

**Faculty Scholarship Committee
meeting of November 12, 2009 12:30 Hill Hall 219**

draft minutes

Present: Dr. Aleseyed, Mrs. Conner; Dr. Ford (Chair), Dr. Ledbetter

The meeting began at 12:37. A motion to approve minutes of May 14, August 19 and October 29 2009 was made by Dr. Ledbetter, seconded by Dr. Aleseyed, and approved by all present, as well as by Dr. Wamsley (via email).

The Faculty Scholarship Committee had already been informed of recent developments with respect to the scholarship. On October 8, Ms. Baldwin of the WVSU Foundation said that the scholarship fund had lost enough money that it could not make an award at this time. She said that we would not know if money would be available for an August 2010 award (the original plan) until April or May 2010. She recommended dipping into the principal.

Dr. Ledbetter was informed by the Foundation that they do not want to honor the Attachment portion of the Agreement. He and Dr. Ford will meet with the Foundation and its Board on November 17, 2009, 3:00 at the Erikson Alumni Center.

The committee discussed these (related) items on the agenda, and distilled our thoughts into these questions:

Should we allow the WVSU Foundation to take money from the principal of the Faculty Endowed Scholarship if that action is necessary to make an award in August 2010? All present thought that this would not be a good idea.

Are we (this committee, the WVSU Faculty Senate) willing to re-negotiate the Attachment to the Endowment Agreement? All present took a dim view of this. Dr. Ford (and others) thought that the rapprochement between the Foundation and Faculty is so fragile that the least backtracking by the Foundation from the signed Agreement (and Attachment) would cause the Faculty to stop contributing to this and all future Foundation efforts.

Cannot the Foundation invest funds such as ours in Fixed Return arrangements? Dr. Aleseyed asked "What is the purpose of this fund?", driving at the point that, rather than making big yields, we want to be able to give some reasonable amount of monetary award to students each semester.

Can't we set up our own scholarship? It was observed that money Faculty have invested in the Faculty Endowed Scholarship so far could more easily and effectively been handed directly to deserving students. So far, all our contributions have accomplished is to pay Foundation operating costs. That casts the entire effort in a poor light, and serves to exemplify the nay-sayers' criticisms of the Foundation.

Are this committee's representatives to the November 17 meeting supported in taking a hard line with the Foundation? We all agreed that good-faith negotiation would be Plan A, but the committee unequivocally answered the question in the affirmative.

The meeting adjourned by 1:20. A new meeting has not been scheduled, but the committee will be informed of the results of the November 17 meeting with the WVSU Foundation Board of Directors, and we'll take it from there.

Colleges are still awaiting recommendations about how (or if) to proceed with the process of selecting awardees for an August 2010 award.

Faculty Scholarship Committee

meeting between Drs. Ledbetter and Ford (representing the Committee) and the Board of Directors of the WVSU Foundation

November 17, 2009, 3:30 pm, Erikson Alumni Center

in attendance: Dr. Ford (Chair of the Faculty Scholarship Committee), Dr. Ledbetter (Committee member), Dr. James Rawley (President of the Board), Ms. Robin Baldwin (Foundation Vice President for Marketing), Dr. Joseph Badgley (President, KVCTC), and four other members of the Board

In early November, Dr. Ledbetter was informed by the Foundation that they do not want to honor the Faculty Endowed Scholarship Agreement (with Attachment) as signed by Dr. Ford, Dr. Tom Guetzloff (then Chair of the WVSU Faculty Senate) and Ms. Baldwin. The meeting was scheduled to discuss this.

At the meeting, the Board said that their first problem with the Agreement is that they are unclear about who represents the Faculty. One member remarked "The Faculty isn't an organization". We discussed this issue, saying that the Faculty is indeed an organized body, represented by the Faculty Senate. Before long, all agreed that the Faculty Senate could easily clarify this point by declaring to the Foundation a representative for this scholarship. This matter will be brought to the Faculty Senate as soon as possible.

The balance of the 50-minute discussion was about the design of the Faculty Endowed Scholarship Agreement (and Attachment). The Board felt that, because the Attachment to the Faculty Endowed Scholarship Agreement is not the same as all other scholarships managed by the Foundation, it would be a hassle for them. Dr. Ford asked why, rather than donate to the Foundation and yet have no money to award to students, Faculty should not simply give money directly to students. Board members answered that donations made through the Foundation are invested and earn additional interest. The Board mentioned interest rates as high as 9%. Although the Agreement does not allow for the Scholarship principle to be touched, the Board recommended that the Agreement could be changed to allow a fixed rate of return, using the principle as needed. When Dr. Ledbetter mentioned the possibility of Faculty removing their donation from the Scholarship fund, the Board said "You can't take the money back out."

Drs. Ledbetter and Ford asked if the Foundation might make lower-yield but less risky investments, such that students could be assured of receiving award money each year. Dr. Ford read (draft) minutes of the Faculty Scholarship Committee's meeting of November 12, in which this point was made. The Board believes that their investment portfolio is not risky, which promoted the Committee's representatives to wonder aloud how that squares with the Scholarship losing money from its principle. Board members expressed confidence in the long, long-term health of the financial market. Committee representatives tried to impress upon the Board that Faculty have very little trust in the Foundation, and that the Agreement (and Attachment) as signed is a fragile rapprochement that likely will not survive back-tracking. Board members asserted that their position would be supported if the Committee / Faculty had members who understood financial matters. Discussion was frank.

Ms. Baldwin suggested a compromise in which the current money in the scholarship would not be used, but would earn interest until the financial situation recovered enough to allow awards to be made as per the Agreement. Until then, all new money donated by Faculty would be set aside and awarded to students that year. All agreed that she would present that plan to the Faculty Senate as soon as possible.

ENDOWMENT AGREEMENT

Donor & Endowment: West Virginia State University Faculty has

- Donated \$ 27,000.00
- Pledged \$ _____ to be paid over a _____ year period
- Included a bequest (of \$ _____) in his/her will
- Created a unitrust, annuity trust, or gift annuity on _____, 20____, which will provide funds at its termination
- Donated real estate valued at \$ _____

to the West Virginia State University Foundation, Inc. (the "Foundation") to establish an endowed fund ("Fund") to be named the

West Virginia State University Faculty Endowed Scholarship

Endowment Purpose: This endowment shall provide funds for support of West Virginia State University (the "University") in the discretion of the Foundation, and subject to the following additional criteria, if checked:

X The Fund shall only support scholarships for students.

X The Fund shall follow the Affirmative Action Policy of the Foundation, as amended from time to time.

The Fund supports only: X the University and as stipulated in this agreement,
_____ the Community College.

Selection Procedure: Consistent with the Endowment Purpose, expenditures from the Fund, as have been determined by the Foundation in consultation with administrative or faculty representatives or committees, are to pay tribute to students for exceptional grades or extraordinary scholarly achievement.

Donor Recognition: Funds shall be awarded in the name of the West Virginia State University (the "University") Faculty and as stipulated in this agreement and the attachment to this agreement.

Spending Policy: Spendable income shall be deemed the interest earned on the principal at the end of each fiscal year, after administrative charges have been deducted from the interest earned. All spendable income, as determined by the Foundation, shall be used annually for the purposes stated in this agreement. Any spendable income not awarded during a fiscal year will be credited to the principal in the next fiscal year. There shall never be any expenditure of principal without the written approval of the University Faculty.

Endowment Management: The principal of this Fund shall be considered endowment principal and shall be invested in accordance with the investment policies of the Foundation.

Additional Contributions: Additional contributions may be made by the Donor and the Donor shall permit others to contribute to this Fund, but all such gifts shall be subject to the terms and conditions outlined in this agreement and the attachment to this agreement.

Modification: If the Foundation determines that the Fund's purpose ever becomes impracticable or the amount of the Fund is below the then minimum for separate endowments, the Foundation shall, in accordance with the attachment to this agreement, notify the Faculty Representative for the Fund and discuss possible changes. The Foundation welcomes specific suggestions and recommendations from the Faculty and, if possible, will work with the faculty through the Faculty Representative(s) to make the Fund practicable or viable again.

Donor/Donor's Representative _____ date _____

West Virginia State University Foundation, Inc.

by: _____

its: _____

Note: If a corporation is the donor, list the name of the corporation and the person's name and title who will sign the agreement.

***Reminder – alteration of the form of this agreement requires prior approval of the Foundation and its counsel before submission for signature.**

**ATTACHMENT
TO
WEST VIRGINIA STATE UNIVERSITY FACULTY ENDOWED SCHOLARSHIP
ENDOWMENT AGREEMENT**

Donor Recognition: Payments from the Faculty Endowed Scholarship will be applied each semester toward tuition, fees, books, and/or travel and/or research grants for worthy students at West Virginia State University and as stipulated below, the Community College. Based on the interest earned as of the end of the previous fiscal year, the Faculty Scholarship Committee will determine the amount of each award for a current school year.

The Faculty Scholarship Committee will assign the awarded funds as follows:

- a. Up to 20 percent of the interest earned in any fiscal year will be awarded as a Dr. Barbara Oden WVSU Faculty Scholarship.
- b. The remaining interest earned in any fiscal year will be divided into four equal amounts and made available to the Colleges for award to a scholarship recipient or recipients enrolled in the
 - (1) College of Arts and Humanities
 - (2) College of Business Administration & Social Sciences
 - (3) College of Natural Sciences & Mathematics
 - (4) College of Professional Studies

CRITERIA FOR THE AWARD: Although need may be a consideration, the **primary factor** of the award will be based on **scholastic achievement**. A minimum GPA of 3.5 is required for any award based on grades.

Each award period, priority consideration will be given to continuing scholarship recipients with the preference that over a three year period, at least one of the recipients in each college will be a qualified minority student.

ELIGIBILITY: A candidate must be a sophomore, junior or senior, and pursuing a baccalaureate degree. The recipient must be registered as a full-time (12 semester hours or more) student, and maintain the course load level of a full-time student throughout the semester. This award may be renewable; however, it is contingent upon availability of funds and review of the applicant's academic progress.

NOMINATION PROCEDURE: Any member of the West Virginia State University faculty in good standing with the University may nominate one or more students for an award in accordance with University Scholarship Committee policies and procedures on nominations.

MODIFICATION: If funds in this endowment are ever determined by the Foundation to be impracticable or the amount below the minimum for a separate endowment, the Foundation and the Faculty Representative for the Fund shall discuss possible changes, such as an appropriate alternative use, or transfer of the Fund into another endowment, or the combining of this endowment fund with another endowment fund. If those efforts fail in a reasonable amount of time, then the faculty will be given 30 days from the receipt of notice to decide how it wants to dispense with the funds, minus administrative fees, remaining in its endowment.

STIPULATIONS: A further stipulation is that the name shall be the "West Virginia State University Faculty Endowed Scholarship Fund." When contributions designated for the Community College reach a minimum of \$10,000 in the University Faculty Endowment Fund, the name shall be changed to the West Virginia State University and West Virginia State Community and Technical College Faculty Endowed Scholarship Fund. Additionally, should the Foundation fail to administer the Fund in accordance with the provisions outlined in this agreement and attachment to this agreement, the Foundation will be subject to forfeit its right to manage the principal in the fund, and any interest. If the violation(s) is/are not corrected within a 12-month period following written notification that the provision(s) of this agreement and its attachment is/are not being adhered to, it is the donor's request that funds in the endowment, minus any administrative fees, be given to a foundation designated by a majority vote of the Faculty, to be used by that agency in a manner deemed appropriate to perpetuating the purpose of this endowment fund.

The Foundation further agrees to notify the Faculty Representative in writing at least 15 days in advance of any meeting at which a change in management fees is on the scheduled agenda. The Foundation also agrees to notify in writing the Faculty Representative at least thirty days in advance of any deduction of a Foundation approved increase in management fees.