

RESOLUTION F11-13

SHAWNEE STATE UNIVERSITY DEVELOPMENT FOUNDATION ADOPTION OF RESOLUTIONS 2013.3, 2013.4, 2013.5 AND 2013.6

WHEREAS, as the sole member of the Shawnee State University Development Foundation, the Board of Trustees of Shawnee State University must ratify Foundation policies and members; and

WHEREAS, the Shawnee State University Development Foundation has acted and approved Resolution 2013.3, Resolution 2013.4, Resolution 2013.5 and Resolution 2013.6 at their August 21, 2013 quarterly meeting;

THEREFORE, BE IT RESOLVED, that the Board of Trustees of Shawnee State University hereby approves the attached Development Foundation Resolutions 2013.3, 2013.4, 2013.5 and 2013.6.

(September 13, 2013)

RESOLUTION 2013.3

Shawnee State University Development Foundation Policy 17.1.2.2

SUMMARY OF CHANGES TO “17.1.2.2 Write-Offs”

7.1.2.2 Write-Offs. Contributions receivable (pledges) should be written off when there is relative certainty that no further payments will be received. At least once per year, the Foundation shall mail to all donors with outstanding pledge commitments, whether delinquent or not, a Pledge Statement, or Pledge Reminder, or both, that shall notify the donor of her respective pledge account status. Pledges will be written-off if a donor delivers written documentation to the Foundation that no further payments will be made by the donor to the Foundation in fulfillment of the outstanding pledge. In the absence of such written documentation from a donor, pledges will be written off at such time as: (a) no payment has been made toward the pledge for at least two years following either the most recent payment due date (In the event of a multi-year pledge or other pledge requiring scheduled periodic installment payments, each scheduled periodic installment payment shall be deemed a payment due date) or the most recent communication from the donor otherwise indicating an intent to make a payment; **AND (b) for pledges with an outstanding unpaid balance under \$10, the pledge may be written off at the discretion of the Director without further action; OR for pledges with an outstanding unpaid balance of \$10 or more**, where the Foundation has sent a letter to the donor’s last known address requesting information on the status of the pledge and the donor has not responded for at least thirty (30) days. Prior to the close of each fiscal year, the Foundation shall prepare a report of all accounts that meet the foregoing criteria and the University President shall review and approve all such pledge write-offs.

RESOLUTION 2013.4

Commemorative Naming Opportunities

The following actions shall be deemed taken by the Shawnee State University Development Foundation upon vote by the Development Foundation Board and University Board of Trustee.

WHEREAS, the Development Foundation

NOW, THEREFORE BE IT RESOLVED,

1. The Main Theatre of the Vern Riffe Center for the Arts (“VRCFA”) shall be named the ELOISE C. SMITH THEATRE in recognition of an unrestricted gift from the Eloise C. Smith Trust to the Development Foundation in the amount of \$1,000,000.00. Any prior gift levels established for the VRCFA Main Theatre are hereby repealed and replaced by this action.
2. The following commemorative gift levels are hereby established for Founders Plaza:
 - a. \$1,000,000 Founders Plaza
 - b. \$500,000 Founders Plaza Pavilion
 - c. \$250,000 Founders Plaza Fountain
 - d. \$125,000 Founders Plaza Clock Tower
 - e. \$5,000 Founders Plaza Bench
 - f. \$200/\$100 Founders Plaza Bricks
3. An area known as TRUSTEES GROVE, consisting of trees and commemorative, honorary, and/or memorial recognition plaques and signage, shall be established on campus in a location to be determined in coordination with the University President and Facilities Department. Any such trees and recognitions within Trustees Grove shall, from time to time, be identified and established by the University Board of Trustees at its discretion..

RESOLUTION 2013.5

President's Research Capacity Building Fund

19.7.7 President's Research Capacity Building Fund. This action codifies adoption of the removal of the board quasi-endowment restriction that created the fund known as the President's Research Capacity Building Fund, thereby allowing the fund to be used for educational purposes in the sole discretion of the University President without the requirement that said fund be maintained, invested and spent according to endowment policies.

Resolution 2013.6

Shawnee State University Development Foundation Policy 18.0

(Attached)

Shawnee State University Development Foundation
Investments Policies
PROPOSED

18.0 Investments.

18.1 Introduction. Shawnee State University Development Foundation (hereafter referred to as the “Foundation”) was created to provide perpetual financial support to Shawnee State University. The purpose of these investment policies is to establish guidelines for the Foundation’s investment portfolio (the “Portfolio”). These policies also incorporate accountability standards that will be used for monitoring the progress of the Portfolio’s investment program and for evaluating the contributions of the investment consultant(s) and manager(s) hired on behalf of the Foundation.

18.2 Role of the Finance Committee. The Finance Committee (the “Committee”) is acting in a fiduciary capacity with respect to the Portfolio, and is accountable to the Board of Trustees of the Foundation for overseeing the investment of all assets owned by, or held in trust for, the Portfolio.

18.2.1 The Foundation’s investment policies set forth the investment objectives and investment guidelines that govern the activities of the Committee and any other parties to whom the Committee has delegated investment management responsibility for Portfolio assets.

18.2.2 The investment policies for the Foundation contained herein have been formulated consistent with the Foundation’s anticipated financial needs and in consideration of the Foundation’s tolerance for assuming investment and financial risk, as reflected in the majority opinion of the Committee.

18.2.3 These policies are intended to provide guidelines, where necessary, for ensuring that the Portfolio’s investments are managed consistent with the short-term and long-term financial goals of the Foundation. At the same time, they are intended to provide for sufficient investment flexibility in the face of changes in capital market conditions.

18.2.4 The Committee will review these investment policies at least once per year. Changes to these investment policies can be made only by affirmation of a majority of the Foundation’s Board, and written confirmation of the changes will be provided to all Committee members and to any other parties hired on behalf of the Portfolio as soon thereafter as is practical.

18.3 Role of the Investment Manager(s). Each investment manager of separate accounts, mutual funds or commingled trusts will have full discretion to make all investment decisions for the assets placed under its jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in these investment policies unless governed by prospectus or separate trust document. Specific responsibilities of the

investment manager(s) of separate accounts, mutual funds or commingled trusts include:

18.3.1 Discretionary investment management including decisions to buy, sell, or hold individual securities, and to alter asset allocation within the guidelines established in the Foundation's investment policies.

18.3.2 Reporting, on a timely basis, quarterly investment performance results.

18.3.3 Voting proxies.

18.4 Role of the Investment Consultant. The investment consultant's role is that of a non-discretionary advisor to the Committee. Investment advice concerning the investment management of Foundation assets will be offered by the investment consultant, and will be consistent with the investment objectives, guidelines and constraints established in these investment policies. Specific responsibilities of the investment consultant include:

18.4.1 Advising the Committee regarding the selection of and allocation to asset and style categories within the constraints of the Foundation's investment policies and guidelines.

18.4.2 Conducting investment manager searches when requested by the Committee.

18.4.3 Monitoring the performance of the investment manager(s) to provide the Committee with the ability to determine the progress toward the investment objectives.

18.4.4 Communicating matters of policy, manager research, and manager performance to the Committee.

18.4.5 Reviewing the Foundation's investment history, historical capital markets performance and the contents of these investment policies to any newly appointed members of the Committee.

18.5 Investment objective.

18.5.1 The Foundation is to be invested with the objective of preserving the long-term, real purchasing power of assets while providing distributions in support of the Foundation's spending needs.

18.6 Portfolio investment policies.

18.6.1 Asset allocation policy

18.6.1.1 The Committee recognizes that the strategic allocation of Portfolio assets across

broadly defined financial asset and sub-asset categories with varying degrees of risk, return, and return correlation will be the most significant determinant of long-term investment returns and Portfolio asset value stability.

18.6.1.2 The Committee expects that actual returns and return volatility may vary from expectations and return objectives across short periods of time. While the Committee wishes to retain flexibility with respect to making periodic changes to the Portfolio’s asset allocation, it expects to do so only in the event of material changes to the Foundation and/or to the capital markets and asset classes in which the Portfolio invests.

18.6.1.3 Foundation assets will be managed as a balanced portfolio composed of two major components: an equity portion and a fixed income portion. The expected role of Foundation equity investments will be to maximize the long-term real growth of Portfolio assets, while the role of fixed income investments will be to generate current income, provide for more stable periodic returns, and provide some protection against a prolonged decline in the market value of the Portfolio’s equity investments.

18.6.1.4 Cash investments will, under normal circumstances, only be considered as temporary Portfolio holdings, and will be used for Fund liquidity needs or to facilitate a planned program of dollar-cost averaging into investments in either or both of the equity and fixed income asset classes

18.6.1.5 Outlined below are the long-term strategic asset allocation guidelines, determined by the Committee to be the most appropriate, given the Foundation’s long-term objectives and short-term constraints. Portfolio assets will, under normal circumstances, be allocated across broad asset and sub-asset classes in accordance with the following guidelines:

Asset class	Sub-asset class	Target allocation	Ranges
Equity		65%	55-75%
	U.S. Large Cap	45%	25-65%
	U.S. Small/Mid Cap	10%	0-20%
	Non-U.S.	10%	0-20%
Fixed Income		35%	25-45%
	Investment grade	30%	20-40%
	Below-investment grade	5%	0-10%
Cash		0%	

18.6.1.6 To the extent that the Portfolio holds investments in nontraditional, illiquid, and/or nonmarketable securities including (but not limited to) venture capital, hedge funds, and real estate investments, these assets will be treated collectively as alternative investments for purposes of measuring the Portfolio's asset allocation. While not specifically considered within these investment policies, alternative investments may comprise up to 15% of total Portfolio assets and, to the extent they are owned, will proportionately reduce target allocations to the three primary asset classes itemized above. In any event, no part of the Portfolio shall hold alternative investments without express prior consent of the Finance Committee.

18.6.1.7 It is expected that the Portfolio's actual asset allocation will vary from its target asset allocation as a result of the varying periodic returns earned on its investments in different asset and sub-asset classes as well as periodic cash flows, either into or out of the Portfolio.

18.6.1.8 Whenever the Portfolio's actual asset allocation to the various asset and sub-asset classes falls outside of the ranges stipulated in Section 18.6.1.5 above, the investment consultant shall within a reasonable period of time, evaluate such deviations and provide the Committee with a recommendation to bring the Portfolio into compliance with the asset allocation guidelines.

18.6.2 Diversification policy

18.6.1.1 Diversification across and within asset classes is the primary means by which the Committee expects the Portfolio to avoid undue risk of large losses over long time periods. To protect the Portfolio against unfavorable outcomes within an asset class due to the assumption of large risks, the Committee will take reasonable precautions to avoid excessive investment concentrations. Specifically, the following guidelines will be in place:

18.6.1.2 With the exception of fixed income investments explicitly guaranteed by the U.S. government, no single investment security shall represent more than 5% of total Portfolio assets.

18.6.1.3 With the exception of passively managed investment vehicles seeking to match the returns on a broadly diversified market index, no single investment manager, investment pool or investment company (mutual fund) shall comprise more than 25% of total Portfolio assets.

18.6.1.4 With respect to investment grade fixed income investments, for individual bonds, the minimum average credit quality of these investments shall be investment grade (Standard & Poor's A- or Moody's A- or higher).

18.6.2 Prohibited transactions and strategies

Unless expressly authorized by the Committee, the Portfolio and its investment managers are prohibited from:

18.6.2.1 Purchasing securities on margin or executing short sales.

18.6.2.2 Pledging or hypothecating securities, except for loans of securities that are fully collateralized.

18.6.2.3 Purchasing or selling derivative securities for speculation or leverage.

18.6.2.4 Engaging in investment strategies that have the potential to amplify or distort the risk of loss beyond a level that is reasonably expected, given the objectives of their Portfolio.

18.7 Monitoring portfolio investments and performance.

The Committee will monitor the Portfolio's investment performance against the Portfolio's stated investment objectives. At a frequency to be decided by the Committee, it will formally assess the Portfolio and the performance of its underlying investments as follows:

18.7.1.1 The Portfolio's composite investment performance (net of all investment management fees) will be judged against the following standards:

18.7.1.2 The Portfolio's absolute long-term annualized real return objective of CPI +5%

18.7.1.3 A composite benchmark consisting of the following unmanaged market indexes weighted according to the expected target asset allocations stipulated in the asset allocation guidelines in Section 18.6.1.5:

U.S. Equity: Russell 3000 Index

Investment Grade Fixed Income: Barclays Capital U.S. Aggregate Bond Index

18.7.1.4 Exceed the median return of a peer group of investors with a similar strategic asset allocation.

18.7.1.5 Maintain volatility of returns, as measured both by beta and standard deviation, of no more than 1.20 times that of the passively managed balanced index identified in Section 18.7.1.3 above.

18.7.1.6 Maintain positive risk-adjusted returns, as measured by alpha and Sharpe ratio.

18.7.2 The performance of professional investment managers hired on behalf of the Portfolio will be judged against the following standards:

18.7.2.1 A market-based index appropriately selected or tailored to the manager's agreed-upon investment objective and the normal investment characteristics of the manager's portfolio.

18.7.2.2 The performance of other investment managers having similar investment objectives

18.7.2 In keeping with the Portfolio's overall long-term financial objective, the Committee will evaluate Portfolio and manager performance over a suitably long-term investment horizon, generally across full market cycles or, at a minimum, on a rolling five-year basis.

18.7.3 Investment reports shall be provided by the investment consultant on a (calendar) quarterly basis or as more frequently requested by the Committee.

Quarterly Meeting

August 21, 2013

Agenda

1. Welcome and call to order - Barry Rodbell
2. Approval of minutes from April 8, 2013 Quarterly Meeting
Action Item: Accept April 8, 2013 Quarterly Meeting Minutes
3. Treasurer's & Investment Report - Elinda Boyles
Action Item: Accept Treasurer's & Investment Report
4. Information & Gifts
Action Item: Historical Write-Offs
Action Item: 2311 Timlin Road Property
Action Item: Smith Estate Gift
Information: 304 Chillicothe Street
5. Committee Reports
 - a. SOPAA
 - b. Policy
 - i. Comprehensive Policy Review
 - ii. Writeoffs
Action Item: Adopt Resolution 2013.3
 - iii. Commemorative Naming
Action Item: Adopt Resolution 2013.4
 - iv. President's Research Capacity Building Fund
Action Item: Adopt Resolution 2013.5
 - v. Investment Policies
Action Item: Adopt Resolution 2013.6
6. Development Foundation Director's Report - Eric Braun
7. University President's Report - Dr. Rita Morris