American Association of Collegiate Registrars and Admissions Officers
Minutes of the Meeting of the Board of Directors
February 7 – 8, 2014
Washington, D.C.

Board Members in Attendance: Jim Bouse, Stan DeMerritt, Tina Falkner, Melanie Gottlieb, 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: Mike Reilly, Mike Sisson

Guests in Attendance: Susan Colladay

February 7, 2014

Call to Order
President McDay called the meeting to order at 10:37 a.m. Eastern Standard Time on February 7, 2014.

Approval of Consent Agenda
MOTION 2014.02.01 – It was duly moved and seconded to approve the agenda. APPROVED

MOTION 2014.02.02 – 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 the Finance and Investments Committee Recommendations, distributed prior to the meeting. The recommendations include permissible adjustments to the AACRAO Investment structure which were approved by the committee, and changes to the Finance and Investments Policy in the Board of Director's Handbook related to investment objectives and asset allocation.

MOTION 2014.02.03 – It was duly moved by the Finance and Investments Committee that the Board accept the revisions to the Finance and Investments Policy in the Board of Director's Handbook, which include specifying a complete market cycle in Section 7.2, a specific benchmark of performance for the AACRAO investment portfolio manager in Section 7.2.1, and a more specific range for the asset allocation in the AACRAO Investment Portfolio in Section 7.5. APPROVED

Vice President DeMerritt led review of the proposed AACRAO operating budget for the 2014-2015 Fiscal Year, distributed prior to the meeting.

MOTION 2014.02.04 – It was duly moved by the Finance and Investments Committee that the Board accept the proposed 2014-2015 Fiscal Year operating budget. APPROVED

Vice President DeMerritt informed the Board that the Consumer Price Index (CPI) percentage increased by 1.5% in 2013. Since this is lower than 2%, the membership dues will increase by 1.5%, to $209, starting with the next membership cycle. This increase will be communicated to the membership within the budget proposal at the 2014 AACRAO Business Meeting.

Vice President DeMerritt updated the Board on the status of the organization's endowment, with a possible study forthcoming from the committee on possible goals and usage. In addition, the committee will work on a study for membership dues and its endowment goals.

Governance Committee
Vice President Gottlieb updated the Board on the progress of the Board Elect orientation process.

Strategic Planning and Program Review Committee
Vice President Kyle updated the board on the committee's work regarding the drafting of distinct professional core competencies and led discussion on how development should proceed. The Board discussed possible strategic initiatives that could be tied to professional competencies developed by AACRAO.

President McDay requested that the Strategic Planning and Program Review Committee Report to the Board go into recess to allow for a representative of the Association's auditor, Tate & Tryon, to present the official audit report to the Board. The Committee report recommenced following the presentation.

Presentation of the 2013 Fiscal Year Audit by Tate & Tryon
Susan Colladay, a representative of Tate & Tryon, presented the 2013 Fiscal Year Audit to the Board. The report included review of the three major letters included in the audit: the Management Letter, the Required Communications Letter, and the Audited Financial Statements and Supplementary Information Letter. All prior year comments were successfully resolved, and no new comments arose in the 2013 Fiscal Year.

MOTION 2014.02.05 – It was duly moved and seconded that the Board approve the 2013 Fiscal Year Audit as presented in the Management Letter, the Required Communications Letter, and the Audited Financial Statements and Supplementary Information Letter supplied by the Association's contracted independent auditor, Tate & Tryon. APPROVED

Strategic Planning and Program Review
Vice President Kyle led discussion on ways to increase the value of various AACRAO programs to the Association membership, focusing on enrollment management, technology, and transfer offerings.

Audit Committee
President Elect Myers distributed the Conflict of Interest Policy to Board members and Board Elect members whose terms will continue or start on April 2, 2014, and end on April 15, 2014.

President Elect Myers also informed the Board that the Audit Committee would need to issue a solicitation for a new member at large for the Audit Committee, as the term for the current member at large, John Hall, will expire on April 2, 2014.

The Board recessed for Lunch at 12:08 p.m. Eastern Time.

The Board reconvened and went into Executive Session at 1:47 p.m. Eastern Time.

The Board reconvened in regular session at 2:16 p.m. Eastern Time.

Reports of Officers
Vice President for Leadership and Management Development
Vice President Kyle distributed the calendar of State and Regional Events to the Board with the expectation that they contact Vice President Kyle to confirm which State and Regional Association events they will attend as part of the AACRAO outreach program.

Vice President Kyle updated the Board on the work of the Program Structure Task Force.

Vice President for International Education
Vice President Gottlieb updated the Board on the work of the International Credentials Task Force. The task force's final report will be submitted to the Board later this year.

Executive Director Reilly informed the Board that discussion was continuing between AACRAO and the French Ministry of Education regarding possible revisions to the AACRAO recommendations of international transfer credit for French engineering and business degrees.

Vice President for Records and Academic Services
Vice President Falkner led discussion on what role AACRAO should play in the treatment of competency-based education programs, and how such programs might be developed and implemented at existing institutions.

Vice President Falkner led discussion on methods to produce more content on the website related to records and academic services. Conversation on the topic will resume on February 8, 2014.

President Elect
President Elect Myers referred the Board to the proposed 2014-2015 Board of Directors Meeting Dates document, submitted prior to the meeting.

MOTION 2014.02.10 – It was duly moved and seconded that the Board appoint Past President Jeff von Munkwitz-Smith as the *College & University* Editor-in-Chief at the end of Louise Lonabacker's current appointment. APPROVED

Past President
Past President von Munkwitz-Smith referred the Board to his report, distributed prior to the meeting.

MOTION 2014.02.11 – It was duly moved and seconded that the Board eliminate the step in the awards process where nominees are asked to provide information on their AACRAO involvement prior to the Awards Committee decision except in those cases where the Awards Committee feels that additional information is necessary. APPROVED

President
President McDay informed the Board of the need to appoint a new parliamentarian for the 2014 AACRAO Annual Meeting.

MOTION 2014.02.12 – It was duly moved and seconded that the Board appoint Scott Dittman as parliamentarian for the 2014 AACRAO Annual Meeting. APPROVED

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 government relations and communications initiatives, progress on Annual Meeting planning, and his reappointment to the American Council on Education's Board of Directors.

The Board recessed for the day at 3:44 p.m. Eastern Time.

February 8, 2014
The Board reconvened at 9:08 a.m. Eastern Time on February 8, 2014.

Unfinished Business
Vice President Tina Falkner proposed a replacement for current Group III Program Coordinator Sarah Harris.

MOTION 2014.02.13 – It was duly moved and seconded that the Board appoint Cem Sunata as the Program Coordinator of Group III – Records and Academic Services, as a vice-coordinator effective immediately and as Coordinator following the 2015 Annual Meeting in Baltimore. APPROVED

The Board discussed the establishment of a temporary and flexible Competency-Based Education work group. The work group would be tasked with investigation into current practices around competency-based education and to make recommendations to AACRAO for official development at a later date.

President McDay informed the Board that the Association for Student Conduct Administration would like to work with AACRAO to develop best practices on how to notate student conduct issues on official student records. Since the official AACRAO policy on transcripts, which includes student conduct notations, is already established and published, the Board deemed nothing more than a dialogue appropriate for the time being.

Vice President Gottlieb proposed a replacement for current Group II Program Coordinator Deanna Williams.

MOTION 2014.02.14 – It was duly moved and seconded that the Board appoint Karee Head as the Program Coordinator for Group II – International Education, as a vice-coordinator effective immediately and as Coordinator following the 2014 Annual Meeting in Denver. APPROVED

The Board set deadlines for various articles to be submitted by the Board for publication in the AACRAO Connect newsletter.

The Board discussed the lack of specific topical content on the AACRAO website and how such content might be generated. The Board recommended that existing program structures, or potentially newly created ones, should be engaged by the national office to develop up-to-date topical information for professional areas.

MOTION 2014.02.15 – It was duly moved and seconded that the AACRAO National Office use existing program structures, including Professional Activity Committees, Annual Meeting Program Coordinators, and the Directors of the Technology, Transfer, and Strategic Enrollment Management Conferences, to develop a sustainable model for keeping current content populated on the website. WITHDRAWN

The list of action items was reviewed and updated.

Adjournment
MOTION 2014.02.16 – It was duly moved and seconded to adjourn the meeting of the Board of Directors. APPROVED

The Board of Directors meeting adjourned at 11:21 a.m. Eastern Standard Time on February 8, 2014.

Attachments
Consent Agenda
F&I Com Recommendations
F&I Com 2014-15 Budget
AACRAO 2013 Revised Draft AFS
Past President Report February 2014

American Association of Collegiate Registrars and Admissions Officers
Minutes of the Meeting of the Board of Directors
January 15, 2014
Conference Call

Board Members in Attendance: Jim Bouse, Tina Falkner, Melanie Gottlieb, 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: Mike Reilly, Mike Sisson

January 15, 2014

Call to Order
President McDay called the meeting to order at 3:03 p.m. Eastern Standard Time on January 15, 2014.

Approval of Consent Agenda
MOTION 2014.01.01 – It was duly moved and seconded to approve the agenda. APPROVED

MOTION 2014.01.02 – It was duly moved and seconded to approve the consent agenda. APPROVED

Reports of Committees
Governance Committee
Vice President Gottlieb updated the Board on the Orientation process, including the first Board Elect orientation call, and the draft orientation schedule for the February Board of Directors meeting in Washington, D.C.

Vice President Gottlieb led discussion on what responsibilities each Board member and Staff Member will have in the orientation. The Governance Committee will produce a formal agenda in advance of the February Board of Directors meeting.

Reports of Officers
President Elect
President Elect Myers updated the Board on the 2014-2015 Board Committee Assignments. President Elect Myers led discussion on the timing and location of the Summer Board of Directors meeting, for 2014 and the foreseeable future.

Past President

Past President von Munkwitz-Smith referred the Board to his report, distributed prior to the meeting.

MOTION 2014.01.03 – It was duly moved and seconded to amend the Student Membership category to allow service on a committee, with the following description: *Student Membership is open to degree-seeking students at AACRAO member institutions and shall pay an annual per member fee of $25. Student Members are eligible to apply and serve on AACRAO committees or task forces.* APPROVED

MOTION 2014.01.04 – It was duly moved and seconded that the Board accept the recommendation of the Awards Committee to merge the Thomas A. Bilger Citation for Service and the Founders Award for Leadership to create the Thomas A. Bilger Award, effective with the 2015 Annual Meeting, with the following description: *Named for a Past President of AACRAO, the Thomas A. Bilger Award is presented to a member in recognition of consistent vision, service and/or leadership in AACRAO with seven or more years of volunteer service. The award represents a significant contribution to AACRAO in positions such as Task Force Chair, Special Projects Director, Program Coordinator/Director, or member of the Board of Directors. This award is given to honor those who had the foresight to recognize the needs of the profession. The award may be given to more than one person annually. The recipient is recommended by the AACRAO Awards Committee and approved by the Board of Directors. Members who have served on the Board of Directors within the past three years are not eligible for this award. (15 points towards Honorary Membership)* APPROVED

MOTION 2014.01.05 – It was duly moved and seconded that the Board change the name of the New Member Award to the “Emerging Leader Award” with the following description, effective with the 2015 Annual Meeting: *The Emerging Leader Award is presented to professionals who have, early in their AACRAO career, made an exceptional or unique contribution which demonstrates promise as a future AACRAO leader. The award may be given to up to five recipients annually. The recipients(s) are recommended by the AACRAO awards Committee and approved by the Board of Directors. (5 points toward honorary membership)* APPROVED

MOTION 2014.01.06 – It was duly moved and seconded that the Board discontinue the Apex Award, effective with the 2015 Annual Meeting. APPROVED

MOTION 2014.01.07 – It was duly moved and seconded that the Board eliminate the step in the Awards process where nominees are asked to provide information on their AACRAO involvement prior to the Awards Committee decision. WITHDRAWN

The motion was withdrawn pending further review of how information should be collected, and by whom, for the Awards nomination process.

Reports of Staff
<u>Executive Director</u>

Executive Director Reilly referred to the ED Report and the Staff Report submitted to the Board prior to the meeting, and updated the Board on the status of the planning for the Groningen Declaration Meeting, to be held in Washington, D.C. following the Annual Meeting.

Executive Director Reilly also informed the Board about the status of the 2013 Fiscal Year Audit and upcoming focuses for the national office in various content areas, including competency-based education and college affordability.

Unfinished Business

The list of action items was reviewed and updated.

New Business

The Board discussed how experiential learning might impact the profession. Further discussion will take place at the February meeting.

President Elect Myers led discussion on the specific timing of the 2014 summer Board meeting. The Board agreed to align the 2014 summer meeting with the end of the 2014 Technology and Transfer Conference.

The Board discussed the general timeline for the the 2014-2015 Board of Directors meeting schedule. A final draft will be presented for approval at the February Board meeting.

Adjournment

The Board of Directors meeting adjourned at 4:31 p.m. Eastern Standard Time on January 15, 2014.

Attachments

Consent Agenda
Past President Report January 2014

American Association of Collegiate Registrars and Admissions Officers
Board of Directors
Action Items
Updated January 2014

The Board of Directors agreed to include the following items on the Action Items list:

1. Create a template and guide for proposing workgroups and taskforces for the Board Handbook. Governance Committee. Ongoing.
2. Development of strategies for the key/core competencies for the profession which were identified during the strategic planning discussion at the Leadership Meeting in December. Vice President Kyle, Past President von Munkwitz-Smith and Executive Director Reilly. Ongoing.
3. Governance will work with the Program Committee Chair and the AACRAO office to make sure that the language for the transferred responsibility for managing committees be reviewed in the board handbook and the Program Planning Guide. Governance Committee. Ongoing.
4. Governance committee to develop assessment tool for board committee activity annual review. Ongoing.
5. Review and revise language for the Awards Nomination process. Past President von Munkwitz-Smith. Ongoing.
6. Revise Board Handbook to provide a more standardized orientation process. Governance Committee. Ongoing.

Finalize Board Orientation Schedule. Governance Committee. Ongoing.

American Association of Registrars and Admissions Officers
2014/2015 Budget Worksheet
Detailed Master Proposed Budget

	2014-15 Operating Total	2013-14 Operating Total	Differences
Revenue			
Advertising	**$ 191,600**	$187,400	$ 4,200
Contributions	**-**	$0	$ -
Corporate/associate dues	**125,000**	$120,000	$ 5,000
Exhibit fees	**580,935**	$610,113	$ (29,178)
Grant/contract income	**-**	$0	$ -
Interest income	**800**	$5,000	$ (4,200)
Investment gain/(loss)	**-**	$0	$ -
Label/mailing list income	**-**	$0	$ -
Management fees	**-**	$0	$ -
Member dues	**2,477,852**	$2,429,084	$ 48,768
Other income	**35,000**	$0	$ 35,000
Publication sales	**766,500**	$708,750	$ 57,750
Registrations	**2,455,928**	$2,297,319	$ 158,609
Service fees	**3,918,088**	$3,797,188	$ 120,900
Sponsorship revenue	**361,375**	$363,575	$ (2,200)
			$ -
Total Revenue	**10,913,078**	**$10,518,429**	$ 394,649
			$ -
Personnel costs			
Salaries and Wages	**3,278,893**	$3,128,163	$ 150,730
Fringe Benefits	**652,725**	$651,513	$ 1,212
Payroll Taxes	**229,962**	$222,100	$ 7,862

Total Personnel costs	**4,161,580**	**$4,001,776**	$ 159,804
Other expenses			$ -
Advertising and promotion	**102,130**	$102,588	$ (458)
Awards, scholarships and grants	**5,139**	$9,719	$ (4,580)
Bad debt	**-**	$0	$ -
Bank charges	**215,334**	$200,743	$ 14,591
Consulting/outside services	**1,697,459**	$1,739,281	$ (41,822)
Contingency expenses	**120,000**	$115,750	$ 4,250
Depreciation	**219,851**	$223,145	$ (3,294)
Equipment rental	**3,900**	$6,900	$ (3,000)
General taxes	**5,000**	$5,000	$ -
Insurance	**59,333**	$51,547	$ 7,786
Interest	**-**	$0	$ -
Legal and accounting	**313,000**	$315,028	$ (2,028)
Lodging	**293,164**	$299,227	$ (6,063)
Marketing	**28,840**	$23,060	$ 5,780
Meals and entertainment	**184,963**	$181,080	$ 3,882
Meeting costs	**1,411,828**	$1,307,676	$ 104,152
Memberships and subscriptions	**94,000**	$52,520	$ 41,480
Other expenses	**26,857**	$32,169	$ (5,313)
Postage and delivery	**124,528**	$108,456	$ 16,072
Printing, production and duplicating	**329,735**	$314,185	$ 15,550
Registration fees	**13,000**	$20,100	$ (7,100)
Rent	**309,012**	$360,439	$ (51,427)
Supplies, equipment and maintenance	**151,157**	$154,929	$ (3,772)
Communications/internet	**129,680**	$128,157	$ 1,523
Temporary assistance		$7,608	$

	10,225		2,617
Training and development	**23,700**	$18,450	$ 5,250
Travel	**467,961**	$455,465	$ 12,496
			$ -
Total Other Expenses	**6,339,797**	**$6,233,224**	$ 106,573
Total Expenses	**10,501,377**	**$10,234,999**	$ 266,377
Change in Net Assets FY 14/15 Budget	**411,701**	**$283,429**	$ 128,272

12/17/2013
12/30/2013

Independent Auditor's Report on the Financial Statements

To the Board of Directors
American Association of Collegiate
Registrars and Admissions Officers

We have audited the accompanying financial statements of American Association of Collegiate Registrars and Admissions Officers (the Association), which comprise the statements of financial position as of September 30, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Association of Collegiate Registrars and Admissions Officers as of September 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Washington, DC
December 16, 2013

American Association of Collegiate Registrars and Admissions Officers

Statements of Financial Position

September 30,	2013	2012
Assets		
Cash and cash equivalents	**$ 1,953,164**	$ 1,778,060
Investments	**7,770,712**	6,778,116
Accounts receivable	**250,364**	316,792
Prepaid expenses and other assets	**315,547**	340,036
Property and equipment	**585,543**	609,923
Total assets	**$ 10,875,330**	$ 9,822,927
Liabilities and Net Assets		
Accounts payable	**$ 141,002**	$ 155,816
Accrued expenses	**383,475**	326,671
Deferred revenue	**2,377,822**	2,122,376
Deferred rent	**181,583**	172,688
Total liabilities	**3,083,882**	2,777,551
Commitment and contingency	**-**	-
Net assets		
Unrestricted	**7,704,784**	6,961,572
Temporarily restricted	**86,664**	83,804
Total net assets	**7,791,448**	7,045,376
Total liabilities and net assets	**$ 10,875,330**	$ 9,822,927

American Association of Collegiate Registrars and Admissions Officers

Statements of Activities

Year Ended September 30,		2013		2012
Unrestricted activities				
Revenue and support				
Service fees	**$**	**2,845,554**	$	3,007,048
Membership fees		**2,427,839**		2,358,334
Registrations		**1,994,076**		1,928,936
Publications sales		**850,915**		692,948
Exhibit fees		**486,900**		504,500
Sponsorships		**343,350**		312,650
Advertising		**189,547**		190,771
Corporate dues		**122,298**		116,496
Other income		**35,059**		38,524
Interest income		**608**		828
Total revenue and support		**9,296,146**		9,151,035
Expense				
Program services				
International education services		**1,398,334**		1,182,957
Annual meeting		**1,161,480**		980,840
Project, contracts and consulting		**1,136,016**		1,352,700
Meetings and workshops		**1,124,123**		1,185,621
Communications / government relations		**644,843**		584,397
Membership services		**349,972**		343,462
Publications		**318,472**		308,216
Total program services		**6,133,240**		5,938,193
Supporting services				
General and administrative		**2,607,328**		2,534,572
Governance		**303,472**		365,628
Total supporting services		**2,910,800**		2,900,200
Total expense		**9,044,040**		8,838,393
Change in unrestricted net assets from operations		**252,106**		312,642
Investment income		**491,106**		467,069
Change in unrestricted net assets		**743,212**		779,711
Temporarily restricted activities				
Contributions		**2,800**		4,000
Interest income		**60**		166
Change in temporarily restricted net assets		**2,860**		4,166
Change in net assets		**746,072**		783,877
Net assets, beginning of year		**7,045,376**		6,261,499
Net assets, end of year	**$**	**7,791,448**	$	7,045,376

American Association of Collegiate Registrars and Admissions Officers

Statements of Cash Flows

Year Ended September 30,	2013	2012
Cash flows from operating activities		
Change in net assets	**$ 746,072**	$ 783,877
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net gain on investments	**(340,396)**	(357,673)
Accounts receivable written-off	**16,278**	-
Change in allowance for doubtful accounts	**-**	(71,784)
Obsolete inventory written-off	**9,560**	12,963
Depreciation and amortization	**204,415**	188,387
Changes in assets and liabilities:		
Accounts receivable	**50,150**	64,792
Prepaid expenses and other assets	**14,929**	5,279
Accounts payable	**(14,814)**	(173,232)
Accrued expenses	**56,804**	(51,700)
Deferred revenue	**255,446**	(293,849)
Deferred rent	**8,895**	14,698
Total adjustments	**261,267**	(662,119)
Net cash provided by operating activities	**1,007,339**	121,758
Cash flows from investing activities		
Proceeds from sales or maturities of investments	**9,595,134**	7,291,169
Purchases of investments	**(10,247,334)**	(7,270,233)
Purchases of property and equipment	**(180,035)**	(44,363)
Net cash used in investing activities	**(832,235)**	(23,427)
Net increase in cash and cash equivalents	**175,104**	98,331
Cash and cash equivalents, beginning of year	**1,778,060**	1,679,729
Cash and cash equivalents, end of year	**$ 1,953,164**	$ 1,778,060

AACRAO Board of Directors
Finance and Investment Committee
Updates and Recommendations

The Finance and Investment committee met on February 6, 2014 at 4:04 PM Eastern Standard Time. During this time, the 2014-15 annual budget and recommendations from the Sardana Group in relationship to the Board Handbook and investment changes were reviewed.

The committee approved the following changes to the investment structure. These changes do not require a full board approval as the reallocation falls within board policy.

Asset Class / Investment Manager	Current Allocation (%)	Proposed Allocation (%)	Purpose
Fixed Income	***34.0%***	***30.0%***	
Reinhart Intermediate Bond	12.0%	8.0%	Total Return (Interest + Appreciation)
PIMCO Total Return	8.5%	7.0%	Total Return (Interest + Appreciation)
Bradford & Marzec Core Plus	8.5%	7.0%	Total Return (Interest + Appreciation)
Oppenheimer Senior Floating Rate Fund	0.0%	3.0%	Diversification & Rising Interest Rate Hedge
Market Vectors Emerging Markets Bond ETF	5.0%	5.0%	Total Return (Interest + Appreciation)
Equity	***56.0%***	***56.0%***	
Risk Mitigation Strategies (Stadion & NorthCoast)	23.0%	23.0%	Downside Protection
Domestic Equity (Horizon Research & NFJ Dividend Value)	10.0%	10.0%	Excess Return + Growth
International Equity (First Eagle Overseas & WHV International)	10.0%	10.0%	Excess Return + Growth
Emerging Markets Mutual Funds (RS, Delaware, & Oppenheimer)	4.0%	4.0%	Excess Return + Growth
Global Demographics	6.0%	6.0%	Growth
iShares Utilities ETF, iShares Preferred Stock ETF, Steelpath MLP Fund	3.0%	3.0%	High Income
Alternative Strategies	***10.0%***	***14.0%***	
Eaton Vance Global Macro Absolute Return Fund	4.5%	4.0%	Rising Interest Rate Hedge
John Hancock Global Absolute Return Fund	0.0%	2.5%	Non-correlated Returns
Wells Fargo Absolute Return Fund	0.0%	2.5%	Non-correlated Returns
PIMCO All Asset All Authority Fund	4.5%	4.0%	Purchasing Power/Real Return
Cohen & Steers International Real Estate Fund	1.0%	1.0%	High Income
Total	***100.0%***	***100.0%***	

The committee recommends the following as motions:

1. Changes to Investment Objectives and Asset Allocation in the Board Handbook policy:

7.2. Investment Objectives - The primary investment objective of the long-term investment funds is to achieve absolute positive return over a complete market cycle of rolling 5 year periods. For all AACRAO Funds (Endowment, Infrastructure, and Strategic Initiatives), performance will be measured in a three dimensional way. The following are the performance goals measured over a complete market cycle (3-5 years):

7.2.1 Achieve a rate of return net of fees which meets or exceeds CPI + 4% ~~the blended benchmark (comprised of the weighted average return of the applicable indicice)~~.

7.2.2 Achieve a risk-adjusted return, net of fees, greater than the blended benchmark.

7.2.3 Achieve a higher compounded dollar-value than the blended benchmark.

7.5. Asset Allocation – The long-term investment fund will have a specific asset allocation in order to serve its purpose effectively. The specific asset allocation for the long-term investment fund is listed in Addendum I. From time to time and with the advice of the financial advisor(s), the Finance and Investments Committee may amend the asset allocations in Addendum I without Board approval as long as it stays within ranges below. However, the mix of assets in any of the long-term investment funds should fall within the following tactical ranges:

7.5.1. Cash: 0-~~20~~10%

7.5.2. Equities: ~~30~~40-85%

7.5.3. Fixed Income: 15-~~70~~60%

7.5.4. Alternative Investments: 0-30%

2. Adoption of the 2014-15 Budget as presented by the executive director.

Past President’s Report, including one motion:

I have discussed the step in the awards process where AACRAO staff contact nominees to ask them to provide information on their involvement with AACRAO with the chair of the Awards Committee, Dorene Root, and have a revised motion that we believe is workable.

Moved that we eliminate the step in the Awards process where nominees are asked to provide information on their AACRAO involvement prior to the Awards Committee decision except in those cases where the Awards Committee feels that additional information is necessary.

Jeff von Munkwitz-Smith, Past President
February 7, 2014