Approved by the Board of Trustees

September 21, 2023

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Board Meeting

September 21, 2023

ROLL CALL

APPROVE THE FISCAL YEAR 2024 SERVICES AND MANAGEMENT AGREEMENT FOR THE UNIVERSITY OF ILLINOIS FOUNDATION

**Action:** Approve Renewal of Services and Management Agreement

**Funding:** State Appropriated Funds and Institutional Funds

The vice president/chief financial officer and comptroller recommends renewing the services and management agreement with the University of Illinois Foundation (Foundation) for the Fiscal Year 2024. 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 fundraising services and other assistance to attract private gift funds 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 accordance with the terms of the gift or, as in the case of all undesignated gifts, as the University may determine. The Foundation will also provide management and supervisory services for maintaining donor records and alumni tracking on the Tracking and Engagement Database. The Foundation will prudently manage its endowment, distribute returns earned by the endowment to university units as appropriate, and assess an administrative fee to the endowment pool to support private gift fundraising, administrative, and stewardship operations.

The University will provide direct support for the Foundation at an estimated $8,261,000 for the Fiscal Year 2024. This is an estimated amount. The exact amount may vary depending on actual costs incurred but not exceed $8,261,000. The support will be provided through payments to the Foundation during the year based on actual expenses incurred and through funds allocated to the offices of development at the three universities. Specific 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. Management fees assessed to University gift accounts and State appropriated funds are available to support this agreement. 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 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 of Illinois System concurs.