given that a large number of the endowment funds have eroded and are currently underwater, an **original gift** of \$100,000 may now have a market value of \$95,000. When those funds are moved to the new Title III matching fund, the realized losses are left in the original endowment fund, leaving a negative balance. It was determined that the most appropriate thing to do at this time is to move the negative balances to the Title III matching.

There was much discussion to clarify the intent of Title III match and how it should be applied. Currently when Title III funds are received, we create a new fund in which to deposit the **original gift** and the match. In the past, there was always a positive amount left in the original endowment fund. Given the current economic/market trends, a lot of the endowments have lost money and are considered to be eroding or underwater since the current value is less than the original gift. After much discussion, the decision was made to move the losses to the new fund.

The committee will continue to monitor these funds and make adjustments as necessary.

The meeting was adjourned at 10:00 am.