

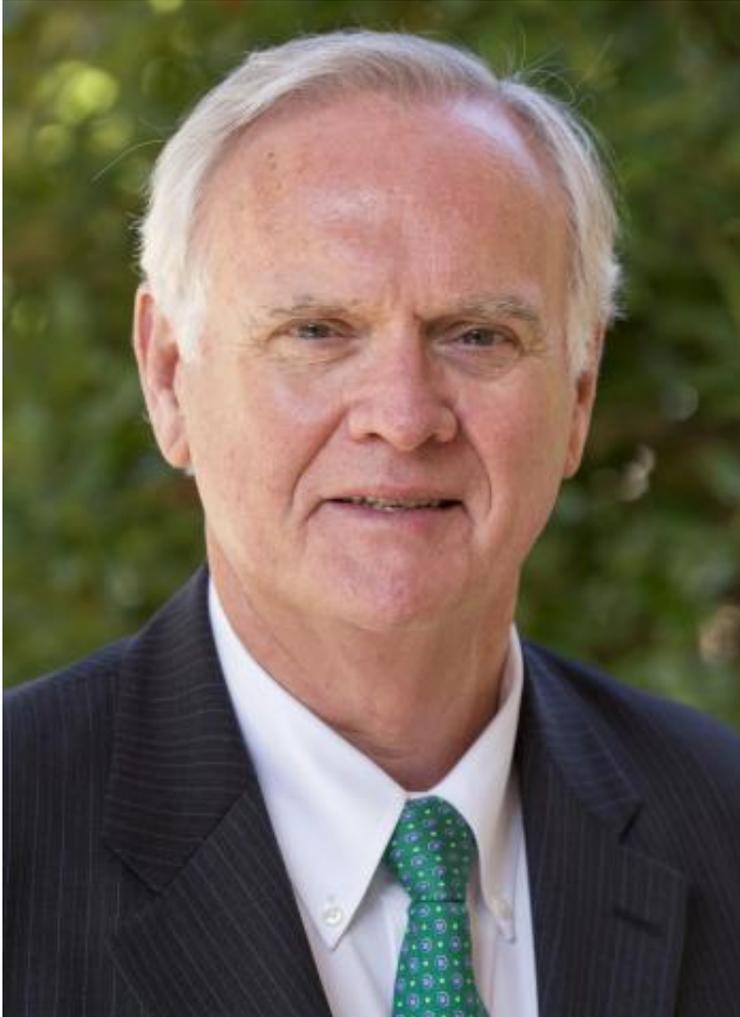


School of Government Foundation

Author : Mike Smith

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The School of Government's Foundation Board recently met in November. The Board only meets twice a year—once in the fall and again in the spring. In the interest of overall transparency, I thought it might be helpful to give you some idea about the role of our Foundation and the Board.

Financial Support. The School's Foundation was established in 1996 and it exists to strengthen financial support for all of our work—everything from faculty research, student scholarships, staff



support, professional development, and general operating needs. Private fundraising is a significant source of the money in the Foundation. For example, the money for the School's endowed professorships is located in and invested through the Foundation. It also has given us the flexibility to strategically manage the School's other money. For example, local governments pay their membership dues into the Foundation and we transfer the money to the School throughout the fiscal year to cover general operating costs as needed. In those years when the School has unspent state funds (vacant positions, for example, or a retired senior faculty member is replaced with a more junior person at a lower salary), we use those unspent state funds to cover expenses and leave a corresponding amount of dues in the Foundation. Over the last twenty years we have used that strategy successfully to increase the size of our endowment.

The existence of the Foundation endowment also gives us much-needed flexibility. For example, the School is prohibited from using any state funds to support MPA@UNC. That was the condition imposed by the University in exchange for allowing us to keep our share of the program's tuition revenue. We simply could not have started MPA@UNC without using income from the endowment to cover its substantial start-up costs. The School has invested over \$1.2 million from the Foundation to support the online program.



Susan Patterson, Sanford City Attorney

In terms of the board members, they are legally responsible for the good stewardship of the Foundation endowment. In recent years the Board's guidance has been to use endowment income to explore activities that might generate more revenue for the School—as opposed to spending it down to plug holes caused by state budget cuts. I agree with that philosophy and my hope is that the strategic foresight process will identify some opportunities for investments that



might increase our impact and generate more revenue for the School.

A combination of private fundraising and good financial management has allowed the School to build an endowment with a balance of nearly \$16 million. We expect the endowment to generate \$800,000 in new income this fiscal year, and the use of that money is unrestricted. In many years we have reinvested the income—rather than spend it—in order to grow the endowment. Our working goal has been to grow the endowment and not permanently commit any of the annual income until it is generating \$1 million per year. As we approach that goal, we need to think strategically about the best way to invest that money for the future of the School.



Jeff Koeze, Managing Director, Koeze Co, and former faculty member

Good Advice. Another critically important role of the Foundation Board is to offer advice and guidance about the work of the School. I love our meetings because our board members are a diverse group that understands the School's mission and they are deeply committed to our success. [I encourage you to visit the website and look at the backgrounds of our current Board members.](#) Three former faculty members, three alumni of the MPA Program, a former Mayor of Charlotte, a former North Carolina Supreme Court Justice, a district court judge, city attorneys, representatives of foundations, a current member of the Charlotte City Council, a corporate representative with a deep understanding of public technology, and our partners from the North Carolina Association of County Commissioners and the North Carolina League of Municipalities.



Vi Lyles, Charlotte City Council, MPA Alum

I would describe our meetings as serious but not overly formal. We work very hard to take issues to the Board for feedback, and we try to keep one-way reports and information-sharing to a minimum. I want them to engage with us and offer candid advice on real issues. At our last meeting we asked them to review a draft case statement for the upcoming capital fundraising campaign. The feedback was incredibly helpful. Richard Vinroot delivered a soliloquy about the importance of the School in the life of the state that was powerful and it will help to shape our final statement. I love that they are comfortable enough to say that a particular phrase about budget cuts “sounds a little whiny” and should be deleted. Our Board understands government and North Carolina, and we benefit in countless ways from their good advice. Every organization needs honest critics who can bring an outside perspective that those closest to the work often cannot see.



Beth Keever, Chief District Court Judge

The Foundation Board members also help us with fundraising, and a number of them are significant financial supporters of the School. In addition to sharing their own resources with the School, many of them have been involved in helping us raise money from other individuals and companies.

Foundation Board members may be elected to two consecutive three-year terms, and a number of our current members will be leaving in the coming year. As we think about future members, I will solicit your ideas about people who might be particularly good candidates. The School of Government Foundation has been a remarkably valuable tool for us, and we are in a much stronger position as a School because of it.