



FRIENDS OF UNIVERSITY OF GUELPH

Board of Directors Annual Meeting Minutes April 24, 2023, via Zoom at 9:30 am (ET)

Board Members:

Present: Rod Jendrysik - President
Bert Mitchell - Vice President
Christopher Naese - Treasurer
Janet Bumstead
Lorne Pollard
Don Watt
Derin Denham

Absent: None

Others Present:

Duncan Malcolm, Director, Advancement Services, University of Guelph
Frances Houston, Director of Alumni and Annual Giving,
University of Guelph
Lauren Hanlon, Associate Director, Financial Services, University of Guelph
Sheila Oakley, Executive Assistant, Advancement Services, University of Guelph
Dr. Peter Ryan – Alumnus

PROCEEDINGS

Meeting called to order at 10:03am by President, Rod Jendrysik.

APPROVAL OF THE AGENDA

R. Jendrysik called for acceptance of the agenda as presented.
Don Watt moved to accept, and Lorne Pollard seconded.

**Motion approved unanimously
Carried**

APPROVAL OF THE PREVIOUS MINUTES

R. Jendrysik called for acceptance of the March 25th, 2022, meeting minutes
Don Watt moved to accept, and Chris Naese seconded.

**Motion approved unanimously
Carried**

GREETING AND UPDATE FROM UNIVERSITY OF GUELPH

Duncan Malcolm, Director, Advancement Services brought greetings on behalf of the University of Guelph and shared a PowerPoint presentation. Highlights of the slides are as follows:

- Changes on the AA&D Team over the last few years
- Better Planet Project - Successfully completed comprehensive fundraising campaign to raise \$203 million
- After campaign – campaign fatigue
- How to foster a culture of Value Creation; we made a lot of changes – cultural/structural and have some good results in fundraising
- We have maintained a positive trajectory with commensurate results

University of Guelph Strategic Plan: Our Time

The next part of the journey is finding ways that AA&D can support the ‘Our Time’ plan, highlights of which follow:

- We are working on a process to capture new, inspirational fundraising priorities that are directly aligned with the priorities and goals
- Our next opportunity is to assess our campaign readiness and determine whether to campaign. If we do, should we select mini campaigns or a comprehensive campaign?
- Currently seeking campaign readiness experts to provide an objective review of our operation
- Principal Giving and big audacious fundraising ideas/opportunities
- Some of the largest donations have come from organizations partnering together to solve a problem (\$130 million gift to create Ted Rogers Centre for Heart Research, University Health Network, U of T, SickKids)

Legacy Giving

- Over the past 5 years, we have seen a steep increase in the amount of revenue raised from estate gifts. Estate gifts (“legacy giving”) are philanthropic donations that are made through a provision in a donor Will
- Over the past 5 years, we have raised \$36.2M
- This year, we have already surpassed our \$6.5M goal, currently sitting at just over \$7M
- It is an area of significant growth and opportunity for the Institution. Most of the gifts received have been dedicated to the OVC, specifically Pet Trust. We are focusing on expanding this to other areas.
- An excellent opportunity lies ahead in OAC 150th Anniversary; one idea is the challenge of “150 for 150” – 150 new confirmed bequests for 150 years.

Donors and Dollars Facts

- # of donors is on the decline over the past 5 years, from ~12,000 to ~11,000
- We had an uptick of donors during the pandemic (more donors responding to urgent need requests), but the overarching trend is more money from less donors.
- This is not a unique situation for our university. It is a sector-wide trend that we are cognizant of, and we continue to review where best to put our efforts for the greatest impact.
- The average value of gifts is increasing from a fewer number of donors.

Budget and Government Funding Reduction Impact

- Challenging times exist currently from a funding and budget perspective. For context, in fiscal 2018, the university had a budget surplus of about \$62 million. Last fiscal (2022), that became a deficit of about \$34 million
- The Province froze tuition increases, which previously were capped at 3% per year.
- In Fiscal 2019, we implemented a 10% tuition cut on domestic tuitions
- COVID brought significant impacts in terms of increasing costs and decreasing some revenue sources by shifting to fully remote learning
- Most Ontario universities are experiencing budget challenges to varying degrees
- To address the structural deficit, the University is creating a new budget model (an activity-based model, which is about having centers of revenue and centers of shared cost services)
- An operational review by KPMG has been approved to review selected areas within the university administration, primarily procurement and finance, operations, student services and also some core administrative services. Efficiencies and effectiveness gains will be explored.
- The last step is an academic review, looking at the course offerings and enrollment. A recent announcement paused increasing the number of courses (doesn't mean that courses are going to be cut). Recent success in the hospitality, food and tourism management area resulted through a pause and review. Subsequent changes made to some of those courses has improved enrollment substantially

Frances Houston, Director Alumni & Annual Giving gave an update on Alumni Engagement

- In terms of alumni and their location relative to U of G: of our 193,000 alumni, 139,000 live in Ontario and so our outreach has historically been local with focus on key areas such as Toronto.
- Of 6,000 alumni living abroad, 4,600 are located in the United States.
- Based on our geographic distribution, our engagement and fundraising focus has been mainly in Ontario. With the University's priority for achieving global impact, we are determining how best to broaden our international outreach.
- Currently, our greatest cohort of alumni are between the ages of 25-44. It's important we understand the age and stage of our stakeholders to ensure that we are speaking to them in a way that makes sense for where they are in life. We aim to remain relevant to them so that when they have additional time and space in their volunteer time and budgets, they think of us
- We have spent the last two years reviewing the team and how it functions. As a result, we've moved the Students and Young Alumni role underneath engagement and removed fundraising responsibilities from that role. It will now be focused exclusively on engagement and sponsorship to support that. Unfortunately, due to budget constraints, we were unable to make permanent the Reunion Coordinator position. This work has been moved into the Events Coordinator role as well as the Associate Director role. We are currently in the process of reallocating budget to form a new position to focus on engagement in alignment with the strategic plan, including focusing on alumni volunteerism to aid recruitment in international priority zones.
- We will be finalizing a multi-year engagement plan that will focus on building process and capacity over the next couple of years with an aim to increase engagement opportunities and benefits to alumni in the coming years, including career support activities.
- Within the plan, we will see greater alignment to university strategic plan priorities including internationalization, indigenization, equity, diversity and inclusion and revenue generation.
- Creating data infrastructure supports alumni volunteerism.

- The UGAA fiscal year has come to a close. In addition to their existing philanthropic gifts, they have responded to current need through supporting student mental health through two gifts, one to athletics and one to student wellness as well as offering a matching gift for Giving Tuesday. We had our largest Giving Tuesday results to date at over \$100,000 raised. The UGAA is currently in their nominations phase. Applications close in two weeks and a slate of directors will be recommended at the May board meeting and ratified at the AGM on June 23rd, the Friday of alumni weekend.

Questions/comments/actions:

- B. Mitchell– How do you set the next target given the provincial restraints?
- D. Malcolm - we are at 40 Million sustained but still work to do to reach 50 million sustained. Next part is through campaign readiness that will inform the case for support and what that campaign will actually look like. Further inputs are needed for target setting.

TREASURES REPORT

C. Naese, reviewed the 2022 reports and opened the opportunity for questions
 Balance sheet, yearend figure 20,593.44
 Started 2022 with 171,611.44 and transferred 151,018.00 over to the University.
 Income statement – Good amount of both individual and corporate donations that totaled 764,102.89 last year. 539,500.00 from individuals and the balance from corporate.
 Bank fees were noted at \$50 per international wire to the university.

Questions/comments/actions:

- B. Mitchell - How is recognition addressed, specifically for Edward Cameron?
- D. Malcom - That is determined with the donor on a case by case basis and what their gift agreement states in terms of recognition and what the donor would like to see from a recognition perspective. Sometimes it includes a naming , a chair or some kind of an event to announce the gift.

ACCEPTANCE OF GIFTS OF MARKETABLE SECURITIES POLICY

Defined policy for accepting gifts of marketable securities to the University and through Friends of Guelph being reviewed. The University Treasury department has a defined policy that reflects what the University does when they receive offers of gifts through marketable securities. There are provisions in the policy to look at situations such as shares of a private entity or things that are not typically accepted.

Questions/comments/actions:

- B. Mitchell – What is cost of security transfers? What are the fees charged?

Action –Lauren Halon to provide further details on the fee structure to be included in the meeting notes. This policy had been approved via e-mail, due to the new governance approach. Central finance team requires approval of the process here also.

Update on commission fees:

Stifel's fees depend on the type of security sold, but here are the examples they provided:
If you sold 500 shares of Intl Business Machines (IBM) at \$140.40 per share or \$70,200, the commission would be \$505.00 (0.72% of the principal).

If you sold 100 shares of IBM at \$140.40 the commission would be \$105.00 (0.75% of the principal).

Their published fee/commission structure is a range based on the type of security. For example:

1. Equity Securities

Equity securities represent an ownership interest in the issuing entity. Equity securities include common stock, American Depositary Receipts (ADRs), and closed-end mutual funds made up of pooled or collective investments. The firms are compensated for equity securities purchased or sold on a commission basis, depending upon the quantity of shares or units purchased or sold and their respective prices. The minimum commission is either 10% of principal or \$40, whichever is less. The maximum commission is intended to not exceed 10% of the principal amount, and the average commissions for these trades are usually proportionately less than the 5% regulatory guideline. Detailed information on commissions paid to the Firms is included on the specific trade confirmations you receive.

D. Watt moved to approve the process of Acceptance of Gifts of Marketable Securities Policy. R. Jendrysik seconded it.

**Motion approved unanimously
Carried**

REVIEW AND APPROVAL OF GRANT TRANSFERS TO THE UNIVERSITY OF GUELPH

This is a procedural aspect that had not been done formally done in the past and is something that is required. Duncan added the with the engagement of Chapel & York and review of our bylaws, a number of things came forward as best practice governance compliance, one of which is the formal approval of the grant transfers to the university.

C. Naese requested formal approval of the grant transfers that took place last year to the University.

D. Watt made the motion to approve, and B. Mitchell seconded it.

**Motion approved unanimously
Carried**

Questions/comments/actions:

L. Pollard – Commented the ability to convert securities through the University, through the Friends of Guelph was the driving force for going with Chapel and York.

Lauren Hanlon explained it is one of the reasons but also the primary purpose was to allow this group to have more sustainability and assistance particularly with the IRS filing and some of the bookkeeping associated with that. Also, providing Friends of Guelph with US governance requirements and filings and that it would all be consolidated under one third party. Approving this policy to be able to offer that was very important with Edward Cameron's gift and relationship. With the assistance of Chapel and York the processing of securities will be cleaner, makes financial sense with more professionalism and

credibility to future donors. L. Pollard asked, what other Canadian Universities do Chapel & York work with? D. Malcolm - he had been contacted as a reference for them. B. Mitchell added Queen's University is listed on their website.

REVIEW OF CONFLICT-OF-INTEREST POLICY:

Brought forward by Chapel & York as a best practice is to obtain Director insurance and also a conflict-of-interest policy and certification. Annual certification. U of G team would like to find out from the group if there are any questions or what support the board needs from the University of Guelph to move forward on these things.

Questions/comments/actions:

D. Watt commented, in the USA it is useful thing to have. C. Naese agreed that it is something the group should have.

B. Mitchell commented typically referred to as D&O insurance, US organizations and Canadian organizations have it for 2 million dollars. For protection of your board's volunteers' assets and in some cases the only way you can get volunteers.

Action: Duncan will help with getting quotes for the Director insurance. A request was made for a Sub Committee to be formed to give input into the quotes for the insurance before it comes to the board for approval.

Chapel and York can provide a template for the for the policy and the certificate for the conflict of interest certification. Duncan will start with Chapel & York for some recommendations for board insurance. The University will fill out the template for the insurance before sending it out to everyone for their review and input. B. Mitchell and C. Naese volunteered to be on the subcommittee and agreed to connect.

REVIEW US SANCTIONS AND ANTI-TERRORIST GUIDELINES

D. Watt had not reviewed the guidelines at the time of the meeting.

Action: Duncan to follow up with the group with an email acknowledgement that the guidelines have been read.

We have now received acknowledgement from all on record.

ELECTION / RE-ELECTION OF OFFICERS:

R. Jendrysik called for acceptance to re-elect the current officers. B. Mitchell called for motion to re-elect the current officers. D. Denham seconded it.

Officers:

Rod Jendrysik - President
Bert Mitchell - Vice President
Christopher Naese - Treasurer

**Motion approved unanimously
Carried**

OTHER BUSINESS

a) Old Business

B. Mitchell – Shared the two aspects of the bylaws, one being compliance with all laws which with the University, government and the consultants we are well taken care of. The second purpose of bylaws is having an outline of how we operate. Bert would like to share a draft of the bylaws with the members of the board to comment on the roles and responsibilities of directors; President, Vice president, Treasurer, Secretary. Being covered by the District of Columbia Corporation Act there are things that needed to be done in the operations as a result of that. Those thoughts will be shared with the board for comment. R. J Jendrysik agreed with the idea to share the bylaws with the board for comments and keep D. Malcom up to date.

b) New Business

R. J Jendrysik - Currently the university lists the address of Lorne Pollard's personal residence as the address for the 501C3. That needs to be changed and should this move over to the Treasurer?

L. Pollard voted to move it over to C. Naese.

Lauren Hanlon added Chris' address is used on the IRS filling. Currently she is looking to move that over to Chapel and York's New York office. This year will be the first year to use Chapel & York's' New York office as the main home address going forward. Until the account is transferred to a different bank other than BMO, there will still be a need to disclose to donors Chris's home address to send cheques. Once there is a new bank that Chapel & York, New York can receive cheques to, then we can move up publicly disclosing the address to that New York address where they can send cheques as well.

Bert Mitchell agreed with Lauren's comments and that is in compliance with the Nonprofit Corporation Act of DC.

L. Pollard asked if Chapel and York would become the official address for Friends University. Lauren confirmed.

R. Jendrysik confirmed all Alumni donations would be going to Chris for the short term. Lauren Confirmed.

L. Pollard inquired how long a period it will take to complete the transfer and whether it is worthwhile moving the address to Chris for that short period.

Lauren is hoping to have it done by the end of the summer. Chris is okay with how it is being done currently.

Bert Mitchell would like to see the minutes from the meeting as soon as possible.

S. Oakley has agreed to have them completed in one week.

c) Announcements. None

DATE OF NEXT MEETING: The date and location of the next meeting will be decided at a future date

ADJOURNMENT

J Jendrysik called for a motion to adjourn the meeting. The meeting was adjourned at 10:46am.

C. Naese moved to adjourn the meeting. B. Mitchell seconded it.

**Motion approved unanimously
Carried**

Minutes submitted by Sheila Oakley