

**Advancement Committee of the Board of Trustees
University of North Carolina School of the Arts
Thursday, September 21, 2017
11:00am—12:00pm
Eisenberg Social Hall South
Hanes Student Commons**

OPEN SESSION AGENDA

Advancement Committee

***Greer Cawood**

***Skip Dunn**

***Phillip Horne**

Tom Kenan, Emeritus

***Michael Tiemann** (ex-officio)

***Erna Womble**

***Ralph Womble, Chair**

***Anna Folwell**

Alumni Representative, TBD

Faculty Council Representative, TBD

Jim DeCristo, Vice Chancellor for Economic
Development & Chief of Staff

Edward Lewis, Vice Chancellor for Advancement

Cindy Liberty, Foundation Executive Director

Jim Martin, Foundation Board Liaison

Marissa McCullough, Staff Council Representative

Savannah Stanbery, Dev. Assoc. /Exec. Assistant to
the CAO

Anne Sessions, Board of Visitors Liaison

Lauren Whitaker, Staff Council Representative

****Denotes voting members***

- Welcome, Confirm Quorum Ralph Womble
- Approval of the April 27, 2017 Minutes Ralph Womble
- Advancement Update Edward Lewis
 - Campaign Edward Lewis
 - UNCSA Foundation Board Cindy Liberty
 - UNCSA Board of Visitors Anne Sessions
- Approval of MOUs Ed Lewis
 - Chancellor's Discretionary Fund
 - Kenan Institute for the Arts Operating Fund
- Other Business Ralph Womble
- Adjourn Ralph Womble

**Advancement Committee of the Board of Trustees
University of North Carolina School of the Arts**

Thursday, April 27, 2017

10:05 a.m.-11:05 a.m.

Eisenberg Social Hall South-Hanes Student Commons

Minutes

Trustees Present

*Anna Folwell
*Phillip Horne
*Charlie Lucas
*Justin Poindexter

*Michael Tiemann (ex-officio)
*Erna Womble
Tom Kenan (Emeritus)
*Denotes voting members

Administrators, Liaisons, Faculty, Staff Present

Amanda Balwah, University Secretary
Lindsay Bierman, Chancellor
Jim DeCristo, Vice Chancellor for Economic
Development & Chief of Staff
David English, Executive Vice Chancellor and
Provost
David Harrison, General Counsel
Carin Ioannou, Vice Chancellor for Business Affairs
Financial Services
Katharine Laidlaw, Chief Marketing Officer
Cindy Liberty, Foundation Executive Director
Edward Lewis, Vice Chancellor for Advancement

Corey Madden, Executive Director of the Thomas S.
Kenan Institute for the Arts
Jim Martin, Foundation Board Liaison
Tareake Ramos, Student Body President
Jackie Riffle, Senior Budget Analyst
Michael Rothkopf, Faculty Council Representative
Savannah Stanbery, Executive Assistant to the
VCA/Development Associate
Anne Sessions, Board of Visitors Liaison
Amy Werner, Annual Giving Manager
Lauren Whitaker, Staff Council Representative

Convene Meeting and Opening Remarks

Board of Trustees Chair Michael Tiemann convened the April 27, 2017 meeting of the Advancement Committee of the University of North Carolina School of the Arts Board of Trustees at approximately 10:03 a.m. Michael served in the place of Committee Chair Ralph Womble.

Approve Minutes from February 9, 2017 Meeting

Michael Tiemann called for a motion to approve the minutes. Erna Womble moved; Phillip Horne seconded. The minutes were approved as presented.

Advancement Report

Vice Chancellor for Advancement Ed Lewis provided the following report on the FY17 year-to-date fundraising:

- As of March 31, we have secured over \$15.6 million in gifts and pledges for the School.
- Unrestricted Revenue is well toward the goal of \$530,000 for the year.
 - The Giannini Society Advisory Council is in process of following up with those donors scheduled to renew or have lapsed in their support.
- We have surpassed the goal in Temporary Restricted revenue.
 - We are thrilled by the announcement of The William R. Kenan, Jr. Charitable Trust \$1.5 million gift in honor of Tom Kenan at his birthday celebration earlier this month. If we receive the gift documentation prior to June 30th, it will put us above \$17 million in gifts and pledges for the year. If not, it will position us for a great start in FY18.
- We have also surpassed the Permanently Restricted revenue goal for the year. These goals are developed based on conversations with donors. We cannot always anticipate what additional gifts may come in.
- On the state side, we are documenting Gifts in Kind. This includes equipment and goods for the School.
 - Permanently Restricted funds are where we would place funds if we were to use matching funds by the state for any type of matching support for professorships. We hope to see growth in this area as we move through the Campaign.
- Day of Giving
 - April 27 is our second annual Day of Giving. This is the anniversary of the Dial for Dollars campaign that helped to cement Winston-Salem as the home of UNCUSA.

- This year's campaign is called "The Art of Giving." Our overall goal is 300 donors, and within that a goal of 25 alumni from each art school.
- There is a challenge match again this year that will unlock \$5,000 in funding for the university if we reach 300 donors.
- If the art schools reach their alumni goals, then \$1,000 in funding will be unlocked for each school.
- That's a total of up to \$10,000 in additional funds. The suggested donation is \$19.65 in honor of the year we opened our doors.
- Advancement worked closely with the Digital Media team to create a strong digital and social media presence for the event.
- Donor Cultivation and Solicitations
 - The Chancellor, Vice Chancellor for Advancement, and Advancement staff continue to cultivate and solicit major gift donors and prospects.
 - Senior Major Gifts Officer Ted Johnson is working with current and potential Encore Circle members to document their bequest intentions.
- Staffing
 - The Manager of Alumni Relations search did not yield a successful candidate. The position has reposted and the committee will begin the interview process in May.
 - The search committee is comprised of alumni from all 5 art schools
 - The Major Gifts Officer search committee held its final interview April 26, and has made its recommendations to the hiring authority who has now begun checking references.
- Feasibility Study Overview
 - Feasibility Study results were received April 18 and presented to members of the Foundation Board and Board of Trustees Advancement Committee this week.
 - There were 52 participants in the study, and 98% said the School was either excellent or good.
 - 87% said the stewardship of their philanthropic dollars was excellent.
 - 89% were positive in their opinion of the Chancellor, approximately 70% were positive in their opinion of the boards and over half were positive in their opinion of the Office of Advancement to undertake a campaign.
 - 93% said we should move forward with the Campaign.
 - UNCSA started counting gifts toward the Campaign in June 2016, in the pre-planning phase.
 - We are currently in the planning phase and will begin implementing recommendations from the Feasibility Study including the clarification and refinement of the Statement of Need which was shared with the participants.
 - Particularly we will clarify what we mean by "innovation" in the Statement of Need.
 - Over 70% were supportive of the Statement of Need and agreed with the areas of funding that were outlined.
 - Capital Development (CapDev) recommended about an 8 month planning stage. They will send the School a list of potential leaders for the Campaign and a list of those who gave CapDev permission to inform the Advancement Office that they have included UNCSA in their estate plans.
 - There was overwhelming agreement on the Campaign fundraising goal.
- Michael engaged the board in a conversation on how board members can use their connections in the community to support the School. He encouraged members to strengthen their alliances to become better known and therefore increase the community's positive opinion of UNCSA's board leadership.
 - Marketing is planning to send out talking points for board members to use as they are out in the community. It will help for us all to speak the same language.
- UNCSA Comprehensive Needs- Chancellor Bierman will present this agenda item in full board meeting on April 28th.
 - For example, the School of Design & Production and the School of Music have a very high need for scholarships. The School of Music would need about an additional \$15 million in endowment and the School of Design & Production would need about an additional \$26 million endowment.
 - Additionally, we need \$30 million in funding for dormitories. The State will not be a source for this funding. This will require us to be creative in developing alternative sources of funding.
 - The purpose of sharing these figures is to provide a realistic understanding of the challenge that this administration is facing from a funding standpoint.

Events Update

- NextNow 2017: Classic Meets Cutting Edge was supported by 298 guests. It exceeded the revenue goal of \$50,000, netting a total of just under \$73,000 in support of student scholarships. Thank you to those who supported and attended this fundraising event.
- We are continuing efforts to cultivate relationships with new patrons with the help of Team NextNow, an ad-hoc committee headed by Sue Henderson. On May 3, the Chancellor will host members of this demographic at the Loft for a focus group conversation and reception to identify ways we may continue to engage with them.
- May 5-7, UNCSCA Drama students perform alongside the NC Symphony in a semi-staged production of *The Pirates of Penzance*. On May 6, a group from Winston-Salem will travel to Raleigh to watch the concert and enjoy a post-concert reception with the performers.
- The Class of 1967 will visit campus May 12-13 for their golden jubilee celebration—Golden Pickles Weekend.
- Planning for FY2018 events has begun

UNCSCA Foundation Board

- Board Member giving for the fiscal year is at 95%.
- The Advancement Committee met in March to start planning for the next Guest Artist Luncheon Series event. They will continue to steward and cultivate corporate sponsors for this event.
- The Board Development Committee is working to recruit 7 new members. They have already recruited 5.
- The Foundation Board and Advancement Committee of the BOT met to review the Feasibility Study results.
 - This is a significant example of collaboration between boards and among departments.
- The Foundation will present a revised FY18 budget to the Finance Committee later this spring.

UNCSCA Board of Visitors

- The Board of Visitors spring meeting was held on campus April 21.
- During this meeting, the board elected 12 new board members and learned about BoardMax - a new software tool the Foundation Board has implemented with great success.
- The Nominating Committee will take the lead this summer in planning the New Member Orientation for the fall. The committee will also review the process for nominating Members Emeriti.
- The Advocacy Committee represented the BOV at Arts Day 2017 and met with several of our representatives in Raleigh. We look forward to Arts Day 2018.
- The Alumni Affairs Committee will be working with Advancement to plan an alumni event in late September at the Sessions' farm. This event will engage local alumni and their families and also serve as an introduction of the new Manager of Alumni Relations whom we hope to have in place by this time.

Adjourn Meeting

Michael called for a motion to adjourn, Anna Folwell moved, Phillip Horne seconded. The meeting was adjourned at approximately 11:02 a.m.

Office of Advancement Report

- **Financial Report: FY17 Overview and FY18 Update** – *An update will be provided during the Advancement Committee Meeting.*
- **(1) UNRESTRICTED**
 - **Annual Fund**
 - In FY17, \$628,000 was raised for the Annual Fund. This is nearly \$100,000 more than our goal for the year. Those gifts came from 1324 donors, which is an increase of 368 donors.
 - In addition, the alumni giving percentage jumped more than 1% over last year's participation numbers.
 - Some of which can be attributed to the resounding success of the second annual Day of Giving, on April 27, 2017.
 - On that day, we received donations from 149 new donors, most of them alumni. Thank you to all who participated and made the day such success!
 - The Schools of Dance, Design & Production, Drama and Music all reached their alumni giving goals, and unlocked additional support.
 - We also surpassed the total participation goal of 300 donors and unlocked an addition \$5,000 for overall support.
 - In all we received more than \$45,000 from 584 donors that day.
 - This year, Amy Werner has transitioned from Annual Fund Manager to Manager of Alumni Relations. Our new Annual Fund Manager will be joining us on Sept. 25. In the meantime, Amy is working with the Giannini Advisory Committee and with our direct mail vendors to keep the Fall Direct Mail appeal on track. That is scheduled to go out at the end of October.
 - The Giannini Society will also take a trip this year to Washington, DC. More details on the trip will be announced soon, but we encourage everyone who would like to join us to make sure your Giannini membership is up-to-date.
- **(2) TEMPORARILY and PERMANENTLY RESTRICTED** *An update will be provided during the Advancement Committee Meeting*
- **(3) Donor Cultivation and Solicitations**
 - The Advancement Major Gift team is in the process of identifying and closing several six and seven figure gifts for the campaign.
- **Staffing**
 - Corynn Kolberg joined the Advancement team in July as Major Gift Officer.
 - Advancement has hired a new Annual Giving Manager. Jaclyn Day will begin on September 25. All current positions in the division are filled.

- **Comprehensive Campaign Process Update**
 - At the request of the Committee Chair, an update will be provided during closed session at the full Board meeting.

- **Events**
 - Donors, alumni and community leaders will be invited to a welcome reception for the new Dean of Drama Scott Zigler on October 27. Members of the Drama Dean's Council will meet him over dinner on October 20.
 - We are continuing to work with Sue Henderson and Team NextNow to cultivate new UNCSA supporters. Three events are planned for this group this year, including one joint event with Giannini Society.
 - This year's Scholarship Luncheon will be held at Forsyth Country Club. This move allows us to expand and elevate this important stewardship and recognition event, and allows us to include more donors and students. The Scholarship Luncheon will be on Wednesday, March 28.
 - NextNow 2018: Unleashed will be held on Saturday, April 28, 2018 at the Benton Convention Center. This year's event features the UNCSA Symphony Orchestra's final concert of the year: "Fantastic Finale: A Celebration of the Class of 2018." Conducted by Christopher James Lees, the program will feature the best of the best ensembles and soloists in the School of Music graduating class. Witness this next generation of artists unleash their creative prowess in their final UNCSA performance and help us send them off to make their impact on the arts.
 - The UNCSA Foundation plans to hold its Guest Artist Luncheon on Wednesday, November 8 in Reynolds Place at the Milton Rhodes Center for the Arts. The featured guest artist will be Warren Jones, 2010 Musical America "Collaborative Pianist of the Year," with students from the A.J. Fletcher Opera Institute. Mr. Jones is an internationally renowned pianist who has frequently performed in Carnegie Hall and the White House and with many of today's best-known artists. Tickets will go on sale at the end of September/early October.

- **Alumni Relations**
 - We have at least six alumni connected to the Broadway revival of *Once on this Island*.
 - They include the following: T. Oliver Reid (Music '93), Philip Boykin (Music '90), Camille A. Brown (Dance '01), MK Flynt (D&P '04), Isaac Powell (Drama '17) and Viana Segarra (D&P '16), who is working with a company doing props and scenery for the show.
 - Previews begin in November and the show opens in December.
 - Amy has been working with Dean Caldwell, Rebecca Nussbaum and the Kenan Institute to welcome back former Kenan Fellows next month for a convening to talk about Career Pathways and what students and alumni need as they transition from student to working professional or as they transition into new careers.
 - We will also welcome back the Drama Class of 2007 next month for their 10-year reunion.

UNCSA Foundation Board Report

- **Finance Committee**
 - Reviewed FY 2017 numbers.
 - Reviewed Campaign Accounting vs. GAAP Accounting.

- Reviewed Endowment Spending Graph.
- Approved Budget for FY 2018.

- **Board Development Committee**
 - Lee LaVallee, Mark Oliver, and Michael Ryden retire on September 7, 2017.
 - New Board Members will be Bettye Barrett, Art Bloom, Rob, Simon, Chrystal Parnell, David Broughton, Jim Ruffin, and Andy Schneider.
 - Officers for FY 2018 are as follows:
 - President Jim Martin
 - Vice-President Peter Juran
 - Treasurer John Wigodsky
 - Assistant Treasurer Taylor Shipley
 - Secretary Steve Karr
 - Assistant Secretary Cindy Liberty

- **Executive Committee**
 - Discussed Comprehensive campaign: time line, structure, and successes thus far
 - Discussed Audit and reviewed audited statements.
 - Approved Budget for FY 2018 after intense vetting by Finance Committee.

- **Advancement Committee Report**
 - GALS event has been scheduled for November 8, 2017 at Hanesbrand Theatre from noon till 1:30pm.
 - The GALS event does not currently have any sponsors.
 - The featured guest artist will be Warren Jones, the musical director for the upcoming musical SIDE SHOW.
 - The Digital Media group is working with us to advertise the event on social media.
 - Foundation Board Member Giving Participation was back up to 100% in FY 2017 compared to 90% in FY 2016.
 - Total dollars given continue to increase annually.

- **Audit Committee Report**
 - Audit is complete with no findings.
 - Discussed future changes to reporting requirements for not-for-profit entities.

- **Special Projects Committee**
 - Met to bring new members up to date on potential projects.

- **Foundation Board**
 - Meets on September 7, 2016.

- **Semans Art Fund**
 - Audit has been completed, but final FY2017 statements have not been issued.

- **Thomas S. Kenan Institute for the Arts**
 - Revenue is included in the Advancement Fundraising Report.
 - Foundation is working closely with TSKIA on economic development and place-making.

- TSKIA revenue and expense are now included in the Foundation's temporarily restricted revenue and expense column on the audited income statement.

UNCSA Board of Visitors Report-

- On September 11, the Nominating and Executive Committee hosted a New Member Orientation for 12 new Board of Visitors members. This served to welcome new members, explain the purpose of the Board of Visitors and their expectations for serving on this board as well as to garner their excitement and support for the BOV and UNCSA. Following the orientation was a reception hosted by Sue and Doug Henderson and Gina Phillips.
- BoardMax has been officially implemented. This board management software will streamline internal processes and provide any-time access to board materials and information to the membership. The UNCSA Foundation Board uses this software as well and it has proven quite effective.
- On September 23, the Board of Visitors' Alumni Committee is hosting a family fun day at the farm for local alumni. The event will be held at BOV Chair Anne and Steve Sessions' farm in Advance. Alumni and their families will get to meet the new alumni manager, Amy Werner, and enjoy fun in the sun with yard games, hay rides, face painting and meeting the Pickle!
- The Board of Visitors Fall meeting will be October 5-6, 2017.

ADVANCEMENT INTERNAL REPORTING

FY17 Year-to-Date Fundraising

University of North Carolina School of the Arts Foundation						
Unrestricted						
	Y-T-D					
	Prior Year	Y-T-D		Variance from	Variance	FY 2017
	Actual	Budget	Y-T-D Actual	Prior Year	From Projection	Budget
	6/30/2016	6/30/2017	6/30/2017			
Revenues						
Gifts and Grants	\$527,230.76	\$530,000.00	\$623,801.54	\$96,570.78	\$93,801.54	\$530,000.00
Miscellaneous income	\$2,224.67	\$0.00	\$1,727.11	(\$497.56)	\$1,727.11	\$0.00
Total Revenues	\$529,455.43	\$530,000.00	\$625,528.65	\$96,073.22	\$95,528.65	\$530,000.00

University of North Carolina School of the Arts Foundation						
Temporarily Restricted						
	Y-T-D					
	Prior Year	Y-T-D		Variance from	Variance	FY 2017
	Actual	Budget	Y-T-D Actual	Prior Year	From Projection	Budget
	6/30/2016	6/30/2017	6/30/2017	Actual		
Revenues						
Current Scholarship Gifts	\$533,954.00	\$452,250.00	\$676,303.79	\$142,349.79	\$224,053.79	\$452,250.00
Gifts and Grants	\$7,039,176.68	\$1,504,375.00	\$5,839,478.88	(\$1,199,697.80)	\$4,335,103.88	\$1,504,375.00
Gifts and Grants - Gifts in Kind	\$0.00	\$0.00	\$400.00	\$400.00	\$400.00	\$0.00
Miscellaneous income	\$248,761.64	\$212,623.00	\$195,328.61	(\$53,433.03)	(\$17,294.39)	\$212,623.00
Total Revenues	\$7,821,892.32	\$2,169,248.00	\$6,711,511.28	(\$1,110,381.04)	\$4,542,263.28	\$2,169,248.00

University of North Carolina School of the Arts Foundation						
Permanently Restricted						
	Y-T-D					
	Prior Year	Y-T-D		Variance from	Variance	FY 2017
	Actual	Budget	Y-T-D Actual	Prior Year	From Projection	Budget
	6/30/2016	6/30/2017	6/30/2017	Actual		
Revenues						
Current Endowment Gifts	\$894,007.41	\$617,500.00	\$7,852,314.32	\$6,958,306.91	\$7,234,814.32	\$617,500.00
Total Revenues	\$894,007.41	\$617,500.00	\$7,852,314.32	\$6,958,306.91	\$7,234,814.32	\$617,500.00

AUDITED

Anonymous Gift - \$7,000,000 was reclassified to Endowment at year end - most conservative classification;
still waiting on signed endowment agreements

ADVANCEMENT INTERNAL REPORTING

FY17 Year-to-Date Fundraising

University of North Carolina School of the Arts						
Temporarily Restricted						
	Y-T-D					
	Prior Year	Y-T-D		Variance from		
	Actual	Budget	Y-T-D Actual	Prior Year	Variance	FY 2017
	6/30/2016	6/30/2017	6/30/2017	Actual	From Projection	Budget
Revenues						
Gifts and Grants	\$63.00	\$0.00	\$42.00	(\$21.00)	\$42.00	\$0.00
Gifts and Grants - Gifts in Kind	\$38,160.84	\$0.00	\$161,367.88	\$123,207.04	\$161,367.88	\$0.00
Miscellaneous income	\$0.00	\$0.00	\$540.00	\$540.00	\$540.00	\$0.00
Total Revenues	\$38,223.84	\$0.00	\$161,949.88	\$123,726.04	\$161,949.88	\$0.00

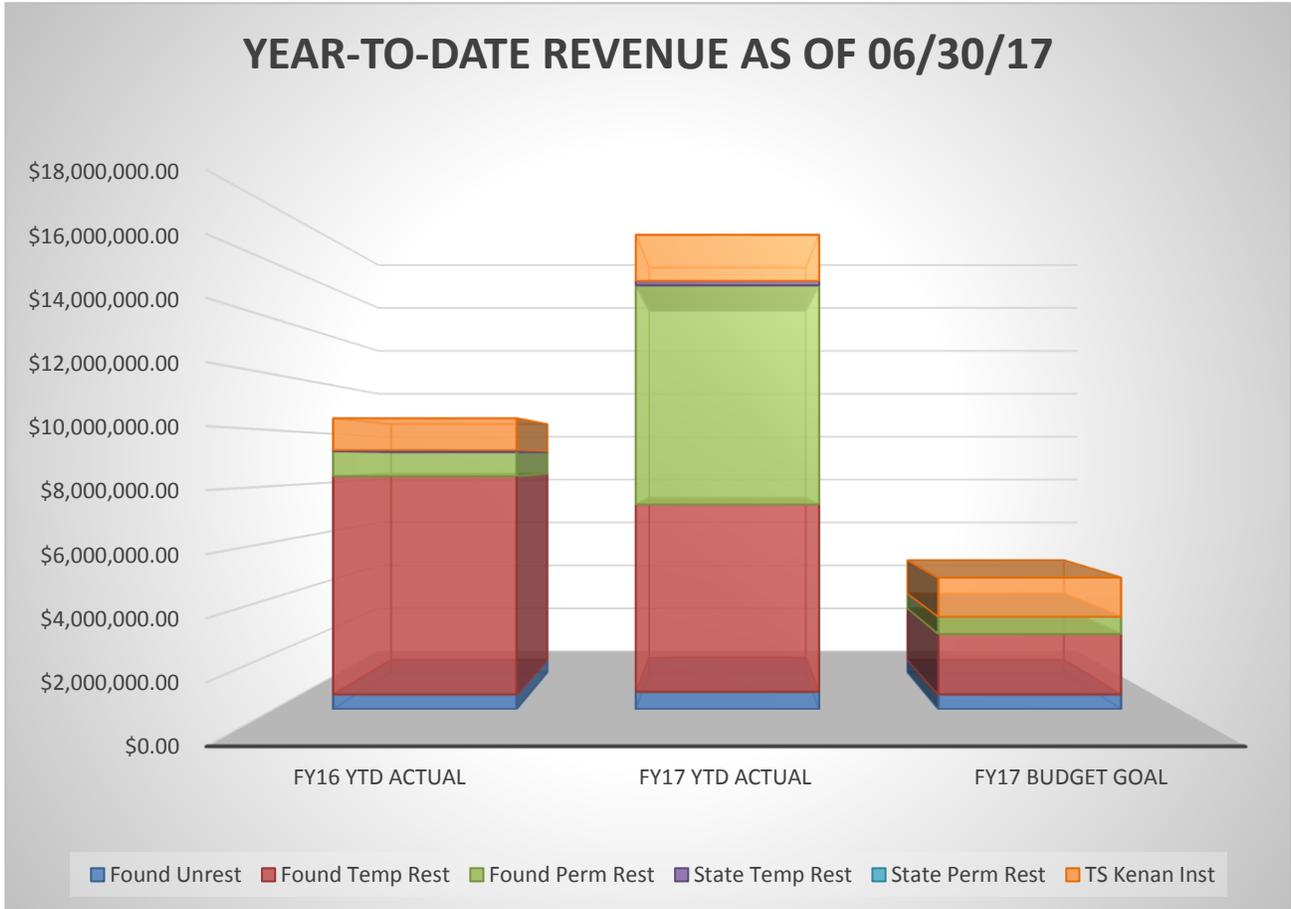
University of North Carolina School of the Arts						
Permanently Restricted						
	Y-T-D					
	Prior Year	Y-T-D		Variance from		
	Actual	Budget	Y-T-D Actual	Prior Year	Variance	FY 2017
	6/30/2016	6/30/2017	6/30/2017	Actual	From Projection	Budget
Revenues						
Current Endowment Gifts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

University of North Carolina School of the Arts						
Thomas S. Kenan Institute for the Arts						
	Y-T-D					
	Prior Year	Y-T-D		Variance from		
	Actual	Budget	Y-T-D Actual	Prior Year	Variance	FY 2017
	6/30/2016	6/30/2017	6/30/2017	Actual	From Projection	Budget
Revenues						
Gifts and Grants	\$1,136,429.38	\$1,400,000.00	\$1,651,764.23	\$515,334.85	\$251,764.23	\$1,400,000.00
Miscellaneous income	\$9,770.25	\$0.00	\$50.00	(\$9,720.25)	\$50.00	\$0.00
Total Revenues	\$1,146,199.63	\$1,400,000.00	\$1,651,814.23	\$505,614.60	\$251,814.23	\$1,400,000.00

AUDITED

ADVANCEMENT INTERNAL REPORTING

FY17 Year-to-Date Fundraising



AUDITED

ADVANCEMENT INTERNAL REPORTING

FY18 Year-to-Date Fundraising

University of North Carolina School of the Arts Foundation						
Unrestricted						
	Y-T-D					
	Prior Year	Y-T-D	Y-T-D Actual	Variance from	Variance	FY 2018
	Actual	Budget	8/31/2017	Prior Year	From Projection	Budget
	8/31/2016	8/31/2017	8/31/2017			
Revenues						
Gifts and Grants	\$41,388.10	\$54,400.00	\$43,121.28	\$1,733.18	(\$11,278.72)	\$560,000.00
Miscellaneous income	\$104.00	\$0.00	\$0.00	(\$104.00)	\$0.00	\$0.00
Total Revenues	\$41,492.10	\$54,400.00	\$43,121.28	\$1,629.18	(\$11,278.72)	\$560,000.00

University of North Carolina School of the Arts Foundation						
Temporarily Restricted						
	Y-T-D					
	Prior Year	Y-T-D	Y-T-D Actual	Variance from	Variance	FY 2018
	Actual	Budget	8/31/2017	Prior Year	From Projection	Budget
	8/31/2016	8/31/2017	8/31/2017	Actual		
Revenues						
Current Scholarship Gifts	\$87,054.50	\$132,600.00	\$201,730.00	\$114,675.50	\$69,130.00	\$805,000.00
Gifts and Grants	\$185,484.65	\$313,425.00	\$1,682,667.76	\$1,497,183.11	\$1,369,242.76	\$1,890,525.00
Miscellaneous income	\$21,725.00	\$39,700.00	\$14,795.01	(\$6,929.99)	(\$24,904.99)	\$240,000.00
Total Revenues	\$294,264.15	\$485,725.00	\$1,899,192.77	\$1,604,928.62	\$1,413,467.77	\$2,935,525.00

University of North Carolina School of the Arts Foundation						
Permanently Restricted						
	Y-T-D					
	Prior Year	Y-T-D	Y-T-D Actual	Variance from	Variance	FY 2018
	Actual	Budget	8/31/2017	Prior Year	From Projection	Budget
	8/31/2016	8/31/2017	8/31/2017	Actual		
Revenues						
Current Endowment Gifts	\$44,550.00	\$333,333.30	\$1,208,068.05	\$1,163,518.05	\$874,734.75	\$2,000,000.00
Total Revenues	\$44,550.00	\$333,333.30	\$1,208,068.05	\$1,163,518.05	\$874,734.75	\$2,000,000.00

UNAUDITED

ADVANCEMENT INTERNAL REPORTING

FY18 Year-to-Date Fundraising

University of North Carolina School of the Arts						
Temporarily Restricted						
	Y-T-D Prior Year Actual 8/31/2016	Y-T-D Budget 8/31/2017	Y-T-D Actual 8/31/2017	Variance from Prior Year Actual	Variance From Projection	FY 2018 Budget
Revenues						
Gifts and Grants - Gifts in Kind	\$48,658.00	\$0.00	\$0.00	(\$48,658.00)	\$0.00	\$0.00
Total Revenues	\$48,658.00	\$0.00	\$0.00	(\$48,658.00)	\$0.00	\$0.00

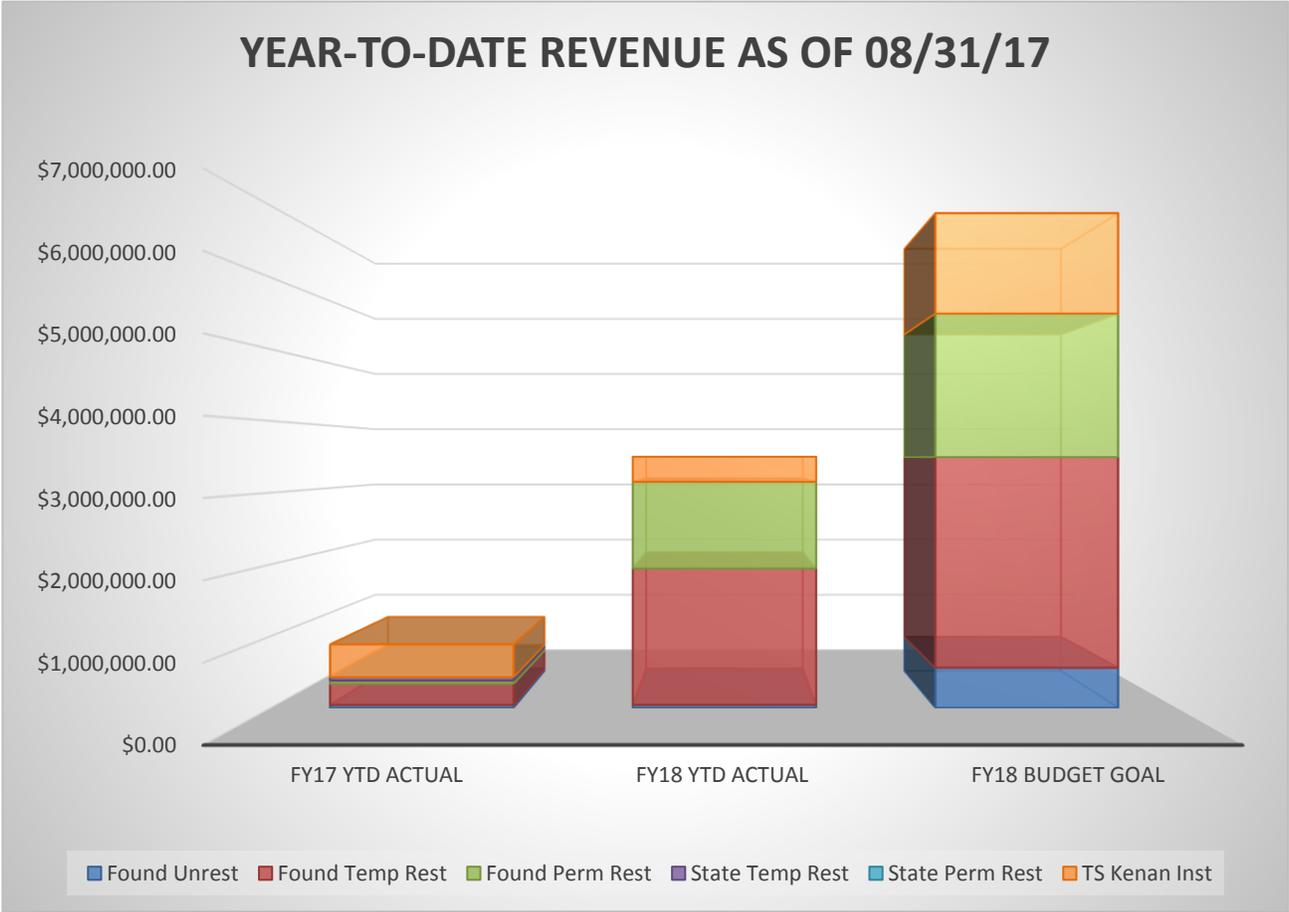
University of North Carolina School of the Arts						
Permanently Restricted						
	Y-T-D Prior Year Actual 8/31/2016	Y-T-D Budget 8/31/2017	Y-T-D Actual 8/31/2017	Variance from Prior Year Actual	Variance From Projection	FY 2018 Budget
Revenues						
Current Endowment Gifts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

University of North Carolina School of the Arts						
Thomas S. Kenan Institute for the Arts						
	Y-T-D Prior Year Actual 8/31/2016	Y-T-D Budget 8/31/2017	Y-T-D Actual 8/31/2017	Variance from Prior Year Actual	Variance From Projection	FY 2018 Budget
Revenues						
Gifts and Grants	\$456,250.00	\$350,000.00	\$350,000.00	(\$106,250.00)	\$0.00	\$1,400,000.00
Miscellaneous income	\$50.00	\$0.00	\$0.00	(\$50.00)	\$0.00	\$0.00
Total Revenues	\$456,300.00	\$350,000.00	\$350,000.00	(\$106,300.00)	\$0.00	\$1,400,000.00

UNAUDITED

ADVANCEMENT INTERNAL REPORTING

FY18 Year-to-Date Fundraising



UNAUDITED

UNIVERSITY OF NORTH CAROLINA
SCHOOL OF THE ARTS

Chancellor's UNCOSA Foundation Discretionary Account and the
UNCOSA Foundation Advancement Division Operating Account

The UNCOSA Board of Trustees recognizes the need for the Chancellor and the Advancement Division to have access to foundation funds to be able to support the activities of their offices and of the school, as well as to be able to actively engage in donor cultivation, entertainment, media exposure and promotion, alumni activities, and fund raising activities. To be able to appropriately accomplish these goals, the Board of Trustees agrees that the types of expenditures outlined below are appropriate and proper. This list should not be viewed as all-inclusive or restricted to these items. It is also understood that appropriate documentation will accompany each request for reimbursement.

- Supplies, materials and equipment for the Chancellor's Office, the Development Office or the Chancellor's residence.
- The use of contract employees or specialty vendors to be able to accomplish the goals and objectives of either office.
- Expenses that provide direct support to any of the five arts schools, high school or undergraduate studies.
- Moving expenses for various senior officers or deans.
- Entertainment expenses associated with fund raising, direct donor cultivation, official UNCOSA activities, alumni activities and public relations. These would include, but are not restricted to, events for donors, prospective donors, alumni, public relation activities, Board of Trustee events, Board of Visitor events, UNC Board of Governors, events for elected officials, community service events, economic development events, performance events, etc.
- Spousal/Partner/Significant other travel when accompanying the Chancellor on official UNCOSA business.
- Food, lodging and/or travel for UNCOSA employees and nonemployees while participating in meetings or in the conduct of official UNCOSA business whether in town or out of town. This would include breakfast, lunch and dinner meetings that are held for the purposes of conducting official UNCOSA business.
- Travel activities for either office when state funds are not available or appropriate. This would include such travel as rental cars, air flight (first class, business class or coach) or other modes of transportation deemed necessary in the performance of the duties of either office.
- The purchase and serving of alcohol when appropriate.
- The purchase of tickets for theatrical and musical events.
- Membership dues to a designated country club, rotary club, fitness club, etc.

September 22, 2017

Michael Tiemann
Chairman, UNCOSA Board of Trustees

Date

UNIVERSITY OF NORTH CAROLINA
SCHOOL OF THE ARTS

Thomas S. Kenan Institute for the Arts Operating Fund

History: The Thomas S. Kenan Institute for the Arts was established in 1993 to strengthen the arts by initiating and incubating new ideas within the various constituencies and setting of the University of North Carolina School of the Arts (UNCSA). By using the extraordinary talents and creative energies of students, faculty, alumni, and staff to bring distinction to the University, the Kenan Institute acts as a springboard to the wider creative community. For twenty years, the Kenan Institute for the Arts has received generous and consistent support from the William R. Kenan, Jr. Fund for the Arts, which was established by the Trustees of the William R. Kenan, Jr. Charitable Trust in 1992. In particular, Frank Hawkins Kenan, who served on the original UNCSA Foundation Board, was instrumental in founding the Institute. The Institute was named in honor of his son, Thomas S. Kenan III, in recognition of his thirty-five year association with the school; where he served on the Foundation Board, Board of Trustees, Board of Visitors, Giannini Society, and International Music Program staff. Originally, the Kenan Institute for the Arts housed their funds with UNCSA. Then in 2012, they transferred their operating funds to the UNCSA Foundation.

The Spending Policy on the Use of Thomas S. Kenan Institute for the Arts Funds ensures the Kenan Institute can carry out its mission effectively and that sound fiscal and legal spending practices exist to govern the expenditures of these funds. All expenditures of the Kenan Institute funds must comply with donor restrictions and any tax or other applicable federal and state regulations. The funds are supervised by the Institute Executive Director in consultation with the UNCSA Chancellor and Provost. All expenditures must be approved in writing by the Institute Executive Director, who is responsible for ensuring that expenditures fall within the approved budget. For any reimbursement requests, the current policy states if the Institute Executive Director is unavailable, the UNCSA Chancellor or Chief Operating Officer may sign requests. Due to the UNCSA Chancellor's reorganization of his Cabinet that eliminated the position of Chief Operating Officer, the Chief Financial Officer should replace the COO where named in the policy. The Spending Policy is attached.

The UNCSA Board of Trustees recognizes the need for the Thomas S. Kenan Institute for the Arts to house their operating funds with the UNCSA Foundation in order to support the activities of their offices and of the school. The UNCSA Foundation has closely mirrored UNCSA's Spending Policies and operates using sound fiscal controls that minimizes risk for the Foundation and the School. Therefore, upon the recommendation of the Chancellor, the UNCSA Board of Trustees gives fiduciary authority to the UNCSA Foundation Board of Trustees for the Thomas S. Kenan Institute for the Arts operating funds as defined in the Spending Policy for the use of Thomas S. Kenan Institute of the Arts funds.

September 22, 2017

Michael Tiemann
Chairman, UNCSA Board of Trustees

Date



Policy on the Use of Thomas S. Kenan Institute for the Arts Funds

I. Background and Purpose

The Thomas S. Kenan Institute for the Arts (TSK Institute) was established at the North Carolina School of the Arts in 1993. Its mission is to build creative community through partnerships to support creative projects, many of which are associated with the University of North Carolina School of the Arts (UNCSA). The Institute has a professional staff of five, including an executive director, all of whom are UNCSA employees. Its operations are funded by an annual grant from the William Rand Kenan, Jr. Fund for the Arts, supplemented by additional grants, as well as contributed and earned income. These funds are intended to cover all costs of the TSK Institute; state funds are not to be used. The annual budget for expending these funds is created by TSK Institute staff and must be recommended first by the TSK Institute Board of Advisors and then approved by the Board of the William Rand Kenan, Jr. Fund for the Arts before any expenditure is made. The TSK Institute Board of Advisors is elected by the UNCSA Board of Trustees; the Board is chaired by the UNCSA Chancellor, or the Chancellor's designee. The TSK Institute Board of Advisors is governed by its mission, by-laws and policies.

The TSK Institute spending policy ensures that the TSK Institute can carry out its mission effectively and that sound fiscal and legal spending practices exist to govern the expenditures of these funds. All expenditures of TSK Institute funds must comply with donor intent and restrictions, as well as any tax or other applicable federal and state regulations.

II. Definition

The annual grant from the William Rand Kenan, Jr. Fund for the Arts is restricted to the administration and programs of the TSK Institute reflected in the approved budget. Additional funds may come from grants, contributed and earned income restricted to one or more programs of the Institute.

TSK funds are held in the UNCSA Foundation account and supervised by the Institute Executive Director in consultation with the UNCSA Chancellor and Provost. All expenditures must be approved in writing by the TSK Institute Executive Director, who is responsible for ensuring that expenditures fall within the approved budget. All expenditures must be accompanied by appropriate documentation, including receipts, date of activities, location, and names of persons involved. For any reimbursement requests, if the Executive Director is unavailable, the Chancellor or Chief Financial Officer may sign a request as long as the reimbursement is not for them. The Executive Director's reimbursements must be approved by the UNCSA Chancellor or Chief Financial Officer.

Approved by TSK Institute Board of Advisors
Revised by AB 04/29/2008
Draft Revision by UNCSA-EC and Kenan ED 10-29-13
Revision Approved by TSKIA BOA 11-08-13
Revised by TSK AD and ED 11-1-16 and 3-3-17

May 16, 2006

III. Program Expenses

The TSK Institute is charged with conceiving, planning and producing a wide variety of events, programs, publications and media involving the stakeholders associated with the strategic mission of the TSK Institute at UNCSCA and among its strategic partners. The expenses for its annual programming are vetted and approved by UNCSCA's Chancellor and the TSK Board of Advisors, annually; as well as its funders. As part of its annual programming budget, TSK Institute pays wages, fees for services, as well as buys supplies and equipment necessary for the execution of their programming.

In addition, TSK Institute may pay or reimburse for the following permitted expenditures.

IV. Permitted Expenditures

A. Travel

The TSK Institute will pay the current state rate for reimbursement of mileage for use of a personal vehicle, car rental and economy airfare for air travel. TSK Institute may reimburse "economy plus" air fare for trips over four hours, TSK Institute may pay for business/first class airfare if required by a guest artist or required because of reasonable accommodations for a disability. The TSK Institute will reimburse travel for its staff, Board of Advisors, guest artists, program staff (including temporary and contracted employees), candidates for employment as Executive Director, and others deemed as appropriate by the Executive Director. Some projects may require international travel for TSK Institute staff, project leaders, participants, and Board of Advisors. The TSK Institute Executive Director may use his/her discretion to reimburse business class travel for international trips.

B. Meals and Lodging

Generally, TSK Institute will pay the current state rate *per diem* for meals and lodging for travel on TSK Institute business. TSK Institute will pay all reasonable and appropriate meals and lodging costs for Board of Advisors events, entertaining donors, foundation or business representatives, or social events related to TSK Institute programs. The Executive Director may use his/her discretion in approving travel costs that exceed the state rate. Approved expenses incurred by the Board of Advisors, individuals working on TSK Institute projects, and TSK Institute staff will be reimbursed upon submission of receipts to the TSK Institute office. The TSK Institute Executive Director may at times approve costs for working lunches for TSK Institute staff, TSK Institute Board of Advisors, UNCSCA faculty and administration working on behalf of TSK Institute, retreats for staff and/or Board of Advisors, and committees working on TSK projects. Based on the location and timing of programmatic work of the Institute, it may become necessary to obtain lodging in a privately owned house, condominium or

Approved by TSK Institute Board of Advisors
Revised by AB 04/29/2008
Draft Revision by UNCSCA-EC and Kenan ED 10-29-13
Revision Approved by TSKIA BOA 11-08-13
Revised by TSK AD and ED 11-1-16 and 3-3-17

May 16, 2006

apartment to house guest artists, project directors/managers, staff and other participants who are in the process of implementing and completing project work. At the Executive Director's discretion, TSKIA can engage a third-party lodging service (including but not limited to online services) to obtain and process lodging as needed for participants in Institute related programs and projects.

C. Alcoholic Beverages

The TSK Institute will pay for alcoholic beverages for events associated with Board of Advisors events, entertaining donors, foundation or business representatives, or social events related to TSK Institute projects. All use of TSK Institute funds for this purpose must abide by laws ensuring that minors are not consuming alcoholic beverages and that appropriate permissions have been granted to serve alcoholic beverages. The TSK Institute will follow the UNCOSA policy on the use of alcoholic beverages at school events.

D. Personal Support

The TSK Institute will not provide funds for personal support such as clothing, household items, or medical or personal services such as massages, cosmetics, or hair care, except as necessary to an approved program. Other exceptions are furniture and household items for the TSK Institute offices, artwork for offices or common areas, or items associated with a project that are necessary to the integrity of that event.

E. Registrations for Conferences, Meetings, Special Events

The TSK Institute will pay for staff to attend conferences related to programs, professional development or peer associations, within the constraints of the approved budget. Optional conference events related to TSK Institute business such as tours and arts events can also be included within reasonable limits.

F. Tickets and other Admission Costs

The TSK Institute will pay the admission cost for performances associated with entertaining the Board of Advisors, donors or potential program partners and funders. Likewise, tickets costs related to TSK Institute programs and TSK Institute strategic mission are legitimate costs. The Executive Director may use his/her discretion in approving ticket and other admission costs for spouses/partners of TSK Institute staff, UNCOSA faculty and administration, Board of Advisors, donors or potential program partners.

G. Flowers and Gifts

Approved by TSK Institute Board of Advisors
Revised by AB 04/29/2008
Draft Revision by UNCOSA-EC and Kenan ED 10-29-13
Revision Approved by TSKIA BOA 11-08-13
Revised by TSK AD and ED 11-1-16 and 3-3-17

May 16, 2006

TSK Institute funds at the Executive Director's discretion may be used to purchase the following items including but not limited to get well gifts, retirement gifts, thank-you gifts, holiday gifts or flowers for staff, guest artists, project managers, program partners and donors as well as flowers and decorations for events.

H. Club Memberships

Club memberships for the purpose of entertaining donors and UNCOSA guests are permissible, subject to approval by the TSK Institute Board of Advisors.

I. Moving Expenses

TSK Institute funds may be used to cover moving expenses for new TSK Institute EPA employees as a part of the initial offer of employment. Requests for the use of such funds must be approved by the UNCOSA Chancellor or Chief Financial Officer.

J. Donations or Contributions

TSK Institute funds cannot be used to make political contributions. TSK Institute funds may be used to make contributions to non-profit organizations if the contribution is related to the work of the Institute, including but not limited to, the purchase of a table at a fundraising event or the purchase of advertising space in a program, brochure, or newsletter that promotes the Institute or one of its projects is allowable. TSK Institute funds may be used for a donation to a non-profit or charitable organization in lieu of flowers (for a death or serious illness, for example).

The TSK Institute will re-grant funds to other non-profit organizations for purposes designated in a project proposal which has been recommended by the Board of Advisors and approved by the William Rand Kenan, Jr. Fund for the Arts. In such cases, TSK Institute staff will follow its re-granting guidelines.

K. Spouse/Partner Expenses (travel, meals, other)

There are events for which the Executive Director's spouse may be an important contributor and in such cases the Institute will cover all travel and meal expenses for the executive director's spouse, with prior approval by the Chancellor or Chief Financial Officer. Under special circumstances and with the prior approval of the Chancellor, TSK Institute may also cover the appropriate travel costs for the spouse/significant other of the Board of Advisors or other school employees. It is often appropriate to invite spouses/significant others of UNCOSA employees to dinners related to TSK Institute programs and in such cases, TSK Institute will pay for those meals.

L. Salaries, Salary Supplements

Approved by TSK Institute Board of Advisors
Revised by AB 04/29/2008
Draft Revision by UNCOSA-EC and Kenan ED 10-29-13
Revision Approved by TSKIA BOA 11-08-13
Revised by TSK AD and ED 11-1-16 and 3-3-17

May 16, 2006

TSK Institute funds may be used to pay salaries and supplemental payments for its staff and for UNCSA employees engaged in work related to TSK Institute programs, provided that compensation is established by the school according to salary administration policies created by the Office of State Personnel for SPA employees and according to the Board of Governors' annual resolution on salary matters for faculty and non-faculty EPA employees. In the case of supplemental payments to UNCSA employees, TSK Institute will follow its faculty/staff compensation guidelines.

M. Scholarships

TSK Institute funds are not to be used to support UNCSA student scholarships. The exception is a contribution to an UNCSA scholarship fund in honor of a departing colleague, as a memorial, or in other special circumstances.

N. Building, Equipment, Renovations, Repairs

TSK Institute funds may be used for the purchase of equipment and for repair and renovations of TSK Institute office equipment and building.

O. Petty Cash

The TSK Institute can maintain a petty cash fund of \$300 for the purposes of covering minor purchases (under \$30 per transaction) by staff and/or project leaders upon submission of an original receipt. The Executive Director reserves the right to decline reimbursement for any expense deemed inconsistent with TSK Institute's mission. Petty cash will be kept in a locked box, bolted within a desk.

P. Expenditures not Allowable

TSK Institute funds may not be used to pay for memberships in non-job related professional societies, air travel clubs, health club memberships, or hotel amenities such as movies. Funds may not be used for the payment of fines or parking tickets.

V. Approvals

Both the UNCSA Foundation and UNCSA's Financial Services may receive and account for TSK Institute's funds on their behalf, depending on their source. All funds, including administrative and program costs, disbursed from the TSK Institute must have the written approval of the Executive Director, or in his/her absence or circumstances noted above, the approval of UNCSA Chancellor or its Chief Financial Officer.

If at any time the UNCSA Foundation or UNCSA Controller or an Advisory Board Member believes that an individual is abusing this privilege, he or she shall inform the Chancellor or Chief Financial Officer. If the circumstance involves the Chancellor serving or chair of the

Approved by TSK Institute Board of Advisors

May 16, 2006

Revised by AB 04/29/2008

Draft Revision by UNCSA-EC and Kenan ED 10-29-13

Revision Approved by TSKIA BOA 11-08-13

Revised by TSK AD and ED 11-1-16 and 3-3-17

advisory board, the vice-chair of the TSK Institute Board of Advisors shall contact the chair of the UNCSEA Board of Trustees.

Approved by TSK Institute Board of Advisors
Revised by AB 04/29/2008
Draft Revision by UNCSEA-EC and Kenan ED 10-29-13
Revision Approved by TSKIA BOA 11-08-13
Revised by TSK AD and ED 11-1-16 and 3-3-17

May 16, 2006

Fall 2017 - Key Events

September 2017

- 6 Associates' 40th Anniversary Fall Kickoff and Freshman Drama Monologues
- 11 Board of Visitors New Member Orientation and Reception**
- 16 Drama Senior Cabaret Pre-Show Donor Reception, hosted by Carl Bryant,
Drama Senior Class President
- 21-22 Board of Trustees Meeting
- 21 Chancellor's Circle Dinner and Symphony Rehearsal**
- 23 Family Fun Farm Day (Hosted by Board of Visitors Alumni Committee)**
- 26 Giannini Society Pre-Show Reception & Fall Dance Performance**

October 2017

- 5 Board of Visitors Welcome Reception**
- 6 Board of Visitors Fall Meeting**
- 6-10 Fall Break
- 20-21 Family Weekend
- 20 Parent Support Organization Meeting
- 20 Drama Dean's Council Dinner & Middletown Performance**
- 21 Parents' Breakfast**
- 26-27 Kenan Board Meeting on campus
- 26 Kenan Fellowship Convening

November 2017

- 8 Guest Artist Luncheon ft. Warren Jones**
- 9 Women's Fund Luncheon (UNCOSA has a table)**
- 9 Hamlin Benefit & *Company* Performance**
- 15 Giannini Society TED Talk by Brian Cole**
- 18 Music Dean's Council dinner and *Collage* Concert**
- 24-12/24 Drama students perform w/ Triad Stage *A Christmas Carol*, Hanesbrands

December 2017

- 4-15 Intensive Arts
- 1-24 Drama students perform w/ Triad Stage *A Christmas Carol*, Hanesbrands
- 7-8 Board of Trustees Meeting
- 8 *The Nutcracker* Opening Night Reception & Performance**

*Items in BOLD are Advancement/Donor Events.