

FINANCE COMMITTEE MEETING

Thursday, November 19, 2020 | 10:25 a.m. – 11:25 a.m.

#877-884-1929 | Code: 7795990

Agenda

- I. Call to Order
 - II. Roll Call
 - III. Conflict of Interest Disclosure
 - IV. Approval of Minutes
 - a. September 8, 2020, Finance Committee Meeting
 - V. Status of Action Items
 - a. Net Realized and Unrealized Gain on Investments
 - b. Task Force to assist Athletics
 - c. Presentation of Athletics Revenue Growth
 - VI. New Business
 - a. Unaudited Financial Statements at September 30, 2020
 - b. Budgetary Comparison at September 30, 2020
 - VII. Other Items
 - VIII. Adjournment
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FAMU Foundation, Inc.

Vision

To be a global leader in the transformation of lives, one scholar at a time.

Mission

We will assist the University in achieving its mission by raising and stewarding contributions through exceptional management, investment, and administration of assets received.

FLORIDA A&M UNIVERSITY FOUNDATION, INC.

Finance Committee

Status of Action Items

No.	Topic	Committee Liaison	Status
V.a.	<p>Staff will review the 2019 investments to determine \$4.7M gain from last year Net Realized and unrealized gain on investments.</p> <p>11/19/2020: Response from Commonfund provided.</p>	Shawnta Friday-Stroud Juanita Johnson	Completed.
V.b.	<p>Director Whittley's interest in he and other Board members serving on a task force to assist Athletics.</p> <p>05/21/2020: Task force was not setup due to recent global health crisis. Once decision is made about restart of the FAMU Athletics program, the necessity of a Task Force will be discussed with the Executive Director and VP Gosha.</p> <p>11/19/2020: Task force is open to Board members willing to participate.</p>	Shawnta Friday-Stroud Juanita Johnson	Completed.
V.c.	<p>Director Crossman's request to review a simple presentation on Athletics' revenue growth plan, potential Foundation Board's assistance.</p> <p>05/21/2020: Similar response as action item 4, VP Gosha has initiated an aggressive fundraising plan for the Athletics Department; but the revenue growth plan of the Athletics budget is uncertain until more definitive plans are made to restore operations. Therefore, a presentation is not doable at this time.</p> <p>11/19/2020: Presentation by VP Kortne Gosha scheduled during Fall 2020 Finance Committee Virtual Meeting.</p>	Shawnta Friday-Stroud Juanita Johnson	Completed.

FINANCE COMMITTEE MINUTES

Florida A&M University Foundation Board of Directors

Tuesday, September 8, 2020 | 4 p.m. – 5 p.m.

Teleconference

Committee Members Present

Dir. Twuanna Munroe Ward, Chair
Dir. Kenneth Neighbors, Vice Chair
Dir. Hosetta Coleman
Dir. John Green

Dir. Monica Williams Harris
Dir. Thomas Jones, Jr.
Dir. Alan Robertson

Committee Members Not Present

Dir. John Crossman
Dir. Clifton Goins, IV
Dir. Laurence Humphries

Dir. Lenetra King
Dir. Tirrell D. Whittley

Guests Present

Dir. Chan Bryant Abney
Dir. Alfreda Blackshear
Dir. Shawnta Friday-Stroud
Dir. Jemal Gibson

Dir. Maurice Gilbert
Dir. Lisa LaBoo
Dir. Carmen Cummings Martin

Foundation Staff Present

Ms. Kim Hankerson
Ms. Juanita Johnson
Mrs. Gena Palmberg
Mrs. Audrey Simmons-Smith

Mr. Eric Swanigan
Mrs. Brandi Tatum-Fedrick
Ms. Angie Wiggins

Call to Order and Roll Call

The meeting was called to order at 4 p.m. EST by Chair Twuanna Munroe Ward. Ms. Angie Wiggins offered the roll call and determined a quorum was present.

Conflict of Interest Disclosure

Chair Munroe Ward requested that committee members disclose any conflict of interest with items on the agenda; none were acknowledged.

Approval of Minutes

May 21, 2020, Finance Committee Meeting

Director Kenneth Neighbors motioned for approval; seconded by Director Alan Robertson. The motion passed, unanimously.

Status of Action Items

a. Task Force to assist Athletics

Previously Director Tirrell Whittley inquired of the possibility of serving on a task force to assist Athletics. Today, Director Shawnta Friday-Stroud advised that due to the pandemic, the creation of a task force is on hold, but multiple Directors have been individually having discussions with and are working with Vice President Kortne Gosha.

b. Presentation of Athletics Revenue Growth

Previously, Director John Crossman requested to review a simple presentation on Athletics' revenue growth plan; potential Foundation Board's assistance. Director Friday-Stroud reported today that VP Gosha has initiated multiple fundraising projects and plans/revenue generating ideas. This endeavor is on hold until there is a better time to make a presentation due to the pandemic.

New Business

a. Unaudited Financial Statements as of June 30, 2020

Director Friday-Stroud stated that the Board received the unaudited Financial Statements of net position comparing 2018-2019 to 2019-2020. There have been some fluctuations around the assets with respect to what is occurring in the marketplace.

Regarding the comparisons of 2018-2019 to 2019-2020, the unaudited statements of revenues, expenses, and changes in net position, Director Friday-Stroud advised that the net position at this time is \$120M+ compared to \$123M last year. Again, changes in market fluctuation. Staff has minimized expenses to help offset the differences.

As it relates to the statement of cash flows, Director Friday-Stroud advised that the net change in cash has been for additional expenditures of the Foundation.

Director John Green inquired about the "net realized and unrealized gains on investments" (2019-20: \$756,858 and 2018-19: \$4,737,786). Staff will review the 2019 investments to determine what was the driver behind the increase from last year and will advise the Board what contributed to the \$4.7M gain.

b. Budgetary Comparison as of June 30, 2020

Director Friday-Stroud presented the comparison of the 2018-2019 year to 2019-2020. Additional expenditures were transferred to the University per the approved request from the FAMU Board of Trustees.

Other Items

None were presented.

Action Items

1. Staff to advise the Board what the contributing driver was behind the increase from last year that contributed to the \$4.7M gain.
2. Staff to revisit the items regarding Athletics once the climate is favorable.

Adjournment

The meeting was adjourned at 4:20 p.m. by Director Twuanna Munroe Ward.

Minutes Prepared By

Ms. Angie Wiggins



**FAMU Foundation Board of Directors
Fall 2020 Board Meeting**

Action Items

Finance Committee
V.a. ACTION ITEM
Response by Commonfund

The performance differential between FY 2019 and FY 2018 is due to two factors: market conditions and underlying fund underperformance across equities and fixed income.

1. Market conditions:

- FY2018 was a much stronger year than FY2019 for global equity markets

	FY 2018	FY 2019	<i>Difference</i>
MSCI ACWI	10.7%	5.7%	-5.0%
Policy Benchmark	6.8%	5.7%	-1.1%

- Due to the prevailing market environment, even if the FAMU portfolio had been passively invested, the FY2019 performance would have been less than FY2018.
- With that being said, the portfolio did underperform the policy benchmark, which exacerbated this YoY performance differential.

2. Underlying fund performance

	FY 2018	FY 2019
FAMU Portfolio	7.2%	5.0%
Policy Benchmark	6.8%	5.7%
<i>Difference</i>	<i>0.4%</i>	<i>-0.7%</i>

- The portfolio underperformance relative to the benchmark was largely due to exposure to small cap and value, both of which struggled during FY2019.