American Association of Collegiate Registrars and Admissions Officers
Minutes of the Meeting of the Board of Directors
March 29, 2014
Denver, CO

Board Members in Attendance: Jim Bouse, Stan DeMerritt, Tina Falkner, Melanie Gottlieb, Luisa Havens, Tracey Jamison, Paul Kyle, Adrienne McDay, Brad Myers, Jeff von Munkwitz-Smith

Board Elect Members in Attendance: Dan Garcia, Nicole Rovig, Luke Schultheis, Monique Snowden

Staff Members in Attendance: Janie Barnett, Jeff Petrucci, Mike Reilly, Mike Sisson

March 29, 2014

Call to Order
President McDay called the meeting to order at 8:35 a.m. Mountain Daylight Time on March 29, 2014.

Approval of Consent Agenda
MOTION 2014.03.07 – It was duly moved and seconded to approve the agenda. APPROVED

MOTION 2014.03.08 – It was duly moved and seconded to approve the consent agenda. APPROVED

Reports of Committees
Finance and Investments Committee
Vice President DeMerritt referred the Board to a set of recommendations made by the Finance and Investments Committee regarding the Investment Policy in the Board Handbook.

MOTION 2014.03.09 – It was duly moved by the Finance and Investments Committee to change the Investment Policy C.1.1, section 6.1 and 6.2 which pertain to the designation of infrastructure, strategic initiative, and investment funds, respectively:

> 6.1.4 – Strike "one third of the then current fiscal year's budgeted expenditures," and replace with $1,000,000.
> 6.2.4 – Strike "one third of the then current fiscal year's budgeted expenditures" and replace with $1,000,000.

APPROVED

Vice President DeMerritt then reviewed the financial information that would be presented to the voting membership at the 2014 Town Hall and Business Meetings.

Governance
Vice President Gottlieb updated the Board on the progress of the Governance Committee's work on a document outlining the formation and oversight of Task Forces and Work Groups and led discussion on the strategic and tactical benefits of both structures.

Strategic Planning and Program Review
Vice President Kyle informed the Board that revised Core Competency recommendations will be distributed to the Professional Activity Committee members at the 2014 Annual Meeting for feedback. The Board discussed the potential of using a workgroup once the feedback is collected to finalize the competency documents and find effective ways to utilize them to the benefit of the membership.

Vice President Kyle also informed the Board that the Program Review Task Force should have recommendations available by the summer of 2014.

Reports of Officers

Vice President for International Education
Vice President Gottlieb updated the Board on the work of the International Credentials Task Force, which will deliver its final set of recommendations to the Board by July 2014.

Vice President for Leadership and Management Development
Vice President Kyle led a discussion on the issues identified during Board member visits to various State and Regional Association visits. He reminded everyone to encourage great state or regional presenters to become more involved with AACRAO programmatic development.

Vice President for Records and Academic Services
Vice President Falkner led a discussion on the creation of a workgroup on Competency Based Education. The potential charge and underlying structure of the workgroup was discussed at length.

Vice President Falkner then led a discussion on the academic transcript and what options exist for altering or supplementing traditional versions to support learning outcomes rather than credit-hour recordation. The Board also discussed what AACRAO might do to take the lead in such an initiative.

Past President
Past President von Munkwitz-Smith thanked the Board for their work during his term of service and expressed his confidence in their ability to lead the organization.

President Elect
President Elect Myers talked with the Association for Student Conduct Administration and mentioned their recommendations for student conduct notation on transcripts may provide AACRAO an opportunity to publish an updated transcript guide.

President
President McDay reviewed the Board writing schedule for AACRAO Connect for the coming year.

Reports of Staff

Executive Director

Executive Director Reilly referred the Board to the Staff Report submitted prior to the meeting, and updated the Board on current operating status of the national office. Reilly also updated the Board on recent and pending education policy items that may affect the membership.

Unfinished Business

The list of action items was reviewed and updated.

New Business

Governance Committee

Vice President Gottlieb referred the Board to a document that detailed revisions to the Board orientation schedule.

MOTION 2014.03.10 – It was duly moved by the Governance Committee that the Board accept the revisions as described in the "proposed changes to orientation section of BOD handbook" document. APPROVED

Vice President Gottlieb then led a discussion on the Annual Meeting Program Planning book and how it might be revised to reflect the current operational role of the Board, the Program Committee, and the Professional Activity Committees. The Board discussed how revisions to this document might provide an opportunity for the Board to develop a structure that can more actively engage the existing committees beyond the Annual Meeting program.

Vice President for Records and Academic Services

Vice President Falkner led a discussion on providing clearly defined avenues for the members to conduct workshops and online courses. The Board saw it as a favorable initiative that could increase member engagement and make the content less iterative.

Associate Executive Director Janie Barnett

Associate Executive Director Janie Barnett informed the Board of the final registration numbers and other logistical details for the 2014 Annual Meeting.

President

President McDay thanked the Board for their efforts during her term as President.

Adjournment

MOTION 2014.03.11 – It was duly moved and seconded that the Board of Directors Meeting be adjourned. APPROVED

The Board of Directors Meeting adjourned at 1:49 p.m. Mountain Daylight Time on March 29, 2014.

Attachments
Consent Agenda
FI Investment Strategy BOD Recommendation 3-29-2013
proposed changes to orientation section of BOD handbook

Current Wording

B.4.1. – NEW MEMBER ORIENTATION SCHEDULE

"Board orientation is an excellent forum for sharing information early and well with new board members so that they can participate fully from the start. Orientation should offer information about the organization, the field it serves, and the board's role and responsibilities. It should also explain important organizational norms for how the board operates and address subtle issues that will help newcomers understand the work that they are asked to do." BoardSource

October/ November	Nominations and Elections Committee determines the slate of officers and notifies the Board Chair. Board chair notifies the board and the Executive Director; all send individual greetings. Members leaving the board schedule time to talk with their successors. Board chair and national office invite nominees to the leadership meeting. AACRAO office orders BoardSource Step-by-Step: New Board Member and Sturgis's The Standard Code of Parliamentary Procedure and mails the books to the nominees.
By December 1	Governance Committee chair welcomes the nominees and outlines the orientation plan • Establish monthly conference call schedule for winter and spring • Identify the reading schedule of the BoardSource books, the Board of Directors Handbook, and other materials • Answers questions about expectations at the leadership meeting
November/ December	Nominees and Governance Committee – first conference call Ten Basic Responsibilities of Nonprofit Boards
December	Nominees attend the leadership and board meetings Tour the national office President-elect articulates the conference theme for the coming year Nominees participate as observers in the board meeting Transitioning officers meet with their successors (December or February meeting)
January	Nominees and Governance Committee – second conference call Board Fundamentals: Understanding Roles in Nonprofit Governance Nominees attend any January board meeting as observers (conference call) VP Finance follows up as necessary with additional information about understanding financial reports
February	Nominees, Governance Committee and VP Finance – third conference call Understanding Nonprofit Financial Statements Governance Committee presents ½ day orientation session before the board meeting: - Review of the board meeting dates and the annual cycle of responsibilities - Finance orientation - Roles and current agendas of the board committees - Parliamentary procedure - Travel policy, how meetings are run, how to keep up with information - Transitioning officers meet with their successors (December or February meeting)

Nominees attend the board meeting and the board committee meetings for their assigned committees as observers.

During the board meeting, nominees and board members focus together on an aspect of

non-profit governance (board continuing education)
Nominees and board members sign conflict of interest agreements.

March	Nominees and Governance Committee – fourth conference call The Nonprofit Board Answer Book Review board script for the annual meeting: what is required, what is encouraged, what is optional Nominees attend the March board meeting as observers (conference call)
March/April	Nominees attend the board meeting that precedes the annual meeting as observers Governance committee reviews final script with nominees Nominees attend the business session for the vote on their election to the board Newly-elected board members attend the board meeting at the close of the annual meeting.
May	Orientation continues by the Governance Committee De-brief of the annual meeting Review of the annual tasks ahead Review of the pressing agenda items Discussion of the process for reviewing the performance of the Executive Director
June	Orientation continues by the Governance Committee Review of how to create task forces, how to propose motions to the board Discussion of investment policy and the budget Review of strategic plan and operating plan

Proposed Wording

B.4.1. – NEW MEMBER ORIENTATION

The Nominations and Elections Committee notifies the Board Chair in October/November of the election results. The Board Chair notifies the Board and the Executive Director.

From December through the annual meeting, Board members-elect attend leadership meetings, Board meetings, and participate in Board conference calls as an observer. The first conference call generally occurs prior to January 1.

By December 1, the Governance Committee chair welcomes Board members-elect and outlines the orientation plan to include establishing monthly conference calls and identifying the reading materials and schedule. Orientation topics may include, but are not limited to the following: leadership; Board of Directors Handbook; roles in nonprofit governance; roles and responsibilities of governing boards; nonprofit financial statements; Board meeting dates and the annual cycle of responsibilities; finance; roles and current agendas of the Board committees; parliamentary procedure; travel policy, how meetings are run, and how to keep up with information; and the Board script for the annual meeting.

Board members-elect and board members sign conflict of interest agreements at the February meeting.

Investment Strategy & Policy Review
Finance and Investment Committee Recommendation

On December 5, 2013 VP of Finance Stan DeMerritt and Executive Director Mike Reilly visited with AACRAO's long term investment manager, Mr. Arun Sardana of the UBS Sardana Group. Discussion focused on establishing an evaluation of the investment manager, the risk the association is willing to take on investments, and the length of time desired to meet the endowment goal of $10million. This document begins the review of the investment risk strategy and the possible establishment of reasonable lengths of time to reach the endowment. Under current AACRAO BOD policy C.1.1, section 6.1, 6.2, and 6.3 the designation of infrastructure, strategic initiative and investment funds, and endowment are outlined. The infrastructure and strategic initiative funds can be used at any given time with a minimum balance of $100,000 and a maximum balance of one-third of budgeted expenses for the year. As AACRAO has grown, the budget has significantly increased. As indicated in the attached table, budgeted expenses have increased from $7.1 million in FY 2010 to an estimated $10.5 million for proposed FY2015 (47.89% increase over six years).

Issue – With continual increase in budgeted expenses due to the growth of the association, the amount of investment that can be pulled for either strategic initiatives or infrastructure continues to increase at the same rate. This rate ultimately reduces the amount of possible endowment funds, taking longer to meet the $10 million endowment goal.

Plan of Action – For the proposed FY2015 budget, the estimated amount of the anticipated ending investment could be as much as $8.5 million based on trends experienced. This would allow approximately $3.5 million for use in both strategic initiatives and infrastructure leaving approximately $1.5 million in endowment. It would be prudent for the Finance and Investment committee to recommend a modified percentage or cap amount for the use of funds for strategic initiatives and infrastructure that allows the association to continue to function while increasing the amount of monies allocated to the endowment. Discussion with Executive Director indicated that in the near future (less than five years), there did not appear to be any significant initiatives requiring additional funding. It was noted that facilities and systems have recently been updated, are functioning and will require minimal investment in the short term. Although it is possible to use investment funds to cover expenditures for unforeseen strategic initiatives and infrastructure, current initiatives have been paid for using current cash reserves and budget surplus.

Possible Solutions – The following are possible plan of action solutions. Options 1, 2, and 3 are based on specific dollar amounts allocated to strategic initiatives and endowment. Options 4, 5, and 6 are modifications to current percentages of budgeted expenses. Each option removes the minimum allocation and sets each area at a top full rate. By doing this the association can clearly see the allocation to each fund without "fuzzy" numbers of a possible range allowing the endowment to have a true picture of status.

- Option 1 – Allocate $2million for each the strategic initiatives and infrastructure allocations. Using the ending FY 2013 investment balance of $7.7 million, the endowment would be at $3.7 million versus the potential of $2 million. Based on proposed FY2015 and projected ending investment balance of $8.5 million, the endowment would be at $4.5 million. Policy could be revised to reflect any additional funds for infrastructure and strategic initiatives could be requested by the board and approved upon vote of the membership.

- Option 2 – Allocate $1.5 million for each of the strategic initiatives and infrastructure allocations. Using the ending FY 2013 investment balance of $7.7 million, the endowment would be at $4.7 million. Based on proposed FY 2015 and projected ending investment balance of $8.5 million, the endowment would be at $5.5 million. Policy could be revised to reflect any additional funds for infrastructure and strategic initiatives could be requested by the board and approved upon vote of membership.

- Option 3 – Allocate $1 million for each of the strategic initiatives and infrastructure allocations. Using the ending FY 2013 investment balance of $7.7 million, the endowment would be at $5.7 million. Based on proposed FY 2015 and projected ending investment balance of $8.5 million, the endowment would be at $6.5 million. Policy could be revised to reflect any additional funds for infrastructure and strategic initiatives could be requested by the board and approved upon vote of membership.

- Option 4 – Allocate 25% of budgeted expenses. Using the ending FY 2013 investment balance of $7.7 million, infrastructure and strategic initiative allocations would be $1.9 million each with possible endowment $3.8 million. Based on proposed FY 2015 and projected ending investment balance of $8.5 million, infrastructure and strategic initiative allocations would be $2.1 million each with possible endowment at $4.3 million. Policy could be revised to reflect any additional funds for infrastructure and strategic initiatives could be requested by the board and approved upon vote of membership.

- Option 5 – Allocate 15% of budgeted expenses. Using the ending FY 2013 investment balance of $7.7 million, infrastructure and strategic initiative allocations would be $1.155 million each with possible endowment at $5.39 million. Based on proposed FY 2015 and projected ending investment balance of $8.5 million, infrastructure and strategic initiative allocations would be $1.3 million each with possible endowment at $5.9 million. Policy could be revised to reflect any additional funds for infrastructure and strategic initiatives could be requested by the board and approved upon vote of membership.

- Option 6 – Allocate 10% of budgeted expenses. Using the ending FY 2013 investment balance of $7.7 million, infrastructure and strategic initiative allocations would be $770,000 each with possible endowment at $6.2 million. Based on proposed FY 2015 and projected ending investment balance of $8.5 million, infrastructure and strategic initiative allocations would be $850,000 each with possible endowment at $6.8 million. Policy could be revised to reflect any additional funds for infrastructure and strategic initiatives could be requested by the board and approved upon vote of membership.

- Option 7 – Retain the current policy.

Recommendation from the F&I Committee – Upon review of the options and discussion with ED Reilly, a motion was made and passed to accept Option 3.

Motion for change to the investment policy – The Finance and Investment committee brings to the AACRAO Board of Directors a motion to change the investment policy C.1.1, section 6.1 and 6.2 the designation of infrastructure and strategic initiative and investment funds, respectively:

6.1.4. Minimum/Maximum Balances - The fund should maintain a minimum value of $100,000 and the maximum value of the fund should not exceed ~~one-third of the then current fiscal year's budgeted expenditures~~ $1,000,000. ~~That is, if the current fiscal year budgeted expenditures are six million dollars, the value of the fund should not exceed two million dollars.~~

6.2.4 Minimum/Maximum Value - The Strategic Initiatives and Investments Fund should maintain a minimum value of $100,000 and the maximum value of the fund should not exceed ~~one-third of the then current fiscal year's budgeted expenditures~~ $1,000,000. ~~That is, if the current fiscal year budgeted expenditures are six million dollars, the value of the fund should not exceed two million dollars.~~

Next Steps – Upon approval of the policy change by the Board of Directors, the Finance and Investment committee will determine if a goal date for the full funding of the endowment should be established. Committee may also consider determining if $10 million should remain the mark for fully funding the endowment based on needs of the association. The goal date will determine the level of risk the association will take in order to meet the established goal, as well as assist in creating a legitimate annual evaluation rate for the investment manager.

American Association of Collegiate Registrars and Admissions Officers
Minutes of the Meeting of the Board of Directors
March 12, 2014
Conference Call

Board Members in Attendance: Jim Bouse, Stan DeMerritt, Tina Falkner, Melanie Gottlieb, Luisa Havens, Tracey Jamison, Paul Kyle, Adrienne McDay, Brad Myers, Jeff von Munkwitz-Smith

Board Elect Members in Attendance: Nicole Rovig, Monique Snowden

Staff Members in Attendance: Janie Barnett, Mike Reilly, Mike Sisson

March 12, 2014

Call to Order

President McDay called the meeting to order at 3:05 p.m. Eastern Daylight Time on March 12, 2014.

Approval of Consent Agenda

MOTION 2014.03.01 – It was duly moved and seconded to approve the agenda. APPROVED

MOTION 2014.03.02 – It was duly moved and seconded to approve the consent agenda. APPROVED

Reports of Committees

Audit Committee

President Elect Myers informed the Board that the Committee reviewed the IRS Form 990 tax return for AACRAO and approved it for filing. The IRS Form 990 was distributed to the Board over email and posted on the private Board website for individual review prior to filing.

Governance

Vice President Gottlieb referred the Board to a document, submitted prior to the meeting, on the formation of task forces and work groups. The Board discussed the distinctions between them and the particular strategic or tactical benefits they could offer the Association.

Reports of Officers

Vice President for Finance

Vice President DeMerritt referred the Board to the financial reports for the month ending on January 30, distributed prior to the meeting. The second financial quarter will be reviewed by the committee in Denver, CO and presented at the May Board Meeting.

Reports of Staff

Executive Director

Executive Director Reilly referred the Board to his report, submitted prior to the meeting, and updated the Board on the current operating status of the national office. Executive Director Reilly also reiterated the importance of forming a work group to address the issues revolving around competency-based education.

Associate Executive Director

Associate Executive Director Janie Barnett updated the Board on the current registration totals for the 2014 Annual Meeting, and on the progress for the AACRAO-hosted 2014 Groningen Declaration Meeting in Washington, D.C.

Unfinished Business

The list of action items was reviewed and updated.

MOTION 2014.03.03 – It was duly moved and seconded that the Board of Directors Regular Session be adjourned. APPROVED

The regular session of the Board of Directors meeting adjourned at 3:36 p.m. Eastern Daylight Time on March 12, 2014.

Executive Session

MOTION 2014.03.04 – It was duly moved and seconded to move the Board into Executive Session. APPROVED

Adjournment

MOTION 2014.03.06 – It was duly moved and seconded that the Board of Directors Meeting be adjourned. APPROVED

The Board of Directors Meeting adjourned at 3:48 p.m. Eastern Daylight Time on March 12, 2014.

Attachments

Consent Agenda