

Approved by the Board of Trustees
September 10, 2020

Board Meeting
September 10, 2020

ROLL CALL

APPROVE FISCAL YEAR 2021 SERVICES AND MANAGEMENT AGREEMENT FOR THE UNIVERSITY OF ILLINOIS FOUNDATION

Action: Approve Fiscal Year 2021 Services and Management Agreement for the University of Illinois Foundation

Funding: State Appropriated Funds and Institutional Funds

The Vice President/Chief Financial Officer recommends the renewal of the services and management agreement with the University of Illinois Foundation (“Foundation”) for Fiscal Year 2021. Since 1982, the Board of Trustees has designated the Foundation as a University-related organization and authorized basic service agreements for certain services. The award of this agreement is in accordance with the procedures of the Illinois Procurement Code, and the *University Guidelines* of the Legislative Audit Commission.

The agreement requires the Foundation to provide fund-raising services and other assistance to attract private gifts to support University programs. The Foundation agrees to accept and administer such gifts according to terms specified by the donor, to inform the University of all gifts received for the benefit of the University, and to apply the same in accord with the terms of the gift or, as in the case of all undesignated gifts, as the University may determine. The Foundation also will provide

management and supervisory services for the maintenance of donor records and alumni tracking on the Tracking and Engagement Database (TED). The Foundation will manage its endowment in a prudent manner; distribute returns earned by the endowment to university units as appropriate; and assesses an administrative fee to the endowment pool as a means to support fund-raising, administrative, and stewardship operations.

For Fiscal Year 2021 the University will provide direct support for the Foundation at an estimated total amount of \$8,020,200. This is an estimated amount; the exact amount may vary depending on actual costs incurred but not to exceed \$8,020,200. The support will be provided through payments to the Foundation during the course of the year based upon actual costs incurred and through funds allocated to the offices of development at the three universities. Certain routine business and financial services will be provided to the Foundation as needed. Also provided is the employer cost of benefits for university employees working for development offices at the three universities. State appropriated funds and institutional funds are available to support this agreement for Fiscal Year 2021. The Foundation shall provide regular budgetary, financial, and audit reports to the University and advise the University of key personnel changes. The Foundation shall provide regular updates on fundraising progress and strategic campaign initiatives. The University shall be notified of any changes in administrative and investment management fees and changes in endowment spending formulas.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes*, *The*

General Rules Concerning University Organization and Procedure, and Board of Trustees' policies and directives.

The President of the University concurs.