

Connecticut State University System

BR#98-49



RESOLUTION

concerning

INSTITUTIONAL ADVANCEMENT

July 17, 1998

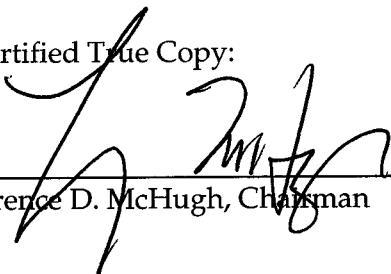
- WHEREAS, The Board of Trustees for the Connecticut State University System is committed to the significant expansion of endowments in order to benefit the students of the Connecticut State University System, and
- WHEREAS, The General Assembly has enacted and the Governor has signed legislation creating a permanent endowment fund for the Connecticut State University System and providing a matching state grant for contributions of as much as \$120 million made to the endowment funds of the System during the next ten years (P.A. 97-293), and
- WHEREAS, The Board of Trustees has adopted policy guidelines required for the implementation of this legislation (BR # 97-70), and
- WHEREAS, The Board of Trustees has received a consultant's report evaluating the institutional advancement function and providing general suggestions for improvement of that function, and
- WHEREAS, The Connecticut State University System is currently implementing an administrative software product which provides for the sophisticated use of alumni and development information, and
- WHEREAS, The universities and the system office are currently developing individual plans for institutional advancement which will be submitted to the Board of Trustees at its October 1998 meeting, and
- WHEREAS, In conjunction with the implementation of the institutional advancement plan submitted by each university, each university may reallocate administrative functions, within existing staffing levels, to enable the President to devote additional time to institutional advancement, therefore be it

RESOLVED, That, upon acceptance of the institutional advancement plan submitted by each university and the system office at the October 1998 meeting of the Board, the university or system office is authorized, in accordance with that plan, to expend specific amounts from its fund balance to support personnel to implement its plan, during a period of three years commencing in FY 1998-99, even though such expenditures may cause the fund balance to become less than required by Board policy as set out in BR 97-59, and be it further

RESOLVED, That, to enhance the institutional advancement efforts by each university and the system office, the university or system office is authorized, in accordance with that plan, to provide to its president and the chancellor an annual unvouchered development expense fund in the amount of \$15,000, from its operating fund, to be used at the sole discretion of the president or chancellor.

A Certified True Copy:

Lawrence D. McHugh, Chairman



ITEM

Institutional Advancement

BACKGROUND

For several years, the Board of Trustees has emphasized the necessity of increasing the endowments of foundations associated with the universities of the CSU System. As has been the case at other public universities throughout the nation, using contributions from the private sector to build endowments would increase fiscal stability, by supplementing appropriations from the state and tuition and fees paid by students. The focused strategic plans of the universities and the system have accordingly incorporated institutional advancement – fund-raising, alumni and development – as priority objectives.

In July of 1997, the General Assembly enacted and the Governor signed legislation (P.A. 97-293) creating a permanent endowment fund for the Connecticut State University System. This legislation also provides for a 1:2 matching state grant for endowment funds from private contributions; over a 10 year period, the state will appropriate \$60 million if CSU universities raise \$120 million. In October of 1997, the Board of Trustees adopted policy guidelines (BR #97-70) required to implement this legislation.

ANALYSIS

In December of 1996, the Board of Trustees received a report from the consulting firm of Grenzebach, Glier and Associates which evaluated the institutional advancement function throughout the system and provided general suggestions for improvement of that function. Building on the general overview of that first report, the universities and the System Office are each currently developing a multi-year specific plan which will gradually bring on line a full-scale development effort. These plans will be presented to the Board of Trustees for acceptance at its October 1998 meeting. In addition, the System is currently implementing Banner 2000, an integrated software product which provides for the sophisticated use of alumni and development information.

The development plans will provide for the allocation of specific amounts from each university's reserves for a period of three years beginning in FY1998-99, to fund personnel additions to current staff in order to implement its plan. It is recommended that these fund balance expenditures be undertaken, even though they may cause fund balances to fall below the guidelines required by Board policy (BR #97-59).

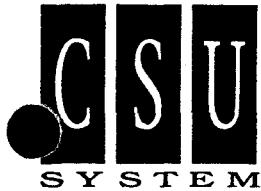
Grenzebach and Glier have recommended that a significant portion of the time of the university presidents be devoted to development. Accordingly, each university may reallocate administrative functions to create an executive level position to back up the president in the day-to-day operations of the university, without increasing overall staff levels. The position would be funded in the spending plans of each university.

In order to implement the mandate of the Board of Trustees to increase endowments from contributions from the private sector, and to realize the best return from the expansion of development staff and the investment of the president's time and effort, it is recommended that the universities invest sufficient funds to ensure that discussions with potential donors occur in an appropriate atmosphere conducive to giving. In view of the fact that the System does not provide homes for the presidents, it is recommended that the universities and the system office provide their respective presidents and the chancellor with an annual unvouchedered development expense fund in the amount of \$15,000, to permit advancement activities to occur in a congenial setting chosen by that officer, such as the home of the president or an appropriate club. To provide flexibility, this annual sum is authorized to be used at the sole discretion of the president or chancellor for any goods or services. It would be subject to all normal withholding, with the payments treated as ordinary income, but it would not be considered as part of base salary for the purpose of computing compensation increases. This amount would come from operating funds of the respective unit.

This policy would provide a foundation for institutional advancement analogous to the support provided the chief executive officers of other public and private universities and colleges. The development staff of most colleges and universities is far larger than funding within the CSU System, even as authorized by this policy, will permit. The University of Connecticut provides a formal home, a housing allowance, and club memberships to its president, as well as a substantial salary. Private colleges and universities in Connecticut also provide homes or housing allowances for their presidents, in addition to substantial salary and benefit packages.

RECOMMENDATION

Approval of the policy concerning Institutional Advancement.



Connecticut State University System



file w/reco

TO: Vice Presidents for Finance and Administration

Frank Resnick - CCSU
James Blake - SCSU

Dennis Hannon - ECSU
Rich Sullivan - WCSU

Chief Personnel Officers:

Donna Munroe - CCSU
David Pedersen - SCSU

Michael Pernal - ECSU
Charles Spiridon - WCSU

FROM: Pamela J. Kedderis *qu*
Interim Chief Financial Officer

Laurie G. Malinosky *LM*
Associate for Personnel and Labor Relations

DATE: August 31, 1998

SUBJECT: Implementation of Unvouchedered Development Expense Fund

On July 17, 1998, the Board of Trustees approved a Resolution concerning Institutional Advancement (BR#98-49), authorizing the university or System Office to provide its president and the chancellor an annual unvouchedered development expense fund in the amount of \$15,000, from its operating fund.

The expense fund payments will be made through the payroll and are for use at the sole discretion of the president or chancellor. The annual effective date will be the first day of the first pay period of the fiscal year. This year the effective date is 7/3/98 and a retroactive payment should be processed for check date 9/11/98. (Therefore, this payment must be processed by September 1). The \$15,000 fund will be evenly divided by the number of pay checks for the year (this year, \$15,000 / 26 pay periods = \$576.92 per pay period).

These additional funds will be fully taxable and subject to fringe benefit calculation and will be credited towards retirement. A new DOE has been created for the development expense fund payments. Payroll should assign these payments to DOE 0A (zero A). This needs to be entered manually each pay period, using Screen K 'Other Earnings' on the PPS system.

Please report these payments on the next CSU-1 form to be submitted on 9/11/98 as a "Miscellaneous Item: Development Expense Fund Payment." The entry will show the salary of the presidents and chancellor increasing annually by \$15,000.

Annual salary increases for the presidents and chancellor will continue to be calculated pursuant to BR#96-38. Accordingly, the development expense fund will not be included in the base salary when calculating annual increases.

The \$15,000 development expense fund will need to be included in your budget each fiscal year.

If you have any questions concerning this matter, please feel free to contact us. Thank you.

cc: W. Cibes
 Y. Thiesfield
 E. Marquez
 R. Espinoza
 M. Boilard
 B. Keough
 J. Berkett
 L. Brule