

Advancement | UCF Foundation, Inc.

UCF Foundation Board of Directors

Finance & Facilities Committee Meeting

Monday, November 22, 2021

UCF Foundation, Partnership Conference Room

12424 Research Parkway, Suite 250, Orlando, FL 32826

MINUTES

IN ATTENDANCE: Eva Tugdarian, *Chair*, Brian Butler, *Vice Chair*, Sara Bernard, Clint Bullock, James Harhi, Gerald Hector, Tom McNamara, Mary Beth Morgan, Mark Plaumann, Kyle Simpson

ABSENT: Karl Hodges

GUESTS: Jeff Johnson, Kevin Schloot (McGriff Insurance)

WELCOME AND CALL TO ORDER

Director Tugdarian, Chair of the Finance & Facilities Committee, called the meeting to order at 4:01 p.m., stating that the meeting was covered under the Florida Sunshine Law and the public and press were invited to attend.

ROLL CALL AND QUORUM CONFIRMATION

Roll call was performed and a quorum was confirmed.

CONFLICT OF INTEREST DISCLOSURE

Chair Tugdarian asked the committee members if there were any conflicts of interest to declare regarding the items of business listed on the agenda. No conflicts were disclosed.

MINUTES

Minutes from the September 24, 2021, meeting were unanimously approved as written.

REPORTS

(DISC- 1) Results of Operations as of September 30, 2021

Glen Dawes, Chief Financial Officer, presented financial statements and quarterly reports for the period ended March 31, 2021. It was noted that total assets at the end of the quarter was \$482,396,206, a slight decrease from the previous quarter for which timing was cited as the primary indication. It was noted that the UCF Foundation funded an additional \$5 million in credit to the UCF Athletics Association during this period, for a total of \$9 million outstanding at the end of the first quarter.

Contributions increased indicating a recovery from philanthropy hesitations during the COVID-19 event. It was also noted that net realized and unrealized gains have returned to more normalized run rate following the market surge in 2020.

The Foundation Division Budget Summary and Buildings Budget Summary compared actual amounts to budgeted amounts through September 30, 2021. It was reported that UCF Foundation operations were trending below budget in both sources and uses as of September 30. Dawes cited vacancies in fundraising personnel for reduced salaries and related expenses. Additionally, event cancellations due to the lingering effects from COVID-19 and its variants continued to impact the operations budget.

The UCF Foundation Debt Summary and Vice Presidents' and Deans' expenses were provided to the committee for review.

(DISC- 2) Schedule of Insurance in Force

The Committee reviewed the UCF Foundation's Schedule of Insurance in Force for policies which renew annually in December and include coverages for property, general liability and umbrella, automobile, directors & officers, crime, and environmental insurance. The Schedule provided policy information including coverage limits, annual premiums, and fees. Total premiums for the coverage period beginning December 2021 for 12 months were \$664,985. It was noted that the premiums reflect a 15% increase in the replacement costs for the real estate under coverage.

It was noted that the university has recently initiated an Invitation to Negotiate (ITN) for insurance brokerage services. The UCF Foundation will participate in the evaluation process of responses from providers for future services.

RETURNING BUSINESS

(FFC-1) UCF Foundation Reserves Policy

The Committee was asked to consider the draft UCF Foundation Operating and Real Estate Reserves Policy. It was noted that the intent of the policy, which was motivated by events related to the impact of COVID-19 on the university and its Direct Support Organizations (DSOs), was to ensure the UCF Foundation has sufficient unrestricted resources to meet its obligations, mitigate current and future financial risk, ensure stable services and fees, and to demonstrate its creditworthiness to rating agencies and potential donors.

The proposed policy provided for a minimum reserve to cover a portion of operating and real estate expenses, as well as procedures for funding and/or replacement of reserves in the event of drawing on those resources. A total reserve of \$16.5 million is calculated based on the UCF Foundation's current budget and outstanding commitments—cash and unrestricted assets are currently available in excess of this amount.

A motion was made by Mark Plaumann and seconded by James Harhi to recommend approval of the UCF Foundation Operating and Real Estate Reserves Policy to the Executive Committee, as presented. The motion passed unanimously.

CLOSING REMARKS AND ANNOUNCEMENTS

Chair Tukdarian shared information about the upcoming UCF Crossroads Lecture Series which will feature speakers addressing topics related to generational wealth and encouraged committee members to participate.

Committee members were also advised of Giving Tuesday which will take place on the Tuesday following Thanksgiving and were encouraged to make their year-end gifts.

ADJOURNMENT

Director Tukdarian adjourned the meeting at 4:50 p.m.

Approved by Finance & Facilities Committee on February 23, 2022.

Respectfully Submitted by:



Eva Tukdarian
Eva Tukdarian, *Chair*, Finance & Facilities Committee

Prepared by: Ashley McConnell, Executive Assistant